FY 2015-16 GENERAL OMNIBUS BUDGET
Summary: House Committee Substitute
House Bill 4102 (H-1) Draft 1

Mary Ann Cleary, Director

TOTAL APPROPRIATIONS BY BUDGET AREA

Budget Area (Bill Page) [Summary Page]	FY 2015-16	
	Gross	GF/GP
Agriculture & Rural Development (1) [2]	$82,259,800	$43,073,600
Community Health (27) [8]	18,932,657,100	3,121,097,300
Corrections (109) [17]	1,966,226,000	1,908,948,400
Education (149) [23]	303,549,800	75,291,300
Environmental Quality (173) [28]	487,912,900	35,077,700
General Government (206) [32]		
Attorney General (207) [33]	*91,941,600*	*36,847,400*
Civil Rights (211) [35]	*16,128,700*	*12,949,700*
Executive Office (212) [37]	*5,916,100*	*5,916,100*
Legislature (213) [38]	*135,828,400*	*131,236,400*
Legislative Auditor General (215) [39]	*22,765,800*	*15,385,400*
State (217) [40]	*225,256,700*	*17,161,500*
Technology, Management, Budget (223) [42]	*1,256,406,300*	*470,380,800*
Treasury (229) [47]	*1,957,984,200*	*274,929,300*
Treasury – MSF (236) [52]	*938,682,500*	*158,707,000*
Subtotal: General Government	4,650,910,300	1,123,513,600
Human Services (372) [56]	5,721,385,100	968,456,400
Insurance & Financial Services (444) [64]	65,057,700	150,000
Judiciary (455) [66]	283,401,300	182,192,200
Licensing & Regulatory Affairs (474) [68]	539,296,100	22,894,700
Military & Veterans Affairs (508) [74]	163,953,700	48,187,300
Natural Resources (541) [77]	387,997,200	37,775,800
State Police (573) [81]	612,981,200	372,923,700
Transportation (597) [89]	3,635,722,500	139,521,100
TOTAL	**$37,833,310,700**	**$8,079,103,100**

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

FY 2015-16: DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
Summary: As Reported by House Subcommittee (HB 4094)
Article I, House Bill 4102 (H-1) Draft 1

Analyst: William E. Hamilton

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	*Difference: House From FY 2014-15 YTD* *Amount*	*%*
IDG/IDT	$318,100	$317,300	$317,300			*($800)*	*(0.3)*
Federal	10,126,200	10,427,900	10,427,900			*301,700*	*3.0*
Local	0	0	0			*0*	*--*
Private	98,300	128,100	128,100			*29,800*	*30.3*
Restricted	28,003,400	30,897,100	28,312,900			*309,500*	*1.1*
GF/GP	45,316,200	42,373,600	43,073,600			*(2,242,600)*	*(4.9)*
Gross	**$83,862,200**	**$84,144,000**	**$82,259,800**			***($1,602,400)***	***(1.9)***
FTEs	452.0	460.0	460.0			*8.0*	*1.8*

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5). (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

Gross appropriations in House Bill 4094 (H-1, Draft 1) are $1,884,200 less than the Governor's proposed budget; however, General Fund/General Purpose (GF/GP) appropriations in the House recommendation would be $700,000 higher than the Governor's proposal. The House bill does not recognize fee increases proposed by the Governor; instead, for those line items which had reflected fee revenue increases in the Governor's proposal, the House substitute includes $100 increases in baseline fee revenue pending agreement on various restricted fund fee increases.

House substitute also reflects a $700,000 GF/GP boilerplate appropriation in support of fruit tree research, as well as a $300,000 GF/GP appropriation to complete a commercial forestry audit started in the current fiscal year. The $300,000 increase would be offset by $150,000 reductions, each, in GF/GP support for the Qualified forest program and the One-time appropriation for laboratory equipment.

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 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
1. Operational Services	FTEs	15.0	0.0
This line item funds department business and administrative support functions, including centralized licensing functions. The proposed budget recognizes $673,700 in additional restricted funds to properly align fund sources with projected expenditures. This increase does not reflect a projected increase in baseline service activity or costs. In prior years, Operations Services costs have been charged to back to other program areas. This increase is partially offset by $2,700 Gross, ($800 GF/GP) decrease related to economic adjustments, described further below.	**Gross**	**$1,065,700**	**$671,000**
	Restricted	58,700	671,800
	GF/GP	$1,007,000	($800)
House concurs with Executive.			
2. Information Technology	**Gross**	**$1,460,000**	**($87,500)**
Reflects elimination of Agriculture Equine Industry Development Fund (AEIDF) revenue in this line item, and a $2,700 GF/GP decrease to reflect economics. House concurs with Executive.	IDG	3,200	0
	Restricted	149,400	(84,800)
	GF/GP	$1,307,400	($2,700)

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
3. Food Safety and Quality Assurance	FTEs	83.0	0.0
Executive budget had recognized $1.5 million proposed increase in food licensing and inspection fees and an additional 8.0 FTE positions. Fee revenue, established under the Food Law of 2000, is used to support department food safety programs.	**Gross**	**$12,378,200**	**($354,700)**
	Federal	1,255,000	(4,100)
	Restricted	3,432,000	(325,800)
	GF/GP	$7,691,200	($24,800)
House does not recognize the proposed fee increases; the substitute includes a $100 increase in baseline fee revenue pending agreement of proposed revision of fees in the Food Law of 2000.			
The line item also reflects the redirection of $347,100 in Dairy and Food Safely Fund revenue to Operational Services, described above, and a $31,300 increase in Consumer and Industry Food Safety Education fund support to reflect new allergen awareness requirements for food safety training programs under recent amendments to the Food Law of 2000 (Senate Bill 730 enacted as 2014 PA 516). The line also reflects economic adjustments which net to a $39,000 Gross ($24,800 GF/GP) decrease in anticipated program cost.			
4. Milk Safety and Quality Assurance	FTEs	30.0	0.0
Reflects the redirection of $37,900 in Dairy and Food Safely Fund revenue to Operational Services, described above, and economic adjustments netting to a $10,700 Gross ($9,900 GF/GP) decrease in anticipated program cost.	**Gross**	**$4,219,200**	**($48,600)**
	Federal	55,000	(100)
	Restricted	253,200	(38,600)
	GF/GP	$3,911,000	($9,900)
House concurs with Executive.			
5. Animal Industry - Disease Prevention and Response	FTEs	60.0	0.0
Reflects the redirection of $11,000 in Licensing and Inspection Fee revenue to Operational Services, described above, $69,400 increased restricted and federal revenue to better align budget to actual anticipated revenue, and economic adjustments netting to a $14,000 Gross ($12,500 GF/GP) decrease in anticipated program cost.	**Gross**	**$8,836,600**	**$44,400**
	Federal	565,400	18,800
	Restricted	257,800	38,100
	GF/GP	$8,013,400	($12,500)
House concurs with Executive.			
6. Pesticide and Plant Pest Management (PPPM)	FTEs	81.0	(1.0)
Executive budget reflects $1.2 million in proposed increases in pesticide, fertilizer, and feed licensing and regulatory fees used to support department's PPPM programs.	**Gross**	**$12,181,800**	**($130,600)**
	Federal	1,901,100	(5,300)
	Private	20,700	100
	Restricted	4,666,200	(109,300)
House does not recognize the proposed fee increases; the substitute includes a $100 increase in baseline fee revenue pending agreement on proposed fee increases.	GF/GP	$5,593,800	($16,100)
The line item also reflects the redirection of $169,500 in Licensing and Inspection Fee revenue to Operational Services, described above, $72,900 increased Commodity and Inspection Fee revenue to better align budget to actual anticipated revenue, and economic adjustments netting to a $34,100 Gross ($16,100 GF/GP) decrease in anticipated program cost. The reduction of one FTE is a technical adjustment.			
7. Producer Security/Grain Dealer Program	FTEs	5.0	0.0
Reflects the redirection of $7,800 in restricted revenue to Operational Services, described above, and $6,000 increased Licensing and Inspection Fee revenue to recognize transfer of potato dealer licensing program to this line item (formerly in PPPM). Economic adjustments net to a $1,100 Gross decrease in anticipated program cost – the GF/GP share of economic adjustments net to a $100 increase.	**Gross**	**$646,700**	**($2,900)**
	Restricted	629,200	(3,000)
	GF/GP	$17,500	$100
House concurs with Executive.			

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
8. Environmental Stewardship/ MAEAP/Local Conservation Districts	FTEs	23.0	0.0
House concurs with Executive in rolling up three current line items into a single line encompassing the department's conservation and freshwater protection programs. These programs are supported by the state restricted Freshwater Protection Fund, by federal grant funding, and by state GF/GP revenue. The line item would be defied in boilerplate section 601. (Note that the FY 2014-15 Year-to-Date figure to the right shows the three current line items as if they were already rolled up in order to show the changes in baseline funding.)	**Gross**	**$7,704,000**	**$424,500**
	Federal	1,343,200	298,800
	Restricted	5,013,000	129,800
	GF/GP	$1,347,800	($4,100)
Budget recognizes a $300,000 EPA grant related to Western Lake Erie Basin projects, and $140,000 related to a contract with Bayer CropScience LP.			
Although not recognized in the original enacted FY 2014-15 budget, and not included in the YTD total shown in the column to the right, the two grants/contracts noted above are also available to the department in the current year. Although the $300,000 EPA grant was not assumed in the current year enacted budget, boilerplate section 604 gives the department authority to receive and expend additional federal grants. In addition, the State Budget Office has requested (March 10, 2015 letter) a Legislative transfer to authorize the expenditure in the current fiscal year $140,000 related to the Bayer CropScience contract.			
Economic adjustments net to a $15,500 Gross ($4,100 GF/GP) decrease in anticipated program cost.			
9. Migrant Labor Housing	FTEs	9.0	0.0
The line item reflects the redirection of $26,200 in Migratory Labor Housing Fund revenue to Operational Services, described above. Migrant Labor Housing Fund revenue comes from an inspection fee established in 2010 PA 13 and 2010 PA 14. The line also reflects economic adjustments which net to a $1,500 Gross ($1,300 GF/GP) decrease in anticipated program cost. House concurs with Executive.	**Gross**	**$1,214,300**	**($27,700)**
	Restricted	164,600	(26,400)
	GF/GP	$1,049,700	($1,300)
10. Qualified Forest Program	FTE	9.0	0.0
House would offset $250,000 in GF/GP revenue with additional restricted revenue from the Private Forestland Development Fund. The House bill is $150,000 GF/GP less than the Executive budget proposal.	**Gross**	**$2,535,000**	**($2,500)**
	Restricted	35,000	249,900
	GF/GP	$2,500,000	($252,400)
Budget also reflects economic adjustments which net to $2,500 Gross ($2,400 GF/GP) decrease in anticipated program costs.			
11. Commercial Forestry Audit Program	**Gross**	**$150,000**	**$150,000**
Executive budget would eliminates funding for this program.	GF/GP	$150,000	$150,000
House includes $300,000 GF/GP to provide for the final two years of the three-year commercial forestry audit. (See related boilerplate Sec. 609.)			
12. Laboratory Services	FTEs	36.0	1.0
Reflects the redirection of $74,200 in restricted Licensing and Inspection Fee revenue to Operational Services, described above and economic adjustments which net to a $13,000 Gross ($5,300 GF/GP) decrease in anticipated program cost. House concurs with Executive.	**Gross**	**$5,409,200**	**($87,200)**
	IDG	213,500	(600)
	Federal	782,900	(1,800)
	Restricted	2,203,000	(79,500)
	GF/GP	$2,209,800	($5,300)
13. Consumer Protection Program	FTEs	41.0	(1.0)
Line supports motor fuel quality program, weights and measures, and metrology laboratory. Restricted revenue includes $3.4 million from the Refined Petroleum Fund. The line reflects economic adjustments which net to a $10,900 Gross ($0 GF/GP) decrease in anticipated program cost.	**Gross**	**$6,083,100**	**($10,900)**
	Restricted	6,082,500	(10,900)
	GF/GP	$600	$0
House concurs with Executive.			

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
14. Agriculture Development	FTEs	11.0	0.0
Program assists with local and regional economic development activities, including promotion of agricultural exports. Executive budget reflects economic adjustments.	**Gross**	**$3,579,500**	**$697,200**
	Federal	2,300,000	(1,800)
	Restricted	86,800	(200)
	GF/GP	$1,192,700	$699,200
House includes $700,000 GF/GP to support fruit tree industry research. (See related boilerplate Sec. 702.)			
15. Grape and Wine Program	FTEs	3.0	0.0
Recognizes additional $30,000 in restricted revenue (non-retail liquor fees) to better reflect actual anticipated revenue. Reflects economic adjustments which net to a $2,000 Gross ($0 GF/GP) decrease in anticipated program cost. House concurs with Executive.	**Gross**	**$858,500**	**$28,000**
	Restricted	828,500	28,000
16. Strategic Growth Initiative	**Gross**	**$2,050,000**	**($950,000)**
Executive budget would combine two current year grant programs, Rural Development Value-Added grants, and Food and Agriculture Industry Growth Initiative, into a single line-item grant program, Strategic growth initiative, funded at $1.1 million GF/GP. This is $950,000 less than the current total funding for the two combined programs. The FY 2014-15 Adjusted Year-To-Date figure to the right is the total for the two current year line items House concurs with Executive.	GF/GP	$2,050,000	($950,000)
17. Horse Racing Programs	FTEs	3.0	(2.0)
The fund source for this line item is the Agriculture Equine Industry Development Fund (AEIDF). Budget reduces funding and 2.0 FTE positions for fairs and racing administration functions. Budget retains current year funding for horse racing awards and purse supplements.	**Gross**	**$3,167,300**	**($100,100)**
	Restricted	3,167,300	(100,100)
House concurs with Executive.			
18. County Fairs Capital Improvement Grants	**Gross**	**$320,000**	**($150,000)**
Executive budget would reduce funding for county fairs capital improvement grants program to $170,000. House concurs with Executive.	GF/GP	$320,000	$150,000)
19. Shows and Expositions	**Gross**	**$50,000**	**($50,000)**
Executive budget would eliminate shows and expositions grant program. House concurs with Executive.	GF/GP	$50,000	($50,000)
20. Food and Agriculture Industry Strategic Growth Initiative (One-Time)	**Gross**	**$1,400,000**	**($1,400,000)**
Executive eliminates one-time GF/GP competitive grant program. The original appropriation was $2.0 million; reduced by $600,000 after Executive Order 2015-5. House concurs with Executive.	GF/GP	$1,400,000	($1,400,000)
21. Muskegon Farmers Market (One-Time)	**Gross**	**$200,000**	**($200,000)**
Eliminates one-time GF/GP authorization for a grant award to the Muskegon Farmers Market. House concurs with Executive.	GF/GP	$200,000	($200,000)
22. Ottawa County Agriculture Incubator (One-Time)	**Gross**	**$500,000**	**($500,000)**
Eliminates one-time GF/GP authorization for a grant award to Ottawa County to establish the nonprofit Ag-Tech Business Incubator. House concurs with Executive.	GF/GP	$500,000	($500,000)
***23. One Item Capital Equipment for Geagley Laboratory* – NEW**	**Gross**	**$0**	**$350,000**
Executive budget included $500,000 one-time GF/GP funding for laboratory testing equipment. House is $150,000 GF/GP less than the Governor's proposal.	GF/GP	$0	$350,000
24. Economic Adjustments	**Gross**	**NA**	**($167,400)**
Reflects net cost reduction of $167,400 million Gross ($92,600 GF/GP) for negotiated salary and wage amounts (2.0% base increase), insurance rate increases, reductions in actuarially-determined retirement rates, and other economic adjustments. These adjustments are reflected in the line item changes described above.	IDG	NA	(800)
	Federal	NA	(18,100)
	Private	NA	(200)
	Restricted	NA	(55,700)
	GF/GP	NA	($92,600)

Major Boilerplate Changes From FY 2014-15

***Sec. 303. On-Line Licensing Applications* – NEW**
Indicates Legislative intent that the department use revenue from licensing and inspection fees to increase the use of technology in licensing and inspection activities to make licensing and inspection functions, including reporting, more efficient. Directs the department to work to ensure that all license and registration applications can be completed on-line through a secure web portal.

***Sec. 401. Food Safety and Quality Assurance* – NEW**
Directs that from the additional funds appropriated for food safety programs in Part 1, from proposed increases in food safety licensing and inspection fees, the department increase the number of inspections at licensed food establishments. The section further directs the department to identify specific outcomes and performance measures.

***Sec. 402. Food Safety Report* – MODIFIED**
Retains the current report on food-borne outbreaks and emergencies related to food safety, but as a part of the department's Food and Dairy annual report. Retains the April 1 reporting due date.

***Sec. 451. Bovine Tuberculosis Split State Status* – MODIFIED**
Requires department to pay for all whole-herd and individual-animal testing costs to maintain split-state status, including indemnity. Makes minor wording change.

***Sec. 453. Indemnification Payments* – RETAINED**
Authorizes department to provide for indemnity pursuant to Animal Industry Act; limits indemnification orders to $100,000 per order; provides for report. Subsection (2) authorizes department to indemnify for livestock killed by wolves, coyotes, or cougars. Subsection (3) provides for a report.

***Sec. 454. Bovine TB* – MODIFIED**
Directs department to collaborate with USDA and work to eradicate Bovine TB; minor changes to wording.

***Sec. 456. Electronic Animal Identification (EID)* – RETAINED**
Prohibits use of funds to enforce EID program for domestic animals other than cattle without specific authorization in statute.

***Sec. 457. Bovine TB Report* – RETAINED**
Requires quarterly report on Bovine TB program.

***Sec. 458. Aquaculture and Viral Hemorrhagic Septicemia (VHS) Eradication Programs* – DELETED**
Requires department support for inspection and testing of aquaculture facilities; states legislative intent with regard to VHS surveillance program.

***Sec. 459. Bovine TB Testing, Legislative Intent* – RETAINED**
Indicates that it is the intent of the Legislature 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* – NEW**
Directs that from the additional funds appropriated for PPPM programs in Part 1, from proposed fee increases, the department improve its ability to perform proper surveillance of the fertilizer and pesticide industries.

***Sec. 601. Environmental Stewardship* – MODIFIED**
Clarifies intent of line item funding: "*The funds appropriated in part 1 for environmental stewardship/MAEAP shall be used 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. 603. Local Conservation Districts* – DELETED**
Deletes current language that directs the use of money appropriated for local conservation districts in Part 1. The proposed budget would roll up the Local Conservation District line item into the MAEAP/Environmental Stewardship line item.

***Sec. 604. Appropriation of Excess Federal Revenues* – RETAINED**
Authorizes the department to expend federal revenues in excess of the appropriation under section 107 in part 1 upon notification of the Legislature.

***Sec. 605. MAEAP Restrictions* – DELETED**
Current language restricts funding for the Michigan Agriculture Environmental Assurance Program (MAEAP) to the specific MAEAP appropriation in Part 1. The proposed budget would roll up the MAEAP line item into a new MAEAP/Environmental Stewardship line item.

***Sec. 607. Inter-County Drain Program* – DELETED**
Indicates legislative intent that department continue its activities as provided under the Drain Code.

***Sec. 608. Qualified Forest Program* – RETAINED**
Defines purpose of program as increasing knowledge of nonindustrial private forestland owners' best management practices and increasing the amount of commercial timber production from those lands.

Major Boilerplate Changes From FY 2014-15

***Sec. 609. Commercial Forestry Audit Program* – MODIFIED**
Defines purpose and uses of commercial forestry audit appropriation in par 1; indicates appropriation is a work project; provides for a report.

***Sec. 701. Rural Development Value Added Grant Program* – DELETED**
Deletes current language that provided guidance for the program. The proposed budget would roll up this grant program into a new Strategic Growth Initiative grant program.

***Sec. 702. Tree Fruit Study Research* – NEW**
Earmarks $700,000 from the Agriculture Development line as matching funds for tree fruit research. Provides work project status.

***Sec. 706. Agricultural Development* – MODIFIED**
Requires department to report on agricultural development and export market development activities; modifies to establish specific reporting requirement for grants.

***Sec. 711. Strategic Growth Initiative Grant Program* – MODIFIED**
Modifies current language that had applied to the "food and agriculture industry growth initiative" grant program and instead references a new Strategic Growth Initiative grant program; provides guidance for program grants.

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

***Sec. 802. Agriculture Equine Fund Reduction* – RETAINED**
Requires that department make proportionate reductions in AEIDF appropriations, except for the racing commission and laboratory analysis, if AEIDF revenue falls below original appropriation amounts.

***Sec. 803. Thoroughbred/Standardbred Program Escrow* – RETAINED**
Provides for "escrowing" program funds.

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

***Sec. 805. County Fair Capital Grant Program* – RETAINED**
Provides for matching program for county fair capital grants appropriated in part 1.

***Sec. 806. Shows and Expositions Grants* – DELETED**
Established conditions for grant program that is not included in proposed budget.

***Sec. 1101. Food and Agriculture Industry Value-Added Grant Program* – DELETED**
Deletes language that provided criteria for One-time grant program; this program is not included in FY 2015-16 proposed budget.

FY 2015-16: DEPARTMENT OF COMMUNITY HEALTH
Summary: As Reported by House Subcommittee (HB 4114)
Article IV, House Bill 4102 (H-1) Draft 1

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

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	*Difference: House From FY 2014-15 YTD* *Amount*	*%*
IDG/IDT	$9,425,900	$9,678,100	$9,678,100			*$252,200*	*2.7*
Federal	12,455,907,600	13,465,957,200	13,457,655,100			*1,001,747,500*	*8.0*
Local	227,120,400	85,984,600	85,961,700			*(141,158,700)*	*(62.2)*
Private	127,856,600	127,698,700	127,698,700			*(157,900)*	*(0.1)*
Restricted	2,135,694,400	2,289,035,100	2,130,566,200			*(5,128,200)*	*(0.2)*
GF/GP	3,088,706,800	2,993,251,300	3,121,097,300			*32,390,500*	*1.0*
Gross	**$18,044,711,700**	**$18,971,605,000**	**$18,932,657,100**			***$887,945,400***	***4.9***
FTEs	3,659.1	3,683.1	3,683.1			*24.0*	*0.7*

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5 and House Bill 4112). (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Department of Community Health budget provides funding for a wide range of behavioral health (mental health and substance use disorder), public health, and medical services programs, including Medicaid and the Healthy Michigan Plan. Established in 1996, the Department also includes the Office of Services to the Aging, the Crime Victim Services Commission, and health policy.

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
1. Base Medicaid, MIChild, and Federal Medicare Pharmaceutical Program Cost Increases	**Gross**	**$12,915,340,200**	**$104,456,200**
The Executive includes increase of $104.5 million Gross ($20.2 million GF/GP) for caseload, utilization, and inflation adjustments for Medical Services, Behavioral Health Services, Children's Special Health Care Services, Federal Medicare Pharmaceutical Program, and Family Support Subsidy. Amount also includes the Federal Medical Assistance Percentage (FMAP) adjustment from 65.54% to 65.60% and the Enhanced FMAP adjustment from 75.88% to 98.92%, offsetting $22.9 million GF/GP. The House concurs, with a technical adjustment to offset an additional $805,000 GF/GP with federal funds based on Enhanced FMAP adjustments.	IDG	2,999,900	(11,000)
	Federal	8,448,405,800	86,573,000
	Local	45,465,200	0
	Private	2,100,000	0
	Restricted	1,900,374,300	(1,536,100)
	GF/GP	$2,515,995,000	$19,430,300
2. Healthy Michigan Plan (HMP) Cost Increases	**Gross**	**$2,651,022,800**	**$815,762,200**
The Executive includes projected increase in FY 2014-15 HMP costs of $361.1 million and projected increase in FY 2015-16 HMP costs of $454.6 million, reflecting increased federal funding for caseload, utilization, and inflation adjustments in Medical Services and Behavioral Health Services for Healthy Michigan Plan/Medicaid expansion. HMP costs are funded with 100% federal revenue through the end of calendar year 2016. The House concurs and also includes FY 2014-15 supplemental adjustments for HMP in the FY 2015-16 budget bill (see page 16).	Federal	2,651,022,800	815,762,200
	GF/GP	$0	$0
3. Actuarial Sound Capitation Payment Rates Adjustments	**Gross**	**$9,820,800,900**	**$170,040,500**
The Executive provides $170.0 million Gross ($38.0 million GF/GP) to increase capitation payment rates for Medicaid Health Plans 2.0% and Prepaid Inpatient Health Plans (PIHPs) 1.5% to comply with federal requirement that rates for these managed care entities are actuarially sound. Line items increased include Medicaid mental health services, Medicaid substance use disorder services, Healthy Michigan Plan – behavioral health, health plan services, and Healthy Michigan Plan. The House concurs.	IDG	2,999,900	0
	Federal	7,402,104,700	132,035,300
	Local	38,846,400	0
	Restricted	1,235,226,000	0
	GF/GP	$1,141,623,900	$38,005,200

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
DEPARTMENTWIDE ADMINISTRATION			
4. Administrative Hearing System Costs	**Gross**	**$1,424,600**	**$1,039,400**
The Executive increases funding for administrative hearing costs related to DCH programs by $1.0 million gross ($519,700 GF/GP): $139,400 for new charges for related rent and information technology costs, and $900,000 transferred from Department of Licensing and Regulatory Affairs (LARA) for Healthy Michigan Plan related hearings costs. LARA is paid to administer the hearings system through an interdepartmental grant, and the appropriation should reside within DCH budget. The House concurs.	Federal	704,000	519,700
	GF/GP	$720,600	$519,700
5. Economic Adjustments	**Gross**	**NA**	**($607,500)**
The Executive includes a net reduction of $607,500 Gross ($232,100 GF/GP) for the following economics adjustments for employees and other: negotiated salary and wage increases (2.0% base increase), insurance rate increases, reductions in actuarially-determined retirement rates, and increases for worker's compensation, building occupancy, and rent. There are no economic adjustments recommended for costs for food, gas, fuel, or utilities for state hospitals and centers. The House concurs.	IDG	NA	(5,500)
	Federal	NA	(250,400)
	Local	NA	(42,800)
	Private	NA	(400)
	Restricted	NA	(76,300)
	GF/GP	NA	($232,100)
6. Administrative Savings from DCH/DHS Merger	**Gross**	**$64,816,200**	**($2,243,000)**
The House includes assumed savings totaling $2,243,000 GF/GP from the merger of the Department with the Department of Human Services, as proposed in Executive Order 2015-4, effective April 10, 2015. The following savings are assumed: $350,000 Director line item, $1,650,000 Departmental Administration and Management line item, and $243,000 Information Technology line item. YTD shown includes all three line items.	Federal	32,920,500	0
	Restricted	2,657,700	0
	GF/GP	$29,238,000	($2,243,000)
BEHAVIORAL HEALTH SERVICES			
7. Mental Health and Wellness Commission	FTE	0.0	1.0
The Executive provides $5.0 million Gross ($1.9 million GF/GP) and 1.0 FTE for a 12-bed psychiatric residential treatment facility and a children's behavioral action team with an emphasis on children residing at Hawthorn Center; provides $1.5 million GF/GP designated as one-time basis only to coordinate child trauma response and to partially offset reductions from Executive Order 2015-5; and removes $6.1 million Gross ($2.1 million GF/GP) designated as one-time basis funding appropriated in FY 2014-15. The House concurs with all adjustments except that funding for 12-bed psychiatric residential treatment facility and children's behavioral action team is reduced to $2.7 million Gross ($1.0 million GF/GP), requiring a roughly 6-month delay in implementation.	**Gross**	**$33,625,000**	**($1,834,400)**
	Federal	22,205,000	(2,258,000)
	GF/GP	$11,420,000	$423,600
8. Mental Health Jail Diversion and Transition	FTE	1.0	0.0
The Executive restores an Executive Order 2015-5 reduction of $300,000 GF/GP and transfers in $1.0 million GF/GP from Department of Corrections for jail diversion and transition programming. The House concurs.	**Gross**	**$3,050,000**	**$1,300,000**
	GF/GP	$3,050,000	$1,300,000
9. Community Mental Health (CMH) Non-Medicaid Services	**Gross**	**$117,050,400**	**$0**
The Executive replaces $20.0 million in one-time Roads and Risks Reserve funds with an equal amount of GF/GP to maintain annual CMH Non-Medicaid funding at $117.1 million. The $20.0 million in one-time Roads and Risks Reserve funds was included in the current year supplemental, HB 4112. The House concurs.	Restricted	20,000,000	(20,000,000)
	GF/GP	$97,050,400	$20,000,000
10. Community Mental Health (CMH) Purchase of State Services	**Gross**	**$278,931,200**	**($139,465,600)**
The Executive eliminates the transfer of GF/GP to local Community Mental Health Services Programs (CMHSP) for the purchase of state services, reducing the corresponding $139.5 million in local revenue appropriated for state psychiatric hospitals. The GF/GP currently appropriated for CMHSP purchase of state services is instead directly appropriated to support the state psychiatric hospitals. The House concurs.	Local	139,465,600	(139,465,600)
	GF/GP	$139,465,600	$0

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
11. Liquor License Fee Increases	**Gross**	**$1,784,200**	**$913,200**
The Executive provides $913,200 in restricted funds to support fetal alcohol syndrome disorders. Restricted funds would be available through Executive proposal for increased liquor fees, which have a statutory requirement for 3.5% of license fees to be used for prevention, rehabilitation, care, and treatment of alcoholics and 15% of the fee charged for the issuance of licenses to sell spirits or mixed spirit drinks on Sunday to be used for the treatment of alcoholics. Remaining liquor license fee revenue appropriated in Licensing and Regulatory Affairs (LARA) budget. The House concurs.	Restricted	1,784,200	913,200
	GF/GP	$0	$0
12. One-Time Drug Policy Initiatives	**Gross**	**$0**	**$100**
The Executive provides $1.5 million GF/GP on a one-time basis to support a new initiative for prescription drug abuse prevention and treatment. Funding targeted to reduce prescription drug abuse and to support those seeking recovery. The House includes a $100 placeholder for this item.	GF/GP	$0	$100
13. Children's Waiver Home Care Program	**Gross**	**$21,544,900**	**($1,544,900)**
The Executive revises fund sourcing for the children's waiver home care program by offsetting $1.4 million in federal funds that are not available with GF/GP. The House concurs and also reduces program funding by $1.5 million Gross ($531,400 GF/GP) to reflect anticipated program expenditure levels based on historic expenditure trends.	Federal	15,488,700	(2,368,700)
	GF/GP	$6,056,200	$823,800
STATE PSYCHIATRIC HOSPITALS & FORENSIC MENTAL HEALTH SERVICES			
14. State Psychiatric Hospitals – Pharmacy Costs	**Gross**	**NA**	**$567,600**
The Executive provides $567,600 Gross ($449,100 GF/GP) for a 5% inflationary increase for pharmacy costs at the state's 4 psychiatric hospitals and the Forensic Center. The House concurs.	Federal	NA	38,200
	Local	NA	39,400
	Restricted	NA	40,900
	GF/GP	NA	$449,100
15. State Psychiatric Hospitals – Placeholder Adjustments	**Gross**	**NA**	**($400)**
The House applies a negative $100 GF/GP placeholder adjustment to the line item for each of the four psychiatric hospital line items excluding the Center for Forensic Psychiatry.	Federal	NA	0
	Local	NA	0
	Restricted	NA	0
	GF/GP	NA	($400)
PUBLIC HEALTH ADMINISTRATION			
16. Reinstate Public Health and Wellness Reductions	**Gross**	**$46,836,100**	**$3,000,000**
The Executive reinstates the following funds reduced in the current fiscal year by Executive Order 2015-5: $1.5 million GF/GP for essential local public health services, and $1.5 million GF/GP for health and wellness initiatives including breast cancer screening and services. Year-to-date (YTD) amount shown is for both line items. The House concurs.	Local	5,150,000	0
	Restricted	5,210,700	0
	GF/GP	$36,475,400	$3,000,000
HEALTH POLICY			
17. Health Policy – Federal Grant for Blueprint for Health Innovation	**Gross**	**$20,000,000**	**$30,000,000**
The Executive recognizes a $30.0 million increase in federal state innovation model (SIM) grant funds to implement Michigan's Blueprint for Health Innovation, supporting major innovations in health care service delivery and payment systems. The grant totals $70.0 million over 4 years. Authorization for the initial $20.0 million was recently enacted in FY 2014-15 supplemental, HB 4112. Also adds new related boilerplate Sec. 718, including outcomes and performance measures. The House concurs, and includes revised Sec. 718 boilerplate.	Federal	20,000,000	30,000,000
	GF/GP	$0	$0
18. Health Innovation Grants	**Gross**	**$1,500,000**	**($1,499,900)**
The House reduces state GF/GP funding for Health Innovations Grants, leaving a $100 placeholder for the line item, and concurs with Executive revisions to related Sec. 717 boilerplate. The Executive had recommended no funding changes.	GF/GP	$1,500,000	($1,499,900)

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
19. Newborn Screening	**Gross**	**$14,070,500**	**$2,060,900**
The Executive increases funding for newborn screening and treatment program, and related laboratory and vital records services by $2.1 million from state restricted newborn screening fees. Additional revenues are from fee increases for inflation and for new tests as recommended by the Quality Assurance Advisory Committee, pursuant to the Public Health Code. YTD amount shown includes funding for all newborn screening services. The House concurs.	Restricted	14,070,500	2,060,900
	GF/GP	$0	$0
CHRONIC DISEASE, INJURY PREVENTION, & HEALTH PROMOTION			
20. Chronic Disease Prevention	**Gross**	**NA**	**$3,520,000**
The Executive includes $3.5 million authorization for a new 4-year federal grant to support coordinated population approaches and reduce disparities in prevention of adult chronic disease, including obesity, diabetes, heart disease and stroke. The House concurs.	Federal	NA	3,520,000
	GF/GP	NA	$0
21. Other Public Health Federal Grants	FTE	NA	4.0
The Executive recognizes additional federal grant adjustments for public health and family, maternal, and child health programs totaling $2.3 million, including: five new grants totaling $2.9 million, removal of one completed grant of $850,000, and an increase of $286,000 to one ongoing grant. New grants address immunization, lead poisoning prevention, environmental public health tracking, and school readiness for children with high health needs. The House concurs.	**Gross**	**NA**	**$2,348,200**
	Federal	NA	2,348,200
	GF/GP	NA	$0
22. Trauma Hospital Traumatic Brain Injury (TBI) Treatment Support	**Gross**	**$1,000,000**	**($1,000,000)**
The Executive eliminates $1.0 million GF/GP supporting evidence-based traumatic brain injury intensive care treatment management system, training, and interactive software at Level I trauma hospitals, first funded in FY 2011-12. This program was also reduced by $350,000 GF/GP in the current fiscal year by Executive Order 2015-5. The House concurs.	GF/GP	$1,000,000	($1,000,000)
FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES			
23. Real Alternatives Pilot Program	**Gross**	**$800,000**	**($750,000)**
The Executive eliminates funding of $800,000 GF/GP for alternative pregnancy and parenting support program which promotes childbirth and alternatives to abortion; pilot program was first funded in FY 2013-14. Related boilerplate Sec. 1136 is also eliminated. The House reduces the program funding to $50,000, and revises Sec. 1136.	GF/GP	$800,000	($750,000)
24. Pay for Success Maternal and Child Health Pilot Program	**Gross**	**$0**	**$100**
The Executive reinstates $1.5 million GF/GP for one-time funding for pay for success contracts for maternal and child services programs that had been eliminated in the current fiscal year by Executive Order 2015-5. The House does not restore the funding, but provides a $100 placeholder and revises related Sec. 1906 boilerplate.	GF/GP	$0	$100
25. Autism University and Family Assistance Programs	**Gross**	**$9,000,000**	**($8,999,900)**
The Executive provides one-time funding of $2.5 million GF/GP for university autism programs related to education and development of autism service providers, a reduction from $7.5 million Gross ($7.0 million one-time and $500,000 ongoing). Current year supplemental, HB 4112, included a shift of $3.0 million from GF/GP to Autism Coverage Fund for university autism program grants. The House eliminates the ongoing funding, reduces the one-time funding to a $100 GF/GP placeholder, and revises related Sec. 1902 boilerplate. The Executive also eliminates one-time funding of $1.5 million for autism family assistance services, from the Autism Coverage Fund, and the House concurs.	Restricted	8,500,000	(8,500,000)
	GF/GP	$500,000	($499,900)

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
OFFICE OF SERVICES TO THE AGING			
26. Seniors – Ombudsman Fund Shift and Nursing Home Improvement	**Gross**	**$357,500**	**$200,000**
The Executive includes a net $0 gross ($357,500 GF/GP) shift from civil monetary penalty fund revenues to GF/GP to fund state and local long-term care ombudsman programs, in order to comply with revised federal guidelines that disallow use of penalty fund revenue for this purpose. In addition, $200,000 of the civil monetary penalty fund monies are retained as a budget increase for a new voluntary nursing home culture and quality improvement project emphasizing person-centered services. The House concurs.	Private	357,500	(157,500)
	GF/GP	$0	$357,500
MEDICAL SERVICES			
27. Health Insurance Claims Assessment (HICA) Rate Increase and Cap Removal	**Gross**	**$237,178,400**	**$0**
The Executive increases HICA revenue $180.1 million to offset an equal amount of GF/GP. The additional HICA revenues are from a proposed rate increase from 0.75% to 1.30% ($162.8 million) and a proposed removal of the statutory cap on annual HICA collections ($17.3 million). The House does not concur, retaining current GF/GP funding.	Restricted	237,178,400	0
	GF/GP	$0	$0
28. Medicaid Managed Care Use Tax Actuarial Soundness	**Gross**	**NA**	**$8,098,000**
The Executive includes $8.1 million Gross ($2.8 million GF/GP) to reflect federally-required actuarial soundness payments for costs to Medicaid managed care organizations of the 6% use tax currently applied to such organizations. The House concurs.	Federal	NA	5,312,300
	GF/GP	NA	$2,785,700
29. Replacement of Medicaid Restricted Revenue with GF/GP	**Gross**	**$90,037,300**	**$0**
The Executive includes an increase of $90.0 million GF/GP to replace the following: one-time Roads and Risks Reserve funds ($62.9 million), a decline in Medicaid Benefits Trust Fund revenue ($19.5 million), one-time Certified Public Expenditures ($5.9 million federal), and a decline in Healthy Michigan Fund revenue ($1.7 million) that are currently used to support Medicaid medical services. The House concurs.	Federal	5,900,000	(5,900,000)
	Restricted	84,137,300	(84,137,300)
	GF/GP	$0	$90,037,300
30. Merit Award Trust Fund Offset	**Gross**	**NA**	**$0**
The House offsets $37.5 million in GF/GP funding for Long-Term Care Services with an equal amount of available restricted Merit Award Trust fund revenue.	Merit Awd	NA	37,500,000
	GF/GP	NA	($37,500,000)
31. Graduate Medical Education (GME)	**Gross**	**$148,378,700**	**$14,509,600**
The Executive restores a $14.5 million Gross ($5.0 million GF/GP) Executive Order 2015-5 reduction and finances GME with $63.5 million in increased hospital quality assurance assessment program (QAAP) revenue to offset $63.5 million GF/GP. Amount includes $7.4 million in GF/GP retainer savings. The House concurs but includes technical adjustments to fully reflect GF/GP retainer savings (additional GF/GP savings of $8.0 million) and less QAAP needed to finance GME and the state retainer ($2.2 million less QAAP increase).	Federal	97,278,700	19,706,000
	Restricted	0	61,345,600
	GF/GP	$51,100,000	($66,542,000)
32. Special Rural Hospital Payments	**Gross**	**$29,019,200**	**$0**
The Executive restores a $5.8 million Gross ($2.0 million GF/GP) Executive Order 2015-5 reduction and finances special rural hospital payments with $13.6 million in increased hospital QAAP revenue to offset $13.6 million GF/GP. Amount includes $1.6 million in GF/GP retainer savings. The House does not concur with use of QAAP revenue and instead retains the same level of reduction from the original FY 2014-15 level. Reduction would, however, be spread over four quarterly payments, rather than two payments, effectively restoring 50% of the Executive Order reduction.	Federal	19,019,200	0
	Restricted	0	0
	GF/GP	$10,000,000	$0
33. Hospital Capital Cost Reimbursements	**Gross**	**NA**	**($34,806,800)**
The Executive assumes savings of $34.8 million Gross ($12.0 million GF/GP) from incorporating managed care hospital capital cost expenditure data into the hospital capital cost reimbursement formula. The House concurs.	Federal	NA	(22,833,300)
	GF/GP	NA	($11,973,500)

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
34. Primary Care Rate Annualization The Executive annualizes the partial continuation of the primary care rate increase that was provided through the Affordable Care Act with 100% federal funds through calendar year 2014. After calendar year 2014, states have the option to continue the higher rates at regular FMAP. The House concurs.	**Gross**	**$72,547,900**	**$24,182,600**
	Federal	47,547,900	15,863,800
	GF/GP	$25,000,000	$8,318,800
35. OB/GYN Hospital Lump Sum Payment Elimination The Executive eliminates $11.0 million Gross ($3.8 million GF/GP) allocated as lump sum payments based on amount of obstetrical care and newborn care provided through hospitals that qualify for special rural hospital payments. The House does not concur with elimination, retaining current funding for the payments.	**Gross**	**$11,027,300**	**$0**
	Federal	7,233,900	0
	GF/GP	$3,793,400	$0
36. Healthy Kids Dental Services The Executive provides $21.8 million Gross ($7.5 million GF/GP) to expand Healthy Kids Dental for an estimated 210,000 additional children ages 0-8 in Kent, Oakland, and Wayne counties. The House concurs.	**Gross**	**NA**	**$21,802,300**
	Federal	NA	14,302,300
	GF/GP	NA	$7,500,000
37. Adult Dental Services The Executive provides $23.0 million Gross ($7.9 million GF/GP) to convert the current Medicaid fee-for-service adult dental program to a managed care organization statewide. Adult dental increase would be effective for only the last quarter of FY 2015-16; full year cost would be $92.1 million Gross ($31.7 million GF/GP). The House includes a $100 GF/GP placeholder for this item.	**Gross**	**NA**	**$100**
	Federal	NA	0
	GF/GP	NA	$100
38. Dual Integrated Care Demonstration The House includes various shifts requested by the State Budget Office as technical adjustments, with no net change in appropriations, to reflect anticipated expenditure levels under ongoing duel integrated care demonstration projects. Net adjustments include Gross increases of $56.2 million for Long-Term Care Services and $38.5 million for Federal Medicare Pharmaceutical Program and Gross reductions of $37.3 million for Adult Home Help Services and $23.8 million for Integrated Care Organization Services, among other smaller line item reductions.	**Gross**	**NA**	**$0**
	Federal	NA	0
	GF/GP	NA	$0
39. Adult Home Help Administrative Reimbursement Policy Savings The House applies savings of $2.3 million Gross ($791,200 GF/GP) to Adult Home Help Services line item to reflect proposed administrative Home Help agency provider reimbursement policy change (#1512).	**Gross**	**$302,440,800**	**($2,300,000)**
	Federal	198,669,500	(1,508,800)
	GF/GP	$103,771,300	($791,200)
40. Program of All-Inclusive Care for the Elderly (PACE) Expansion The Executive provides $8.3 million Gross ($2.8 million GF/GP) to expand PACE into Jackson County and Traverse City. Assumes expansion of PACE will offset an equal amount of funding within the long-term care services line item. The House concurs with a technical adjustment requested by the State Budget Office to reflect the full projected expansion of $9.1 million Gross ($3.1 million GF/GP).	**Gross**	**NA**	**$0**
	Federal	NA	0
	GF/GP	NA	$0
41. Medicaid Managed Care Pharmacy Coverage to Fee-For-Service The Executive assumes savings of $48.8 million Gross ($16.8 million GF/GP) from moving current funding of $450.0 million Gross ($154.8 million GF/GP) for pharmacy coverage from managed care contracts to fee-for-service effective January 1, 2016. The House retains funding in managed care contracts and assumes higher savings amount, $54.6 million Gross ($18.8 million GF/GP), from anticipated pharmacy formulary savings.	**Gross**	**NA**	**($54,585,800)**
	Federal	NA	(35,808,300)
	GF/GP	NA	($18,777,500)
42. Medicaid Managed Care Laboratory Reimbursement Annualization The Executive annualizes laboratory reimbursement savings effective August 1, 2015 under Executive Order 2015-5. Savings are from a policy change that reduces laboratory service payments benchmark from Medicare payment rates to Medicaid fee-for-service rates. The House concurs.	**Gross**	**($4,352,900)**	**($27,437,100)**
	Federal	(2,852,900)	(18,001,300)
	GF/GP	($1,500,000)	($9,435,800)

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
43. Medicaid Managed Care Integration Savings	**Gross**	**$4,886,273,000**	**($15,375,000)**
The Executive assumes savings of $15.4 million Gross ($5.3 million GF/GP) from Medicaid managed care coordination and other contractual changes effective January 1, 2016. The House concurs.	Federal	3,259,591,300	(10,086,000)
	Local	13,617,500	0
	Restricted	1,217,104,000	0
	GF/GP	$395,960,200	($5,289,000)
44. Medicaid Autism Services Through Age 21	**Gross**	**$25,171,800**	**$7,350,100**
The Executive provides $7.4 million Gross ($2.5 million GF/GP) to expand Medicaid autism benefit through age 21. Current benefit is offered to individuals from ages 18 months to 5 years. Also transfers line item from Medical Services to Behavioral Health Services. The House concurs.	Federal	16,497,500	4,821,700
	GF/GP	$8,674,300	$2,528,400
45. Hospice Room and Board	**Gross**	**$111,982,500**	**$100**
The House includes a $100 GF/GP placeholder for room and board costs under Hospice Services on a one-time basis.	Federal	73,393,200	0
	GF/GP	$38,589,300	$100
ONE-TIME BASIS ONLY APPROPRIATIONS			
46. Eliminate Other One-Time Basis Appropriations	**Gross**	**$10,742,300**	**($10,742,100)**
The Executive removes the following one-time funding items that were included in the FY 2014-15 budget: $250,000 GF/GP for bone marrow registry, $2.0 million GF/GP for child and adolescent health services pilot in schools, $4.1 million GF/GP for University of Detroit dental program, $3.0 million Gross ($300,000 GF/GP) for Healthy Kids Dental computer project, $1.3 million for statewide trauma system (from state restricted Crime Victim's Rights Fund in current year supplemental HB 4112, and $100,000 GF/GP for Senior Olympics. The House concurs except that it retains $100 GF/GP placeholders for the child and adolescent health services pilot and the University of Detroit dental program.	Federal	2,700,000	(2,700,000)
	Restricted	1,300,000	(1,300,000)
	GF/GP	$6,742,300	($6,742,100)

Major Boilerplate Changes From FY 2014-15

GENERAL SECTIONS

***Sec. 204. Benchmarks for New Programs or Program Increases* – REVISED**

Requires DCH to identify performance measurement benchmarks for new programs or program expansions for which funds of $500,000 or greater are appropriated, and provide a report; also expresses Legislative intent for FY 2015-16 budget proposals. Executive deletes. House deletes report, but retains current law with a revised amount of $1.0 million or more.

***Sec. 218. Basic Health Services* – CURRENT LAW**

Lists eight basic health services embodied in Part 23 of the Public Health Code, 1978 PA 368, that are to be available and accessible throughout the state. Executive deletes. House retains current law.

***Sec. 282. Performance Metrics for Contracts* – REVISED**

Requires the establishment of an automated annual metric collection, validation, and reporting system for contracts via the state's e-procurement system, and deadlines for generation of report under the system for state-funded contracts of $1.0 million or more. Executive deletes. House revises, removing deadlines and reference to e-procurement, and requiring one report annually.

BEHAVIORAL HEALTH SERVICES

***Sec. 412. Non-Medicaid Substance Use Disorder Services* – DELETED**

Requires DCH to contract with the Salvation Army Harbor Light Program for providing non-Medicaid substance use disorder services. Executive and House delete.

***Sec. 424. Timely Claims Process for PIHPs* – CURRENT LAW**

Requires that PIHPs contracting with DCH 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 Section 111i of the Social Welfare Act, 1939 PA 280, MCL 400.111i. Executive deletes. House retains current law.

***Sec. 498. State General Fund Distribution to CMHSPs* – NEW**

House requires the department, if the department decides to use census data, to use the most recent federal decennial census data available for distribution of state general funds to CMHSPs.

***Sec. 503. Policies and Procedures for PIHPs or CMHSPs* – CURRENT LAW**

Requires DCH to notify the Michigan Association of CMH Boards when developing policies and procedures that will impact PIHPs or CMHSPs. Executive deletes. House retains current law.

Major Boilerplate Changes From FY 2014-15

PUBLIC HEALTH ADMINISTRATION

***Sec. 654. School Children's Healthy Exercise Program* – CURRENT LAW**

Allocates $1.0 million for the school children's healthy exercise program for children in kindergarten through grade 8, using evidence-based best practice models; no less than one half of the funds shall be granted for before- and after-school programs. Executive deletes. House retains current law.

HEALTH POLICY

***Sec. 712. Free Health Clinic Funding* – CURRENT LAW**

Allocates $250,000 to free health clinics from the funds appropriated for primary care services, to be distributed equally to each free health clinic; defines free health clinic. Executive deletes. House retains current law.

FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES

***Sec. 1103. Report of Sexual and Maternal Health Demographics and Expenditures by Marital Status* – REVISED**

Requires annual report of estimate of public funds expended for family planning, sexually transmitted infection prevention and treatment, pregnancies, and births, and client demographics as voluntarily provided to DCH; and to report data by marital status. Executive deletes. House retains and updates state application form references.

***Sec. 1139. Housing Rehabilitation and Hazard Abatement Program Task Force and Report* – REVISED**

Requires DCH to establish a joint task force with Department of Human Services and Michigan State Housing Development Authority to review housing rehabilitation, energy and weatherization, and hazard abatement program policies, and report recommendations. Executive deletes. House retains and revises to require DCH to continue to work with the joint task force, and adds language regarding task force recommendations.

WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM

***Sec. 1151. Report on Access and Savings Regarding Generic Peanut Butter Purchasing Requirement* – REVISED**

Requires the Department to report by January 1, 2015 on the number of complaints received regarding access to generic peanut butter, and the savings gained, both as related to recent implementation of generic peanut butter purchasing requirement modifications by the Department to the Women, Infants, and Children Special Supplemental Food and Nutrition program (WIC). Executive deletes. House revises to require Department to make national brand products available if price is more cost effective and satisfies program nutritional requirements.

CHILDREN'S SPECIAL HEALTH CARE SERVICES

***Sec. 1205. Expansion of Telemedicine Capacity* – REVISED**

Authorizes the Department to use up to $500,000 for continued development and expansion of telemedicine capacity to allow CSHCS children better access to specialty providers. Executive deletes. House strikes the specific dollar amount of $500,000.

CRIME VICTIM SERVICES COMMISSION

***Sec. 1302. Allocation of Funds for Forensic Nurse Examiner Programs* – REVISED**

Allocates up to $200,000 of justice assistance grants line item funds for expansion of forensic nurse examiner programs to facilitate training for improved evidence collection for prosecution of sexual assault. Funds to be used for program coordination and training. Executive deletes. House revises to require the Department to continue to support the program, and removes amount.

MEDICAL SERVICES

***Sec. 1625. Pharmaceutical Formulary Savings* – NEW**

House requires the department and contracted Medicaid health plans to work together to achieve pharmaceutical formulary savings through a mutually agreed upon developmental and implementation process; requires report on implementation progress.

***Sec. 1631. Medical Services Copayments* – REVISED**

Requires copayments on dental, podiatric, and vision services unless prohibited by law or regulation. Specifies copayments of $2 for a physician office visit, $3 for a hospital emergency room visit, $50 for the first day of an in-patient hospital stay, and $1 for an out-patient hospital visit. Executive retains. House revises to requires recipients to pay “not less than” the copayments listed in this section.

***Sec. 1730. Maternal Infant Health Literacy Assessment* – NEW**

House requires the department to work with the Department of Education to evaluate the feasibility of including an assessment tool to promote literacy development of pregnant women and new mothers in the maternal infant health program.

***Sec. 1735. Ambulance Provider Quality Assurance Assessment* – NEW**

House requires the department and ambulance providers to explore the feasibility of implementing a quality assurance assessment (QAAP) for ambulance providers.

***Sec. 1800. Medicaid Value Pool* – REVISED**

Requires DCH to explore establishment of a Medicaid value pool that rewards and incentivizes hospitals providing low cost and high quality services. Requires establishment of a workgroup to assist in the development of metrics used to determine value. Also requires DCH to report to the Legislature and State Budget Director on the progress of the workgroup. Executive and House delete the workgroup and report and requires the $85.0 million in Medicaid value disproportionate share hospital payment pool be based on metrics utilized to determine value.

Major Boilerplate Changes From FY 2014-15

***Sec. 1815. Cap on Health Plan Capitation Withhold* – DELETED**
Prohibits DCH from implementing a capitation withhold as part of overall health plan capitation rate schedule that exceeds the 0.19% withhold administered during FY 2008-09. Executive and House delete.

***Sec. 1861. Nonemergency Medical Transportation Pilot Program* – REVISED**
Requires the Department to review the efficiency and effectiveness of the current nonemergency transportation system and report the results to the Legislature. Directs the Department to create a pilot in at least two counties, with priority given to Berrien and Muskegon counties, to provide nonemergency transportation services encouraging use of nonprofit entities. Executive deletes. House strikes current law and requires department to encourage cooperation between the Medicaid managed care health plans and nonprofit entities providing nonemergency transportation to create a pilot in at least 2 counties, with priority given to Berrien and Muskegon Counties.

***Sec. 1870. MIDocs Consortium* – REVISED**
Directs the Department to establish the MIDocs consortium, consisting of Michigan-based medical schools. The purpose of MIDocs is to develop freestanding residency training programs in primary care and other ambulatory care-based specialties. Directs the Department to require an annual report from the consortium detailing per resident costs for medical training and clinical quality measures. Clarifies that, from the funds appropriated in part 1, $500,000 is allocated to prepare the report, legally create the consortium, prepare to obtain ACGME accreditation, and develop new residency programs. Executive deletes. House removes the $500,000 allocation and encourages, rather than requires, the department to work with MIDocs.

FY 2014-15 Supplemental Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2014-15 House Supplemental
1. Healthy Michigan Plan (HMP) Cost Increases	**Gross**	**$2,651,022,800**	**$361,118,400**
The House includes FY 2014-15 supplemental adjustments in Part 1B of the bill for a projected increase in HMP costs of $361.1 million, reflecting increased federal funding for caseload, utilization, and inflation adjustments in Medical Services and Behavioral Health Services for Healthy Michigan Plan/Medicaid expansion. HMP costs are funded with 100% federal revenue through the end of calendar year 2016. These adjustments were requested by the Executive in State Budget Office supplemental request 2015-3.	Federal	2,651,022,800	361,118,400
	GF/GP	$0	$0

FY 2015-16: DEPARTMENT OF CORRECTIONS
Summary: As Reported by House Subcommittee (HB 4096)
Article V, House Bill 4102 (H-1) Draft 1

Analyst: Robin R. Risko

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	*Difference: House From FY 2014-15 YTD* *Amount*	*%*
IDG/IDT	$225,000	$225,000	$225,000			*$0*	*0.0*
Federal	5,081,000	5,568,700	5,568,700			*487,700*	*9.6*
Local	8,547,700	8,533,200	8,533,200			*(14,500)*	*(0.2)*
Private	0	0	0			*0*	*--*
Restricted	48,769,600	42,950,700	42,950,700			*(5,818,900)*	*(11.9)*
GF/GP	1,960,098,400	1,918,948,400	1,908,948,400			*(51,150,000)*	*(2.6)*
Gross	**$2,022,721,700**	**$1,976,226,000**	**$1,966,226,000**			***($56,495,700)***	***(2.8)***
FTEs	14,195.3	14,190.3	14,190.3			*(5.0)*	*0.0*

Note: FY 2014-15 year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5 and House Bill 4112), and include appropriation amounts designated as "one-time."

Overview

The Michigan Department of Corrections (MDOC) is responsible for the operation and maintenance of the state's 32 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 March 1, 2015, the department was responsible for 109,694 Michigan offenders: 43,340 prisoners, 49,643 probationers, and 16,711 parolees.

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
1. Remove One-Time Funding	**Gross**	**$27,085,900**	**($27,085,900)**
Executive removes all one-time funding that was included in the FY 2014-15 budget:	GF/GP	$27,085,900	($27,085,900)
• $25.0 million for Neal, et al. Settlement Agreement			
• $1.0 million for Education Program one-time enhancement costs			
• $600,000 for 70 x 7 Life Recovery Muskegon Pilot program			
• $440,600 for Field Operations one-time mobilization costs.			
House concurs.			
2. Continuation of FY 2014-15 Executive Order Reductions	FTE	NA	(5.0)
Executive reflects a savings from continuing, in the FY 2015-16 budget, various FY 2014-15 reductions that were included in Executive Order 2015-5:	**Gross**	**NA**	**($14,100,000)**
	GF/GP	NA	($14,100,000)
• $7.4 million and 5.0 FTE positions from correctional facility operating efficiencies and cost controls, and elimination of administrative vacancies			
• $4.0 million from the department purchasing electronic monitoring devices instead of leasing devices, and a reduced per day per device fee for the use of the associated technology			
• $1.8 million from recognizing typical year-end lapses in the County Jail Reimbursement Program line item ($1.3 million) and the Prisoner Reentry Local Service Providers line item ($500,000)			
• $1.0 million from a reduction in transportation costs resulting from increased use of tele-medicine, increased use of video-conferencing between prisoners and courts, and an increase in situations where friends and families pick up inmates upon their release from prison instead of the department having to transport them.			
House concurs.			

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
3. Utilize Special Equipment Fund Revenue to Offset GF/GP	**Gross**	**$45,929,900**	**($11,800,000)**
Executive replaces portions of GF/GP funding for the Education Program line item ($7.0 million) and the Prisoner Reentry MDOC Programs line item ($2.0 million) with state restricted Special Equipment Fund revenue that is currently used to cover capital outlay, equipment, and special maintenance costs. House concurs with the Executive and replaces an additional $2.8 million of GF/GP funding for the Education Program line item with the balance of appropriated Special Equipment Fund revenue.	Federal	1,229,700	0
	GF/GP	$44,700,200	($11,800,000)
4. Eliminate Goodwill Flip the Script	**Gross**	**$2,500,000**	**($2,500,000)**
Executive eliminates funding appropriated in FY 2014-15 for Goodwill Flip the Script. Funding was granted to Goodwill Industries of Greater Detroit in Wayne County to provide education, job training, and mentoring to roughly 800 troubled 16-29 year-olds, in an effort to keep them out of prison. House concurs.	GF/GP	$2,500,000	($2,500,000)
5. Eliminate IDG to DHS for Swift and Sure	**Gross**	**$1,000,000**	**($1,000,000)**
Executive eliminates funding appropriated in FY 2014-15 to be granted by the department to DHS to be used for expansion of the Swift and Sure Sanctions Probation Program through the Michigan Rehabilitative Services program. House concurs.	GF/GP	$1,000,000	($1,000,000)
6. Closure of Kinross – Transfer Prisoners to Hiawatha	**Gross**	**$37,781,900**	**($2,000,000)**
Executive reflects partial year savings as a result of the decision to close the Kinross Correctional Facility and transfer prisoners to the former Hiawatha Correctional Facility. Due to the size and outdated physical plant, the department has determined it would be more cost effective to close the Kinross facility. The planned facility changes are currently scheduled for November 2015, yielding a partial year savings. House concurs.	GF/GP	$37,781,900	($2,000,000)
7. Transfer Jail Mental Health Transition Pilot Program to DCH	**Gross**	**$1,000,000**	**($1,000,000)**
Executive reflects the transfer of the Jail Mental Health Transition Pilot Program to DCH in an effort to streamline mental health diversion services, programs, and projects. House concurs.	GF/GP	$1,000,000	($1,000,000)
8. Program and Fund Source Adjustments	**Gross**	**$81,318,900**	**($2,356,900)**
Executive makes the following program and fund source adjustments. The adjustments have no GF/GP impact on the budget:	Federal	1,229,700	495,500
• Eliminates the Public Works Program due to non-utilization ($1.0 million)	Restricted	13,321,300	(2,852,400)
• Eliminates the Parole and Probation Oversight Fees Set-Aside fund source included in the budget for the Community Reentry Centers line item ($421,300)	GF/GP	$66,767,900	$0
• Increases authorization to receive additional federal Title I funding to be used for prisoner education programs ($495,500)			
• Includes state restricted fund source authorization for the Information Technology Services and Projects line item ($866,300)			
• Reduces funding for Prison Industries Operations as a result of eliminating operations at three facilities, downsizing operations at one facility, and reducing administrative costs ($2.3 million).			
House concurs.			
9. Technical Adjustments	**Gross**	**NA**	**$0**
Executive makes internal funding adjustments and transfers throughout the budget. The adjustments have no overall Gross or GF/GP impact and are made in order to more accurately reflect where expenditures occur and to reflect reorganization within the department. House concurs.	GF/GP	NA	$0
10. Economic Adjustments	**Gross**	**NA**	**($5,252,900)**
Executive reflects a net cost reduction for increases in salary and wage costs, insurance rates, and private rent costs, and reductions in actuarially-determined retirement rates, building occupancy charges, and worker's compensation costs. House concurs.	Federal	NA	(7,800)
	Local	NA	(14,500)
	Restricted	NA	(66,500)
	GF/GP	NA	($5,164,100)

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
11. House Funding Reductions	**Gross**	**NA**	**($7,200,000)**
House eliminates or reduces funding for the following line items:	GF/GP	NA	($7,200,000)

- Eliminates funding for Public Safety Initiative ($4.5 million)
- Eliminates funding for Prisoner Reentry Legal Services ($149,000)
- Reduces funding for Field Operations ($1.0 million)
- Reduces funding for Northern Region Administration and Support ($100,000)
- Reduces funding for Southern Region Administration and Support ($250,000)
- Reduces funding for Administrative Hearings Officers ($100,000)
- Reduces funding for Housing Inmates in Federal Institutions ($100,000)
- Reduces funding for Leased Beds and Alternatives to Leased Beds ($100,000)
- Reduces funding for Clinical and Mental Health Services and Support ($901,000)

Major Boilerplate Changes From FY 2014-15

***Sec. 204. Investment of Budgetary Savings* – DELETED**
Expresses legislative intent that budgetary savings achieved are to be invested in early childhood education, K-12 education, higher education, local law enforcement entities through revenue sharing, and roads, in an effort to reduce high crime rates in the state. Executive deletes. House deletes.

***Sec. 206. Disciplinary Action Against State Employees* – REVISED**
Prohibits MDOC from taking disciplinary action against employees for communicating with legislators or their staff. Executive deletes. House retains and revises to include prohibition of disciplinary action against prisoners for communicating with legislators or their staff.

***Sec. 207. State Employees and Competitive Bidding* – DELETED**
Authorizes state employees to competitively bid on contracts for services that are or were provided by state employees; requires state employment to cease if bids are successful. Executive deletes. House deletes.

***Sec. 212. FTE Positions and Long-Term Vacancy Report* – DELETED**
Requires MDOC to report on the number of FTE positions in pay status, to include an accounting of long-term vacancies. Executive deletes. House deletes.

***Sec. 219. Prisoner Telephone Calls and Special Equipment Fund* – REVISED**
Requires prisoner telephone service contracts to contain a condition that prisoner telephone fees be the same as those applying outside of institutions, except for surcharges needed to meet special equipment costs; outlines conditions on Special Equipment Fund revenue; authorizes carry forward of unexpended revenue; requires a report on revenue and expenditures. Executive deletes $2.0 million earmark of Special Equipment Fund revenue for prisoner programming, and changes the name of the fund to “Program and Special Equipment Fund”. House revises to reflect use of the entire $11.8 million in Special Equipment Fund revenue appropriated in the budget for prisoner programming, and concurs with the Executive on changing the name of the fund.

***Sec. 232. Security Levels of Prisoners Past Earliest Release Dates* – DELETED**
Requires MDOC to report on the security levels of all prisoners who were classified as past their earliest release date. Executive deletes. House deletes.

***Sec. 238. Repurposing of Closed Correctional Facilities* – DELETED**
Expresses legislative intent that MDOC make additional efforts to sell, rent, or otherwise repurpose closed correctional facilities. Executive deletes. House deletes.

***Sec. 304. Staff Suggestions* – DELETED**
Requires MDOC to maintain a staff savings initiative program to invite staff to suggest cost savings for the department. Executive deletes. House deletes.

***Sec. 305. Report on Prisoner Suicides* – DELETED**
Requires MDOC to report on prisoner suicides, including information on the circumstances of each suicide and MDOC's response to each. Executive deletes. House deletes.

***Sec. 402. Prisoner Reentry and Expenditures* – REVISED**
Expresses legislative intent that reentry appropriations be expended for reducing victimization by reducing offender recidivism through specified programs and services; requires MDOC to report on actual prior-year and planned current-year expenditures and allocations. Executive deletes. House deletes the intent language, but retains the reporting requirement.

Major Boilerplate Changes From FY 2014-15

***Sec. 403. LEAN Process to Reduce Program Backlog* – DELETED**
Requires MDOC to issue a request for proposal (RFP) to institute a LEAN process to determine ways to reduce the backlog for programming for prisoners who are within six months of their earliest release date; requires a report on outcomes of the LEAN process. Executive deletes. House deletes.

***Sec. 404. Staff Associated With LEAN Process* – DELETED**
Authorizes MDOC to hire additional staff on a temporary basis to assist with instituting LEAN process principles and to provide programming to prisoners who are past their earliest release dates. Executive deletes. House deletes.

***Sec. 406. Expansion of Swift and Sure Sanctions Program* – DELETED**
Requires MDOC to provide $1.0 million in IDG funding to DHS to expand the Swift and Sure Sanctions program through the Michigan Rehabilitative Services program. Executive deletes. House deletes.

***Sec. 409. Workforce Development* – DELETED**
Requires MDOC to work with state agencies and local entities to coordinate reentry and vocational education programs for prisoners to encourage employment of prisoners upon release from prison. Executive deletes. House deletes.

***Sec. 411. Community Corrections Comprehensive Plans* – DELETED**
Establishes requirements for community corrections comprehensive plans. Executive deletes. House deletes.

***Sec. 412. Community Corrections Biannual Report* – DELETED**
Specifies details to be included in the biannual report that is required by the Community Corrections Act, 1988 PA 511. Executive deletes. House deletes.

***Sec. 413. Community Corrections and Jail Data* – DELETED**
Requires development of certain databases on local correctional trends and jail utilization; requires county cooperation in providing necessary jail data. Executive deletes. House deletes.

***Sec. 419. Offender Data Reports* – REVISED**
Requires MDOC to provide weekly electronic mail reports on offender populations by location, facility capacities, prison intake and returns, and parole board activity; requires MDOC to provide monthly electronic mail reports on end-of-the-month prisoner populations in county jails, operating capacities, and data on community residential program populations, parole board activity, and prisoner intakes, returns, and exits. Executive retains. House retains and revises to include weekly reporting on security levels of prisoners and monthly reporting on the number of prisoners classified as past their earliest release dates.

***Sec. 420. Report on Department Efficiencies* – DELETED**
Requires MDOC to report on performance data and efforts to improve efficiencies relative to departmental staffing, health care services, food service, prisoner transportation, mental health care services, and pharmaceutical costs. Executive deletes. House deletes.

***Sec. 421. Mental Health Diversion Council* – DELETED**
Expresses legislative intent that the $1.0 million appropriation for the Jail Mental Health Transition Pilot Program is to be used to address recommendations of the Mental Health Diversion Council. Executive deletes. House deletes.

***Sec. 431. Clothing for Exiting Prisoners* – DELETED**
Requires MDOC to ensure each exiting prisoner has a set of clothing suitable for job interviews, if requested by the prisoner. Executive deletes. House deletes.

***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 deletes.

***Sec. 435. Prisoner Reentry Legal Services* – DELETED**
Requires MDOC to contract with Kent and Oakland Counties to establish pilot projects to provide outreach, education, and legal representation to former offenders in areas such as employment, housing, income stability, and child custody and other domestic matters; requires Oakland County to provide services to former offenders in Wayne County. Executive deletes. House deletes.

***Sec. 436. Genesee County Jail Backlog* – DELETED**
Requires MDOC to establish a workgroup with the Genesee County Sheriff's Department and the City of Flint Police Department to develop and implement a long-term strategic plan to ease county jail backlog and to reduce the need for department intervention. Executive deletes. House deletes.

***Sec. 437. Goodwill Flip the Script* – DELETED**
Requires MDOC to contract with a nonprofit entity in a county with greater than 1.5 million people to provide persons aged 16-29 with education, job training, and mentoring in an effort to keep them out of prison. Executive deletes. House deletes.

Major Boilerplate Changes From FY 2014-15

***Sec. 504. Consolidation of Transportation Services* – DELETED**
Requires MDOC to work with DCH, MDOT, DHS, and MSF to determine if the state can maximize its services and funding for transportation for low-income, elderly, and disabled individuals through consolidation of transportation services. Executive deletes. House deletes.

***Sec. 505. Mental Health Awareness Training* – DELETED**
Requires mental health awareness training for new custody staff and ongoing training for all custody staff dealing with prisoners with mental illness. Executive deletes. House deletes.

***Sec. 508. Analysis of Physical Structure of Facilities* – REVISED**
Requires MDOC to analyze the structural integrity and overall quality of correctional facilities it owns or operates; requires a report on facility maintenance and utility costs, and plans for capital improvement costs. Executive deletes. House deletes requirement to analyze the structural integrity of facilities, but retains the reporting requirement.

***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 have the maximum benefit to prisoners in providing marketable skills and leading to employment; requires a report on production, operating budget, number of prisoners participating, and purchasers of products. Executive deletes. House deletes.

***Sec. 510. Administration of Healthy Michigan Plan* – DELETED**
Requires MDOC to work with DCH to establish an accounting structure that will allow expenditures associated with administration of the Healthy Michigan Plan to be identified. Executive deletes. House deletes.

***Sec. 511. Strategic Plan Reporting* – DELETED**
Requires MDOC to report on strategies to decrease recidivism rates, strategies to increase rehabilitative function of correctional facilities, metrics to track and ensure prisoner readiness to re-enter society, and constructive actions for providing prisoners with life skills development. Executive deletes. House deletes.

***Sec. 601. Parole and Probation Agent Caseload Audits* – DELETED**
Requires caseload audits of field agents to evaluate their ability to complete their professional duties. Executive deletes. House deletes.

***Sec. 608. Electronic Monitoring Report* – DELETED**
Requires MDOC to report on the electronic monitoring program, particularly on the use of global positioning system (GPS) tethers. Executive deletes. House deletes.

***Sec. 612. Violators of Parole and Probation* – REVISED**
Requires MDOC to develop proposals for alternatives to prison for technical violators of parole and probation, and to report on certain program impacts on probationers and parolees. Executive deletes. House deletes the requirement that the department develop proposals for alternatives to prison, but retains the reporting requirement.

***Sec. 802. Health Care Expenditures* – REVISED**
Requires MDOC to report on expenditures, allocations, and projected expenditures from accounts for prisoner health care; requires MDOC to provide regular updates on the progress of health care requests for proposals. Executive deletes. House retains the reporting requirement, but deletes the requirement to provide updates on the progress of RFPs.

***Sec. 803. Standard Medical Release Form* – REVISED**
Requires MDOC to establish a standard medical release form for all prisoners, and to give all prisoners the opportunity to sign a release form, effective for one year, designating a family member or other individual to whom the department is authorized to release information. Executive deletes. House deletes the requirement to establish the release form, but retains the balance of the section.

***Sec. 804. Health Care Utilization Reports* – REVISED**
Requires MDOC to report on prisoner health care use, including emergency room visits, outpatient visits, and inpatient stays; requires MDOC to report on prisoners receiving off-site, in-patient medical care that would have been provided on-site if beds were available. Executive retains the requirement to report on prisoner health care use, but deletes the requirement to report on prisoners receiving off-site, in-patient medical care that would have been provided on-site if beds were available. House concurs with the Executive, but adds the number of prisoners receiving off-site, in-patient care to the report on prisoner health care use.

***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.

***Sec. 812. Medicaid Utilization by Prisoners* – DELETED**
Requires MDOC and DHS to exchange information regarding newly-committed prisoners who may be Medicaid-eligible; requires MDOC to assist outgoing prisoners with Medicaid enrollment; requires a report on Medicaid utilization by prisoners. Executive deletes. House deletes.

Major Boilerplate Changes From FY 2014-15

***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 with diagnosed mental illness but not enrolled in mental health services. Executive deletes. House deletes.

***Sec. 816. Pharmaceutical Expenditures and Prescribing Practices* – DELETED**
Requires MDOC to report on expenditures for antipsychotic medications and changes to prescription drug formularies. Executive deletes. House deletes.

***Sec. 904. Cost Per Prisoner Per Day* – DELETED**
Requires MDOC to report on per diem costs for each custody level, specifying actual direct and indirect costs for previous fiscal year, including allocation of statewide legacy costs. Executive deletes. House deletes.

***Sec. 906. Public Works Program* – DELETED**
Requires local governments and non-profit private organizations that contract with MDOC for public works services to be responsible for financing the entire cost of services. Executive retains. House deletes.

***Sec. 911. Critical Incidents in Prisons* – REVISED**
Requires MDOC to report on the number of critical incidents, assaults, and escape attempts at each prison facility by month. Executive deletes. House retains and revises to include the number of suicides and attempted suicides.

***Sec. 915. Program to Allow Graduate Students to Teach Programming* – DELETED**
Requires MDOC to explore opportunities to collaborate with Michigan universities to establish programs that will allow graduate students to work in correctional facilities teaching programming that is a condition of parole. Executive deletes. House deletes.

***Sec. 937. Competitive Bidding* – DELETED**
Prohibits MDOC from issuing a RFP for a contract in excess of $5.0 million unless MDOC has first considered a request for information (RFI) or a request for qualification (RFQ) relative to that contract. Executive deletes. House deletes.

***Sec. 938. Skilled Nursing Facility for Geriatric and Medically Fragile* – DELETED**
Requires MDOC, in consultation with DTMB and DCH, to issue an RFI for a contract to provide beds in a skilled nursing facility for placement of geriatric and medically fragile prisoners, so that these prisoners are eligible for Medicaid reimbursement. Executive deletes. House deletes.

***Sec. 940. Use of State-Owned Facilities* – DELETED**
Requires any for-profit entities using state-owned facilities to pay fair market value for use of facilities and to make payments in lieu of taxes to local jurisdictions equivalent to what local units would receive if facilities were privately-owned. Executive deletes. House deletes.

***Sec. 1011. Religious Cable Programming* – DELETED**
Requires MDOC to accept in-kind services and equipment donations to facilitate the addition of a cable network that provides religious programming for prisoners; prohibits costs to the state for adding channels. Executive deletes. House deletes.

***Sec. 1051. Capital Outlay Appropriations* – DELETED**
Authorizes carry forward of capital outlay appropriations. Executive deletes. House deletes.

***Sec. 1201. Anticipated FY 2015-16 Appropriations* – DELETED**
Expresses legislative intent that FY 2015-16 appropriations will be funded at same level as FY 2014-15 appropriations, adjusting for caseloads, federal fund match rates, economic factors, and available revenue. Executive deletes. House deletes.

FY 2015-16: DEPARTMENT OF EDUCATION
Summary: As Reported by House Subcommittee (HB 4097)
Article VI, House Bill 4102 (H-1) Draft 1

Analyst: Samuel Christensen

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	*Difference: House From FY 2014-15 YTD* *Amount*	*%*
IDG/IDT	$0	$0	$0			*$0*	*--*
Federal	201,279,200	218,583,400	212,921,900			*11,642,700*	*5.8*
Local	5,633,700	5,633,700	5,633,700			*0*	*0.0*
Private	1,933,300	2,033,300	2,033,300			*100,000*	*5.2*
Restricted	7,972,600	7,669,600	7,669,600			*(303,000)*	*(3.8)*
GF/GP	73,679,900	79,292,200	75,291,300			*1,611,400*	*2.2*
Gross	**$290,498,700**	**$313,212,200**	**$303,549,800**			***$13,051,100***	***4.5***
FTEs	606.5	606.5	605.5			*(1.0)*	*(0.2)*

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5 and House Bill 4112). (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 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
1. Child Development and Care (CDC) — Increase Exit Threshold	**Gross**	**$119,697,700**	**$763,700**
Executive increases funding by $763,700 federal Child Care Developmental Fund (CCDF) to raise the exit threshold for determining CDC eligibility from 121% to 250% of the federal poverty level to reflect full-year funding, in addition to the FY 2014-15 partial-year increase of $764,000 federal CCDF in HB 4112, for a total increase of $1.5 million federal CCDF compared to the original FY 2014-15 budget.	Federal	83,108,900	763,700
	GF/GP	$36,588,800	$0
House concurs with the Executive.			
2. Child Development and Care (CDC) —12-month Continuous Eligibility Model	**Gross**	**$119,697,700**	**$7,973,300**
Executive increases funding by $8.0 million federal CCDF to allow 12-month continuous child eligibility regardless of income after enrollment for CDC public assistance to reflect full-year funding, in addition to a FY 2014-15 partial-year increase of $8.0 million federal CCDF in HB 4112, for a total increase of $16.0 million federal CCDF compared to the original FY 2014-15 budget.	Federal	83,108,900	7,973,300
	GF/GP	$36,588,800	$0
House concurs with the Executive.			

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
3. Child Development and Care (CDC) — Increasing Provider Rates for Tiered Reimbursement	**Gross**	**$119,697,700**	**$3,068,600**
	Federal	83,108,900	3,068,600
Executive increases funding by $3.1 million federal CCDF to increase provider reimbursement rates for the high quality licensed and registered programs as defined by the Great Start to Quality provider rating system to reflect full-year funding, in addition to a FY 2014-15 partial-year increase of $3.1 million federal CCDF in HB 4112, for a total increase of $6.1 million federal CCDF compared to the original FY 2014-15 budget.	GF/GP	$36,588,800	$0
House concurs with the Executive.			
4. Child Development and Care (CDC) —Additional Child Care Licensing Consultants	**Gross**	**$17,766,500**	**$0**
	Federal	17,766,500	0
Executive increases the interdepartmental grant to Department of Human Services by $5.7 million in federal CCDF to increase the number of Child Care Licensing (CCL) consultants by 39.0 FTEs.	GF/GP	$0	$0
House does not include this increase.			
5. Educator Evaluations	**Gross**	**NA**	**$0**
Executive provides $3.6 million GF/GP for educator evaluations. Funding would be used for staffing, compliance monitoring, and information technology systems modifications. This would restore a $3.4 million GF/GP reduction to this line in Executive Order 2015-5 and add an additional $200,000. This line item originally comprised $2.5 million GF/GP in ongoing funds and $900,000 GF/GP in one-time funds. However, for the FY 2015-16 line item, all $3.6 million GF/GP would be ongoing funds.	GF/GP	NA	$0
House does not include this appropriation.			
6. State Aid to Libraries Increase	**Gross**	**$8,876,000**	**$1,000,000**
Executive increases state aid to libraries by $1.0 million GF/GP for a total of $9.9 million.	GF/GP	$8,876,000	$1,000,000
House concurs with the Executive.			
7. Renaissance Zone Reimbursements to Libraries	**Gross**	**$4,700,000**	**$600,000**
Executive increases reimbursements to libraries for local revenue lost due to renaissance zones by $600,000 GF/GP to reflect the amount necessary to fully fund the payments at $5.3 million. In FY 2014-15 the renaissance zone reimbursements were prorated.	GF/GP	$4,700,000	$600,000
House concurs with the Executive.			
8. Financial Independence Team: State Aid and School Finance Services	FTE	2.0	(1.0)
	Gross	**$150,000**	**$0**
Executive restores the original FY 2015 authorization of $500,000, which necessitates a $350,000 restoration of funds which were reduced in the FY 2015 negative supplemental in HB 4112. The financial independence team, added in FY 2014-15, is tasked with implementing early warning systems for distressed schools in need of financial attention.	GF/GP	$150,000	$0
House does not include this increase and reduces this line by 1.0 FTE.			
9. Financial Independence Team: Educational Improvement and Innovation Services	**Gross**	**$9,343,400**	**$0**
	Federal	6,514,500	0
	Restricted	558,100	0
Executive restores the original FY 2015 authorization of $278,100, which necessitates a $39,100 restoration of funds which were reduced in the FY 2015 negative supplemental in HB 4112. The financial independence team, added in FY 2014-15, is tasked with implementing early warning systems for distressed schools in need of financial attention.	GF/GP	$2,270,800	$0
House does not include this increase.			

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
10. FTE shift from OEII to School Reform Office	FTE	0.0	0.0
Executive Shifts 4.0 FTEs from the Educational Improvement and Innovation Services (OEII) Section 115 to the School Reform Office (SRO), which increases the SRO FTEs to 12.0.	**Gross**	**$0**	**$0**
	GF/GP	$0	$0
House concurs with the Executive.			
11. Economic Adjustments	**Gross**	**NA**	**($159,400)**
Executive reflects net cost reduction of $159,400 Gross ($14,200 GF/GP) for negotiated salary and wage amounts (2.0% base increase), insurance rate increases, reductions in actuarially determined retirement rates, and other economic adjustments.	Federal	NA	(131,400)
	Restricted	NA	(13,800)
	GF/GP	NA	($14,200)
House concurs with the Executive.			

Major Boilerplate Changes From FY 2014-15

***Sec. 208. Personnel Records* – RETAINED**
Directs that MDE require districts to retain teacher personnel records regarding sexual misconduct.
Executive deletes this section.
House maintains current law.

***Sec. 211. Adequate Yearly Progress (AYP)* – RETAINED**
Currently requires MDE to allow districts to appeal a determination of failure to meet AYP prior to MDE reporting those results and that MDE act within 30 days. Revises to remove MDE's 30 day timeline. Changes MDE's requirement to allow a school or district to appeal the school designation, and revises such that those appeals shall be "addressed" rather than "currently required considered and decided upon" before designations may be published.
Executive revises this section.
House maintains current law.

***Sec. 216. Communication with the Legislature* – RETAINED**
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.

***Sec. 218. Records Retention* – RETAINED**
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 maintains current law.

***Sec. 220. Timely Data* – RETAINED**
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 or 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.

***Sec. 233. Request for Proposals* – REVISED**
Prohibits department from issuing a request for proposal for a contract exceeding $5.0 million unless it first considers issuing a request for information or request for qualification.
Executive deletes this section.
House maintains this section and revises the amount of money before a request for proposal (RFP) contract can be put out from $5.0 million to $1.0 million.

***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, 2014.
Executive deletes this section.
House maintains current law and updates year.

Major Boilerplate Changes From FY 2014-15

***Sec. 235. Contract Notification* – RETAINED**
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.
Executive deletes this section.
House maintains current law.

***Sec. 236. Nonpublic School Mandates* – REVISED**
Requires MDE to compile a report that identifies mandates required of nonpublic schools by April 1, 2015.
Executive deletes this section.
House maintains current law and updates year.

***Sec. 237. Bake Sales* – NEW**
The Department shall identify fund-raisers that are exempt from federal nutrition standards and take any other action as may be necessary for public schools in this state to be able to allow fund-raising sales on school premises during school hours of foods and beverages that do not meet federal nutrition standards prescribed by the United States Department of Agriculture.
Executive did not include this section.
House adds this section.

***Sec. 302. Travel Expenditures* – RETAINED**
Prohibits spending over $35,000 for in-state and out-of-state travel for Board of Education members.
Executive deletes this section.
House maintains current law.

***Sec. 408. Carry Forward of Programmatic Service Funds* – NEW**
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 adds this section.
House concurs with the Executive.

***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 maintains current law.

***Sec. 702. Educator Evaluations* – NOT INCLUDED**
Stipulates that funds appropriated in part 1 for educator evaluations and assessments shall not be expended unless HB 5223 and HB 5224 are enacted.
Executive deletes this section.
House concurs with the Executive.

***Sec. 703. Educator Evaluation Guidelines* – DELETED**
States that the funds appropriated for educator evaluations (Section115) be based on classroom observations and student growth metrics to identify target professional development opportunities for educators. Requires that the outcomes and performance measures be focused towards math and reading testing, as well as third grade reading proficiency.
Executive adds this section.
House does not include this section.

***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 maintains current law.

***Sec. 805. MPSERS Funds for District Libraries* – DELETED**
States that funds appropriated in part 1 for MPSERS costs shall be used for payments to participating district libraries. Describes how payments are to be calculated for, and allocated to, district libraries. Participating entities that received funds under this section are required to forward the designated amount to the retirement system in a form, manner and timeframe determined by the retirement system.
Executive deletes this section, as this appropriation was shifted to the School Aid budget.
House concurs with Executive.

***Sec. 806. State Aid to Libraries – Early Literacy Focus* – NOT INCLUDED**
Requires the department to utilize the increased funding for state aid to public libraries in support to local library operations and programming for early literacy and third grade reading proficiency.
Executive adds this section.
House does not include this section.

Major Boilerplate Changes From FY 2014-15

***Sec. 901. Federal and Private Grants* – RETAINED**
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.

***Sec. 1001. Number of Childcare Providers* – REVISED**
Requires a report by November 1, 2014 on the number of childcare providers (by type) receiving payment for childcare services on October 1, 2014.
Executive deletes this section.
House maintains current law and updates the years.

***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 2013-14 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 the fiscal year.

***Sec. 1004. Child Development and Care (CDC) Program Expansion* – NOT INCLUDED**
Requires the department to expend increased funding for the Child Development and Care (CDC) program on increasing the number of low-income children in high quality early 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 adds this section.
House does not include this section.

***Sec. 1201. FY 2015-16 Appropriation* – RETAINED**
Expresses intent that FY 2015-16 appropriations are anticipated to be the same as FY 2014-15 appropriations, except for adjustments for changes in caseloads, federal match rates, economic factors, and available revenue.
Executive deletes this section.
House maintains current law and updates fiscal years.

FY 2015-16: DEPARTMENT OF ENVIRONMENTAL QUALITY
Summary: As Reported by House Subcommittee (HB 4093)
Article VII, House Bill 4102 (H-1) Draft 1

Analyst: Austin Scott

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	*Difference: House From FY 2014-15 YTD Amount*	*%*
IDG/IDT	$9,530,500	$9,115,300	$9,115,300			*($415,200)*	*(4.4)*
Federal	149,749,600	138,163,100	138,163,100			*(11,586,500)*	*(7.7)*
Local	0	0	0			*0*	*--*
Private	546,900	546,000	546,000			*(900)*	*(0.2)*
Restricted	321,888,900	304,723,800	305,010,800			*(16,878,100)*	*(5.2)*
GF/GP	37,475,900	35,377,700	35,077,700			*(2,398,200)*	*(6.4)*
Gross	**$519,191,800**	**$487,925,900**	**$487,912,900**			***($31,278,900)***	***(6.0)***
FTEs	1,291.5	1,227.0	1,227.0			*(64.5)*	*(5.0)*

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5 and House Bill 4112). (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Department of Environmental Quality 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 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
1. Elimination of Fee Sunsets	**Gross**	**NA**	**NA**
Executive proposes to eliminate the 15 fee sunsets that are scheduled to sunset prior to October 1, 2016. Collectively these fees provide $27.1 million in annual revenue for DEQ. House concurs with Executive.	GF/GP	NA	NA

Fee	Annual revenue
Air emissions fee	$9,600,000
Solid waste surcharge	5,300,000
Electronic device manufacturer's registration	230,000
Electronic device recycler registration	50,000
Groundwater discharge permit	1,190,000
Surface water discharge permit	2,816,800
Stormwater discharge fee	1,625,100
Land and water permit fees (6 fees)	2,100,000
Sewer expedited permit	31,800
Tire disposal charge	4,200,000
Total	$27,143,700

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
2. Air Quality Program - Fee Increase	**Gross**	**NA**	**$2,387,000**
Executive proposes to raise the air emissions (air quality) fee from $47.95 per ton to $65.00 per ton. This proposed fee increase is expected to generate $2.3 million in additional revenue, which would exceed a reduction of $1.3 million in restricted funding to air quality from the environmental pollution prevention fund, resulting in a net increase of $913,000 in restricted funding. Air emissions fee revenue allows the state to operate its own emissions regulation program rather than be subject to the EPA's program. This fee is paid by more than 800 facilities and currently generates $9.6 million in annual revenue.	Restricted	NA	2,537,000
	GF/GP	NA	($150,000)
House amends Executive to reduce air emissions fee increase from $65 per ton down to $51.15 per ton. This reduction lowers the additional restricted revenue due to the fee increase from $2.3 million down to $1.2 million. House increases line item by $1.3 million in restricted funding from the environmental pollution prevention fund at the request of DEQ in order to correct an omission in the executive recommended budget (referenced above). House reduces line item by $150,000 GF/GP.			
3. Drinking Water Revolving Fund Loan Program (DWRF)	**Gross**	**$85,193,000**	**($200,000)**
The FY 2014-15 budget as originally enacted included $5.0 million GF/GP for DWRF loans. A reduction of $2.8 million GF/GP was included in EO 2015-5. The FY 2015-16 executive recommended budget includes an additional reduction of $200,000 GF/GP. These funds are used for state match to a federal program that provides water suppliers with low interest loans to finance public drinking water system infrastructure projects. House concurs with Executive.	Federal	71,543,000	0
	Restricted	11,400,000	0
	GF/GP	$2,250,000	($200,000)
4. FTE Reductions	FTE	1,291.5	(64.5)
Executive reduces total FTEs from 1,291.5 to 1,227.0. All reduced FTEs are classified positions. The department does not have adequate funding to fill all of its currently allotted positions and this reduction will align FTEs with available resources. No current DEQ employees are expected to lose employment as a result of this reduction. House concurs with Executive.	**Gross**	**NA**	**NA**
	GF/GP	NA	NA
5. Refined Petroleum Product Cleanup Program	**Gross**	**$32,900,000**	**($12,900,000)**
Executive reduces refined petroleum product cleanup program (RPPCP) by $12.9 million in restricted funding. Responsibility for underground storage tank cleanups was transferred from RPPCP to the newly established Underground Storage Tank Cleanup Program (USTCP) under PA 416 of 2014. This new program receives the first $20 million of the environmental protection regulatory fee which was first appropriated for FY 2014-15 in HB 4112 and continued in FY 2015-16. The reduction of restricted funding to RPPCP is intended to offset the increase in restricted funding to USTCP. House concurs with Executive.	Restricted	32,900,000	(12,900,000)
	GF/GP	$0	$0
6. Removal of FY 2014-15 One-time GF/GP for Electronic Document Management	**Gross**	**$1,850,000**	**($1,850,000)**
The FY 2014-15 budget as originally enacted included $2.5 million in one-time GF/GP for electronic document management. A reduction of $650,000 GF/GP was included in EO 2015-5. The FY 2015-16 executive recommended budget removes the remaining $1.9 million GF/GP for this one-time appropriation. House concurs with Executive.	GF/GP	$1,850,000	($1,850,000)
7. Federal Authorization Adjustment	**Gross**	**NA**	**($10,907,000)**
Executive reduces federal authorization by $10.9 million to reflect a decrease in available federal funds. House concurs with Executive.	Federal	NA	(10,907,000)
	GF/GP	NA	$0

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
8. Clean Michigan Initiative (CMI) and Environmental Protection Bond Fund	**Gross**	**$9,282,100**	**($1,473,200)**
	Restricted	9,282,100	(1,473,200)
Executive reduces restricted funding of the CMI by $1.5 million. Increases to the environmental bond site reclamation program, nonpoint source pollution prevention and control program, and the contaminated sediment program totaling $2.5 million in restricted funding are exceeded by a decrease of $4.0 million in restricted funding for Brownfield grants. House concurs with Executive.	GF/GP	$0	$0
9. Contaminated Site Investigation, Cleanup, and Revitalization	**Gross**	**$29,385,200**	**($5,000,000)**
	Private	187,200	0
Executive reduces restricted funding by $5.0 million to reflect available resources. This program supports remediation and cleanup efforts at contaminated sites in order to eliminate public health and safety hazards. House concurs with Executive.	Restricted	29,198,000	(5,000,000)
	GF/GP	$0	$0
10. Drinking Water and Environmental Health	**Gross**	**$15,982,300**	**($150,000)**
House reduces line item by $150,000 GF/GP. This program, which includes 106.5 FTE authorizations, regulates 12,500 public water supply systems, conducts groundwater contamination remediation, and protects public drinking water systems.	GF/GP	$1,288,700	($150,000)
11. Economic Adjustments	**Gross**	**NA**	**($332,700)**
	IDG	NA	(13,200)
Executive reflects net cost reduction of $332,700 Gross ($48,200 GF/GP) for negotiated salary and wage amounts (2.0% base increase), insurance rate increases, reductions in actuarially-determined retirement rates, and other economic adjustments. House concurs with Executive.	Private	NA	(900)
	Federal	NA	(93,700)
	Restricted	NA	(176,700)
	GF/GP	NA	($48,200)

Major Boilerplate Changes From FY 2014-15

***Sec. 204. Benchmark Requirements* – RETAINED**
Requires DEQ establish benchmarks and report performance of programs appropriated at $500,000 or more. Executive deletes, House retains.

***Sec. 207. Retention of Reports* – RETAINED**
Requires DEQ to retain copies of all reports funded from appropriations. Executive deletes, House retains.

***Sec. 212. Disciplinary Action Against State Employees* – RETAINED**
Prohibits Department from disciplining state employees for communicating with members of the Legislature and their staffs. Executive deletes, House retains.

***Sec. 213. Administrative Rule Promulgation* – RETAINED**
Prohibits DEQ to adopt a rule that will apply to a small business if it has a disproportionate economic impact. Executive deletes, House retains.

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

***Sec. 228. Customer Satisfaction Evaluation Program* – RETAINED**
Requires report on development of customer satisfaction evaluation program and public feedback received. Executive deletes, House retains.

***Sec. 229. Expedited Permitting Program* – RETAINED**
Requires report listing actions and program changes taken to implement the Expedited Permitting Program. Executive deletes, House retains.

***Sec. 305. Refined Petroleum Fund* – DELETED**
States legislative intent to restore $70.0 million Refined Petroleum Fund transferred to General Fund in FY 2006-07. Executive deletes, House concurs.

***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 retains but revises list of cleanup projects for FY 2015-16.

Major Boilerplate Changes From FY 2014-15

***Sec. 401. Aquatic Nuisance Control (ANC)* – DELETED**
Requires $700,000 and 5.0 FTEs be allocated to the permit review program within the ANC program; requires report. Executive deletes, House concurs.

***Sec. 402. Water Quality and Use Initiative Report* – DELETED**
Requires DEQ to report a plan detailing the use of the water quality use and initiative appropriation in part 1. The Department must also detail expenditures for specific programs made from the water quality and use/ general, real-time beach monitoring, and wetlands programs. Executive deletes, House concurs.

***Sec. 501. Air Quality Program* – NEW**
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. Executive adds new section, House concurs but revises to include 1.0 FTE authorization dedicated to oversight of air quality programs in the Upper Peninsula.

***Sec. 502. Air Quality Penalties* – RETAINED**
Prevents DEQ from assessing penalties under part 55 of NREPA (1994 PA 451) for violations that occurred under a previous owner unless legally required to do so. Executive deletes, House retains.

***Sec. 601. Statewide Septic Code Study* – NEW**
Requires DEQ to conduct a study on the establishment of a statewide septic code. House adds new section.

***Sec. 603. Local Government Asset Management Plans* – RETAINED**
Requires DEQ compile an annual report of completed asset management plans for stormwater, assert management, or wastewater grants awarded to local units of government. Executive deletes, House retains.

***Sec. 604. Environmental Pollution Prevention Fund Balance Stipulation (EPPF)* – RETAINED**
Provides that if the EPPF balance declines below spending levels, appropriations other than those for the Hazardous Waste Management Program shall be reduced. Executive deletes, House retains.

***Sec. 701. Underground Storage Tank Authority* – NEW**
Allows unexpended funds appropriated for the underground storage tank cleanup program to be considered work project appropriations and carry forward into the succeeding fiscal year. The program will perform contaminated site cleanups estimated to cost $20 million with a tentative completion date of September 20, 2020. Executive adds new section, House concurs.

***Sec. 1201. FY 2015-16 Anticipated Appropriations* – DELETED**
States intent that FY 2015-16 line item appropriations will be the same as those for FY 2014-15 with certain economic adjustments. Executive deletes, House concurs.

***Sec. 1202. Identification of Future Retirement Costs* – DELETED**
States legislative intent that the DEQ identify the FY 2015-16 retirement costs for line items listed in part 1. Executive deletes, House concurs.

FY 2015-16: TOTAL GENERAL GOVERNMENT
Summary: As Reported by House Subcommittee (HB 4090)
Article VIII, House Bill 4102 (H-1) Draft 1

Analysts: Ben Gielczyk
Perry Zielak

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	*Difference: House From FY 2014-15 YTD* *Amount*	*%*
IDG/IDT	$739,896,100	$742,192,600	$742,192,600			*$2,296,500*	*0.3*
Federal	689,103,500	688,424,100	688,424,100			*(679,400)*	*(0.1)*
Local	9,969,700	17,050,900	17,050,900			*7,081,200*	*71.0*
Private	6,287,200	6,283,300	6,283,300			*(3,900)*	*(0.1)*
Restricted	2,055,023,600	2,054,823,800	2,073,445,800			*18,422,200*	*0.9*
GF/GP	1,160,232,700	1,202,374,200	1,123,513,600			*(36,719,100)*	*(3.2)*
Gross	**$4,660,512,800**	**$4,711,148,900**	**$4,650,910,300**			***($9,602,500)***	***(0.2)***
FTEs	7,791.2	7,847.2	7,842.2			*51.0*	*0.7*

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5 and House Bill 4112). (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), and Treasury (including the Bureau of State Lottery, Michigan Gaming Control Board, Michigan Strategic Fund - Michigan State Housing Development Authority, State Building Authority, Revenue Sharing, and Debt Service). **Budget issues are listed by department on the following pages.**

Major Boilerplate Changes From FY 2014-15

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

Appropriates GF/GP revenue into the Countercyclical Budget and Economic Stabilization Fund (BSF). Executive revises appropriated amount to $95.0 million from $94.0 million. Includes new subsection that dedicates 25 percent of FY 2015-16 GF/GP surplus revenues and 25 percent of FY 2015-16 GF/GP lapse funds to the BSF. House revises to appropriate $95.0 million to BSF. House does not include surplus revenues or lapse funds in BSF pay-in.

***Sec. 231. Full-Time Equated Position Report* – DELETED**

Expresses intent of the Legislature that departments properly account for their spending and do not use FTE positions as placeholders for spending in other parts of their budgets; requires report. Executive and House delete section.

***Sec. 235. Contract Request for Information and Qualification* – DELETED**

Requires state departments and agencies to issue and receive a Request for Information (RFI) or Request for Quotation (RFQ) before a Request for Proposal (RFP) for any contract in excess of $5.0 million. States that department may not issue RFP unless it first considers issuing an RFI or RFQ. Requires department to notify DTMB of evaluation process used to determine if an RFI or RFQ was not necessary. Executive and House delete section.

***Sec. 239. State Building Energy Performance* – DELETED**

Requires DTMB, with assistance from the Michigan Energy Office, to assess energy performance of state-owned buildings to identify energy savings achievable with internal resources and energy performance contracts. Executive and House delete section.

***Sec. 1301. Anticipated Appropriations* – REVISED**

Expresses intent of the Legislature to provide the same appropriations for fiscal year 2016 as provided in fiscal year 2015, except for where adjustments are made for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. Executive deletes section. House revises to reflect new fiscal year.

FY 2015-16: DEPARTMENT OF ATTORNEY GENERAL
Summary: As Reported by House Subcommittee (HB 4090)
Article VIII, House Bill 4102 (H-1) Draft 1

Analyst: Perry Zielak

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	*Difference: House From FY 2014-15 YTD* *Amount*	*%*
IDG/IDT	$27,783,800	$28,533,900	$28,533,900			*$750,100*	*2.7*
Federal	9,857,200	9,278,600	9,278,600			*(578,600)*	*(5.9)*
Local	0	0	0			*0*	*--*
Private	0	0	0			*0*	*--*
Restricted	17,914,200	17,281,700	17,281,700			*(632,500)*	*(3.5)*
GF/GP	38,267,100	36,847,400	36,847,400			*(1,419,700)*	*(3.7)*
Gross	**$93,822,300**	**$91,941,600**	**$91,941,600**			***($1,880,700)***	***(2.0)***
FTEs	519.5	524.5	524.5			*5.0*	*1.0*

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5 and House Bill 4112). (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 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
1. Sexual Assault Law Enforcement	FTE	0	5.0
Executive adds $1.7 million GF/GP and 5.0 FTEs to test backlogged sexual assault kits in communities statewide with the exception of Wayne County, and to assist in investigations and prosecutions that may result. House concurs.	**Gross**	**$0**	**$1,700,000**
	GF/GP	$0	$1,700,000
2. Sexual Assault Prosecutions	**Gross**	**$3,000,000**	**($3,000,000)**
Executive eliminates $3.0 million GF/GP of one-time funding for prosecutions of sexual assault cases within Wayne County that resulted from the testing of rape kits discovered upon the closure of the Detroit crime laboratory. House concurs.	GF/GP	$3,000,000	($3,000,000)
3. Fund Source Adjustments	**Gross**	**NA**	**($239,200)**
Executive adjusts interdepartmental grant, federal, and restricted revenue fund sources to accurately reflect costs of providing legal services and memorandums of understanding with other state agencies and departments. House concurs.	IDG	NA	866,400
	Federal	NA	(543,600)
	Restricted	NA	(562,000)
4. Economics	**Gross**	**NA**	**($341,500)**
Executive includes net cost reduction of $341,500 Gross ($119,700 GF/GP) for negotiated salary and wage amounts (2.0% base increase), insurance rate increases, reductions in actuarially determined retirement rates, and other economic adjustments. House concurs.	IDG	NA	(116,300)
	Federal	NA	(35,000)
	Restricted	NA	(70,500)
	GF/GP	NA	($119,700)

Major Boilerplate Changes From FY 2014-15

***Sec. 316 Sexual Assault Kit Testing* – NEW**
Appropriates $1.7 million to test sexual assault kits statewide in order to eliminate county backlogs by the end of FY 2015-16, assist with prosecutions that may result and provide victim services. Executive adds new section. House concurs but revises with adding work and spending plan requirement.

***Sec. 320. Sexual Assault Prosecutions* – RETAINED**
Requires a detailed work and spending plan for the sexual assault prosecution line item to be submitted to the state budget office and the legislature and approved by the state budget director prior to spending any of the $3.0 million appropriation. Executive deletes. House retains section.

FY 2015-16: DEPARTMENT OF CIVIL RIGHTS
Summary: As Reported by House Subcommittee (HB 4090)
Article VIII, House Bill 4102 (H-1) Draft 1

Analyst: Perry Zielak

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	*Difference: House From FY 2014-15 YTD* *Amount*	*%*
IDG/IDT	$288,900	$286,700	$286,700			*($2,200)*	*(0.8)*
Federal	2,736,500	2,721,700	2,721,700			*(14,800)*	*(0.5)*
Local	0	0	0			*0*	*--*
Private	18,700	18,700	18,700			*0*	*0.0*
Restricted	151,900	151,900	151,900			*0*	*0.0*
GF/GP	13,448,200	12,949,700	12,949,700			*(498,500)*	*(3.7)*
Gross	**$16,644,200**	**$16,128,700**	**$16,128,700**			***($515,500)***	***(3.1)***
FTEs	138.0	135.0	135.0			*(3.0)*	*(2.2)*

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5 and House Bill 4112). (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 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
1. Unclassified Funding	**Gross**	**$724,700**	**($90,000)**
Executive reduces funding by $90,000 GF/GP that was not utilized by the department. House concurs.	GF/GP	$724,700	($90,000)
2. Vacant Public Affairs Position	FTE	124.0	(1.0)
Executive reduces funding by $115,000 GF/GP through proposed elimination of a vacant Public Affairs position. House concurs.	**Gross**	**$14,091,800**	**($115,000)**
	IDG	288,900	0
	Federal	2,721,500	0
	Restricted	58,500	0
	GF/GP	$11,022,900	($115,000)
3. Librarian Position	FTE	124.0	(1.0)
Executive reduces funding by $105,000 GF/GP through proposed elimination of a librarian position. House concurs.	**Gross**	**$14,091,800**	**($105,000)**
	IDG	288,900	0
	Federal	2,721,500	0
	Restricted	58,500	0
	GF/GP	$11,022,900	($105,000)
4. Executive Secretary Position	FTE	124.0	(1.0)
Executive reduces funding by $90,000 GF/GP through proposed elimination of an executive secretary position. House concurs.	**Gross**	**$14,091,800**	**($90,000)**
	IDG	288,900	0
	Federal	2,721,500	0
	Restricted	58,500	0
	GF/GP	$11,022,900	($90,000)

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
5. Economic Adjustments	**Gross**	**NA**	**($115,500)**
Executive implements net cost reduction of $115,500 Gross ($98,500 GF/GP) for negotiated salary and wage amounts (2.0% base increase), insurance rate increases, reductions in actuarially determined retirement rates, and other economic adjustments. House concurs.	IDG	NA	(2,200)
	Federal	NA	(14,800)
	GF/GP	NA	($98,500)

Major Boilerplate Changes From FY 2014-15

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

***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.

FY 2015-16: EXECUTIVE OFFICE
Summary: As Reported by House Subcommittee (HB 4090)
Article VIII, House Bill 4102 (H-1) Draft 1

Analyst: Ben Gielczyk

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	*Difference: House From FY 2014-15 YTD Amount*	*%*
IDG/IDT	$0	$0	$0			*$0*	--
Federal	0	0	0			*0*	--
Local	0	0	0			*0*	--
Private	0	0	0			*0*	--
Restricted	0	0	0			*0*	--
GF/GP	5,916,100	5,916,100	5,916,100			*0*	*0.0*
Gross	**$5,916,100**	**$5,916,100**	**$5,916,100**			***$0***	***0.0***
FTEs	88.2	88.2	88.2			*0.0*	*0.0*

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5 and House Bill 4112). (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 2014-15 YTD Appropriations	FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
There are no proposed budget changes for FY 2015-16.		

Major Boilerplate Changes From FY 2014-15

There are no major boilerplate changes for FY 2015-16.

FY 2015-16: LEGISLATURE
Summary: As Reported by House Subcommittee (HB 4090)
Article VIII, House Bill 4102 (H-1) Draft 1

Analyst: Ben Gielczyk

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	*Difference: House From FY 2014-15 YTD Amount*	*%*
IDG/IDT	$0	$0	$0			*$0*	--
Federal	0	0	0			*0*	--
Local	0	0	0			*0*	--
Private	400,000	400,000	400,000			*0*	*0.0*
Restricted	4,109,800	4,192,000	4,192,000			*82,200*	*2.0*
GF/GP	127,420,700	131,872,300	131,236,400			*3,815,700*	*3.0*
Gross	**$131,930,500**	**$136,464,300**	**$135,828,400**			***$3,897,900***	***3.0***
FTEs	0.0	0.0	0.0			*0.0*	--

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5 and House Bill 4112). (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 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
1. Legislature Operations	**Gross**	**$131,930,500**	**$3,897,900**
Executive includes $4.5 million Gross ($4.5 million GF/GP) related to increased costs for legislative staff and other operations. House includes $3.9 million Gross ($3.8 million GF/GP) related to increased costs for legislative staff and other operations.	Private	400,000	0
	Restricted	4,109,800	82,200
	GF/GP	$127,420,700	$3,815,700

Major Boilerplate Changes From FY 2014-15

***Sec. 609. Capitol Historic Site Fund* – DELETED**

Designates appropriations from the Capitol Historic Site Fund subject to enrollment of Senate Bill 678 of the 97th Legislature. Executive and House delete section.

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

States legislative intent that all administrative functions and associated funding for the Michigan legislative retirement system shall be transferred from the legislative council to the DTMB before the end of FY 2014-15. Executive and House delete section.

FY 2015-16: LEGISLATIVE AUDITOR GENERAL
Summary: As Reported by House Subcommittee (HB 4090)
Article VIII, House Bill 4102 (H-1) Draft 1

Analyst: Ben Gielczyk

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	*Difference: House From FY 2014-15 YTD Amount*	*%*
IDG/IDT	$5,220,700	$5,392,800	$5,392,800			*$172,100*	*3.3*
Federal	0	0	0			*0*	*--*
Local	0	0	0			*0*	*--*
Private	0	0	0			*0*	*--*
Restricted	2,000,800	1,987,600	1,987,600			*(13,200)*	*(0.7)*
GF/GP	14,937,300	15,460,100	15,385,400			*448,100*	*3.0*
Gross	**$22,158,800**	**$22,840,500**	**$22,765,800**			***$607,000***	***2.7***
FTEs	0.0	0.0	0.0			*0.0*	*--*

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5 and House Bill 4112). (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 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
1. Auditor General Operations	**Gross**	**$22,158,800**	**$607,000**
Executive includes $681,700 Gross ($522,800 GF/GP) related to increased costs for Auditor General staff and other operations. House includes $607,000 Gross ($448,100 GF/GP) related to increased costs for Auditor General staff and other operations.	IDG	5,220,700	172,100
	Restricted	2,000,800	(13,200)
	GF/GP	$14,937,300	$448,100

Major Boilerplate Changes From FY 2014-15

***Sec. 625. Information Technology Audits* – DELETED**

Specifies that not more than $400,000 may be used to hire up to 10 additional auditors for the specific purpose of providing audit support and oversight of this state's most critical information technology systems and services. Requires unobligated funds to revert to the General Fund. Executive and House delete section.

FY 2015-16: DEPARTMENT OF STATE
Summary: As Reported by House Subcommittee (HB 4090)
Article VIII, House Bill 4102 (H-1) Draft 1

Analyst: Perry Zielak

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	*Difference: House From FY 2014-15 YTD* *Amount*	*%*
IDG/IDT	$20,000,000	$20,000,000	$20,000,000			*$0*	*0.0*
Federal	1,460,000	1,460,000	1,460,000			*0*	*0.0*
Local	0	0	0			*0*	*--*
Private	100	100	100			*0*	*0.0*
Restricted	185,985,800	186,635,100	186,635,100			*649,300*	*0.3*
GF/GP	17,739,000	17,161,500	17,161,500			*(577,500)*	*(3.3)*
Gross	**$225,184,900**	**$225,256,700**	**$225,256,700**			***$71,800***	***0.0***
FTEs	1,593.0	1,593.0	1,593.0			*0.0*	*0.0*

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5 and House Bill 4112). (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 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
1. Credit and Debit Assessment Service Fees	**Gross**	**$5,000,000**	**$1,000,000**
Executive increases funding authorization by $1.0 million state restricted revenue as usage of credit and debit cards by customers increase at branch locations. House concurs.	Restricted	5,000,000	1,000,000
2. Ignition Interlock Program	**Gross**	**$1,000,000**	**$0**
Executive continues funding authorization of $1.0 million state restricted revenue to accommodate increasing workload with inspecting and regulating businesses related to the installation of ignition interlocks to motor vehicles. Initial increased authorization was added through HB 4112 (H-1) for FY 2014-15. House concurs.	Restricted	1,000,000	0
3. Departmental Identified Budgetary Savings	**Gross**	**NA**	**($500,000)**
Executive reduces funding by $500,000 GF/GP through departmental identified budgetary savings in Branch Operations ($241,800), Unclassified Positions (122,100), Department Service Operation ($83,800), Central Operations ($26,900), Election Administration and Services ($25,000) and Legal Services ($400). House concurs.	GF/GP	NA	($500,000)
4. Removal of FY 2014-15 One-Time Appropriations	**Gross**	**$200,000**	**($200,000)**
Executive eliminates one-time funding (added through HB 4112 (H-1)) of $200,000 GF/GP for IT system changes related to the May 2015 transportation ballot proposal. House concurs.	GF/GP	$200,000	($200,000)
5. Election Machine Upgrades	**Gross**	**NA**	**$100**
House allocates $100 for upgrades and replacement of election voting machines.	GF/GP	NA	$100

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
6. Economics	**Gross**	**NA**	**($228,200)**
Executive implements net cost reduction of $228,200 Gross (increase of $122,500 GF/GP) for negotiated salary and wage amounts (2.0% base increase), insurance rate increases, reductions in actuarially determined retirement rates, and other economic adjustments. House concurs.	Restricted	NA	(350,700)
	GF/GP	NA	$122,500

Major Boilerplate Changes From FY 2014-15

***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 section.

***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 section.

***Sec. 722. Bridge Card Work Group* – NEW**
Requires the department to form a work group with Department of Community Health and the Michigan State Police to investigate methods to deter Bridge Card fraud and report findings by February 1, 2016. House adds as new section.

FY 2015-16: DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET
Summary: As Reported by House Subcommittee (HB 4090)
Article VIII, House Bill 4102 (H-1) Draft 1

Analyst: Perry Zielak

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	*Difference: House From FY 2014-15 YTD* *Amount*	*%*
IDG/IDT	$677,193,600	$678,478,500	$678,478,500			*$1,284,900*	*0.2*
Federal	7,974,100	7,997,300	7,997,300			*23,200*	*0.3*
Local	3,553,700	3,587,700	3,587,700			*34,000*	*1.0*
Private	190,400	190,100	190,100			*(300)*	*(0.2)*
Restricted	94,322,000	95,771,900	95,771,900			*1,449,900*	*1.5*
GF/GP	445,798,500	478,880,800	470,380,800			*24,582,300*	*5.5*
Gross	**$1,229,032,300**	**$1,264,906,300**	**$1,256,406,300**			***$27,374,000***	***2.2***
FTEs	2,823.0	2,839.0	2,834.0			*11.0*	*0.4*

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5 and House Bill 4112). (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 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
1. Removal of FY 2014-15 One-Time Appropriations	**Gross**	**$22,522,000**	**($22,522,000)**
Executive eliminates one-time funding of $22.5 million Gross ($14.7 million GF/GP) for various projects: Litigation Fund ($2.0 million GF/GP, on top of EO 2015-5 reduction of $2.0 million); Regional Prosperity Grants ($500,000 GF/GP, on top of EO 2015-5 reduction of $500,000); Technology Services funding ($6.9 million IDG, $300 GF/GP); Office of Urban Initiatives ($4.0 million GF/GP, on top of EO 2015-5 reduction of $1.0 million); Business One Stop – Depreciation ($871,700 IDG); Special Projects ($1.2 million GF/GP); and Enterprisewide Special Maintenance ($7.0 million GF/GP). House concurs.	IDG	7,771,700	(7,771,700)
	GF/GP	$14,750,300	($14,750,300)
2. State Building Authority (SBA) Rent Payments	**Gross**	**$236,770,600**	**$17,800,000**
Executive restores $17.8 million GF/GP to State Building Authority rent funding that was reduced in the FY 2014-15 mid-year negative supplemental (HB 4112 (H-1)). House concurs.	GF/GP	$236,770,600	$17,800,000
3. Capital Outlay – Enterprisewide Special Maintenance at State Facilities	**Gross**	**$20,000,000**	**$10,000,000**
	IDG	2,000,000	0
Executive increases funding by $13.0 million GF/GP for maintenance and upkeep projects at state-owned properties. The figure includes $5.0 million in restored funding from reductions made in Executive Order 2015-5. House increases funding by $10.0 million GF/GP.	GF/GP	$18,000,000	$10,000,000

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
4. Information Technology Investment Fund	**Gross**	**$60,500,000**	**$7,500,000**
Executive increases funding by $9.5 million GF/GP to continue upgrading various IT related projects and legacy systems. The figure includes $2.5 million in restored funding from reductions made in Executive Order 2015-5. Total proposed funding is $70.0 million. FY 2014-15 budget rolled out IT investment projects. House increases funding by $7.5 million GF/GP and rolls out IT investment project lines.	GF/GP	$60,500,000	$7,500,000
5. Motor Vehicle Fleet	**Gross**	**$67,669,300**	**$6,515,500**
Executive increases spending authorization by $6.5 million IDG to meet anticipated costs of the state's motor vehicle fleet, which is wholly funded by charges paid by agencies using the fleet. House concurs.	IDG	67,669,300	6,515,500
6. General Services Technical Adjustments	FTE	324.5	5.0
Executive aligns funding of the Information Technology IDGs with agency investment requests by $3.8 million. Includes funding and FTE authorization for Treasury Business Portal ($2.0 million IDG & 2.0 FTEs), Treasury City Income Tax Operations ($1.2 million IDG & 2.0 FTEs), and Treasury Personal Property Tax Reform Operations ($650,000 IDG & 1.0 FTE). House concurs.	**Gross**	**$90,562,100**	**$3,850,000**
	IDG	90,562,100	3,850,000
7. Office of Urban Initiatives	FTE	NA	0.0
Executive establishes ongoing funding of $2.5 million GF/GP and 5.0 FTEs, partially restoring an Executive Order 2015-5 reduction to one-time funding, for urban and metropolitan initiatives respective to transportation, public services, land use/sustainability, housing, and workforce development. House does not include.	**Gross**	**NA**	**$0**
	GF/GP	NA	$0
8. Information Technology Interdepartmental Grant (IDG) Adjustments	**Gross**	**NA**	**($2,018,800)**
Executive reduces funding by $2.0 million IDG to align funding of the Information Technology IDGs with adjusted anticipated agency costs. House concurs.	IDG	NA	(2,018,800)
9. Legal Services	**Gross**	**NA**	**$1,000,500**
Executive establishes ongoing funding of $2.0 million GF/GP, restoring an Executive Order 2015-5 reduction to one-time funding, for major 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. House establishes funding at $1.0 million GF/GP.	GF/GP	NA	$1,000,500
10. Michigan Public Safety Communications System (MPSCS)	**Gross**	**$38,359,000**	**$1,500,000**
Executive increases funding by $1.5 million GF/GP for radio replacement cycle and system maintenance. Funding was decreased by $3.5 million in Executive Order 2015-5 for FY 2014-15, proposal maintains $2.0 million of that reduction resulting in $1.5 million increase over prior fiscal year adjusted numbers. House concurs.	Local	2,212,100	0
	GF/GP	$36,146,900	$1,500,000
11. Office of Retirement Services - Deferred Compensation Fund	**Gross**	**$25,983,700**	**$1,257,600**
Executive increases funding authorization by $1.2 million state restricted revenue to Defined Contribution/Deferred Compensation Fund in the Office of Retirement Services to cover increased administrative expenses. House concurs.	Restricted	20,738,900	1,257,600
	GF/GP	$5,244,800	$0
12. Civil Service Commission	**Gross**	**$4,385,800**	**($1,085,800)**
Executive reduces funding of $1.1 million GF/GP to the Civil Service Commission's Information Technology Services and Projects. House concurs.	Federal	1,025,400	0
	Restricted	1,407,800	0
	GF/GP	$1,952,600	($1,085,800)
13. Homeland Security/Cyber Security	**Gross**	**$8,068,200**	**$1,000,000**
Executive restores $1.0 million GF/GP of funding reductions made in Executive Order 2015-5: Homeland Security Initiative/Cyber Security. House concurs.	GF/GP	$8,068,200	$1,000,000

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
14. Procurement Improvement Plan – Category Management Implementation	FTE	91.0	6.0
	Gross	**$10,476,400**	**$825,000**
Executive includes funding of $825,000 Gross ($479,100 GF/GP) and 6.0 FTEs to examine state purchasing from an enterprisewide perspective and reduce the number of contracts and suppliers utilized. House concurs.	IDG	452,900	16,900
	Federal	100	0
	Restricted	4,916,300	329,000
	GF/GP	$5,107,100	$479,100
15. State Emergency Operations Center	**Gross**	**$91,352,000**	**$631,700**
Executive increases authorization by $631,700 IDG to the Building Operation Services line item to cover revenue, maintenance, utilities, security, and operations costs of the State Emergency Operations Center commencing October 1, 2015. House concurs.	IDG	91,352,000	631,700
16. One-Time Technology Service Funding	**Gross**	**NA**	**$600,000**
Executive increases funding by $600,000 IDG to align agency IT funding costs for the Treasury Business Portal. House concurs.	IDG	NA	600,000
17. Offset of GF and Restricted Revenue	**Gross**	**NA**	**$0**
Executive reduces funding by $45,000 GF/GP for the Office of State Employer to offset increase in restricted revenue authorization for the Health Management Fund. House concurs.	Restricted	NA	45,000
	GF/GP	NA	($45,000)
18. Professional Development Funds	**Gross**	**$1,095,000**	**$7,600**
Executive increases funding by $7,600 IDG for adjustments to employer contributions for Professional Development Funds based on negotiated contracts. House concurs.	IDG	1,095,000	7,600
19. Various Technical Adjustments	**Gross**	**NA**	**$478,100**
Executive makes fund source adjustments by replacing $3,100 GF/GP with $3,100 IDG and $12,700 restricted revenue with $12,700 IDG for various adjustments, including: funding authorization realignment, Statewide Cost Allocation Plan adjustment, and State Building Authority Rent adjustment. Finally restores $478,100 in IDG user fee authorizations that were reduced based FY 2014-15 mid-year adjustment. House concurs.	IDG	NA	493,900
	Restricted	NA	(12,700)
	GF/GP	NA	($3,100)
20. Capital Outlay Planning Authorizations	**Gross**	**NA**	**$0**
Executive includes $500 GF/GP for three university and two community college capital outlay planning authorizations: Lake Superior State – Center for Freshwater Research and Education, University of Michigan – Dearborn – Engineering Laboratory Building Replacement, University of Michigan – Ann Arbor – School of Dentistry Renovation and Addition, Delta College – Saginaw Center, and Mott Community College – Southern Lakes Branch Center Renovation. House does not include.	GF/GP	NA	$0
21. Administrative Services Offsets	**Gross**	**$17,611,900**	**$0**
Executive makes fund source adjustments that result in $781,700 GF/GP increase. This includes a $981,700 GF/GP increase to offset restricted revenues supporting departmental administrative services, in addition to a $200,000 GF/GP decrease to offset an increase in procurement card revenue authorization. House concurs.	IDG	11,259,200	(694,700)
	Restricted	4,232,500	(87,000)
	GF/GP	$2,120,200	$781,700
22. Economics	**Gross**	**NA**	**$34,600**
Executive reflects net cost increase of $34,600 Gross ($405,200 GF/GP) for negotiated salary and wage amounts (2.0% base increase), insurance rate increases, reductions in actuarially-required retirement rates, and other economic adjustments. House concurs.	IDG	NA	(345,500)
	Federal	NA	23,200
	Local	NA	34,000
	Private	NA	(300)
	Restricted	NA	(82,000)
	GF/GP	NA	$405,200

Major Boilerplate Changes From FY 2014-15

***Sec. 808a. Building Occupancy; Vacated Space* – RETAINED**

Bars DTMB from charging for building occupancy for unoccupied space if the affected department or agency has given prior notice to vacate the space as specified by the section. Executive deletes. House retains section.

Major Boilerplate Changes From FY 2014-15

***Sec. 809. Computer Contracts* – REVISED**
Requires DTMB to report revisions that increase or decrease current contracts for computer software development, hardware acquisition, or quality assurance by more than $500,000. Executive changes reporting to quarterly. House concurs.

***Sec. 810. Notices of Invitations to Bid (ITBs) and Requests for Proposals (RFPs)* – RETAINED**
Requires DTMB to maintain Internet 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 section.

***Sec. 813.(5) Motor Vehicle Fleet* – RETAINED**
Promotes use of remanufactured parts. Executive deletes. House retains section.

***Sec. 814. Reporting on Information Technology Investment Projects* – RETAINED**
Requires quarterly status reports and notice when transferring $500,000 between projects. Executive changes to annual reports and eliminates notice. House retains section without change.

***Sec. 814a. Enterprisewide Information Technology Investment Projects* – NOT INCLUDED**
Explains purpose of the enterprisewide IT investment projects. Executive adds new section. House did not include.

***Sec. 815. Energy Savings Performance Contracts* – DELETED**
Requires DTMB to review capital improvement projects over $500,000 for possible inclusion in an energy savings performance contract; required report on use of energy savings performance contacts. Executive deletes. House concurs.

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

***Sec. 817. Call Center Locations* – RETAINED**
Authorizes DTMB to require a contractor providing state call center services to disclose to callers the location from which services are being provided. Executive deletes. House retains section.

***Sec. 821. Space Consolidation Plan* – RETAINED**
Requires DTMB to annually update the office space consolidation plan and provide a report on space consolidation by February 15. Executive deletes. House retains section.

***Sec. 822. Report on Unclassified Salaries* – REVISED**
Required a report on individual appointee and unclassified employee salaries by January 1. Executive deletes. House retains and revises to add electronic and online posting requirement.

***Sec. 822f. Fees and Rates Charged to State Agencies* – RETAINED**
Required report on fees and rates charged to state agencies, along with justification for any increases from prior year. Executive deletes. House retains section.

***Sec. 822g. Wayland Police Post* – DELETED**
Required DTMB to assist state police as necessary in discussions with City of Wayland regarding a potential joint public safety building. Executive deletes. House concurs.

***Sec. 822h. One Division Building* – DELETED**
Required DTMB to evaluate the feasibility of repurposing the One Division Building in Grand Rapids for a new state police crime laboratory. Executive deletes. House concurs.

***Sec. 824. Spatial Information and Technical Services* – RETAINED**
Authorizes DTMB to receive and expend funds for supplying spatial information and technical services to other state departments, local units of government, and other organizations; requires report of fund sources and expenditures. Executive eliminated report requirement. House retains report requirement.

***Sec. 827.(4) Michigan Public Safety Communications System (MPSCS)* – RETAINED**
Requires report of receipts and expenditures for each six-month period of the fiscal year. Executive deletes. House retains section.

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

***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 section.

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

Major Boilerplate Changes From FY 2014-15

***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 section.

***Sec. 832. Child Support Enforcement System* – RETAINED**
Required 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 section.

***Sec. 836. Cloud Computing* – DELETED**
Requires DTMB to conduct analyses on use of public or private cloud computing technologies for new projects and for migration of existing projects or system platforms. Executive deletes. House concurs.

***Sec. 840. Online Citizens Guide* – DELETED**
Required DTMB to issue RFP for publicly accessible statewide online citizens guide. Executive deletes. House 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 retains section.

***Sec. 866. State Building Authority (SBA) Leases* – RETAINED**
Expressed legislative approval for execution of SBA leases for SBA-financed construction. Executive deletes. House retains section.

***Sec. 867. Farnum Building* – NEW**
Allocates proceeds from the sale of the Farnum Building to DTMB. If net proceeds are less than $7.0 million, the shortfall would be appropriated to the department. Executive adds as new section. House concurs.

***Sec. 890. Regional Prosperity Initiative* – REVISED**
Provides guidelines for the Regional Prosperity Initiative. Executive changed to Sec. 822d., makes various minor changes. House concurs.

***Sec. 891. Litigation Fund* – REVISED**
Requires itemized report on litigation fund expenditures. Executive deletes. House retains and revises to legal services fund.

***Sec. 895. Michigan Business One-Stop (MBOS)* – DELETED**
Prohibits DTMB from charging other departments and agencies for continued MBOS operation, and allowed DTMB to spend up to $1.5 million of its own funds on MBOS maintenance and operation to the extent necessary to minimize disruptions while transitioning to elimination of MBOS. Executive deletes. House concurs.

***Sec. 896. Farnum Building* – DELETED**
Requires DTMB to make up to $7.0 million available to the Senate for future costs associated with the relocation from the Farnum Building. Proceeds from sale of Farnum Building would be used to repay DTMB. Executive deletes. House concurs.

***Sec. 897. Special Projects* – DELETED**
From the $1.25 million appropriated for special projects, allocated $500,000 for 120 payments to National Guard retirees and $250,000 to the Catholic Charities Center for Hope in Genesee, leaving $500,000 unallocated. Executive deletes. House concurs.

FY 2015-16: DEPARTMENT OF TREASURY
Summary: As Reported by House Subcommittee (HB 4090)
Article VIII, House Bill 4102 (H-1) Draft 1

Analyst: Ben Gielczyk

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	*Difference: House From FY 2014-15 YTD Amount*	*%*
IDG/IDT	$9,409,100	$9,500,700	$9,500,700			*$91,600*	*1.0*
Federal	39,705,400	39,661,500	39,661,500			*(43,900)*	*(0.1)*
Local	1,982,500	9,029,700	9,029,700			*7,047,200*	*355.5*
Private	23,100	25,400	25,400			*2,300*	*10.0*
Restricted	1,607,860,400	1,606,215,600	1,624,837,600			*16,977,200*	*1.1*
GF/GP	274,063,300	276,679,300	274,929,300			*866,000*	*0.3*
Gross	**$1,933,043,800**	**$1,941,112,200**	**$1,957,984,200**			***$24,940,400***	***1.3***
FTEs	1,873.5	1,911.5	1,911.5			*38.0*	*2.0*

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5 and House Bill 4112). (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), Michigan State Housing and Development Authority (MSHDA), and the Michigan Strategic Fund (MSF) are autonomous agencies housed within the Department of Treasury. MSF and MSHDA changes are summarized separately.

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
1. Constitutional Revenue Sharing	**Gross**	**$758,272,400**	**$30,224,600**
Executive provides $30.2 million in restricted sales tax revenues to adjust constitutional revenue sharing payments upward 4.0% from the FY 2014-15 budget act appropriated amount (3.1% above the January 2014 Consensus Revenue Estimating Conference (CREC) estimate for FY 2014-15). FY 2015-16 Executive Recommended amount is based on January 2015 CREC estimates plus $6.0 million in revenues associated with the Main Street Fairness Act which were not included in the CREC estimate. House concurs.	Restricted	758,272,400	30,224,600
2. City, Village, and Township Revenue Sharing	**Gross**	**$248,840,000**	**($5,800,000)**
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 (See Sec. 952 of boilerplate). By removing the one-time funding per capita distribution component, 101 townships that were added in FY 2014-15 would not receive a payment in FY 2015-16. Maintains FY 2014-15 CVT Revenue Sharing ongoing funding level of $243.0 million. House concurs with funding level but revises distribution method by reducing CVT revenue sharing to the city of Detroit by $5.8 million and shifting funding to all other CVTs that received CVT revenue sharing in FY 2014-15 and maintaining FY 2014-15 funding levels for those CVTs (See Sec. 952 of boilerplate).	Restricted	248,840,000	(5,800,000)

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
3. County Revenue Sharing/County Incentive Program	**Gross**	**$211,200,000**	**$3,500,000**
Executive increases county payments by $3.5 million in restricted sales tax revenue to accommodate two new counties coming online for state payments in FY 2015-16. Maintains full-funding levels for county revenue sharing. Maintains 80% of funding distributed through county revenue sharing and 20% through County Incentive Program. House concurs.	Restricted	211,200,000	3,500,000
4. Financially Distressed Cities, Villages, and Townships	**Gross**	**$8,000,000**	**($3,000,000)**
Executive removes $3.0 million in one-time restricted sales tax revenues for Financially Distressed CVT grant program. Maintains $5.0 million in ongoing funding for Financially Distressed CVT grant program. House concurs.	Restricted	8,000,000	(3,000,000)
5. Payments in Lieu of Taxes	**Gross**	**$21,174,900**	**$4,919,200**
Executive increases by $4.9 million Gross ($4.5 million GF/GP) to support scheduled and statutory-required increases in payments in lieu of taxes (PILT). Swamp and tax reverted lands PILT would increase from $3 to $4 per acre in FY 2015-16 per statute. House concurs.	Private	23,100	2,300
	Restricted	4,482,500	448,400
	GF/GP	$16,669,300	$4,468,500
6. Debt Service	**Gross**	**$152,395,000**	**$4,054,000**
Executive increases by $4.1 million GF/GP to support scheduled and statutory-required debt service payments. Funding increase allows for $5.0 million in new bond issues related to the Strategic Water Quality Initiative. House concurs.	GF/GP	$152,395,000	$4,054,000
7. City Income Tax Administration Program	FTE	NA	24.0
Executive includes $7.1 million in local funds and 24.0 FTEs to support the City Income Tax Administration Program. Under the program, the Department of Treasury would collect the City of Detroit's individual income tax. A portion of the funding would support expansion of the system to include collection of the City of Detroit's business tax in the future. Transfers additional 26.0 FTEs from Tax Processing to support program. House concurs.	**Gross**	**NA**	**$7,050,000**
	Local	NA	7,050,000
8. Personal Property Tax Reform Administration	FTE	NA	9.0
Executive includes $3.3 million GF/GP and 9.0 FTEs to support administration of the personal property tax reform changes including collection and distribution of the essential services assessment. House concurs.	**Gross**	**NA**	**$3,345,000**
	GF/GP	NA	$3,345,000
9. Financial Review Commission	FTE	NA	8.0
Executive includes $2.0 million GF/GP and 8.0 FTEs to support new Financial Review Commission created under the Michigan Financial Review Commission Act. The commission will ensure that the City of Detroit is meeting statutory requirements under the city's debt-cutting plan, review and approve the city's four-year financial plan, and ensure fiscal management, among other roles and responsibilities. House concurs.	**Gross**	**NA**	**$2,000,000**
	GF/GP	NA	$2,000,000
10. Financial Independence Teams	**Gross**	**$2,250,000**	**$0**
Executive increases by $1.8 million GF/GP to restore a portion of the FY 2014-15 mid-year negative supplemental (HB 4112 (H-1)) reduction of $2.3 million GF/GP to the program. House does not include.	GF/GP	$2,250,000	$0
11. Treasury Online Business Portal	**Gross**	**NA**	**$2,600,000**
Executive includes $2.6 million GF/GP ($600,000 GF/GP considered one-time) for the Department of Treasury's Business Portal. The portal allows businesses to conduct online business tax registration, tax returns, and tax payments. House concurs.	GF/GP	NA	$2,600,000
12. Casino Gaming Legal Affairs and Gaming Regulation	FTE	NA	12.0
Executive includes $514,100 in restricted funds and 12.0 FTEs to support licensing and regulation with live horse races, verify electronic gaming devices, and enhance the agency's communication strategies. House concurs.	**Gross**	**NA**	**$514,100**
	Restricted	NA	514,100

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
13. Lottery Promotion and Advertising	**Gross**	**$18,622,000**	**$0**
Executive removes $18.6 million in State Lottery Fund for promotion and advertising. Recommends elimination of line item and inclusion of boilerplate that would authorize the Bureau of State Lottery to collect 1% of the prior fiscal year's gross sales for promotion and advertising. House does not include. Retains FY 2014-15 funding level appropriated in line item.	Restricted	18,622,000	0
14. Contractual Services, Supplies, and Materials Reductions	**Gross**	**NA**	**($300,000)**
Executive reduces various tax programs line items by $300,000 GF/GP. Reflects budget savings from reductions in contracted services, supplies, and materials (CSS&M). Executive Order 2015-5 and HB 4112 (H-1) implemented $1.1 million in CSS&M reductions to Tax and Economic Policy ($600,000 GF/GP) and Tax Compliance ($500,000 GF/GP). The Executive Recommendation carries forward those reductions reducing both by an additional $50,000 GF/GP and reduces Tax Processing and Office of Collections by $100,000 GF/GP. House concurs.	GF/GP	NA	($300,000)
15. Fund Source Revenue Adjustments	**Gross**	**NA**	**($3,264,500)**
Executive includes net reduction of $3.3 million Gross ($0 GF/GP) to align appropriation with actual available revenues in fund source. Adjusts IDG for Data Collection Services Fee up by $40,000 and Land Reutilization Fund restricted funds down by $3.3 million. Makes technical adjustment in fund sourcing by shifting $62,300 in restricted funding to IDG funding. House concurs.	IDG	NA	102,300
	Restricted	NA	(3,366,800)
16. One-Time Appropriations	FTE	15.0	(15.0)
Executive provides a net reduction of $20.4 million Gross ($15.2 million GF/GP) and 15.0 FTEs in one-time appropriations. Personal property tax payments to reimburse local units for lost debt service millages under the personal property tax reforms are retained at $19.3 million GF/GP. Funding for the following items is removed: credit card payment services ($500,000 GF/GP and 6.0 FTEs), personal property tax reform implementation ($1.5 million GF/GP and 9.0 FTEs), City of Flint police and fire safety grant ($1.1 million GF/GP), MBT adjustments under PA 282 of 2014 ($1.0 million GF/GP), Financial Review Commission from PA 182 of 2014 ($100,000 GF/GP), May Election Administration included in HB 4112 (H-1) ($10.0 million GF/GP), Driver Responsibility Fee Phase Out Administrative Costs included in HB 4112 (H-1) ($550,000 Restricted), Transportation Ballot Proposal IT included in HB 4112 (H-1) ($1.0 million GF/GP), Gaming Control Board IT Replacement included in HB 4112 (H-1) ($3.0 million Restricted), and Fraud Prevention Services included in HB 4112 (H-1) ($1.6 million Restricted). House concurs.	**Gross**	**$39,650,000**	**($20,350,000)**
	Restricted	5,150,000	(5,150,000)
	GF/GP	$34,500,000	($15,200,000)
17. Economic Adjustments	**Gross**	**NA**	**($552,000)**
Executive includes net cost reduction of $552,000 Gross ($101,500 GF/GP) for negotiated salary and wage amounts (2.0% base increase), insurance rate increases, reductions in actuarially-determined retirement rates, and other economic adjustments. House concurs.	IDG	NA	(10,700)
	Federal	NA	(43,900)
	Local	NA	(2,800)
	Restricted	NA	(393,100)
	GF/GP	NA	($101,500)

Major Boilerplate Changes From FY 2014-15

Executive Boilerplate Deletions

In general, the Executive Budget deletes many sections of boilerplate including legislative reporting requirements, providing guidance, and placing conditions on appropriations, and earmarks of funding for specific purposes. The list below includes major changes to boilerplate, but is not a comprehensive list of all sections or language deleted. House retains sections.

***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. House revises to include language stating legislative intent that contingency fee unclaimed property audits be eliminated for Michigan-based businesses.

Major Boilerplate Changes From FY 2014-15

***Sec. 945. Assessment and Certification Division Reviews* – REVISED**
Requires assessment and certification division to conduct 14-point reviews in at least one assessment jurisdiction per county. Executive revises to require the Department of Treasury to conduct an audit of minimum assessing requirements reviews for each county. House revises reference to 14-point review to Audit of Minimal Assessing Requirements.

***Sec. 948. Fraud Prevention Appropriation* – NEW**
Specifies that the Department of Treasury may contract with private agencies from the funds appropriated in part 1 to prevent the disbursement of fraudulent tax refunds. Appropriates a total amount not to exceed $1.6 million from the fund or account to which the revenues being collected are recorded or dedicated to pay contract costs or fund operations designed to reduce fraudulent income tax refund payments. Requires report. Executive includes as new section. House concurs.

***Sec. 949a. City of Flint Police and Fire Grant* – DELETED**
Requires appropriation of $1.1 million to be expended on police and fire services in the city of Flint. Authorizes emergency manager or receivership transition advisory board to determine distribution of funds. Executive and House delete section.

***Sec. 949a. Personal Property Tax Reimbursements Performance Measures* – NEW**
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 the ability to establish the technical and administrative support needed to ensure the payment information provided is accurate and timely. Executive includes as new section (Sec. 20-949). House concurs.

***Sec. 949b. City Income Tax Administration Performance Measures* – NEW**
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. Executive includes as new section (Sec. 20-949a). House concurs.

***Sec. 949c. Operations Information Technology Services and Projects Performance Measures* – NEW**
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 includes as new section (Sec. 20-949b). House concurs.

***Sec. 949d. Financial Review Commission Performance Measures* – NEW**
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 includes as new section (Sec. 20-949c). House concurs.

***Sec. 949e. State Essential Services Assessment Program* – NEW**
Specifies the purpose of the new program is to provide the department with the ability to collect the new state essential services assessment which is a phased-in replacement of locally collected personal property taxes on eligible manufacturing personal property. Executive includes as new section (Sec. 20-949d). House concurs.

***Sec. 949f. Tobacco Tax Revenue Distribution Appropriation Authorization* – NEW**
Requires revenue received under the tobacco products act related to Wayne County to be appropriated and distributed as required under the act. Executive includes as new section (Sec. 20-949e). House concurs.

REVENUE SHARING
***Sec. 952. City, Village, and Township Revenue Sharing* – REVISED**
Specifies distribution of $248.8 million to all cities, villages, and townships (CVTs) with a population of 7,500 or more by providing the greater of a 3.05% increase over its FY 2013-14 payment or a per capita payment of $2.65. CVTs with a population below 7,500 that were eligible for an Economic Vitality Incentive Program (EVIP) payment in FY 2013-14 would be eligible to receive a 3.05% increase from their FY 2013-14 EVIP payment. 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 revised to eliminate per capita distribution option, thereby eliminating 101 townships that were added as new recipients in FY 2014-15. Includes new subparagraph that would allow payments to counties to be withheld if a county is more than three months delinquent in maintaining county child care fund or state ward board and care chargeback obligations pursuant to Section 5 of the Youth Rehabilitation Services Act. House revises by reducing the eligible payment for the city of Detroit by $5.8 million. CVTs that were eligible for a CVT Revenue Sharing payment in FY 2014-15 would be eligible to receive 100% of their FY 2014-15 eligible payment. House revises Executive language on new subparagraph allowing payments to counties to be withheld if a county is more than three months delinquent in maintaining county child care fund or state ward board and care chargeback obligations by specifying that the amount that the county was in arrears would be the maximum amount withheld. House also included language specifying that a county would be deemed delinquent upon notification from the state.

Major Boilerplate Changes From FY 2014-15

***Sec. 957. County Revenue Sharing Increased Funding Statement of Purpose* – NOT INCLUDED**
Specifies that the increased funds for county revenue sharing are to provide the maximum amount of funding to eligible counties. Executive included as new section. House did not include.

***Sec. 958. Statewide Online Financial Accountability Reporting System* – DELETED**
Requires department to work with DTMB to issue an RFP for a statewide online financial accountability reporting system accessible to the general public that displays local government audit data. Executive and House delete section.

LOTTERY
***Sec. 963. Department of Human Services Bridge Cards* – RETAINED**
Requires Lottery to notify lottery retailers that DHS bridge cards are not to be used to purchase lottery tickets. Executive deleted section. House retained.

***Sec. 964. Promotion and Advertising Appropriation* – NOT INCLUDED**
Appropriates 1% of the Bureau of State Lottery's prior fiscal year's gross sales for promotion and advertising. Executive included as new section. House did not include.

FY 2015-16: DEPARTMENT OF TREASURY – MICHIGAN STRATEGIC FUND
Summary: As Reported by House Subcommittee (HB 4090)
Article VIII, House Bill 4102 (H-1) Draft 1

Analyst: Ben Gielczyk

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	*Difference: House From FY 2014-15 YTD* *Amount*	*%*
IDG/IDT	$0	$0	$0			*$0*	*--*
Federal	627,370,300	627,305,000	627,305,000			*(65,300)*	*(0.0)*
Local	4,433,500	4,433,500	4,433,500			*0*	*0.0*
Private	5,654,900	5,649,000	5,649,000			*(5,900)*	*(0.1)*
Restricted	142,678,700	142,588,000	142,588,000			*(90,700)*	*(0.1)*
GF/GP	222,642,500	226,607,000	158,707,000			*(63,935,500)*	*(28.7)*
Gross	**$1,002,779,900**	**$1,006,582,500**	**$938,682,500**			***($64,097,400)***	***(6.4)***
FTEs	756.0	756.0	756.0			*0.0*	*0.0*

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5 and House Bill 4112). (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Michigan Strategic Fund (MSF) contains programs that work with existing Michigan businesses and communities to retain and expand jobs through coordination of business assistance services through interdisciplinary account management teams and other economic development services. These programs build partnerships with local, state, and federal economic development agencies and the business community to coordinate and leverage resources and improve the State's business climate. The MSF has administrative responsibilities over Workforce Investment Act activities, Community Development Block Grants, GEAR-UP grants, Carl D. Perkins grants, adult education, Bureau of Energy Systems, postsecondary education services, and welfare-to-work programs. Funds and programs of the MSF are administered by the Michigan Economic Development Corporation (MEDC), which also administers the 21st Century Jobs Fund. Michigan State Housing Development Authority (MSDHA) is an autonomous agency within the MSF. Under Executive Order 2011-4, the MSF supervises and directs the budgeting, procurement, and related management function of the MSHDA.

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
1. Business Attraction and Community Revitalization	**Gross**	**$127,800,000**	**($16,700,000)**
Executive increases by $1.2 million Gross ($10.0 million GF/GP) to support Business Attraction and Community Revitalization. FY 2014-15 mid-year negative supplemental (HB 4112 (H-1)) removed $10.0 million GF/GP and shifted $7.8 million 21st Century Jobs Trust Fund from Entrepreneurship Eco-System to this line item for a net reduction of $2.2 million GF/GP to the line item. FY 2015-16 Executive Recommendation shifts $7.8 million 21st Century Jobs Trust Fund back to Entrepreneurship Eco-System and restores $10.0 million GF/GP. Shifts $1.0 million 21st Century Jobs Trust Fund to Pure Michigan. $17.9 million of total funding is considered one-time appropriations. House reduces by $16.7 million Gross ($8.9 million GF/GP). House does not include one-time funding.	Restricted	28,800,000	(7,800,000)
	GF/GP	$99,000,000	($8,900,000)
2. Entrepreneurship Eco-System	**Gross**	**$17,200,000**	**$7,800,000**
Executive increases by $7.8 million 21st Century Jobs Trust Fund. FY 2014-15 mid-year negative supplemental (HB 4112 (H-1)) shifted $7.8 million 21st Century Jobs Trust Fund to the Business Attraction and Community Revitalization to mitigate GF/GP reductions in that line item. FY 2015-16 Executive Recommendation shifts $7.8 million back to Entrepreneurship Eco-System. House concurs.	Restricted	17,200,000	7,800,000

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
3. Pure Michigan	**Gross**	**$29,000,000**	**$0**
Executive shifts $1.0 million 21st Century Jobs Trust Fund from Business Attraction and Community Revitalization to increase support Pure Michigan. Funding would support enhanced international marketing, update Pure Michigan commercials, and upgrade the Pure Michigan website. House does not include.	Restricted	29,000,000	0
4. Film Incentives	**Gross**	**$38,000,000**	**($38,000,000)**
Executive increases by $12.0 million GF/GP for a total of $50.0 million GF/GP. FY 2014-15 mid-year negative supplemental (HB 4112 (H-1)) reduced film incentives by $12.0 million. FY 2015-16 Executive Recommendation restores the reduction. $25.0 million of total funding is considered one-time appropriations. House eliminates film incentives.	GF/GP	$38,000,000	($38,000,000)
5. Special Programs	**Gross**	**NA**	**$1,000,000**
House includes $1.0 million GF/GP to support special programs.	GF/GP	NA	$1,000,000
6. One-Time Appropriations	**Gross**	**$17,750,000**	**($17,750,000)**
Executive removes $17.8 million GF/GP in one-time appropriations for various special projects ($15.8 million GF/GP) and the Automotive, Engineering, and Manufacturing Technology Fund ($2.0 million GF/GP). House concurs.	GF/GP	$17,750,000	($17,750,000)
7. Michigan Film Office	**Gross**	**$891,900**	**($237,100)**
Executive removes $237,100 GF/GP from Michigan Film Office operations. Statute allows for the capture of 4.0% of film incentive appropriations to support administration thereby eliminating the need for appropriated GF/GP for Michigan Film Office operations. House concurs.	Restricted	654,800	0
	GF/GP	$237,100	($237,100)
8. Economic Adjustments	**Gross**	**NA**	**($210,300)**
Executive includes net cost reduction of $210,300 Gross ($48,400 GF/GP) for negotiated salary and wage amounts (2.0% base increase), insurance rate increases, reductions in actuarially-determined retirement rates, and other economic adjustments. House concurs.	Federal	NA	(65,300)
	Private	NA	(5,900)
	Restricted	NA	(90,700)
	GF/GP	NA	($48,400)

Major Boilerplate Changes From FY 2014-15

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

***Sec. 980. Michigan State Housing Development Authority Annual Report* – RETAINED**

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

***Sec. 981. Michigan Broadband Development Authority Report* – RETAINED**

Requires the department and MSHDA to report on the status of loans entered into by the Michigan Broadband Development Authority. Executive deletes section. House retains.

***Sec. 986. Land Bank Fast Track Authority Operations Report* – DELETED**

Requires the Land Bank Fast Track Authority to provide a report including a listing of revenue generating activities mitigating or eliminating the need for GF/GP support, a listing of identified barriers to implement the activities, and a timeline for instituting the activities. Executive and House delete section.

***Sec. 990. Housing Rehabilitation Task Force* – DELETED**

Requires Michigan State Housing Development Authority to work with the Department of Community Health and the Department of Human Services to appoint members to a joint task force to review housing rehabilitation, energy and weatherization, and hazard abatement program policies and to make recommendations for integrating and coordinating project delivery. Executive and House delete section.

MICHIGAN STRATEGIC FUND

***Sec. 1033. Film Incentives Status Report* – RETAINED**

Requires quarterly reports on the status of the film incentives approved under section 29h of the MSF Act. Executive revises to remove indirect economic impact, indirect jobs, and indirect investment from the reporting requirement. House retains current law.

Major Boilerplate Changes From FY 2014-15

***Sec. 1034. Business Incubator Program* – REVISED**
Requires each of the 10 business incubators that received awards in FY 2012-13 from the Innovation and Entrepreneurship line item to submit a dashboard of indicators to gauge performance. Indicates intent of the legislature that any additional funding be based on performance of the business incubator. Executive and House strike intent language.

***Sec. 1037. Facility for Rare Isotope Beams Debt Service* – DELETED**
Stipulates that no long-term indebtedness shall be issued by the Michigan Strategic Fund until Michigan State University provides certification that all necessary approvals have been secured and federal funds are available to commence construction of the facility. 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 and House delete section.

***Sec. 1039b. Skilled Trades Training Program Administration* – REVISED**
Requires the Skilled Trades Training Program to be administered according to specific guidelines outline in boilerplate. Executive revises to include subsection allowing up to $5.0 million 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. House concurs.

***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, 2015. Executive deletes section. House retains.

***Sec. 1043. West Michigan Film Office* – DELETED**
Requires $250,000 of the funds appropriated in part 1 for film incentives to be dedicated to the West Michigan Film Office. Executive and House delete section.

***Sec. 1044. Michigan Heritage Restoration Program* – DELETED**
Directs distribution of $600,000 GF/GP supporting the Michigan Heritage Restoration Program. Requires grant funds to support neighborhood organizations designated 501(c)(3) and stipulates that grants shall not exceed $250,000. Executive and House delete section.

***Sec. 1049. Michigan Law Enforcement Officers Memorial Monument Fund* – DELETED**
Directs funds appropriated in part 1 for the Michigan Law Enforcement Officers Memorial Monument Fund to be used as match funds. For every $1.00 raised in private money, $2.00 is to be distributed from state funds up to a maximum of $2.0 million. Executive and House delete section.

***Sec. 1052. Community College Skilled Trades Equipment Program Debt Service* – DELETED**
Stipulates that no long-term indebtedness may be issued by the MSF until the MSF board approves the RFP and guidelines for the Community College Skilled Trades Equipment Program. Specifies that up to $50.0 million is to be made available for equipment and related investments at community colleges to deliver educational programs in high-wage, high-skill, and high-demand occupations, as identified by regional labor market conditions. States that plans demonstrating collaboration between postsecondary and school districts and ISDs should get additional consideration. Awards to be made by April 1, 2015 through a competitive process. Specifies required proposal requirements for community colleges. Provides guidelines for program and requirements for community colleges participating in program. Provides for the State Budget Director to 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 and House delete section.

***Sec. 1052. Status of Projects Report* – NEW**
Requires MSF to provide a report on the status of projects by award recipient in an annual report to the legislature as required in the MSF Act. Executive includes as new section. House concurs.

***Sec. 1057. Aerospace Supplier Development Program* – RETAINED**
Authorizes the fund to appropriate funds dedicated to Entrepreneurship Eco-System for the Aerospace Supplier Development Program. Provides guidance on the expenditure of funds if granted. Executive deletes section. House retains.

***Sec. 1058. Transportation Workgroup* – DELETED**
Requires MSF to conduct a workgroup with MDOT, MDOC, MDHS, and members of the Senate and House of Representatives to determine how the state can maximize services and funding for transportation for low-income individuals. Executive and House delete section.

***Sec. 1059. Pre-College Engineering* – DELETED**
Provides for distribution of funds appropriated to a pre-college engineering program in southeast Michigan. Executive and House delete section.

***Sec. 1064. Workforce Development Programs Reporting* – NEW**
Requires MSF to provide a status report on each discrete workforce development agency program supported by funds appropriated in part 1. House includes as new section.

Major Boilerplate Changes From FY 2014-15

***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 and House delete section.

***Sec. 1070. Welfare-to-Work Workgroup* – DELETED**
Requires Workforce Development Agency to conduct a workgroup with DHS and members of the Senate and House of Representatives 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 and House delete section.

***Sec. 1071. Business Attraction and Community Revitalization Performance Measures* – NEW**
Requires MSF to identify specific outcomes and performance metrics for the one-time funds associated with the program that shall include, but not be limited to, monthly total jobs and private investment for community projects. Executive includes as new section. House concurs but eliminates reference to “one-time” funds.

FY 2015-16: DEPARTMENT OF HUMAN SERVICES
Summary: As Reported by House Subcommittee (HB 4109)
Article X, House Bill 4102 (H-1) Draft 1

Analyst: Viola Bay Wild

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	*Difference: House From FY 2014-15 YTD* *Amount*	*%*
IDG/IDT	$21,545,900	$24,260,300	$24,260,300			*$2,714,400*	*12.6*
Federal	4,540,108,400	4,542,043,600	4,539,536,800			*(571,600)*	*0.0*
Local	41,937,700	45,441,300	45,441,300			*3,503,600*	*8.4*
Private	19,469,900	26,356,900	26,356,900			*6,887,000*	*35.4*
Restricted	117,624,300	117,333,400	117,333,400			*(290,900)*	*-0.2*
GF/GP	981,155,500	978,891,000	968,456,400			*(12,699,100)*	*-1.3*
Gross	**$5,721,841,700**	**$5,734,326,500**	**$5,721,385,100**			***($456,600)***	***0.0***
FTEs	12,208.5	12,043.9	12,040.9			*(167.6)*	*-1.4*

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5 and House Bill 4112). (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Department of Human Services (DHS) administers a wide range of programs and services to assist Michigan's most vulnerable families, including public assistance programs that provide direct cash support as well as assistance with food and emergency needs. The DHS is also charged with protecting children and assisting families by administering foster care, adoption, and family preservation programs, and by enforcing child support laws. The DHS is also responsible for delivering juvenile justice services, for Michigan Rehabilitation Services, and for licensing day care, adult foster care, and child welfare agencies in the state.

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
1. Public Assistance Caseload Adjustments	**Gross**	**NA**	**$11,816,600**
Increases funding for public assistance programs by $11.8 million Gross (reduction of $2.4 million GF/GP) as follows:	Federal	NA	13,719,100
	Restricted	NA	508,700
	GF/GP	NA	($2,411,200)

- Food Assistance Program (FAP) is increased $13.7 million Gross ($0 GF/GP) adjusting the monthly caseload estimate to 847,700 cases at $252 per month.
- Family Independence Program (FIP) is reduced $1.7 million Gross ($1.7 million GF/GP) from 32,300 cases at $363 per month to 31,400 cases at $361 per month.
- State Disability Assistance (SDA) program is reduced $770,400 Gross (GF/GP reduced $1.3 million) from 6,450 cases at $212 per month to 5,800 cases at $214 per month.
- State Supplementation program is increased $601,300 GF/GP from 279,100 cases at $18.75 per month to 280,600 cases at $18.75 per month.

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
2. Child Welfare Caseload Adjustments	**Gross**	**NA**	**$2,730,900**
Increases funding for child welfare programs $2.7 million Gross ($1.3 million GF/GP) as follows:	Federal	NA	1,141,900
	Local	NA	254,100
• Increases foster care caseload costs by $2.7 million Gross ($1.1 million GF/GP), in addition to FY 2014-15 supplemental reduction of $4.2 million Gross ($4.3 million GF/GP), for a total net reduction of $1.4 million Gross (increase of $5.4 million GF/GP) compared to the original FY 2014-15 budget. Because of the data system conversion, caseload forecast retains the consensus estimate for FY 2016 of 6,500 cases and annual cost per case estimate of $27,085.	Private	NA	37,700
	GF/GP	NA	$1,297,200
• Adoption subsidies are reduced $938,600 Gross (reduction of 370,700 GF/GP); caseload forecast retains the consensus estimate of 26,600 cases at $730 per month.			
• Guardianship assistance payments are increased $961,000 Gross ($577,700 GF/GP) for an estimate of 900 cases at $780 per month.			
3. Foster Care Rate Reductions	**Gross**	**NA**	**$0**
Executive reduces funding by a total of $8.8 million Gross ($7.1 million GF/GP) through two changes: (1) $3.7 million Gross ($3.3 million GF/GP) reduction from rescinding the FY 2014-15 increase for private residential rate foster care payments. DHS was required by statute to pay 100% of increase; this provision sunsets at the end of FY 2014-15. (2) $5.1 million Gross ($3.8 million GF/GP) reduction from rescinding a $3 per day administrative rate increase for foster care services provided by child placing agencies; private agency daily administrative rates reduced from $40 to $37. House does not include reductions and retains current-year funding levels for both programs.	Federal	NA	0
	GF/GP	NA	$0
4. Adoption Subsidies Re-Determination of Care Program	**Gross**	**$1,000,000**	**($1,000,000)**
Executive continues a FY 2014-15 reduction of $6.9 million Gross ($6.5 million GF/GP) contained in EO 2015-5 to reduce the funding for the Adoption Re-Determination of Care Program; program allows eligible adoptive parents to request a redetermination of payments for certain children with special needs after an agreement has been finalized; reduces program funding to $1.0 million. House eliminates remaining $1.0 million GF/GP funding for program.	Federal	0	0
	GF/GP	$1,000,000	($1,000,000)
5. Child Care Fund Administrative Rates – County Hold Harmless Provision	**Gross**	**$1,650,000**	**$0**
	GF/GP	$1,650,000	$0
Executive reduces funding by $1.7 million GF/GP by rescinding the county hold harmless provision requiring DHS to pay 100% of the foster care administrative rate to private agencies for all new cases referred to service providers beginning October 1, 2013. House does not include reduction and funds the county hold harmless policy at current-year level.			
6. Family Independence Program	**Gross**	**NA**	**($1,742,900)**
Executive reduces funding by a total of $1.7 million Gross ($1.7 million GF/GP) through the following three changes: (1) the elimination of the Extended Family Independence Program (EFIP), which provided $10 per month benefit for six months as clients exited FIP program ($116.4 GF/GP savings); (2) elimination of the Short Term Family Support Program, a short-term diversion program for families that could become eligible for ongoing FIP benefits ($726,200 GF/GP savings); (3) new requirement of pre-assistance cooperation with child support before clients can receive public assistance benefits ($900,300 Gross/ $889,200 GF/GP). House concurs with Executive.	Federal	NA	(11,100)
	GF/GP	NA	($1,731,800)
7. Centers for Independent Living	**Gross**	**$6,488,600**	**($1,700,000)**
Executive reduces funding by $1.5 million GF/GP for Centers for Independent Living which provide core independent living services for persons with disabilities. House concurs with Executive and includes an additional $200,000 GF/GP reduction.	Federal	2,818,600	0
	Private	100,000	0
	GF/GP	$3,570,000	($1,700,000)

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
8. One-Time Funding: Eliminate FY 2014-15 Appropriations	**Gross**	**$5,150,000**	**($5,150,000)**
Executive discontinues FY 2014-15 one-time appropriations of $5.2 million GF/GP for Child Support Enforcement Operations, Legal Support Contracts, MRS, Flint Catholic Charities, Performance Based Funding Implementation, Private Child Welfare IT Services, Fostering Futures Endowment, JJ In-Home Community Care Grants, Food Banks, Michigan Reading Corps, and Parent-to-Parent Adoption Support Services. House concurs with Executive.	GF/GP	$5,150,000	($5,150,000)
9. Eliminate IDG Funding for Swift and Sure Program	**Gross**	**$3,000,000**	**($3,000,000)**
Executive reduces IDG funding by $3.0 million to reflect the elimination of funding from the Corrections budget for the Swift and Sure Punishment program within the Michigan Rehabilitation Services Program for re-entry services for former prisoners. House concurs with Executive.	IDG	3,000,000	(3,000,000)
10. Office Closures and Consolidations	**Gross**	**NA**	**($5,331,000)**
Executive reduces funding by $5.3 million Gross ($2.2 million GF/GP) through the closure and consolidation of targeted DHS facilities and the use of the community partner network facilities for certain county offices. House concurs with Executive.	Federal	NA	(3,146,000)
	GF/GP	NA	($2,185,000)
11. Other Program Reductions	**Gross**	**NA**	**($2,865,000)**
Executive reduces funding by 2.9 million Gross ($1.3 million GF/GP) from changing to electronic notifications for MiBridges and Child Support billing coupons by offering clients option of electronic correspondence. House concurs with Executive.	Federal	NA	(1,550,100)
	GF/GP	NA	($1,314,900)
12. Budgetary Savings: Staffing Reductions	FTE	0.0	(332.0)
Executive rolls out the $7.5 million GF/GP staffing reductions line item in FY 2014-15 to various line items within the DHS budget. The roll out is achieved through the following steps: First, 332.0 FTE positions are removed saving $13.8 million Gross ($4.5 million GF/GP). Second, $3.0 million TANF federal block grant funding is used to offset $3.0 million GF/GP. House concurs with Executive.	**Gross**	**($13,796,800)**	**$0**
	Federal	(6,291,700)	0
	Local	(5,100)	0
	GF/GP	($7,500,000)	$0
13. Adjustments to Current Services Baseline	FTE	NA	(81.7)
Executive adjusts funding by decreasing federal funding by $8.7 million and increasing GF/GP spending by $8.7 million to align line item appropriations with projected spending and available revenues; also adjusts FTE allocations to align with supportable positions (81.7); discontinues $7.0 million one-time fund source shift from GF/GP to TANF federal funding. House concurs with Executive.	**Gross**	**NA**	**$0**
	Federal	NA	(15,650,400)
	Private	NA	(90,000)
	GF/GP	NA	$15,740,400
14. Michigan Rehabilitation Services (MRS)	FTE	526.0	0.0
Executive includes $1.3 million GF/GP funding to replace the $1.3 million GF/GP reduction in EO 2015-5 to allow MRS to draw down sufficient federal funds to maintain current services. House reduces GF/GP by $1.7 million.	**Gross**	**$149,289,700**	**($1,700,000)**
	IDG	3,000,000	0
	Federal	123,368,000	0
	Local	6,539,100	0
	Private	1,846,000	0
	Restricted	1,592,300	0
	GF/GP	$12,944,300	($1,700,000)
15. Child Care Licensing (CCL)	FTE	NA	39.0
Executive provides $5.7 million Gross and 39.0 FTEs to increase the number of CCL consultants and management staff to align the state's consultant-to-caseload ratio with the national average (1 consultant: 98 programs). Current caseload ratio is estimated to be 1:150; program funded through a federally funded IDG from Michigan Department of Education. House concurs with Executive.	**Gross**	**NA**	**$5,661,500**
	IDG	NA	5,661,500
	GF/GP	NA	$0

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
16. Donated Funds Positions	FTE	338.0	200.0
Executive provides $20.6 million Gross ($0 GF/GP) to expand donated funds positions by 200 FTEs. These caseworkers would be located based on the requests of adult placement and independent living settings, federally qualified health clinics, hospitals with high uncompensated costs, and employer-based sites; the entities would expend their own funds to draw down federal funding to cover the personnel costs of caseworkers. House concurs with Executive.	**Gross**	**$39,690,800**	**$20,551,200**
	IDG	236,400	0
	Federal	20,551,800	10,275,600
	Local	7,644,300	4,110,200
	Private	11,258,300	6,165,400
	GF/GP	$0	$0
17. Indigent Burial	**Gross**	**$4,300,000**	**$100,000**
House increases funding by $100,000 GF/GP.	Federal	300,000	0
	GF/GP	$4,000,000	$100,000
18. Juvenile Justice Vision 20/20	**Gross**	**$0**	**$100**
House includes $100 GF/GP placeholder for the Juvenile Justice Vision 20/20 program that was originally funded in FY 2014-15; funding was eliminated by E.O. 2015-5.	GF/GP	$0	$100
19. Program Reductions	**Gross**	**NA**	**($8,129,700)**
House reduces GF/GP funding for the following programs: State Disability Assistance program by $5.0 million, Homeless programs by $1.0 million, Children's Trust Fund Administration by $179,700, Emergency Services Local Office Allocations by $500,000, Multicultural Integration by $250,000, Centers for Independent Living by $200,000, FIP clothing allowance by $200,000, W.J. Maxey Training School by $400,000, Juvenile Justice Administration and Maintenance by $300,000, and Youth In Transition by $100,000.	GF/GP	NA	($8,129,700)
20. Family Services Programs	**Gross**	**NA**	**($2,750,000)**
House reduces federal Temporary Assistance for Needy Families (TANF) funding by $2.8 million total in the following programs: Family Preservation and Prevention Services by $1.5 million, Families First by $500,000, Child Protection and Permanency by $500,000, and Family Reunification by $250,000. The $2.8 million TANF funding was then appropriated in the Family Independence Program line item to offset GF/GP.	Federal	NA	0
	GF/GP	NA	($2,750,000)
21. Departments of Human Service and Community Health Merger Savings	FTE	6.0	(3.0)
	Gross	**$18,194,300**	**($2,234,500)**
House includes the elimination of 3.0 unclassified FTE positions and $284,500 Gross ($189,500 GF/GP) reduction due to the proposed merger between the two departments; also includes $1.9 million Gross ($1.0 million GF/GP) reduction for anticipated administrative savings as a result of the merger.	IDG	1,519,300	0
	Federal	10,013,500	(1,045,000)
	GF/GP	$6,661,500	($1,189,500)
22. Healthy Michigan Plan Call Center	**Gross**	**$11,976,300**	**$1,985,000**
Executive restores $7.6 million Gross ($2.2 million GF/GP) funding for the Healthy Michigan Plan Call Center to replace the funding reduced in E.O. 2015-5; includes additional $2.1 million GF/GP for a fund source shift to replace federal funding. House restores $2.0 million Gross ($1.4 million GF/GP).	Federal	8,510,700	538,100
	GF/GP	$3,465,600	$1,446,900
23. Specialized Employment and Training Services Pilot	**Gross**	**NA**	**$0**
Executive includes $800,000 Gross ($400,000 GF/GP) one-time funding for an expanded pilot for specialized employment and training services in partnership with Michigan Works! Agencies to provide training for DHS clients with significant employment barriers. House does not include funding.	Federal	NA	0
	GF/GP	NA	$0
24. Disability Determination Program Positions	FTE	545.9	16.0
Executive authorizes 16.0 additional FTE positions for Disability Determination Program to reflect supportable FTE positions authorized by the federal Social Security Administration; current federal funding authorization in line item is sufficient to support new positions. House concurs with Executive.	**Gross**	**$107,284,100**	**$0**
	IDG	173,300	0
	Federal	105,097,400	0
	GF/GP	$2,013,400	$0

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
25. Economic Adjustments	**Gross**	**NA**	**($2,478,700)**
Executive reflects net cost reduction of $2.5 million Gross ($740,800 GF/GP) for negotiated salary and wage amounts (2.0% base increase), insurance rate increases, reductions in actuarially-determined retirement rates, and other economic adjustments. House concurs with Executive.	IDG	NA	(33,000)
	Federal	NA	(1,619,400)
	Local	NA	(51,700)
	Private	NA	(30,000)
	Restricted	NA	(3,800)
	GF/GP	NA	($740,800)
26. DHS Budget Restructure	**Gross**	**NA**	**$0**
Executive restructures budget to better align with the organizational structure of the DHS; includes consolidation of budget units and certain line items, as well as recombining program areas differently than current-year. House concurs with Executive with most of the restructuring of the budget, but keeps certain individual line items in current-year form; also includes additional staff line items throughout the budget to identify costs of salary, wages, and benefits associated with programs.	GF/GP	NA	$0

Major Boilerplate Changes From FY 2014-15

Executive Boilerplate Deletions

In general, the Executive Budget deletes a large majority of boilerplate language included in the FY 2014-15 budget. The list below includes major changes to boilerplate, but is not a comprehensive list of all sections proposed to be deleted.

GENERAL SECTIONS

***Sec. 218. Local County Travel Costs* – NEW**

Requires DHS to allocate up to $100,000 towards reimbursing counties for out-of-pocket travel costs of the local county department board members and county department directors to attend one Michigan County Social Services Association meeting each year; House includes new language.

***Sec. 226. Request for Information or Qualification* – DELETED**

Requires DHS to issue a Request for Information or Qualification before any contract for new services, programs, or concepts in excess of $1.0 million is approved, also requires DHS to provide the results of the Request for Information or Qualification before approval. Executive deletes language; House concurs with Executive.

***Sec. 229. Job Readiness Work Group* – REVISED**

Requires DHS to conduct a work group with Treasury and the Legislature to align spending on Michigan Works job readiness programs with the declining family independence program caseload; requires report on work group findings. Executive deletes language; House revises language to ask for the report if not received in previous year.

***Sec. 264. DHS Employee Communication With Legislature* – RETAINED**

Prohibits disciplinary action by DHS against employees for communicating with a legislator or legislative staff. Executive deletes language; House retains language.

***Sec. 291. E-Verify* – DELETED**

Requires DHS to use E-Verify to verify that new employees and new contractors are legally present in the United States; requires report on number of employees found to not be legally present in the United States. Executive deletes language; House concurs with Executive.

***Sec. 292. Department of Human Services and Department of Community Health Merger* – NEW**

Requires DHS to report on the status of the proposed merger of the two departments authorized by E.O. 2015-4 by the first day of each month. Report shall include the current status of FTE positions, facilities, services, efficiencies, and estimated savings or costs associated with the merger; House includes new language.

***Sec. 295. Late Boilerplate Reporting Penalty* – DELETED**

Reduces appropriations by $150,000 if DHS fails to provide boilerplate reports and other required data within 30 days after due date. Executive deletes language; House concurs with Executive.

***Sec. 298. Supervisor-to-Staff Ratio Report* – RETAINED**

Requires DHS to report the supervisor-to-staff ratios by department divisions and subdivisions. Executive deletes language; House retains language.

***Sec. 315. Licensing Adult Assisted Living Services Work Group* – RETAINED**

Requires DHS to conduct a work group in conjunction with Community Health, organizations representing disabled and elderly adults, representatives of assisted living facilities, and the Legislature that explores licensing standards, practices, and performance measures for facilities providing assisted living services. Executive deletes language; House retains language.

Major Boilerplate Changes From FY 2014-15

***Sec. 316. Terminal Leave Payouts* – NEW**
Prohibits DHS from spending amounts in excess of the annual terminal leave pay outs gross appropriation unless it identifies and requests a legislative transfer from another budgetary line item from the Legislature. Executive includes language; House concurs with Executive.

***Sec. 317. Child Care Licensure Funding* – NEW**
Requires DHS to use the additional funds appropriated in part 1 for child care licensing to increase the number of licensing consultants and staff in order to increase the number of monitoring visits to child care license applicants and to already licensed individuals. Executive includes language; House revises new language to require report.

ADULT PROTECTIVE AND SUPPORT SERVICES
***Sec. 404. Centers for Independent Living Guide Services* – DELETED**
Provides $1.5 million for Centers for Independent Living guide services to assist persons with disabilities. Executive deletes language; House concurs with Executive.

***Sec. 405. Order of Selection* – RETAINED**
States legislative intent that MRS not implement an order of selection for vocational and rehabilitative services. Executive deletes language; House retains language.

***Sec. 407. Swift and Sure Probation Program* – DELETED**
Requires DHS to use IDG funding from Corrections to expand Swift and Sure Probation Program through MRS, requires legislative notification if available federal funding is less than appropriated. Executive deletes language; House concurs with Executive.

CHILD WELFARE SERVICES
***Sec. 506. Medicaid Coverage for Foster Children Report* – DELETED**
Requires DHS to report on the number of foster children that experience a break in Medicaid coverage and the number that did not receive Medicaid coverage. Executive deletes language; House concurs with Executive.

***Sec. 511. Physical and Mental Health Assessment Report* – RETAINED**
Requires DHS to track and report quarterly the number and percentage of foster children who received physical and mental health assessments. Executive deletes language; House retains language.

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

***Sec. 532. Licensing and Contract Compliance Review* – RETAINED**
Requires collaboration between DHS and representatives of private child and family agencies to revise and improve contract compliance and licensing review processes, requires report; restricts licensing reviews to no more than once every two years for nationally-accredited organizations with no outstanding violations. Executive deletes language; House retains language.

***Sec. 533. Child Welfare Payment Promptness* – RETAINED**
Directs DHS 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 on implementation and operation. Executive deletes language; House retains language.

***Sec. 540. Psychotropic Medication for Youth in Out-of-Home Placements* – RETAINED**
Requires DHS to determine within 7 days whether to change prescribed psychotropic medication for state wards if the placement administration determines that the medication should be changed, to seek parental consent within 7 business days for a temporary court ward, or to petition the court on the eighth business day if parental consent is not provided. Executive deletes language; House retains language.

***Sec. 546. Foster Care Agency Administrative Rates* – RETAINED**
Current-year language establishes foster care administrative rate of $37 for private child placing agencies under contract with DHS; establishes general independent living administrative rate of $28; reinstates specialized independent living administrative rates provided in FY 2010-11; increases administrative rate for foster care services by $3, provided that the county match rate is eliminated for this increase; requires providers to submit quarterly expenditure reports, if required by federal guidelines. Executive deletes language that requires a $3 increase to the foster care administrative rate and deletes the language that increases funding to each private provider of residential services. House retains language.

***Sec. 556. Special Needs Adoption Subsidy* – DELETED**
Requires report on number of complaints filed by adoptive parents for not being notified that their adoptive child has special needs; allows adoptive parents to request a redetermination of their adoption assistance when extraordinary care or expense is required for a condition that existed or the cause of which existed before the adoption was finalized, allows current adoptive parents to request redetermination between January 1, 2015 and March 31, 2015. Executive deletes language; House concurs with Executive.

***Sec. 559. Parent to Parent* – DELETED**
Allocates $700,000, including one-time funding, to parent to parent program for adoptive parents; requires report. Executive deletes language; House concurs with Executive.

Major Boilerplate Changes From FY 2014-15

***Sec. 563. Performance Evaluation Report* – RETAINED**
Requires DHS to report on the number and percentage of department employees who had a satisfactory and unsatisfactory performance evaluation. Executive deletes language; House retains language.

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

***Sec. 587. In-Home Community Programs Expansion* – RETAINED**
Provides $650,000 to expand and create new in-home and community-based programs for juvenile justice services in rural counties, requires report. Executive deletes language; House retains language.

***Sec. 589. Payment of Foster Care Administrative Rate* – RETAINED**
Requires DHS to pay 100% of the administrative rate for all new cases referred to providers of foster care services beginning October 1, 2013; requires monthly report on the number of foster care cases supervised by private agencies and by DHS. Executive deletes language; House retains language.

PUBLIC ASSISTANCE
***Sec. 612. Refugee Medical Benefits Asset Test* – DELETED**
Requires DHS to implement an asset test for applicants and recipients of refugee assistance program medical benefits. Executive deletes language; House concurs with Executive.

***Sec. 613. Indigent Burial* – REVISED**
Provides reimbursements for the final disposition of indigent persons, establishes maximum allowable reimbursements; House revises language to require that the adult burial with services allowance for reimbursement shall be $720, the adult burial without services allowance shall be $485, and the infant burial allowance shall be $165. Also includes legislative intent language that the total increase of $20 per case be allocated for increases to funeral directors for funeral goods and services. House includes revised language.

***Sec. 620. Medicaid Eligibility Determination Standards of Promptness* – REVISED**
Requires DHS to determine Medicaid eligibility in 60 days when disability is an eligibility factor and 45 days for other Medicaid applicants, including patients in nursing homes; requires quarterly reports on Medicaid standards of promptness. Executive revises language by changing the 60 day limit to 90 days and eliminating the quarterly report requirement; House revises language to include the 90 day limit and a semiannual report.

***Sec. 654. Food Assistance Program (FAP)* – NEW**
Requires DHS to notify FAP recipients that their benefits can be spent with their bridge cards at many farmers' markets and that the Double Up Food Bucks program can provide them with an additional $20 to buy produce at participating farmers' markets. House includes new language.

***Sec. 657. Extended Family Independence Program (EFIP) Notifications* – DELETED**
Requires DHS to notify individuals eligible for EFIP that receiving EFIP will count toward the federal and state lifetime cash assistance limits. Executive deletes language; House concurs with Executive.

***Sec. 673. MiBridges Fraud Workgroup* – NEW**
Requires DHS to conduct a work group with the Departments of State, Community Health, and State Police to investigate minimizing fraud in the MiBridges benefits programs; requires report. House includes new language.

***Sec. 686. Caseworker Policy* – RETAINED**
Requires DHS to ensure that individuals presenting out-of-state identification are not enrolled in benefit programs in other states; requires caseworkers to confirm resident addresses in FIP and SDA cases; prohibits individuals with homes worth more than $200,000 from receiving assistance; requires caseworkers to collect up-to-date phone numbers from Medicaid recipients during eligibility determination and provide this information to DCH. Executive deletes language; House retains language.

***Sec. 721. Residential Facility of Last Resort* – RETAINED**
If demand exceeds capacity at state-operated facilities, requires DHS to post a request for proposals to contract with not less than 1 private provider to be a residential facility of last resort instead of increasing available occupancy at state-operated facilities. Executive deletes language; House retains language.

FIELD OPERATIONS AND SUPPORT SERVICES
***Sec. 751. Healthy Michigan Plan Administration* – REVISED**
Requires DHS, in conjunction with the Department of Community Health, to establish an accounting structure in the state accounting system (Michigan administrative information network, or MAIN) to separately track expenditures for administration of the Healthy Michigan Plan; requires quarterly report. Executive eliminates language requiring DHS and DCH to establish an accounting structure within MAIN to allow Healthy Michigan Plan administrative expenditures to be identified; House revises language to require the accounting structure be maintained.

Major Boilerplate Changes From FY 2014-15

***Sec. 752. Donated Funds Positions and Contracts* – NEW**

Requires the Department to maintain out-stationed eligibility specialists in community-based organizations, community mental health agencies, nursing homes, and hospitals unless these entities request them to be removed; authorizes 200 additional FTEs and places performance metrics on these contracts. Executive includes language; House concurs with Executive.

FY 2015-16: DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES
Summary: As Reported by House Subcommittee (HB 4108)
Article XI, House Bill 4102 (H-1) Draft 1

Analyst: Paul B.A. Holland

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	*Difference: House From FY 2014-15 YTD* *Amount*	*%*
IDG/IDT	$707,600	$707,600	$707,600			*$0*	*0.0*
Federal	2,000,000	2,000,000	2,000,000			*0*	*0.0*
Local	0	0	0			*0*	*--*
Private	0	0	0			*0*	*--*
Restricted	62,427,100	62,200,100	62,200,100			*(227,000)*	*(0.4)*
GF/GP	55,000	150,000	150,000			*95,000*	*172.7*
Gross	**$65,189,700**	**$65,057,700**	**$65,057,700**			***($132,000)***	***(0.2)***
FTEs	343.0	343.0	343.0			*0.0*	*0.0*

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5, and House Bill 4112). (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, evaluating, and promoting the insurance and financial industries operating within the state and providing consumer protection for Michigan residents by managing consumer information and inquiries and investigating consumer complaints. DIFS administers, implements, and enforces state statutes pertaining to state-chartered banks and credits unions; mortgage brokers, lenders, and servicers; various consumer finance entities; all insurance companies and agents, 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 and functions of the Autism Coverage Reimbursement Program from the Department of Licensing and Regulatory Affairs.

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
1. Report on Healthy Michigan Plan Impact on Insurance Rates	**Gross**	**$55,000**	**$95,000**
Executive increases GF/GP spending authorization to support departmental expenses to evaluate and issue an annual report on the impact of expanding medical coverage via the Healthy Michigan Plan (i.e. Medicaid Expansion/Reform) on the cost of uncompensated care as it relates to changes in health insurance rates, pursuant to Section 105d of The Social Welfare Act (as amended by 2013 PA 107). 2014 PA 252 appropriated $55,000 for the initial baseline report, included as ongoing for FY 2015-16, resulting in a recommended total of $150,000 for the aforementioned evaluation and report. House concurs.	GF/GP	$55,000	$95,000
2. Michigan Business One Stop Charges	**Gross**	**$78,500**	**($78,500)**
Executive decreases spending authorization for information technology charges by the Department of Technology, Management, and Budget, resultant from the elimination of the Michigan Business One Stop web portal and call center pursuant to 2014 PA 252. House concurs.	Restricted	78,500	(78,500)

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
3. Technical Adjustments	FTE	42.0	0.0
Executive includes 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. House concurs.	**Gross**	**$11,879,300**	**$0**
	Restricted	11,879,300	0
4. Economic Adjustments	**Gross**	**NA**	**($148,500)**
Executive includes adjustments to reflect net cost reduction for negotiated salary and wage amounts (2.0% base increase), insurance rate increases, reductions in actuarially-determined retirement rates, and other economic adjustments. House concurs.	Restricted	NA	(148,500)

Major Boilerplate Changes From FY 2014-15

***Sec. 240. Filled FTE Report* – DELETED**
Stipulates that the Legislature intends that DIFS does not use FTE positions as spending placeholders and requires DIFS to provide a report specifying the quarterly number of filled FTE positions by line item and indicating FTEs allocated to economic development activities during the preceding fiscal year. Executive eliminates. House concurs.

***Sec. 245. Healthy Michigan Plan Accounting Structure* – REVISED**
Requires DIFS in conjunction with the Department of Community Health (DCH) to establish accounting structures within MAIN which will facilitate the identification of expenditures associated with the Healthy Michigan Plan and requires DIFS to provide the Legislature with relevant accounting scripts and reports. Executive eliminates. House retains, but removes requirement to provide Legislature with relevant scripts and reports.

***Sec. 246. Appropriation for Healthy Michigan Plan Statutory Reporting Requirement* – REVISED**
Stipulates that appropriation from the General Fund shall only be expended on DIFS' reporting requirements pursuant to Subsection 105d(9) of The Social Welfare Act of 1939 and requires DIFS to acquire at least two bids prior to expending the appropriation. Executive eliminates. House retains, but removes requirement to obtain at least two bids.

Various Sections Deleted by Executive, Retained by House
Executive eliminates Secs. 205, 212, 215, 219, 232, 310, 802; House retains.

FY 2015-16: JUDICIARY
Summary: As Reported by House Subcommittee (HB 4105)
Article XII, House Bill 4102 (H-1) Draft 1

Analyst: Robin R. Risko

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	*Difference: House From FY 2014-15 YTD* *Amount*	*%*
IDG/IDT	$2,364,400	$2,362,900	$2,362,900			*($1,500)*	*(0.1)*
Federal	6,437,400	6,428,600	6,428,600			*(8,800)*	*(0.1)*
Local	7,241,100	7,229,000	7,229,000			*(12,100)*	*(0.2)*
Private	944,800	942,900	942,900			*(1,900)*	*(0.2)*
Restricted	84,252,500	84,245,700	84,245,700			*(6,800)*	*0.0*
GF/GP	186,527,400	182,692,200	182,192,200			*(4,335,200)*	*(2.3)*
Gross	**$287,767,600**	**$283,901,300**	**$283,401,300**			***($4,366,300)***	***(1.5)***
FTEs	490.0	487.0	489.0			*(1.0)*	*(0.2)*

Note: FY 2014-15 year-to-date figures include mid-year budget adjustments through March 12, 2015 (including House Bill 4112), and include appropriation 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 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
1. Budgetary Savings	**Gross**	**$140,215,300**	**($3,650,000)**
Executive reflects a savings from recognizing year-end lapses that typically occur in various line items and from administrative efficiencies, such as delaying hiring for vacant positions. The largest amounts of savings are taken from the Swift and Sure Sanctions Program line item ($2.5 million) and from the Mental Health Courts and Diversion Services line item ($500,000). The remaining savings of $150,000 is taken from various operation/ administration line items throughout the budget. House concurs with the Executive on all savings reflected in the Executive recommendation, plus reduces the Swift and Sure Sanctions Program line item by another $500,000.	IDG	738,600	0
	Federal	3,987,300	0
	Private	944,800	0
	Restricted	54,059,800	0
	GF/GP	$80,484,800	($3,650,000)
2. Remove One-Time Funding	FTE	1.0	(1.0)
Executive removes one-time funding included in the FY 2014-15 budget for the Trial Court Innovations Fund. Funding was used to create incentives to encourage positive change, adoption of best practices, and high performance in the state's trial courts. House concurs.	**Gross**	**$375,000**	**($375,000)**
	GF/GP	$375,000	($375,000)
3. Savings for Eliminated Judgeships	**Gross**	**NA**	**($351,800)**
Executive reflects a savings from elimination of one Court of Appeals judgeship under Public Act 40 of 2012; elimination of four district court judgeships under Public Acts 16, 20, and 34 of 2012 and 58 of 2014; and elimination of five circuit court judgeships under Public Acts 228 of 2009, 18 and 35 of 2012, and 59 of 2014. The amount of savings is a result of retirements effective on January 1, 2015. Seventy-five percent of the savings was recognized in the FY 2014-15 budget; the remaining twenty-five percent will be recognized in FY 2015-16. House concurs.	GF/GP	NA	($351,800)

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
4. Eliminate Community Court Pilot Program	**Gross**	**$20,000**	**($20,000)**
Executive eliminates funding appropriated for the Community Court Pilot Program. Funding was used to assist the 36th District Court with their community court. Community courts are neighborhood-focused courts that harness the power of the justice system to address local problems. House concurs.	GF/GP	$20,000	($20,000)
5. Economic Adjustments	**Gross**	**NA**	**$30,500**
Executive reflects a net cost increase for increases in salary and wage costs, insurance rates, and private rent costs, and reductions in actuarially-determined retirement rates, building occupancy charges, and worker's compensation costs. House concurs.	IDG	NA	(1,500)
	Federal	NA	(8,800)
	Local	NA	(12,100)
	Private	NA	(1,900)
	Restricted	NA	(6,800)
	GF/GP	NA	$61,600

Major Boilerplate Changes From FY 2014-15

Executive Boilerplate Deletions
Executive deletes 16 of 34 current year boilerplate sections. Deletions include legislative reporting requirements, sections providing guidance and placing conditions on appropriations, earmarks of funding for specific purposes, sections which express legislative intent, sections which serve a one-time purpose, and sections which are no longer applicable. Following is a list of sections recommended for deletion by the Executive: 204, 205, 207, 209, 211, 212, 225, 306, 309, 310, 312, 318, 320, 321, 323, and 1201. House retains most current year boilerplate unless noted below.

***Sec. 211. Linking Swift and Sure Sanctions Program to Michigan Rehabilitative Services* – DELETED**
Requires the judicial branch to establish an interagency agreement with DHS and MDOC linking the Swift and Sure Sanctions program with the Michigan Rehabilitative Services program for the purpose of providing job placement and other support services to eligible probationers; authorizes participation in the Swift and Sure Sanctions program by parolees pending enactment of proposed legislation. Executive deletes. House concurs.

***Sec. 309. Mental Health Courts* – DELETED**
Requires SCAO to provide an annual update on the status of the mental health courts. Executive deletes. House concurs.

***Sec. 310. Drug Treatment Court Evaluation* – DELETED**
Requires SCAO to evaluate and collect data on the performance of drug treatment court programs and to provide an annual review. Executive deletes. House concurs.

***Sec. 309. Report on Specialty Courts* – NEW**
House includes new language which requires SCAO to report information on drug treatment courts, mental health courts, and veterans courts, such as the number of each type of program that has been established, the number of program participants in each jurisdiction, and the impact of the programs on offender criminal involvement and recidivism.

***Sec. 318. Community Court Pilot Project* – DELETED**
Requires funding appropriated for the community court pilot project to be used for administering a pilot program of neighborhood-focused community courts. Executive deletes. House concurs.

***Sec. 320. Swift and Sure Sanctions Program* – REVISED**
Specifies that the $6.0 million appropriation is to be expended for the Swift and Sure Sanctions program; requires SCAO to report on offenders participating and on recidivism rates. Executive deletes. House retains language but adjusts the appropriation amount to reflect the $3.0 million appropriation included in the bill.

***Sec. 322a. Federal Funding Authorization for the Michigan Indigent Defense Commission* – NEW**
House includes new language which authorizes the Michigan Indigent Defense Commission to receive and expend up to $250,000 in federal Byrne grant funding, and up to $300,000 in other federal grant funding, if the funding is made available from the United States Department of Justice.

***Sec. 323. Report on Juvenile Out-of-State Placements* – DELETED**
Requires SCAO to provide courts with a listing of out-of-state placements of juveniles made by each court, a listing of per diem costs of the public and private residential care facilities located or doing business in the state, and recidivism data for each facility. Executive deletes. House concurs.

FY 2015-16: DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
Summary: As Reported by House Subcommittee (HB 4106)
Article XIII, House Bill 4102 (H-1) Draft 1

Analyst: Paul B.A. Holland

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	*Difference: House From FY 2014-15 YTD* *Amount*	*%*
IDG/IDT	$14,509,800	$15,754,900	$16,279,900			*$1,770,100*	*12.2*
Federal	200,624,800	200,388,700	200,388,700			*(236,100)*	*(0.1)*
Local	656,500	679,000	679,000			*22,500*	*3.4*
Private	311,800	311,300	311,300			*(500)*	*(0.2)*
Restricted	286,464,000	304,248,600	298,742,500			*12,278,500*	*4.3*
GF/GP	39,821,300	24,223,400	22,894,700			*(16,926,600)*	*(42.5)*
Gross	**$542,388,200**	**$545,605,900**	**$539,296,100**			***($3,092,100)***	***(0.6)***
FTEs	2,877.8	2,877.8	2,862.8			*(15.0)*	*(0.5)*

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5 and House Bill 4112). (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Department of Licensing and Regulatory Affairs (LARA) is primarily responsible for business regulatory and employment services programs and is organized according to its four principal functions: 1) Licensing and Regulation, which implements and enforces statutory laws and administrative rules pertaining to commercial and occupational, construction and fire safety, healthcare professional and facility, public utility, and liquor regulation; 2) Employment Security and Workplace Safety, which oversees unemployment and workers' compensation insurance, occupational safety and health standards, labor and wage laws, and vocational rehabilitation services for the blind; 3) the Michigan Administrative Hearing System (MAHS), a quasi-judicial agency which centralizes and conducts administrative hearings for agencies throughout state government; and 4) the Office of Regulatory Reinvention (ORR), which manages administrative rule-making and evaluates the state's regulatory infrastructure. The agencies within LARA are primarily supported by revenue generated through numerous fees collected from regulated entities and various federal grants awards.

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
1. Career and Technology Education and Skilled Trades Initiative	**Gross**	**NA**	**$15,600,000**
Executive includes spending authorization for various programs intended to enhance career and technology education and skilled trades training; consisting of $10.0 million for the Skilled Trades Training Program (in addition to an existing $10.0 million appropriation within the MSF budget), $2.1 million for an At-Risk Youth Initiative, $1.8 million for a Michigan Advanced Technical Training Initiative, $1.5 million to enhance re-employment opportunities for unemployed workers, and $200,000 to support the re-tooling of credentials received by persons immigrating to Michigan. The Initiative is primarily supported with revenue from the Penalty and Interest Account of the Unemployment Insurance Agency's Contingent Fund and partially with federal unemployment insurance administration grants. House concurs.	Federal	NA	1,500,000
	Restricted	NA	14,100,000

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
2. Unemployment Insurance Customer Service	**Gross**	**$18,000,000**	**$0**
Executive transfers spending authorization from one-time to include as ongoing for the maintenance of customer services at the Unemployment Insurance Agency (UIA), supported with revenue from the Penalty and Interest Account of the Contingent Fund (Fund) in which penalties, damages, and interest collected from employers and claimants are deposited. In August of 2012, due to the decline in the state's Insured Unemployment Rate, the federal government reduced the amount of administration grants to the UIA by $37.2 million, resulting in 402 FTEs being laid-off, and there continues to be uncertainty concerning the amounts of quarterly grant awards. The Legislature approved a contingency transfer authorizing $5.0 million from the Fund to support the maintenance of UIA operations during both FY 2012-13 and FY 2013-14 and included a one-time appropriation of $18.0 million for FY 2014-15 (see #6 below). In July 2014, the U.S. Department of Labor has notified the UIA that it is "at risk" of decertification, resulting in loss of federal employer tax credits and administration grants, for failing to satisfy timeliness standards for first benefit payments and determination of appeals. House concurs.	Restricted	18,000,000	0
3. Statutory Fee Sunsets	**Gross**	**$67,173,200**	**$0**
Executive assumes revenues generated by the elimination of sunsets on numerous past statutory fee increases, set to expire on September 30, 2015, for various business and nonprofit filing and securities registration fees collected by the Corporations, Securities, and Commercial Licensing Bureau (CSCLB) and numerous occupational registration and licensure fees collected by the CSCLB and the Bureau of Construction Codes (BCC). LARA estimates that the elimination of these fee sunsets will preserve an annualized average of **$15.5 million** in restricted revenue. The Legislature increased these fees in either 2003 or 2008 and most recently extended the sunsets in 2012. House concurs in part, but assumes the extension rather than the elimination of the sunsets.	Restricted	67,173,200	0
4. Health Facilities Fees	**Gross**	**$3,702,900**	**$0**
Executive assumes revenues generated by implementation of increases in application, base rate, and per bed licensure fees levied on acute and psychiatric hospitals, hospice agencies and residences, long term care and freestanding surgical outpatient facilities, and substance use disorder programs, and collected by the Bureau of Health Care Services (BHCS). LARA estimates these fee increases would generated an additional **$1.3 million** per year. These fees were last adjusted between 20 and 35 years ago and the increases are substantially similar to those proposed by the BHCS in the annual report required by boilerplate Sec. 509 of 2014 PA 252. It is further assumed that fees would be levied annually while inspections of facilities would be triennial. No increase in spending authorization is required as the Health Systems Fees fund, into which these fees are deposited, is currently over-appropriated. House concurs.	Restricted	3,702,900	0
5. Retail Liquor License Fees	**Gross**	**$15,280,000**	**$0**
Executive assumes and increases spending authorization for revenues generated by implementation of increases in annual licensure and ancillary fees levied on various on- and off-premise retailers of beer, wine, and liquor products and collected by the Liquor Control Commission (LCC). These fees would be increased by 50.0% for FY 2015-16 through FY 2018-19; thereafter the increase would be reduced to 25.0% above current levels. LARA estimates these fee increases would generated an additional **$6.3 million** per year through FY 2018-19 and $3.1 million thereafter. Annual licensure fees were last adjusted in 1976. Generally, 55.0% of licensure fee revenue is distributed to local law enforcement agencies for the enforcement of state liquor laws, 41.5% of licensure fee revenue and all ancillary fee revenue is retained by the LCC for implementation and enforcement of state liquor laws, and 3.5% of annual licensure fee revenue and all of the 15.0% surcharge for Sunday P.M. sales is deposited with the Department of Community Health for programs pertaining to alcohol-related illnesses. House rejects (see #15 below).	Restricted	15,280,000	0

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
6. FY 2014-15 One-Time Appropriations	**Gross**	**$15,799,700**	**($15,799,700)**
Executive removes spending authorization for FY 2014-15 one-time appropriations for Delphi Corporation workers' compensation payments ($15.0 million GF/GP), Liquor Control Commission IT upgrades ($500,000 Gross), and a disability access pilot project implemented by the Disability Advocates of Kent County ($100,000 Gross). Also, eliminates $100,000 GF/GP appropriated by 2014 PA 414 for costs incurred by the Bureau of Employment Relations to receive and upload specified collective bargaining documents. One-time spending authorization for customer services at the Unemployment Insurance Agency customer service ($18.0 million Gross) is transferred to ongoing authorization (see #2 above). House concurs in part, but also includes reduction of remaining one-time authorization ($99,700 GF/GP) for implementation of a health professional disciplinary actions website pursuant to Sec. 512 of Article XIII of 2014 PA 252.	Restricted	600,000	(600,000)
	GF/GP	$15,199,700	($15,199,700)
7. Michigan Business One Stop Charges	**Gross**	**$41,795,200**	**($2,147,900)**
Executive decreases spending authorization for information technology charges by the Department of Technology, Management, and Budget, resultant from the elimination of the Michigan Business One Stop web portal and call center pursuant to 2014 PA 252. House concurs.	Federal	23,446,600	(76,900)
	Restricted	18,283,400	(2,071,000)
	GF/GP	$65,200	$0
8. Corporate and Commercial Licensing Databases	**Gross**	**$41,795,200**	**$1,820,000**
Executive increases spending authorization for information technology costs associated with upgrades to the databases utilized by the Corporation, Securities, and Commercial Licensing Bureau (CSCLB) for regulatory, examination, registration, and licensure activities pursuant to state laws applicable to business and nonprofit entities or various professional occupations. House concurs.	Federal	23,446,600	0
	Restricted	18,283,400	1,820,000
	GF/GP	$65,200	$0
9. METRO Authority	FTE	3.0	(3.0)
Executive eliminates spending and staff authorization for the Metropolitan Extension Telecommunication Rights-of-Way Oversight (METRO) Authority abolished via 2014 PA 88. This authorization also included LARA's expenses related to compliance with and coordination of and Freedom of Information Act (FOIA) requests. The METRO Authority and LARA's FOIA costs were supported with Public Utility Assessments levied pursuant to 1972 PA 299. House concurs.	**Gross**	**$383,600**	**($383,600)**
	Restricted	383,600	(383,600)
10. FOIA Coordination and Local Community Stabilization Authority	FTE	NA	3.0
Executive increases spending and staff authorization for the expenses related to the powers, duties, functions, and responsibilities of the former METRO Authority transferred to the Local Community Stabilization Authority (LCSA) via 2014 PAs 86 and 88. LARA is currently negotiating a contract with the LCSA which is intended to establish a funding mechanism to support these expenses. This authorization also includes LARA's expenses related to compliance with and coordination of and Freedom of Information Act (FOIA) requests, supported with statutory filing fees levied on business on nonprofit entities. House concurs in part, but includes the spending and staff authorization in two distinct line items.	**Gross**	**NA**	**$452,900**
	Local	NA	150,000
	Restricted	NA	302,900
11. Michigan Administrative Hearing System Overhead Costs	FTE	215.0	0.0
Executive increases spending authorization to support the overhead costs (e.g., property management, information technology, and departmental administration) of the Michigan Administrative Hearing System (MAHS) associated with administrative hearings on decisions made under programs administered by other state departments and agencies. House concurs.	**Gross**	**$38,425,800**	**$1,014,200**
	IDG/IDT	14,259,800	1,014,200
	Federal	9,842,600	0
	Restricted	12,834,300	0
	GF/GP	$1,489,100	$0

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
12. Technical Adjustments	FTE	20.0	(15.0)
Executive includes 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. House concurs in part, but rejects the partial roll-up of federal and restricted fund sources, and includes replacement of GF/GP with IDG revenue for the Office of Reinventing Performance in Michigan, replacement of GF/GP with Corporation Fees revenue for MIOSHA and the Wage & Hour Program, and reduction of FTEs for the PSC and LCC to reflect actual staffing levels.	**Gross**	**$8,510,700**	**($807,000)**
	IDG/IDT	707,000	818,000
	Federal	2,375,000	(681,300)
	Local	127,500	(127,500)
	Restricted	4,152,200	332,800
	GF/GP	$1,149,000	($1,149,000)
13. Economic Adjustments	**Gross**	**NA**	**($1,893,800)**
Executive includes adjustment to reflect net cost reduction for negotiated salary and wage amounts (2.0% base increase), insurance rate increases, reductions in actuarially-determined retirement rates, and other economic adjustments. House concurs.	IDG/IDT	NA	(62,100)
	Federal	NA	(977,900)
	Private	NA	(500)
	Restricted	NA	(805,400)
	GF/GP	NA	($47,900)
14. Freestanding Surgical Outpatient Facility Inspections	FTE	200.4	0.0
House decreases spending authorization, specified in Sec. 510 of Article XIII of 2014 PA 252, for the inspection of freestanding surgical outpatient facilities by the Bureau of Health Care Services (BHCS), which has been included since FY 2012-13 to supplement insufficient revenue generated by statutory licensure fees, however the House does concur with the Executive to assume additional revenues generated by the increase of statutory licensure fees (see #4 above).	**Gross**	**$28,845,400**	**($530,000)**
	Federal	19,575,400	0
	Private	200,000	0
	Restricted	3,317,400	0
	GF/GP	$5,752,600	($530,000)
15. Liquor Licensing and Enforcement Fund Shift	FTE	124.0	0.0
House shifts **$1.5 million** in spending authorization for the liquor licensing and enforcement activities of the Liquor Control Commission (LCC) from revenue generated by statutory licensure fees levied on liquor retailers to revenue generated from the statutory mark-up on the wholesale sale of liquor products to licensed retailers by the LCC. While revenue generated by retail liquor licensure fees has remained relatively stable over recent years, the LCC's personnel costs significantly rose subsequent to the enactment of 2011 PA 264 which required the prefunding of other postemployment benefits (OPEB) for state employees, resulting in relevant expenditures for licensing and enforcement activities exceeding available revenue generated by retail liquor licensure fees and the estimated exhaustion of the fund balance by early FY 2015-16. The net revenue generated by the LCC's wholesale sale of liquor products lapses into the General Fund at the close of the fiscal year and amounted to $176.8 million in FY 2013-14.	**Gross**	**$15,122,600**	**$0**
	Restricted	15,122,600	0
16. Video Franchise Assessment	**Gross**	**$417,200**	**($417,200)**
House eliminates spending authorization associated with revenue generated by the video franchise assessment levied on video service providers to support the Public Service Commission's (PSC) costs of carrying out its duties under 2006 PA 480. The PSC's statutory authority to levy the assessment is set to expire on 12/31/15 and the Executive did not include an extension or elimination of the sunset in its recommendation for the FY 15-16 budget. Over the previous five fiscal years, actual revenue generated from the assessment has averaged $246,965 per annum and associated regulatory expenditures have averaged $254,159 per annum; subsequently, a fund balance of $117,303 carried-forward into FY 2014-15.	Restricted	417,200	(417,200)

Major Boilerplate Changes From FY 2014-15

***Sec. 211. LCC IT Upgrades Work Project* – DELETED**
Designates the appropriation for Liquor Control Commission (LCC) IT upgrades as a work project, stipulates that the appropriation remain available and shall not lapse, and indicates that the estimated completion date is February 1, 2016. Executive eliminates. House concurs.

***Sec. 240. Filled FTE Report* – DELETED**
Stipulates that the Legislature intends that LARA does not use FTE positions as spending placeholders and requires LARA to provide a report specifying the quarterly number of filled FTE positions by line item and indicating FTEs allocated to economic development activities during the preceding fiscal year. Executive eliminates. House concurs.

***Sec. 243. Reinventing Performance in Michigan MOUs* – REVISED**
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, requires an annual report, and stipulates the Legislature's intent that the RPM shall be funded by participating state departments. Executive eliminates. House retains, but removes intent language.

***Sec. 245. Healthy Michigan Plan Accounting Structure* – REVISED**
Requires LARA in conjunction with the Department of Community Health (DCH) to establish accounting structures within MAIN which will facilitate the identification of expenditures associated with the Healthy Michigan Plan and requires LARA to provide the Legislature with relevant accounting scripts and reports. Executive eliminates. House retains, but removes requirement to provide Legislature with relevant scripts and reports.

***Sec. 250. OPEB Prefunding* – DELETED**
Stipulates that the Legislature intends that LARA continues the prefunding of other postemployment benefits (OPEB) pursuant to 2011 PA 264. Executive eliminates. House concurs.

***Sec. 506. Nursing Facility Complaint Investigations Report* – DELETED**
Requires LARA to report the timeliness of nursing facility complaint investigations, the number of allegations that are substantiated on an annual basis, the most frequently cited complaint deficiencies for the prior three years, the causes of the changes in the number of citations, and whether education and training are needed; also requires LARA to make every effort to contact complainants during the investigations. Executive eliminates. House concurs.

***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; permits LARA to raise application and renewal fees if revenue is insufficient to offset expenses of the Program. Executive eliminates delineated reporting requirements and authorization to increase fees. House concurs in part, but retains delineated reporting requirements.

***Sec. 509. Bureau of Health Care Services Regulatory Costs and Fee Report* – DELETED**
Requires the Bureau of Health Care Services (BHCS) to submit to the Legislature a proposed updated fee schedule to offset BHCS' regulatory costs, including recommended statutory and rule changes. Executive eliminates. House concurs.

***Sec. 510. Support for BHCS Inspections of FSOFs* – DELETED**
Requires that the Bureau of Health Care Services (BHCS) expend at least $530,000 of the amount appropriated within the Health Systems Regulation line item in Part 1 for the inspection of Freestanding Surgical Outpatient Facilities (FSOFs). Executive eliminates. House concurs.

***Sec. 512. Public Availability of BHCS Disciplinary Actions* – REVISED**
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 and includes language pertaining to one-time appropriation for website development. Executive eliminates. House concurs in part, but retains website requirement.

***Sec. 702. UI Computer System Report* – DELETED**
Requires quarterly reports on the status of the implementation of and improvements to the Unemployment Insurance Agency's (UIA) integrated IT system project. Executive eliminates. House concurs.

***Sec. 703. UI Internet Claims Report* – DELETED**
Requires LARA to submit quarterly reports pertaining to the percentage of claimants using the internet MiWAM system, or any application developed for that purpose, to certify and receive unemployment insurance benefits and implement improvement to the system to reach a goal of 75.0% of claimants certifying on systems that reduces staff face time and MARVIN telephone system usage. Executive eliminates. House concurs.

***Sec. 702. UIA Customer Service Metrics* – NEW**
Requires LARA to maintain customer service standards within the Unemployment Insurance Agency and identify specific outcomes and performance metrics, including the Unemployment Benefit Fund balance, fiscal integrity, and the timeliness and quality of determinations concerning unemployment insurance. Executive creates. House concurs.

Major Boilerplate Changes From FY 2014-15

***Sec. 703. Career Tech and Skilled Trades Initiative Metrics* – NEW**
Requires LARA to expand workforce training and re-employment services and identify specific outcomes and performance metrics, including new apprenticeships, jobs created and retained, training completion, employment retention, and hourly wages. Executive creates. House concurs.

***Sec. 706. Youth Low-Vision Program Report* – NEW (FY 2014-15 Sec. 706 renumbered as Sec. 904 for FY 2015-16)**
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). House creates.

***Sec. 801. Tax Tribunal Caseload Report* – DELETED**
Requires the Michigan Tax Tribunal to submit a report containing specified information pertaining to the caseload, timeliness, dispositions, and backlog of Tax Tribunal cases. Executive eliminates. House concurs.

***Sec. 901. Fire Protection Grants* – REVISED**
Requires LARA to expend funds in accordance with 1977 PA 289 to local units of government with state-owned facilities within their jurisdictions and stipulates that local units of government are eligible for funds if they provide a specified report to LARA. Executive eliminates reporting requirements for local units of government and LARA. House concurs.

***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 law enforcement offices; requires reports submitted by both county law enforcement offices and LARA pertaining to the amounts, recipients, and uses of the grants; and permits county law enforcement offices to distribute discretionary grants to municipal law enforcement agencies. House alters various dates and deadlines.

***Sec. 1001. Delphi Corp Workers' Compensation Claims* – DELETED**
Stipulates how LARA is to expend the $15.0 million appropriation ($8.0 million immediately, $7.0 million over five years) and specifying under what conditions future expenditures may occur, stipulates that unexpended funds shall lapse to the General Fund, requires LARA to annually notify the Legislature of any expenditures, and designates the appropriation as a work project available for expenditure until September 30, 2019. Executive eliminates. House concurs.

***Sec. 1002. Disability Accessibility Pilot Project* – DELETED**
Requires LARA to work with a nonprofit group with expertise in disability accessibility evaluations on a pilot project to provide services to municipalities and business to improve accessibility for persons with disabilities and create universal design blueprints that are electronically-available through the Bureau of Construction Codes (BCC). Executive eliminates. House concurs.

Various Sections Deleted by Executive, Retained by House
Executive eliminates Secs. 205, 212, 215, 219, 232, 241(5), 248, 503(d), 505(2), 705, 903(2)(b), & 903(4); House retains.

FY 2015-16: DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
Summary: As Reported by House Subcommittee (HB 4104)
Article XIV, House Bill 4102 (H-1) Draft 1

Analyst: Perry Zielak

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	*Difference: House From FY 2014-15 YTD Amount*	*%*
IDG/IDT	$100,000	$99,300	$99,300			*($700)*	*(0.7)*
Federal	90,362,800	90,208,600	90,208,600			*(154,200)*	*(0.2)*
Local	1,500,000	1,497,400	1,497,400			*(2,600)*	*(0.2)*
Private	740,000	739,600	739,600			*(400)*	*(0.1)*
Restricted	23,286,400	23,221,500	23,221,500			*(64,900)*	*(0.3)*
GF/GP	52,454,500	48,187,300	48,187,300			*(4,267,200)*	*(8.1)*
Gross	**$168,443,700**	**$163,953,700**	**$163,953,700**			***($4,490,000)***	***(2.7)***
FTEs	898.5	897.5	897.5			*(1.0)*	*(0.1)*

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5, House Bill 4110, and House Bill 4112). (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

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

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
1. Removal of FY 2014-15 One-Time Appropriations	**Gross**	**$3,400,000**	**($3,400,000)**
Executive eliminates one-time funding of $3.4 million GF/GP: $3.0 million GF/GP for Special Maintenance – Veterans' Homes; and $400,000 GF/GP for National Guard Tuition Assistance Program Reserve. House concurs.	GF/GP	$3,400,000	($3,400,000)
2. Income and Assessment Revenue Offsets	**Gross**	**$0**	**$0**
Executive continues increase of ongoing funding of $3.3 million GF/GP to offset income and assessment restricted revenue shortfalls at the Grand Rapids and D.J. Jacobetti Veterans' Homes due to declining member census and the inability of veterans to pay the maximum assessment. Offsets were originally made for FY 2014-15 in HB 4112 (H-1). House concurs.	Restricted	(3,300,000)	0
	GF/GP	$3,300,00	$0
3. Chargeable Transient Quarters Program and Billeting Fund	**Gross**	**$1,500,000**	**$0**
Executive continues establishment of ongoing funding of $1.5 million state restricted revenue to reinstate the Chargeable Transient Quarters program and Billeting Fund for ongoing operations in National Guard lodging facilities at Fort Custer and Camp Grayling. Change was originally made for FY 2014-15 in HB 4112 (H-1). House concurs.	Restricted	1,500,000	0
4. Veteran Service Grants	**Gross**	**$3,762,500**	**($429,000)**
Executive reduces funding by $429,000 GF/GP for grants made to veteran service organizations (VSOs) to support veterans outreach services statewide. House concurs.	GF/GP	$3,762,500	($429,000)
5. Vacant Partnership Development Analyst Position	FTE	40.0	(1.0)
Executive reduces funding by $117,300 GF/GP through proposed elimination of a vacant Partnership Development Analyst position. House concurs.	**Gross**	**$6,045,100**	**($117,300)**
	GF/GP	$6,045,100	($117,300)

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
6. Military Training Sites	**Gross**	**$33,450,600**	**($100,000)**
Executive reduces funding by $100,000 GF/GP by eliminating Air National Guard Fire Protection Activities at the Battle Creek Air National Guard Base and Alpena Combat Readiness Training Center. House concurs.	Federal	30,295,600	0
	Restricted	1,500,000	0
	GF/GP	$1,655,000	($100,000)
7. Departmentwide Service	**Gross**	**$1,909,400**	**($100,000)**
Executive reduces funding by $100,000 GF/GP through savings gained by increased departmentwide efficiencies within contractual services, supplies, and materials. House concurs.	Federal	1,546,300	0
	GF/GP	$363,100	($100,000)
8. Counterdrug Program	**Gross**	**$50,000**	**$50,000**
Executive increases authorization by $50,000 Federal for Counterdrug Program (formerly Counter Narcotic Operations) to collect more revenue that may be used for investigations, law enforcement training, equipment and operations, asset accounting and tracking, awards and memorials. House concurs.	Federal	50,000	50,000
9. Economics	**Gross**	**NA**	**($393,700)**
Executive implements net cost reductions of $393,700 Gross ($120,900 GF/GP) for negotiated salary and wage amounts (2.0% base increase), insurance rate increases, reduction in actuarially-required retirement rates, and other economic adjustments. House concurs.	IDG	NA	(700)
	Federal	NA	(204,200)
	Local	NA	(2,600)
	Private	NA	(400)
	Restricted	NA	(64,900)
	GF/GP	NA	($120,900)

Major Boilerplate Changes From FY 2014-15

Executive Boilerplate Deletions
In general, the Executive Budget deletes many sections of boilerplate including legislative reporting requirements, providing guidance, and placing conditions on appropriations, and earmarks of funding for specific purposes. The list below includes major changes to boilerplate, but is not a comprehensive list of all sections or language deleted. The following is a list of current year boilerplate sections recommended for deletion: 204, 205a, 205b, 205c, 205d, 212, 215, 216, 217, 227, 233, 234, 300, 301, 309, 311, 400(6), 701, 702, 1201, 1202, and 1203. House concurs on: 204, 212, 215, 217, 227, 234, 300, 301, 701, and 702.

***Sec. 300. Unclassified Positions* – DELETED**
Lists titles of unclassified positions currently in the department; requires the department to notify the subcommittees prior to submitting requests for additional unclassified positions or requests for substantive changes to the duties of existing unclassified positions. Executive deletes section. House concurs.

***Sec. 301. Support Services* – DELETED**
Requires DMVA to provide effective and efficient administrative leadership and administrative support for its operations, including ensuring proper accountability of state funds, adherence to state financial and administrative guidelines, and proper fiscal controls in the procurement of goods and services. Executive deletes section. House concurs.

***Sec. 302. Armories and Joint Force Readiness* – REVISED**
Requires DMVA to provide for the executive-level administration of the department, the operations of Michigan military establishment, and the maintenance of operation of National Guard armories as provided under listed laws and regulations, requires reporting requirements on the current state of the armories, a development strategy for physical improvements, consolidations, and establishing new armories. Executive deletes reporting requirements and revises subsections. House concurs with revisions but retains reporting requirements.

***Sec. 309. Starbase Grant* – REVISED**
Requires DMVA to maintain a Starbase program, providing programs in mathematics, science, and technology to K-12 students, at Air National Guard facilities. Executive deletes section. House retains section with revision clarifying program is for fourth and fifth grade students.

***Sec. 310. National Guard Tuition Assistance Program* – REVISED**
Language on establishing and maintaining a tuition assistance program for members of the Michigan National Guard. Executive deletes program's performance metrics. House retains program's performance metrics.

***Sec. 312. Billeting Fund Account* – NEW**
Authorizes the creating of the billeting fund account for funds received from the operation of the Chargeable Transient Quarter Program, requires annual report of operations and expenditures. Executive adds new section. House concurs.

Major Boilerplate Changes From FY 2014-15

***Sec. 400(6). Veterans Advisory Board* – DELETED**
Establishes a five-member advisory board representing small, medium, and large veterans service organizations to assist the MVAA in developing plans and service delivery initiatives that assist it in meeting its performance goals and objectives. Executive deletes section. House concurs.

***Sec. 407. Veterans' Trust Fund Administration* – REVISED**
Requires DMVA to provide emergency grants from the MVTF as provided by listed legal authorities; requires an annual report on MVTF financial and grant activities. House adds a new subsection limiting administrative costs to $550,000; directs $400,000 towards creation of online application and $450,000 towards a regional office model.

***Sec. 501. Veterans' Home Service and Care Requirements* – REVISED**
Language around performance standards in the veterans' home. Executive merges Grand Rapids Veterans' Home and D.J. Jacobetti Veterans' Home boilerplate, deletes several subsections. House concurs with merged boilerplate and majority of deletions.

***Sec. 501(9)-(13). Veterans' Home Competency Evaluated Nursing Assistants (CENAs)* – RETAINED**
Requires that contractors that provide nursing assistants (CENAs) at the home meet certain performance standards regarding pre-service and in-service training and experience. Executive deletes subsections. House concurs with deletion of subsection 9 but retains 10-13.

***Sec. 502. Board of Managers* – REVISED**
Provides that the Board of Managers shall exercise certain regulatory and governance authority over the veterans' homes. Executive merges Grand Rapids and D.J. Jacobetti board of managers boilerplate. House concurs.

***Sec. 503(1)-(18). D.J. Jacobetti Veterans' Home* – DELETED**
Language around performance standards in the D.J. Jacobetti Veterans' Home. Executive merges with Sec. 501. House concurs.

***Sec. 504. Board of Managers* – DELETED**
Provides that the Board of Managers shall exercise certain regulatory and governance authority over the veterans' homes. Executive merges with Sec. 502. House concurs.

FY 2015-16: DEPARTMENT OF NATURAL RESOURCES
Summary: As Reported by House Subcommittee (HB 4901)
Article XV, House Bill 4102 (H-1) Draft 1

Analyst: Austin Scott

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	*Difference: House From FY 2014-15 YTD* *Amount*	*%*
IDG/IDT	$1,355,100	$1,352,700	$1,352,700			*($2,400)*	*(0.2)*
Federal	71,104,500	76,028,000	76,028,000			*4,923,500*	*6.9*
Local	0	0	0			*0*	*--*
Private	10,286,300	8,157,700	8,157,700			*(2,128,600)*	*(20.7)*
Restricted	262,148,000	264,183,000	264,683,000			*2,535,000*	*1.0*
GF/GP	46,591,500	39,772,800	37,775,800			*(8,815,700)*	*(18.9)*
Gross	**$391,485,400**	**$389,494,200**	**$387,997,200**			***($3,488,200)***	***(0.9)***
FTEs	2,228.3	2,225.8	2,225.8			*(2.5)*	*(0.1)*

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5 and House Bill 4112). (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 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
1. Shooting Range Enhancement Projects – One-time	**Gross**	**$1,000,000**	**$3,000,000**
Executive continues a $1.0 million federal funding increase appropriated for FY 2014-15 in HB 4112 with an additional $3.0 million Gross ($750,000 private, $2.0 million federal, and $250,000 GF/GP) to support recreational shooting opportunities through range projects in the following 12 priority counties: Alger, Allegan, Alpena/Presque Isle, Barry, Crawford, Jackson, Livingston, Marquette, Oakland, Ontonagon, Roscommon, and St. Clair. Private and GF/GP funding will be used as required non-federal match. House concurs with Executive.	Private	0	750,000
	Federal	1,000,000	2,000,000
	GF/GP	$0	$250,000
2. Forestry Investment – One-time	**Gross**	**$4,000,000**	**$0**
Executive continues a $4.0 million restricted funding increase appropriated for FY 2014-15 in HB 4112; it is designated as a one-time appropriation for FY 2015-16. Funds will be used for timber cultivation equipment and the vegetative management system. This system will assist the DNR's Forest Resources Division in maintaining timber inventory and interacting with industry. House concurs with Executive.	Restricted	4,000,000	0
	GF/GP	$0	$0
3. Wildlife Restoration	**Gross**	**$2,150,000**	**$5,000**
Executive continues a $2.2 million federal funding increase appropriated for FY 2014-15 in HB 4112 with an additional $5,000 in federal funding to manage wildlife habitats across the state. House concurs with Executive.	Federal	2,150,000	5,000
	GF/GP	$0	$0

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
4. Non-Motorized Trail Initiative	**Gross**	**NA**	**($147,000)**
Executive restores $100,000 GF/GP to the non-motorized trail initiative. This initiative was reduced by $1.25 million GF/GP for FY 2014-15 in EO 2015-5. The non-motorized trail initiative includes appropriations for forest recreation and trails, Mackinac Island state park operations, the Michigan Historical Center, and non-motorized trail development & maintenance grants.	GF/GP	NA	($147,000)
House reduces Michigan Historical Center by $147,000 GF/GP and non-motorized trail development & maintenance grants by $100,000 GF/GP. These House reductions of $247,000 GF/GP exceed the Executive increase of $100,000 GF/GP for a net change of a $147,000 GF/GP reduction.			
5. Recreation Passport Grants – One-time	**Gross**	**$1,000,000**	**$500,000**
Executive increases the recreation passport grants program by $500,000 in restricted funding. This program provides grants to local units of government for the construction, maintenance, and enhancement of public recreation facilities; it is funded by the sale of Recreation Passports. This one-time appropriation is intended to provide DNR the authority to expend an available fund balance. House concurs with Executive.	Restricted	1,000,000	500,000
	GF/GP	$0	$0
6. State Parks Repair and Maintenance	**Gross**	**$12,200,000**	**$200,000**
Executive continues a $250,000 GF/GP reduction to state parks repair and maintenance for FY 2014-15 in EO 2015-5 with additional reductions of $1.25 million GF/GP and $2.5 million in private funding. These FY 2015-16 reductions are exceeded by an increase of $4.0 million in restricted funding from the state parks endowment and Recreation Passport fees for a net increase of $200,000 to the line item. This appropriation addresses capital projects in state parks including trail improvements, road maintenance, and recreation structure repairs.	Private	2,500,000	(2,500,000)
	Restricted	6,000,000	4,450,000
	GF/GP	$3,500,000	($1,750,000)
House concurs with Executive and adds a $500,000 reduction in GF/GP matched by a $500,000 increase in restricted funding from the Michigan State Parks Endowment Fund.			
7. State Game and Wildlife Area Infrastructure	**Gross**	**NA**	**$3,600,000**
Executive increases federal funding for state game and wildlife area infrastructure by $3.6 million. Federal Pittman-Robertson funds will be used to support maintenance, renovations, repairs, and some construction of facilities in state game and wildlife management areas. House concurs with Executive.	Federal	NA	3,600,000
	GF/GP	NA	$0
8. Wetland Restoration, Enhancement, and Acquisition	**Gross**	**$3,000,000**	**($3,000,000)**
Executive reduces restricted funding for wetland restoration, enhancement, and acquisition by $3.0 million. The waterfowl hunt stamp program (game and fish protection fund) was used to fund expand water recreation opportunities through projects focused in southern Michigan. House concurs with Executive.	Restricted	3,000,000	(3,000,000)
	GF/GP	$0	$0
9. Removal of FY 2014-15 One-time GF/GP	**Gross**	**$4,750,000**	**($4,750,000)**
Executive removes one-time GF/GP for River Raisin national battlepark foundation ($2.0 million), Saginaw River feasibility study ($280,000), Flint River dike repair ($1.0 million), Hart-Montague Trail ($470,000), and City of Alma/Alma College public safety land improvements ($1.0 million). House concurs with Executive.	GF/GP	$4,750,000	($4,750,000)
10. Cormorant Population Mitigation Program	**Gross**	**$150,000**	**($150,000)**
Executive removes funding for the cormorant population mitigation program resulting in a reduction of $150,000 GF/GP. Program was intended to control the cormorant population statewide. House concurs with Executive.	GF/GP	$150,000	($150,000)
11. Hart-Montague Trail	**Gross**	**$530,000**	**($530,000)**
Executive removes on-going funding for the Hart-Montague trail in west Michigan by reducing $530,000 GF/GP. The removal of this on-going funding in addition to the removal of one-time funding eliminates support for the trail. House concurs with Executive.	GF/GP	$530,000	($530,000)

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
12. Great Lakes Research Vessel	**Gross**	**$2,000,000**	**($2,000,000)**
Executive removes $2.0 million Gross funding ($500,000 private, $500,000 restricted, and $1.0 million GF/GP) for the Great Lakes research vessel. This new vessel was purchased to replace an outdated vessel and is used to conduct research on Lake Huron. House concurs with Executive.	Private	500,000	(500,000)
	Restricted	500,000	(500,000)
	GF/GP	$1,000,000	($1,000,000)
13. Dam Management Grant Program	**Gross**	**$350,000**	**($50,000)**
House reduces dam management grant program by $50,000 GF/GP. This program provides grants for the repair or removal of failing dams from public and private lands.	GF/GP	$350,000	($50,000)
14. Michigan Conservation Corps	**Gross**	**$1,000,000**	**($1,000,000)**
House removes $1.0 million GF/GP for the Michigan Conservation Corps which eliminates program funding. This program provides DNR-supervised summer employment opportunities for at-risk youth and returning veterans up to 27 years of age.	GF/GP	$1,000,000	($1,000,000)
15. State Parks	FTE	661.4	0.0
House reduces state parks line item by $200,000 GF/GP. This line item includes 661.4 FTE authorizations and funds the maintenance & operation of Michigan's 102 state parks. It also funds the campground reservation system for state parks and state forest campgrounds.	**Gross**	**$64,232,800**	**($200,000)**
	Private	421,200	0
	Federal	139,300	0
	Restricted	61,934,700	0
	GF/GP	$1,737,600	($200,000)
16. Revenue Adjustments	**Gross**	**NA**	**$797,000**
Executive increases $797,000 Gross funding to reflect necessary adjustments in anticipated revenue and expenditures for FY 2015-16. Reductions of $375,000 in private funding and $343,800 in federal funding are exceeded by an increase of $1.5 million in restricted funding. House concurs with Executive.	Private	NA	(375,000)
	Federal	NA	(343,800)
	Restricted	NA	1,515,800
	GF/GP	NA	$0
17. Economic Adjustments	**Gross**	**NA**	**($333,700)**
Executive reflects net cost reduction of $333,700 Gross ($11,300 GF/GP increase) for negotiated salary and wage amounts (2.0% base increase), insurance rate increases, reductions in actuarially-determined retirement rates, and other economic adjustments. House concurs with Executive.	IDG	NA	(2,400)
	Private	NA	(3,600)
	Federal	NA	(58,200)
	Restricted	NA	(280,800)
	GF/GP	NA	$11,300

Major Boilerplate Changes From FY 2014-15

***Sec. 203. Acronyms Definitions* – RETAINED**
Specifies acronym definitions contained in this article. Executive deletes, House retains.

***Sec. 204. Performance Benchmarks* – RETAINED**
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 new program include list of benchmarks in future. Executive deletes, House retains.

***Sec. 212. Disciplinary Action Against State Employees* – RETAINED**
Prohibits Department from disciplining state employees for communicating with members of the Legislature and their staffs. Executive deletes, House retains.

***Sec. 217. Retention of Reports* – RETAINED**
Requires DNR to retain copies of all reports funded from appropriations. Executive deletes, House retains.

***Sec. 223. Waterways Fund Projects* – RETAINED**
Requires report on activities of Waterways Commission during the previous fiscal year; list of completed waterways fund projects to be provided to Legislature. Executive deletes, House retains.

***Sec. 238. Attorney General Spending on Wolf Hunt Litigation* – NEW**
Limits the Attorney General to spending no more than $100,000 on litigation related to the 2014 decision of the US District Court for the District of Columbia that added gray wolves to the endangered & threatened species list. House adds new section.

***Sec. 250. Michigan Civilian Conservation Corps (MCCC)* – DELETED**
Requires DNR to work with MCCC steering committee to plan for a nonprofit MCCC outside of state government. Executive deletes, House concurs.

Major Boilerplate Changes From FY 2014-15

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

***Sec. 501. Wildlife Management* – NEW**
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 adds new section, House concurs.

***Sec. 503. Invasive Species Order Enforcement* – DELETED**
Requires report on efforts taken to enforce the Natural Resources Commission's invasive species order concerning raising feral swine in Michigan. Executive deletes, House concurs.

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

***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 deletes, House retains.

***Sec. 603. Cormorant Management* – DELETED**
Requires quarterly report on the use of cormorant management funding; provides that the Department must submit funding to the USDA to pay for increased taking of cormorants and their nests. Executive deletes, House concurs.

***Sec. 702. State Park Campground Closures* – DELETED**
Requires DNR to notify Legislature if Department intends to reduce operations or recreation opportunities at any state park or recreation area. Executive deletes, House concurs.

***Sec. 704. Pure Michigan Trails* – DELETED**
Allocates $200,000 from appropriations in part 1 for Pure Michigan Trails if Senate Bills 873 through 877 are enacted. (Note: Four of these bills were enacted: Senate Bill 873 - PA 210, Senate Bill 875 - PA 211, Senate Bill 876 – PA 212, Senate Bill 877 – PA 213). Executive deletes, House concurs.

***Sec. 801. Forest Management and Timber Market Development* – NEW**
Requires DNR to use increased restricted funding available from the increased timber harvest for the purpose of forest management and timber market development which includes investments in technology and equipment aimed at growing the timber economy. Executive adds new section, House concurs.

***Sec. 802. Timber Marking* – RETAINED**
Directs Department to mark and prescribe treatment on 79,000 acres, prepare for harvest 67,500 acres at an average rate of 12.5 to 15.0 cords per acre; requires quarterly report. Executive deletes, House retains.

***Sec. 804. Horseback Riding Opportunities* – DELETED**
Directs Department to work cooperatively with horseback riding interests to increase horseback riding opportunities. Executive deletes, House concurs.

***Sec. 805. Contract Foresters* – RETAINED**
Allows Department to hire sufficient contract foresters to mark timber. Executive deletes, House retains.

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

***Sec. 901. Snowmobile Law Enforcement Grants* – RETAINED**
Provides snowmobile law enforcement grants to county law enforcement agencies in counties with state snowmobile trails. Executive deletes, House retains.

***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 retains.

***Sec. 1002. Off Road Vehicle (ORV) Trail Improvement Grants* – DELETED**
Requires expenditure of not less than $980,000 for the development of new ORV trails. Executive deletes, House concurs.

***Sec. 1201. Saginaw River Study* – DELETED**
Requires DNR to conduct a study concerning the deepening of the Saginaw River. Executive deletes, House concurs.

***Sec. 1301. FY 2015-16 Anticipated Appropriations* – DELETED**
States legislative intent that FY 2015-16 line item appropriations will be the same as those for FY 2014-15 with certain economic adjustments. Executive deletes, House concurs.

***Sec. 1302. Identification of Future Retirement Costs* – DELETED**
States legislative intent that the DNR identify the FY 2015-16 retirement costs for line items listed in part 1. Executive deletes, House concurs.

FY 2015-16: DEPARTMENT OF STATE POLICE
Summary: As Reported by House Subcommittee (HB 4100)
Article XVI, House Bill 4102 (H-1) Draft 1

Analyst: Paul B.A. Holland

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	*Difference: House From FY 2014-15 YTD* *Amount*	*%*
IDG/IDT	$26,233,200	$26,224,300	$26,224,300			*($8,900)*	*(0.0)*
Federal	99,429,900	87,945,900	87,945,900			*(11,484,000)*	*(11.5)*
Local	4,861,700	5,456,700	5,456,700			*595,000*	*12.2*
Private	77,200	76,700	76,700			*(500)*	*(0.6)*
Restricted	127,300,000	120,353,900	120,353,900			*(6,946,100)*	*(5.5)*
GF/GP	390,839,900	373,473,700	372,923,700			*(17,916,200)*	*(4.6)*
Gross	**$648,741,900**	**$613,531,200**	**$612,981,200**			***($35,760,700)***	***(5.5)***
FTEs	3,073.0	3,094.0	3,084.0			*11.0*	*0.4*

Notes: (1) FY 2014-15 adjusted year-to-date figures include mid-year budget adjustments through March 12, 2015 (including Executive Order 2015-5, House Bill 4110, and House Bill 4112). (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 Legislature significantly altered and rearranged the MSP budget over recent years: condensing appropriation units, combining line items, coalescing fund sources, and generally extending funding flexibility while greatly expanding performance metrics via reporting requirements. Beginning in FY 2011-12, the line items within the budget were variously combined and the quantity was ultimately reduced from nearly 60 ongoing line items to merely five within the FY 2014-15 budget. These five ongoing line items, arranged under four appropriation units, encompassed 20 informational and nonbinding schedules of programs. Furthermore, the budget indicated a schedule of revenues which provided nonbinding budget-wide estimated amounts of specific fund sources, however only fund types (e.g., federal, restricted, GF/GP) were appropriated from and designated to support line items. The House restructures the MSP budget by converting the schedules of programs into line items and appropriating from specific fund sources.

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
1. 129th Trooper Recruit School (One-Time & Ongoing)	FTE	NA	75.0
Executive increases spending and staff authorization for the 129th Trooper Recruit School, which is anticipated to commence on 04/24/16 and graduate 75 new troopers on 09/16/16. Ongoing spending authorization ($4.5 million) supports personnel, fleet, and ancillary costs incurred throughout and subsequent to the school, while one-time authorization ($3.2 million) supports the costs of recruiting, boarding, training, and equipping recruits admitted to the school. The Executive recommends a concomitant increase of $6.2 million GF/GP in ongoing spending authorization for FY 2016-17 which would annualize the ongoing personnel, fleet, and ancillary costs to account for the portion of FY 2015-16 that preceded commencement of the school. House concurs.	**Gross**	**NA**	**$7,700,000**
	GF/GP	NA	$7,700,000

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
2. 20th Motor Carrier Recruit School (Ongoing)	FTE	31.0	(31.0)
Executive increases spending authorization by $1.1 million GF/GP for the ongoing personnel and ancillary costs and decreases staff authorization associated with the 20th Motor Carrier Recruit School, which is anticipated to commence on 10/01/15 and graduate ten new motor carrier officers. Spending authorization for the one-time costs of recruiting, boarding, training, and equipping recruits admitted to the school is expected to be supported with a forthcoming work project designation of the FY 2014-15 appropriation for one-time costs associated with the school, which was originally planned to occur during FY 2014-15 and graduate 31 new officers, but was subsequently cancelled by MSP resultant from the elimination, via E.O. 2015-5, of the FY 2014-15 ongoing spending authorization associated with the school. House rejects spending and staff authorization for ten new officers, but includes a FTE reduction due to cancellation of the FY 2014-15 school. Additionally, House assumes that the $1.2 million GF/GP appropriated in FY 2014-15 for the one-time costs associated with the school lapse to the GF/GP at the close of FY 2014-15 (see boilerplate Sec. 245).	**Gross**	**NA**	**$0**
	GF/GP	NA	$0
3. Annualize 128th Trooper Recruit School Costs (Ongoing)	FTE	100.0	(40.0)
Executive increases spending authorization to annualize the personnel, fleet, and ancillary costs and decreases staff authorization associated with the 128th Trooper Recruit School, which is anticipated to commence on 03/01/15 and graduate 60 new troopers on 07/24/15. Personnel, fleet, and ancillary costs incurred throughout and subsequent to the school were appropriated for FY 2014-15 and incorporated into ongoing spending authorization for FY 2015-16. This additional ongoing spending authorization annualizes these costs for FY 2015-16 to account for the portion of FY 2014-15 that preceded commencement of the school. MSP initially estimated annualized costs of $5.4 million; however E.O. 2015-5 reduced the number of anticipated graduates from 100 to 60 troopers, resulting in a reduction of $2.4 million in annualized costs for FY 2015-16. House concurs.	**Gross**	**$5,464,400**	**$3,005,700**
	GF/GP	$5,464,400	$3,005,700
4. Statutory Fee Sunsets	**Gross**	**$48,292,400**	**$0**
Executive assumes revenues generated by the elimination of sunsets on statutory fees charged and collected by the MSP for taking and processing fingerprints ($30) and processing and completing name-based criminal history searches ($10) and on the $2.25 regulatory fee levied on various vehicles specified by the Michigan Vehicle Code (1949 PA 300) and expended to enhance traffic law enforcement and safety. These fees are which are set to expire on September 30, 2015. MSP estimates that the elimination of these fee sunsets will preserve approximately $30.6 million in restricted revenue during FY 2015-16. House concurs in part, but assumes the extension rather than the elimination of the sunsets.	Restricted	48,292,200	0
5. FY 2014-15 One-Time Appropriations	**Gross**	**$35,229,300**	**($34,729,300)**
Executive removes spending authorization for various FY 2014-15 one-time appropriations under Sec. 106 of $18.7 million Gross ($17.5 million GF/GP), subsequent to the $500,000 GF/GP reduction to the Local Public Safety Initiative under E.O. 2015-5. Also, removes $16.5 million Gross ($14.0 million GF/GP) in spending authorization appropriated by 2014 PA 356 for disaster assistance ($3.0 million GF/GP of which was subsequently transferred to the Disaster and Emergency Contingency Fund by HB 4112), subsequent to the $16.0 million GF/GP lapse recognized by E.O. 2015-5. House concurs in part, but retains $500,000 of authorized GF/GP for MSP-provided traffic control at the Michigan International Speedway (see boilerplate Sec. 701).	Restricted	3,750,000	(3,750,000)
	GF/GP	$31,479,300	($30,979,300)

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
6. Analysis of Sexual Assault Kit Evidence	FTE	292.0	11.0
Executive increases spending and staff authorization for additional positions within the Forensic Science and Biometrics and Identification Divisions, assigned to the laboratories located in Northville and Stealing Heights, pursuant to 2014 PA 227, which requires law enforcement agencies to submit sexual assault kit evidence to the MSP (or another accredited laboratory) for analysis within 14 days of taking possession and the MSP to analyze the evidence and upload extracted DNA profiles onto MSP-specified databases within 90 days of receiving all necessary evidence. MSP is currently analyzing sexual assault kit evidence within the 90 day standard, excluding time spent creating and uploading DNA profiles, yet anticipates the number of sexual assault kits submitted for analysis to increase consequent to the enactment of 2014 PA 227. House concurs (see boilerplate Sec. 415).	**Gross**	**$48,155,800**	**$1,649,600**
	Federal	5,126,700	0
	Restricted	13,950,200	0
	GF/GP	$29,078,900	$1,649,600
7. State Records Management System Fees	**Gross**	**NA**	**$600,000**
Executive increases spending authorization for the MSP to expend the fees collected from local law enforcement agencies ($200/officer, $150/jail bed) utilizing the State Records Management System (SRMS), which facilitates the sharing of certain information between law enforcement agencies and sworn officers. The SRMS was created via a $3.6 million grant awarded in 2013 by the Department of Treasury under the Competitive Grant Assistance Program to transfer the Area Records Management System (ARMS), then operated by the Saginaw County Sheriff's Office, to the MSP and expand the ARMS (renamed the SRMS) to interested law enforcement agencies statewide. As of 10/24/2014 there were 994 users within 35 agencies utilizing the SRMS and MSP anticipates that there will be 3,000 users by the close of FY 2015-16. House concurs.	Local	NA	600,000
8. Sexual Assault Prevention and Education Initiative (One-Time)	**Gross**	**NA**	**$500,000**
Executive increases one-time spending authorization for the new Sexual Assault Prevention and Education Initiative proposed by the Governor. House concurs.	GF/GP	NA	$500,000
9. State Emergency Operations Center IT Costs	FTE	32.0	0.0
Executive increases spending authorization for information technology (IT) charges incurred by the MSP and collected by the Department of Technology, Management, and Budget for the State Emergency Operations Center (SEOC), overseen by the Emergency Management and Homeland Security Division and responsible for coordinating response and recovery efforts by state agencies and local governmental units. House concurs.	**Gross**	**$6,438,600**	**$152,000**
	Federal	3,820,500	0
	GF/GP	$2,618,100	$152,000
10. Technical Adjustments	FTE	29.0	(4.0)
Executive includes 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. House concurs.	**Gross**	**$18,068,100**	**($15,168,800)**
	IDG/IDT	0	6,000
	Federal	11,438,500	(11,431,100)
	Restricted	4,152,600	(3,211,800)
	GF/GP	$2,477,000	($531,900)
11. Economic Adjustments	**Gross**	**NA**	**$530,100**
Executive includes adjustment to reflect net cost increase for negotiated salary and wage amounts (2.0% base increase), insurance rate increases, reductions in actuarially-determined retirement rates, and other economic adjustments. House concurs.	IDG/IDT	NA	(14,900)
	Federal	NA	(52,900)
	Local	NA	(5,000)
	Private	NA	(500)
	Restricted	NA	15,700
	GF/GP	NA	$587,700

Major Boilerplate Changes From FY 2014-15

Note: Beginning in FY 2013-14, the numerous boilerplate sections of the MSP budget were combined into unified sections intended to correspond with "core services" of the MSP and were substantially extended and expanded to stipulate departmental duties and statutory authorities and necessitate detailed performance metrics and reporting. The House generally concurs with the Executive in eliminating much of this language, but frequently eliminates further language pertaining to schedules of programs and funding flexibility, quarterly performance metric reporting, or ostensibly redundant stipulations.

***Sec. 204. IDG Funding Received by the Department* – DELETED**
Lists specific amounts and sources of interdepartmental grant funding received by the department. Executive eliminates. House concurs.

***Sec. 204. (Fmr. 204a.) IDG Funding Made Available to Other State Departments* – REVISED**
Lists specific amounts and sources of interdepartmental grant funding made available by the department to other state departments and stipulates that the MSP shall provide $1.5 million in federal Byrne grants to the state Judiciary. Executive eliminates list of IDGs to other state departments. House concurs.

***Sec. 205a. Department of Homeland Security Funding* – DELETED**
Lists the specific programs, by Catalog of Federal Domestic Assistance (CFDA) number, through which the department receives federal Department of Homeland Security funds. Executive eliminates. House concurs.

***Sec. 205b. Department of Justice Funding* – DELETED**
Lists the specific programs, by Catalog of Federal Domestic Assistance (CFDA) number, through which the department receives federal Department of Justice funds. Executive eliminates. House concurs.

***Sec. 205c. Department of Transportation Funding* – DELETED**
Lists the specific programs, by Catalog of Federal Domestic Assistance (CFDA) number, through which the department receives federal Department of Transportation funds. Executive eliminates. House concurs.

***Sec. 209. Buy American and Buy Michigan* – REVISED**
Prohibits the purchase of foreign goods or services if competitively priced and of comparable quality American goods or services are available; requires preference be given to goods and services manufactured by Michigan businesses and Michigan businesses owned and operated by veterans; requires preference to goods and services provided by small business where veterans comprise at least 35% of the total workforce. Executive eliminates preference for small businesses owned by veterans. House concurs.

***Sec. 212. Records Retention* – DELETED**
Requires the department to retain all records in accordance with state and federal guidelines. Executive eliminates. House concurs.

Sec. 215. Communications with the Legislature
Prohibits the department from taking disciplinary action against an employee for communicating with a member of the Legislature or their staff. Executive eliminates. House retains.

***Sec. 216. Schedule of Programs Disclaimer* – DELETED**
Specifies that the schedule of programs is a list of programs which may be, but is not required to be, funded; specifies that the schedule of revenue sources may or may not be received from the entities listed; specifies that Secondary Road Patrol funding is not subject to funding flexibility and the program will be funded in accordance with law; specifies that funding required by statute is not subject to funding flexibility. Executive revises to eliminate stipulations pertaining to revenues received from entities and the Secondary Road Patrol Program. House eliminates.

***Sec. 217. Budgetary Efficiency* – DELETED**
Requires the department to improve its budgetary efficiency by prioritizing personnel over buildings, pursuing consolidation of support services, seeking expenditure reductions, and identifying efficiencies that can be gained via the reduction or elimination of programs. Executive eliminates. House concurs.

***Sec. 219. Quarterly Reporting on Achieving Requirements* – DELETED**
Requires the department to provide quarterly reports on the its performance against the metrics cited in the article, status of work projects, financial status, information which validates that all requirements in the article have been achieved, corrective action plans for requirements not achieved, and summary of fund shifts. Executive revises to eliminate requirement that the MSP provide information to validate that the requirements of Part 2 have been achieved. House eliminates.

***Sec. 221. Department Core Services* – DELETED**
Lists core services of the department and requires appropriations to be used for core services. House eliminates.

Sec. 222. Post Closure or Consolidation
Requires the department to notify subcommittees not less than 90 days before recommending closure or consolidation of any state police posts. Executive eliminates. House retains.

Major Boilerplate Changes From FY 2014-15

***Sec. 223. Privatization Project Plans* – RETAINED**
Requires submission of a project plan to the appropriations subcommittees and the fiscal agencies 90 days before beginning any effort to privatize. Executive eliminates. House retains.

***Sec. 232. Michigan Public Safety Communications System* – DELETED**
Requires the department to act as a liaison between DTMB and local public safety agencies to facilitate the use of MPSCS towers and to establish interoperability standards among communications systems. Executive eliminates. House concurs.

***Sec. 235. Wayland Post and Report* – DELETED**
Requires the department to begin discussions with the City of Wayland on moving the current MSP post in Wayland into a new joint public safety building in Wayland. MSP would have to report on the feasibility of moving the post. Executive eliminates. House concurs.

***Sec. 238. Authorization To Expend Private Donations* – NEW**
Appropriates money privately donated to the department for the purposes designated by the donor. House creates.

***Sec. 240. MAIN Accounting Structure To Reflect Enacted Budget Structure* – NEW**
Requires the accounting structures utilized by the department to accurately reflect the budget structures. House creates.

***Sec. 245. Lapse of FY 2014-15 Appropriation for One-Time Costs Associated with Motor Carrie Recruit School* – NEW**
Stipulates that the amount appropriated in FY 2014-15 for the one-time costs associated with the 20th Motor Carrier Recruit School, which was cancelled subsequent to the issuance of E.O. 2015-5, shall lapse to the GF/GP at the close of FY 2014-15 and shall not be subject to a work project designation. House creates.

***Sec. 300. Unclassified Positions* – DELETED**
Lists titles of unclassified positions currently in the department; requires the department to notify the subcommittees prior to submitting requests for additional unclassified positions or requests for substantive changes to the duties of existing unclassified positions. Executive eliminates. House concurs.

***Sec. 301. Executive Direction* – DELETED**
Requires to provide executive administration of the department as provided under 1935 PA 59 and Chapter 7 of the Executive Organization Act, 1965 PA 380. Executive eliminates. House concurs.

***Sec. 302. State Executive Security* – DELETED**
Requires the department to provide effective protection for the governor and visiting dignitaries. Executive eliminates. House concurs.

***Sec. 303. Capitol Complex Security* – REVISED**
Requires the department to maintain proper levels of staffing and resources for providing security services at the state Capitol Building and surrounding building, as provided under 1935 PA 59; requires the department to pursue federal grants to improve security services; requires at least 35,000 patrol hours. Executive eliminates statutory cites and includes State Secondary Complex to areas to be secured. House concurs.

***Sec. 304. Departmental Services* – DELETED**
Requires the department to provide administrative support for MSP operations, ensure proper accountability of funds, and adhere to financial and administrative guides; requires the department to provide grant and community service support functions; requires MSP to provide for the statewide administration of 911 service; states the purpose of funding for information technology services and projects. Executive eliminates. House concurs.

***Sec. 401. Training* – DELETED**
Requires the department to maintain proper levels of staffing and resources for providing training and educational opportunities that support enforcement and public safety efforts of the criminal justice community; specifies training program metrics; requires post-recruit school report on recruiting efforts and assignments of recent graduates. Lists the specific authority under which the Training Division, Traffic Services Section operates. Executive revises to eliminate statutory cites, requirement to recruit MCOLES-certified police officers for recruit schools, reduces performance data and recruit school reporting requirement criteria, and eliminates requirement to provide specialized traffic safety support services. House eliminates.

***Sec. 404. Commission on Law Enforcement Standards* – DELETED**
Requires MCOLES to provide standards for law enforcement officers and to maintain staffing and resources to provide basic law enforcement training for regional academies; lists the specific authority under which MCOLES operates; requires annual licensure data; requires semi-annual data on Justice Training Fund allocations. Executive revises to eliminate statutory cites and MCOLES licensure and justice training fund grant reporting requirements. House eliminates.

Major Boilerplate Changes From FY 2014-15

***Sec. 405. Criminal Justice Information Systems* – REVISED**
Requires the department to maintain criminal justice information systems in support of the public safety and law enforcement community under listed legal authorities. Requires MSP to conduct at least 30 outreach services to improve submission of criminal history information; requires report on reducing the Law Enforcement Information Network budget. Lists the specific legal authority for the reporting or crime information and the compilation of crime statistics; requires annual report on Michigan crime statistics. Requires the department to comply with the Freedom of Information Act; requires submission of an annual report on the number of requests for public records received, fulfilled, or denied, and the total amount of fees received. Requires traffic crash reports to be provided at a reasonable cost; lists the legal authority for the reporting and compilation of traffic crash records; requires quarterly reports on the number of copies of traffic crash reports provided to the public via the Traffic Crash Purchasing System. Lists the specific legal authority for maintains criminal history records; requires the department to provide fingerprint and criminal history records check services to law enforcement agencies, with a capacity equal to the FY 2010-11 level; requires quarterly information on the number of fingerprint and name-based criminal records checks. Lists the specific legal authorities under which MSP maintains firearms records. Requires a report on CPL fee revenues and expenditures, the cost of administering selected sections of 1927 PA 372 (itemized per section), and revenues and expenditures from the Concealed Weapons Enforcement Fund. Lists the specific legal authority under which the department maintains the sex offender registry; requires MSP to follow-up on tips assigned to law enforcement agencies within 10 working days; requires quarterly information on the number of individuals in the law enforcement and public sex offender databases. Executive eliminates statutory cites, LEIN budget reduction reporting requirement, requirement concerning compilation of crime statistics and reporting, requirement to process FOIA requests and associated reporting requirements, traffic crash reports reporting requirement, fingerprinting and ICHAT reporting requirements, CPL revenue and expenditures reporting requirement, and sex offender registry reporting requirements. House concurs in part, but also eliminates general stipulations about the department's information system databases, criminal history records duties, firearms licensure, and sex offender registry duties.

***Sec. 412. Laboratory Operations* – REVISED**
Requires the department to provide forensic testing services and to maintain third-party accreditation; lists legal authorities under which MSP provides forensic testing services. Requires the department to maintain an average 55-day turnaround time for processing evidence, to develop a plan to reach an average 30-day turnaround time, and to provide quarterly information on the backlog of cases and staffing information. Establishes goal of reducing firearms backlog by 20% and the toxicology backlog by 15%. Executive eliminates statutory cites. House concurs in part, but also eliminates general stipulation about the department's forensic science duties and firearms and toxicology backlog goals and alters the reporting requirement to annually.

***Sec. 413. DNA Analysis Program* – DELETED**
Requires the department to post a copy of changes to its DNA sampling and records retention protocol; lists specific legal authority under which the department provide DNA analysis services; establishes a goal of reducing the DNA analysis backlog by 15% annually. Executive revises to eliminate statutory cites. House eliminates.

***Sec. 414. Biometrics and Identification* – REVISED**
Lists the specific legal authority under which the department operates the automated fingerprint identification system (AFIS), the statewide agency of network photographs (SNAP), the Combined DNA Index System (CODIS), and other biometric databases. Requires quarterly reports on the number of 10-print and palm-print submissions (with a 97% electronic submission goal), requires the department to maintain a 28-day average wait time for scheduling polygraph examinations, with a goal of achieving a 15-day average. Executive eliminates statutory cites, requirement to maintain biometrics and identification databases and technologies, and requirement to achieve a 28-day average wait time for scheduling polygraph examinations, and includes fingerprinting and ICHAT reporting requirement. House concurs in part, but also eliminates general stipulation about the department's biometrics and identification duties and reporting requirement for 10-print and palm-print submissions to AFIS, and requires annual fingerprint and ICHAT report.

***Sec. 415. Sexual Assault Kit Initiative* – NEW**
Requires the department to establish the Sexual Assault Kit Initiative and stipulates that the purpose of the Initiative is to improve case clearance rates and turnaround times for the collection, submission, and testing of criminal sexual conduct kits. Executive creates. House revises to include annual reporting requirement with specified metrics.

***Sec. 501. General Law Enforcement and Traffic Safety* – REVISED**
Requires the department to provide general law enforcement and traffic safety, including service as the law enforcement agency of last resort in communities unable to provide law enforcement; requires enlisted personnel enforcing traffic laws to respond to crimes in process and other emergency situations. Requires report on activities under the Secure Cities Initiative; requires at least 93% compliance rate for reporting by sex offenders, and requires the department to provide 315,000 statewide patrol hours, including 24,000 patrol hours in distressed cities and 4,000 patrols hours. Executive eliminates statutory cites and Secure Cities Initiative reporting requirement specifications. House concurs in part, but also eliminates general stipulation about the department's law enforcement duties and standards for traffic contacts per hour and degradation of road patrol.

***Sec. 502. Security at Events* – DELETED**
Requires the department to respond to potential and imminent threats to the state's facilities, systems, and property, and to large scale recreational and public events. Executive eliminates. House concurs.

Major Boilerplate Changes From FY 2014-15

***Sec. 503. Criminal Investigations* – REVISED**
Requires the department to provide criminal investigative services, providing the number or investigation hours comparable to the number of hours in FY 2012-13 and maintains a clearance rate of 56% (with a goal of achieving a 60% rate by the end of FY 2015-16. Also requires the department to provide at least 4 training sessions to local law enforcement agencies on gambling issues. Executive eliminates statutory cites and FY 2014-15 clearance rate goal. House concurs in part, but also eliminates general stipulation about the department's criminal investigations and requirement to provide four training opportunities to local law enforcement and adds the enforcement standard and reporting requirement for tobacco tax investigations from Sec. 504 and the readiness requirement for fire investigations from Sec. 505.

***Sec. 504. Tobacco Tax Fraud Investigations* – DELETED**
Requires the department to enforce the Tobacco Products Tax Act (1993 PA 327) and other criminal laws, dedicating at least 16,600 investigative hours, and to submit an annual report on tobacco tax enforcement activities. House eliminates.

***Sec. 505. Fire Investigations* – DELETED**
Requires the department to provide fire investigation services, maintaining services at a level equal to the FY 2010-11 performance level and be available for service 100% of the time. Executive revises to eliminate statutory cite. House eliminates.

***Sec. 601. Special Operations* – REVISED**
Requires the department to maintain proper levels of staffing and resources for providing specialized law enforcement services, such as canine unit, bomb squad, emergency support teams, underwater recovery, and aviation services; requires MSP to operate the Michigan Intelligence Operations Center for Homeland Security (MIOC) as the state's primary federally-recognized fusion center, requiring MIOC to increase the number of contacts that receive homeland security and intelligence information. Executive eliminates requirement to seek to increase contact receiving homeland security information and includes suspicious activity monthly reporting requirement. House concurs in part, but also eliminates general stipulation about the department's special operations duties and transfers appropriation of private donations to new Sec. 238.

***Sec. 602. Commercial Vehicle Enforcement* – REVISED**
Requires the department to enforce state and federal motor carrier regulations, as provided under listed legal authorities, including size/weight requirements, fuel tax requirements, safety requirements, vehicle registration/certificate of authority requirements, and pupil transportation safety requirements; requires quarterly reports on commercial vehicle size and weight enforcement efforts, border enforcement grant activities, and new entrant audits; requires the department to maintain resources to annually inspect 57,000 commercial motor vehicles; and requires the department to submit annual report on school bus inspections. Requires MSP to enforce motor carrier safety regulations, maintain the staffing to annually inspect 57,000 commercial motor vehicles, and provide quarterly reports on border enforcement grant activities and new entrant safety audits. Requires the department to annually inspect public and private school buses, as provided under listed legal authorities, and to submit an annual report on the result of school bus inspections. Executive eliminates statutory cites, commercial vehicle enforcement reporting requirements, requirements concerning federal commercial vehicle safety inspections, safety inspection reporting requirements, requirements concerning school bus inspections, and school bus inspections reporting requirements. House concurs in part, but reduces the annual inspection goal to 50,000 commercial vehicles.

***Sec. 606. Emergency Management and Homeland Security* – REVISED**
Requires the department to coordinate emergency management efforts within the state under listed statutory/regulatory authorities; authorizes the department to expend appropriated funds to call upon any agency or department to protect life or property or to protect the health or safety of any area under a state of emergency or state of disaster; provides authority to expend funds received above the amounts appropriated in Part 1 for any federal, private, local, or state resource to provide emergency management training or emergency preparedness, response, recovery, or mitigation. Requires the department to respond to civil disorders and natural disasters; to maintain readiness, including training and equipment; requires the department to foster partnerships to protect against hazards and emergencies, maintain local emergency management preparedness programs, operate the State Emergency Operations Center (SEOC); and provide training in responding to civil disorders, natural disasters, hazardous materials, and other emergencies, disasters, and incidents. Authorizes expenditure of up to $800,000 from the Disaster and Emergency Contingency Fund upon approval of the State Budget Director and notification to the legislature; requires annual report on fund activities. Allocates up to $500,000 to the urban search and rescue task force, requires the task force to provide reports on FY 2013-14 revenues and expenditures, proposed FY 2014-15 grant expenditures, and a final report on FY 2014-15 grant expenditures. Executive eliminates statutory cites and earmark and reporting requirements for urban search and rescue task force. House concurs in part, but also eliminates stipulations that the department shall coordinate with various law enforcement agencies and maintain partnerships.

***Sec. 608. Highway Safety Planning* – REVISED**
Requires the department to maintain staffing and resources to carry out highway safety programs under listed statutory/regulatory authorities; requires the department to publish annual traffic crash data. Executive eliminates statutory cites and annual traffic crash reports reporting requirement. House concurs.

***Sec. 610. Secondary Road Patrol program* – REVISED**
Describes the purpose of the secondary road patrol (SRP) program and sheriff's department responsibilities; requires quarterly data (reported biannually) on the number of full-time equivalent SRP deputies and number of patrol hours, with a goal of at least 178,000 hours. Executive eliminates statutory cites. House concurs in part, but also eliminates reiteration of sheriff's duties.

Major Boilerplate Changes From FY 2014-15

***Sec. 701. Trooper Recruit School* – DELETED**
Requires the department to maintain staffing and resources to train at least 100 trooper recruits. Executive eliminates. House concurs.

***Sec. 701. MIS Traffic Control* – NEW**
Stipulates that the department expend not more than $500,000 for traffic control services during events at the Michigan International Speedway. House creates.

***Sec. 702. Emergency Support Team (EST) Vehicle* – DELETED**
Requires the department to use the one-time funds to purchase one EST vehicle. Executive eliminates. House concurs.

***Sec. 703. Motor Carrier Recruit School* – DELETED**
Requires the department to maintain staffing and resources to train at least 31 motor carrier officer recruits. Executive eliminates. House concurs.

***Sec. 704. Aviation Support* – DELETED**
Specifies the helicopter purchased with one-time funds would be used to provide patrols over Detroit, allowing the two existing helicopters to be used in other areas of the state, and to reduce the number of times when the department has to deny requests for service for air support. Executive eliminates. House concurs.

***Sec. 705. LEIN Language Conversion* – DELETED**
Requires the one-time funds to be expended on updating the programming language that supports the Law Enforcement Information Network (LEIN). Executive eliminates. House concurs.

***Sec. 706. Electronic Warrant System* – DELETED**
Requires the one-time funds to be expended in support of the development of an electronic warrant reporting system. Executive eliminates. House concurs.

***Sec. 707. MIS Traffic Control* – DELETED**
Requires the department to provide traffic control for events at Michigan International Speedway. Executive eliminates. House concurs.

***Sec. 708. Local Public Safety Initiative* – DELETED**
Requires the one-time funds to be expended in support of a grant program, in collaboration with the Council on Law Enforcement and Reinvention (CLEAR), in support of school security needs, directing that 80% of the funds be allocated to public and private schools (K-12) for safety-related improvements and 20% be allocated to county sheriff's departments for equipment, technologies, or officer training that enhances school safety and the departments' ability to respond to incidents at schools. Executive eliminates. House concurs.

***Sec. 709. Marshall Post Lease Costs* – DELETED**
Specifies that funds be expended to buy down a portion of the department's share of construction and operating costs for the Marshall regional law enforcement center. Lease terms shall be subject to a market analysis performed by the Department of Technology, Management and Budget to substantiate the rental amount. Executive eliminates. House concurs.

***Sec. 1201. Anticipated FY 2015-16 Appropriations* – DELETED**
States legislative intent that FY 2015-16 appropriations will be the same as in FY 2014-15, except as adjusted for caseload changes, federal fund match rates, economic factors, and available revenue. Executive eliminates. House concurs.

***Sec. 1202. FY 2015-16 Performance Metrics* – DELETED**
States legislative intent that, with the funds appropriated in FYs 2014-15 and 2015-16:
- Trooper patrol hours should increase by at least 9% from FY 2014-15 to FY 2015-16.
- Aviation patrol hours should increase by 30%, the helicopter should patrol over Detroit 5 days/week, allowing patrols over other areas of the state (including the distressed cities), and the number of times MSP is unable to provide air support declines to less than 50 (from 72 in FY 2013).
- Commercial vehicle inspections should increase by 12%.
- LEIN services should improve.
- Warrant entry and processing should improve throughout the criminal justice community.

Executive eliminates. House concurs.

FY 2015-16: DEPARTMENT OF TRANSPORTATION
Summary: As Reported by House Subcommittee (HB 4098)
Article XVII, House Bill 4102 (H-1) Draft 1

Analyst: William E. Hamilton

	FY 2014-15 YTD as of 3/12/15	FY 2015-16 Executive	FY 2015-16 House	FY 2015-16 Senate	FY 2015-16 Enacted	*Difference: House From FY 2014-15 YTD* *Amount*	*%*
IDG/IDT	$3,786,900	$3,928,500	$3,928,500			*$141,600*	*3.7*
Federal	1,223,599,500	1,257,488,000	1,257,488,000			*33,888,500*	*2.8*
Local	50,177,100	50,293,500	50,293,500			*116,400*	*0.2*
Private	7,866,000	100,000	100,000			*(7,766,000)*	*(98.7)*
Restricted	2,154,985,200	2,184,391,400	2,184,391,400			*29,406,200*	*1.4*
GF/GP	284,647,900	139,521,100	139,521,100			*(145,126,800)*	*(51.0)*
Gross	**$3,725,062,600**	**$3,635,722,500**	**$3,635,722,500**			***($89,340,100)***	***(2.4)***
FTEs	2,918.3	2,918.3	2,918.3			*0.0*	*0.0*

Notes: (1) FY 2014-15 year-to-date figures include mid-year budget adjustments through March 24, 2015 including Executive Order 2015-5 and House Bill 4112. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The 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 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
1. Debt Service	**Gross**	**$242,318,300**	**($3,457,500)**
Reflects anticipated debt service schedules. House concurs with Executive.	Federal	45,726,400	40,500
	Restricted	196,591,900	(3,498,000)
2. Support Services by Other State Departments	**Gross**	**$46,932,800**	**($414,800)**
Interdepartmental grants (IDGs) authorize the reimbursement of other state departments from restricted transportation funds for services provided to those transportation funds. House concurs with Executive budget which includes $20.0 million MTF for Department of State vehicle registration tax collection program, and $2.7 million MTF for Department of Treasury motor fuel tax collection program – both the same as current year funding. Budget reflects a reduction of $414,800 to reflect agency cost allocation adjustments.	Restricted	46,932,800	(414,800)
3. Finance, Contracts, and Support Services	FTEs	185.0	0.0
Reflects $150,000 increase in IDG support to better reflect actual cost of accounting service center. House concurs with Executive.	**Gross**	**$21,311,000**	**$150,000**
	IDG	3,786,900	150,000
	Restricted	17,524,100	0
4. Transportation Planning	FTEs	141.0	0.0
Restores $80,000 related to the Governor's veto in the current year budget of a boilerplate appropriation. House concurs with Executive.	**Gross**	**$38,191,800**	**$80,000**
	Federal	19,936,000	64,000
	Restricted	18,255,800	16,000

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
5. Design and Engineering Services	FTEs	1,586.3	4.0
Recognizes transfer of 4.0 FTE positions from State Trunkline Maintenance (FTE position changes net to zero across the department). Increased funding associated with the 4.0 FTEs of $462,400 is offset by $834,800 reduction associated with position transfers made in development of the current year budget. House concurs with Executive.	**Gross**	**$160,088,600**	**($372,400)**
	Federal	23,529,800	0
	Restricted	136,558,800	(372,400)
6. State Trunkline Maintenance	FTEs	747.7	(4.0)
Recognizes transfer of 4.0 FTE positions to Design and Engineering Services (FTE position changes net to zero across the department). Reduction associated with the 4.0 FTE transfer ($462,400) is offset by $834,800 increase associated with position transfers made in development of the current year budget. Budget includes additional $10.0 million support for state trunkline maintenance program to reflect increased prices of maintenance materials, slope restoration/erosion control needed on urban freeways, and cost of ongoing problem of copper theft from electrical fixtures. House concurs with Executive.	**Gross**	**$310,440,500**	**$10,372,400**
	Restricted	310,440,500	10,372,400
7. State Trunkline Road and Bridge Construction	**Gross**	**$824,646,200**	**$15,017,200**
Executive recommends $839.7 million for FY 2015-16 capital road and bridge construction/preservation program. This reflects a $14.1 million decrease in restricted Blue Water Bridge Fund support, (appropriated Blue Water Bridge Fund revenue in FYs 2013-14 and 2014-15 was unusually high to support the Blue Water Bridge Plaza project). Reduced Blue Water Bridge Fund support is offset by a net increase of $28.8 million in available STF revenue.	Federal	742,277,800	0
	Local	30,000,000	0
	Restricted	52,368,400	15,017,200
[Budget also includes a separate one-time appropriation of $113.0 million GF/GP to match federal aid for state trunkline road and bridge construction – See item #19 below.]			
Executive budget does not assume any increases in transportation revenue from changes to tax rates or tax bases, or changes to current statutory distribution programs.			
House concurs with Executive.			
8. Local Bridge Program	**Gross**	**$26,477,400**	**$351,200**
Reflects Act 51 earmarks to this program, including dedication of one-half cent of revenue raised by the motor fuel tax on gasoline. House concurs with Executive.	Restricted	26,477,400	351,200
9. MTF to Local Road Agencies	**Gross**	**$930,801,500**	**$28,231,800**
MTF distribution to local road agencies, $615,734,000 to county road commissions, and $343,299,300 to cities/villages reflects estimated MTF revenue and Act 51 statutory distribution. House concurs with Executive.	Restricted	930,801,500	28,231,800
10. Transportation Economic Development Fund (TEDF)	**Gross**	**$41,515,800**	**($10,745,300)**
Reflects redirection of $12.0 million to the STF, noted above, offset in part by $1.3 million increase in TEDF revenue. The TEDF reduction would be made from the Targeted Industries category. House concurs with Executive.	Restricted	41,515,800	(10,745,300)
11. Aeronautics Services	FTEs	54.0	0.0
Budget reduces support for Office of Aeronautics to better reflect estimated SAF revenue. Budget would eliminate *Air service* grant program, funded in the current year at $289,300. House concurs with Executive.	**Gross**	**$7,720,300**	**($663,300)**
	Restricted	7,720,300	(663,300)
12. Bus Transit - Local Bus Operating Assistance	**Gross**	**$167,400,000**	**$0**
Maintains CTF support for local bus operating assistance at current year funding levels. House concurs with Executive.	Restricted	167,400,000	0
13. Bus Transit - Non-Urban Operating/Capital	**Gross**	**$25,187,900**	**$840,000**
Recognizes federal non-urban transit grants; reflects MAP-21 funding levels. House concurs with Executive.	Federal	23,187,900	840,000
	Local	2,000,000	0

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
14. Rail Operations and Infrastructure	**Gross**	**$57,022,400**	**$46,068,000**
Line item supports rail freight economic development programs, as well as rail passenger service, including capital and operating assistance for the *Wolverine* (Detroit-Chicago) high speed rail corridor. Executive budget recognizes $50.0 million in anticipated additional Federal Railroad Administration grant for capital improvement along the Detroit-Chicago Accelerated Rail Corridor. Budget reduces baseline CTF support to balance to anticipated CTF revenue.	Federal	10,100,000	50,000,000
	Local	100,000	0
	Private	100,000	0
	Restricted	46,722,400	(3,932,000)
[Budget includes a separate one-time appropriation of $25.0 million GF/GP for transit capital and rail infrastructure. (See Item #20, below).]			
House concurs with Executive.			
15. Bus Capital/Transit Capital	**Gross**	**$57,689,300**	**($26,528,500)**
Reflects anticipated federal pass-through grants to local transit agencies and related state and federal matching funds. Budget reduces baseline CTF support to balance to anticipated CTF revenue.	Federal	22,778,000	(17,478,000)
	Local	1,250,000	0
	Private	7,766,000	(7,766,000)
	Restricted	25,895,300	(1,284,500)
FY 2015-16 funding for this line item, $31.2 million, is $984,500 less than the original enacted current year budget. However, it is $26.5 million less than the adjusted year-to-date current year budget which reflects $25.5 million added to the line through supplemental appropriation bill, House Bill 4112 ($17.8 million in federal grants associated with the M-1 Rail project in Detroit, and $7.7 million in associated private funds).			
[The proposed FY 2015-16 budget also includes a separate one-time appropriation of $25.0 million GF/GP for transit capital and rail infrastructure. (See Item #20, below).]			
House concurs with Executive.			
16. Service Initiatives	**Gross**	**$4,197,300**	**($1,847,500)**
Executive budget reduces baseline CTF support to balance to anticipated CTF revenue. House concurs with Executive.	Federal	1,150,000	0
	Local	200,000	0
	Restricted	2,847,300	(1,847,500)
17. Transportation to Work	**Gross**	**$4,700,000**	**($800,000)**
Executive budget reduces baseline CTF support to balance to anticipated CTF revenue. House concurs with Executive.	Restricted	4,700,000	(800,000)
18. Airport Improvement Program	**Gross**	**$91,978,000**	**$1,065,200**
Executive budget reflects anticipated federal funding, related local matching funds, and available state restricted SAF revenue for the federal Airport Improvement Program.	Federal	78,578,000	422,000
	Local	12,392,100	116,400
	Restricted	1,007,900	526,800
[Budget includes a separate one-time appropriation of $1.5 million GF/GP for airport capital program. (See Item #21 below).]			
House concurs with Executive.			
19. State Trunkline Road and Bridge Construction (One-time)	**Gross**	**$127,000,000**	**($14,000,000)**
Executive budget includes $113.0 million in GF/GP funding to ensure that the state match all available federal-aid highway funds. Governor would eliminate one-time GF/GP funding in FY 2016-17. House concurs with Executive.	GF/GP	$127,000,000	($14,000,000)
20. Transit Capital and Rail Infrastructure (One-time)	**Gross**	**$10,000,000**	**$15,000,000**
Executive budget would provide $25.0 million one-time GF/GP support to match federal transit and rail infrastructure grants. Governor would eliminate one-time GF/GP funding in FY 2016-17. House concurs with Executive.	GF/GP	$10,000,000	$15,000,000
21. Airport Safety, Safety, and Improvement Program (One-time)	**Gross**	**$2,047,900**	**($526,800)**
Executive budget would provide $1.5 million one-time GF/GP support to match federal Airport Improvement Program funds. Governor would eliminate one-time GF/GP funding in FY 2016-17. House concurs with Executive.	GF/GP	$2,047,900	($526,800)

Major Budget Changes From FY 2014-15 YTD Appropriations		FY 2014-15 Year-to-Date (as of 3/12/15)	FY 2015-16 House Change
22. State and Local Road and Bridge Programs (One-time)	**Gross**	**$144,500,000**	**($144,500,000)**
Budget would eliminate current GF/GP line item that provided funding to the STF and to local road agencies according to the Act 51 distribution formula. House concurs with Executive.	GF/GP	$144,500,000	($144,500,000)
23. Regional Transit Authority (One-time)	**Gross**	**$1,100,000**	**($1,100,000)**
Budget would eliminate current GF/GP line item that provided start-up funding for the Southeast Michigan Regional Transit Authority. House concurs with Executive.	GF/GP	$1,100,000	($1,100,000)
24. Economics	**Gross**	**NA**	**($1,548,700)**
Reflects net cost reduction of $1.5 million Gross ($0 GF/GP) for negotiated salary and wage amounts (2.0% base increase), insurance rate increases, reductions in actuarially-determined retirement rates, and other economic adjustments.	IDG	NA	(8,400)
	Restricted	NA	(1,540,300)

Major Boilerplate Changes From FY 2014-15

***Sec. 308. Contract Compliance* – RETAINED**
Current year language requires department and local road agencies to pursue compliance with contract specifications for construction and maintenance and provides for sanctions for unsatisfactory contractors; also provides for a reporting requirement on the department's prequalification process and unsatisfactory contractor performance rating.

***Sec. 312. Workgroup on Transportation Coordination between Departments* – DELETED**
This section had required the department and the departments of Community Health, Human Services, Corrections, Treasury/Michigan Strategic Fund, along with one member of both the House and Senate to form a work group to study consolidation of transportation services. The one-time report, due March 1, 2015, is currently on the department website.

***Sec. 315. Priority Roads Project Report* – NEW**
Requires a report, due November 1, 2015, on projects funded in full or in part through the priority roads investment program.

***Sec. 381. E-Verify for Legal Status of Contractor/Subcontractor New Employees* – RETAINED**
Requires the department to use the E-Verify system to verify legal status of contractor and subcontractor new hires. Provides reporting requirement.

***Sec. 382. Finalize Local Agency Cost Sharing Agreements* – RETAINED**
Requires the department to submit final bill to the local agency within two years of final payment to construction contractor. In his signing letter dated June 13, 2013, the Governor indicates that this boilerplate section "is considered enforceable to the extent that it does not alter or amend Act 51 of 1951 requiring local cost sharing."

***Sec. 383. Report on Use of State Airfleet* – RETAINED**
Requires quarterly report on use of MDOT-owned aircraft; recovery of department costs. No change from current year other than date reference.

***Sec. 384. Detroit River International Crossing (DRIC)* – RETAINED**
Restricts the department's ability to obligate the state to expend state transportation revenue on the project, referenced by the Executive as the *New International Trade Crossing* (NITC). The current year budget states that "an expenditure for staff resources used in connection with project activities, which expenditure is subject to full and prompt reimbursement from Canada, shall not be considered an expenditure of state transportation resources."

***Sec. 385 Detroit River International Crossing (DRIC)* – RETAINED**
Provides reporting requirements.

***Sec. 394. Priority of Preservation* – RETAINED**
Directs the department and local road agencies to make preservation of the existing infrastructure a funding priority.

***Sec. 401. Federal Aid Distribution Report* – RETAINED**
Requires department to notify local agencies, Legislature, and state budget director on proposed distribution of federal funds between state and local units.

***Sec. 601. Road Construction Warranties* – MODIFIED**
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.

Major Boilerplate Changes From FY 2014-15

***Sec. 605. Outcomes and Performance Measures for Maintenance* – NEW**
Executive budget included section which requires the department to identify outcomes and performance measures for increased part 1 funding for state trunkline maintenance. [The budget includes a $10.0 million increase in baseline funding.] House concurs with Executive.

***Sec. 660. Use of Alternative Materials* – RETAINED**
Encourages the department to examine the use of alternative road surface materials; use of crumb rubber from tires.

***Sec. 712. Rail Passenger Feasibility Study* – DELETED**
Current year language directed the department to study feasibility of rail passenger service between Holland and Detroit, by way of Grand Rapids and Lansing; provides for report due date of May 1, 2015. This appears to be a one-time report.

***Sec. 713. Commuter Rail Report* – NEW**
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.

***Sec. 741. Transit Buses - Safety Standard Report* – DELETED**
Current Year budget directs the department to study need, feasibility, and costs of increasing safety standard of transit buses; rollover test standard; provides for report due date of December 1, 2014. This is a one-time report and is currently on the department's website.

***Sec. 1001. Matching Federal-Aid Highway Funds* – MODIFIED**
Indicates that the one-time GF/GP appropriation for state trunkline road and bridge construction shall be used to ensure that the state is able to match all available federal-aid highway funds.

***Sec. 1002. State and Local Road and Bridge Programs* – DELETED**
Does not include language directing use of one-time GF/GP appropriation in the current year. [The proposed FY 2015-16 budget does not include this one-time line item.]

***Sec. 1003. Bus Capital/Rail Infrastructure* – RETAINED**
Retains reporting requirement on use of one-time GF/GP appropriation for transit capital and rail infrastructure.

***Sec. 1005. Regional Transit Authority* – DELETED**
Current year budget includes section description of $1.1 million appropriation to the RTA. [The proposed FY 2015-16 budget does not include this one-time line item.]

***Sec. 1006. Detroit/Windsor Rail Tunnel* – DELETED**
Current year boilerplate included appropriation of $10.0 million to the department to help facilitate the construction of a new rail tunnel under the Detroit River between Detroit and Windsor Ontario.