<table>
<thead>
<tr>
<th>FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE</th>
<th>FY 2017-18 YEAR-TO-DATE*</th>
<th>FY 2018-19 CONFERENCE</th>
<th>AMOUNT</th>
<th>PERCENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE Positions</td>
<td>8,541.7</td>
<td>8,734.7</td>
<td>193.0</td>
<td>2.3</td>
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<tr>
<td>GROSS</td>
<td>5,080,319,800</td>
<td>5,003,361,400</td>
<td>(76,958,400)</td>
<td>(1.5)</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interdepartmental Grants Received</td>
<td>783,048,800</td>
<td>821,066,200</td>
<td>38,017,400</td>
<td>4.9</td>
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<tr>
<td>ADJUSTED GROSS</td>
<td>4,297,271,000</td>
<td>4,182,295,200</td>
<td>(114,975,800)</td>
<td>(2.7)</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Funds</td>
<td>811,906,500</td>
<td>808,698,700</td>
<td>(3,207,800)</td>
<td>(0.4)</td>
</tr>
<tr>
<td>Local and Private</td>
<td>23,577,600</td>
<td>22,224,700</td>
<td>(1,352,900)</td>
<td>(5.7)</td>
</tr>
<tr>
<td>TOTAL STATE SPENDING</td>
<td>3,461,786,900</td>
<td>3,351,371,800</td>
<td>(110,415,100)</td>
<td>(3.2)</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other State Restricted Funds</td>
<td>2,210,057,300</td>
<td>2,276,925,900</td>
<td>66,868,600</td>
<td>3.0</td>
</tr>
<tr>
<td>GENERAL FUND/GENERAL PURPOSE</td>
<td>1,251,729,600</td>
<td>1,074,445,900</td>
<td>(177,283,700)</td>
<td>(14.2)</td>
</tr>
<tr>
<td>PAYMENTS TO LOCALS</td>
<td>1,492,528,000</td>
<td>1,566,674,800</td>
<td>74,146,800</td>
<td>5.0</td>
</tr>
</tbody>
</table>

*As of May 3, 2018.

See Individual Highlight Sheet for Department Detail
Boilerplate Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

1. **Travel Reporting.** The Governor removed chairperson of the relevant appropriations subcommittees from recipients of the travel report. The Senate/House/Conference maintained the current language. (Sec. 207)

2. **Transparency Report.** The Governor removed the requirement that each department update web pages quarterly. The Senate/House/Conference maintained the current language. (Sec. 211)

3. **Retention of Reports.** The Governor deleted and Senate/House/Conference retained the requirement that all departments and agencies retain all reports funded from appropriations in Part 1. (Sec. 216)

4. **Communications with Legislators.** The Governor deleted and Senate/House/Conference retained the prohibition of departments taking disciplinary action against employees communicating with Legislators or their staff. (Sec. 218)

5. **Policy Change Reporting Requirement.** The Governor deleted and Senate/House/Conference retained a report due April 1 that requires each department to specify policy changes made in order to implement enacted legislation. (Sec. 221)

6. **Auditor General.** The Governor deleted and Senate/House/Conference retained the requirement that departments report within six months after an audit with the implementation of any identified initiatives related to savings and efficiencies found by the Auditor General and required the auditor general to conduct another audit on any noncompliant departments and charge the corresponding department for the cost of performing another audit. (Sec. 229)

7. **Contingency Plan for Federal Reductions.** The Governor deleted and Senate/House/Conference retained the requirement that the budget director report contingency plan recommendations in the event Federal funding sources that are more than $10.0 million are reduced by 10% or greater. (Sec. 235)

8. **Return on Taxpayer Investment.** The Governor deleted and Senate/House/Conference retained the requirement that the budget director identify new programs and enhancements with program-specific metrics and a follow-up report on the progress made on meeting those metrics for the identified programs and enhancements. (Sec. 240)

9. **Technical Modification.** The Senate/House/Conference made a number of technical adjustments such as revised dates, spending totals, and definitions. (Secs. 201, 203, 212, and 240)

Conference Agreement on Items of Difference

10. **Budget Stabilization Fund.** The Governor removed the $150.0 million deposit into the BSF, recommended the deposit of 25% of the FY 2017-18 GF/GP book-closing unassigned ending balance, did not provide an estimate of that amount. The Senate concurred with the Governor's modification and added an additional subsection that requires that an additional 25% of the 2017-18 booking-closing unassigned ending balance be distributed in the following manner: 7.5% to county road repair, 7.5% to city and village road repair, 3.33% to airport improvement, 3.33% to railroad infrastructure improvement, and 3.33% to the waterway economic vitality fund for dredging around harbors. The House/Conference included no deposit to the BSF or that any percentage of the GF/GP book-closing unassigned ending balance be deposited to the BSF. (Sec. 210)

11. **General Fund Restrictions.** The Governor/Senate deleted the prohibition on departments using General Fund appropriations where Federal and Private Funds are available for the same purpose. The House/Conference retained the section. (Sec. 217)

Date Completed: 6-7-18

Fiscal Analyst: Cory Savino
Joe Carrasco
Ryan Bergan

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberation.
FY 2018-19 ATTORNEY GENERAL BUDGET

H.B. 5567 (CR-1): CONFERENCE REPORT

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE | FY 2017-18 YEAR-TO-DATE* | FY 2018-19 CONFERENCE | AMOUNT | PERCENT
---|---|---|---|---
FTE Positions | 530.0 | 531.0 | 1.0 | 0.2
GROSS | 102,798,800 | 103,648,900 | 850,100 | 0.8
Less:
Interdepartmental Grants Received | 30,470,300 | 30,386,400 | (83,900) | (0.3)
ADJUSTED GROSS | 72,328,500 | 73,262,500 | 934,000 | 1.3
Less:
Federal Funds | 9,518,000 | 9,628,500 | 110,500 | 1.2
Local and Private | 0 | 0 | 0 | 0.0
TOTAL STATE SPENDING | 62,810,500 | 63,634,000 | 823,500 | 1.3
Less:
Other State Restricted Funds | 21,561,900 | 22,427,200 | 865,300 | 4.0
GENERAL FUND/GENERAL PURPOSE | 41,248,600 | 41,206,800 | (41,800) | (0.1)
PAYMENTS TO LOCALS | 0 | 0 | 0 | 0.0

*As of May 3, 2018.

FY 2017-18 Year-to-Date Gross Appropriation .......................................................... $102,798,800

Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

1. **FY 2017-18 Supplemental Funding.** The Governor, Senate, and House did not include a total of $1.6 million in supplemental funding added in FY 2017-18. Public Act 158 of 2017 provided $600,000 in restricted funding from the Lawsuit Settlement Proceeds Fund for costs associated with Flint Water Crisis investigations and prosecutions while Public Act 82 of 2018 provided $1.0 million for the Attorney General to investigate systemic issues with sexual misconduct at Michigan State University. (1,600,000)

2. **Removal of FY 2017-18 One-Time Items.** The Governor, Senate, and House did not include one-time funding for FY 2017-18 totaling $1.3 million; $700,000 for the Prosecuting Attorneys Coordinating Council (PACC) for costs associated with juvenile life without parole cases; and $600,000 for the PACC to replace their NextGen case management system. (1,300,000)

3. **Attorney General Special Counsel for Flint Investigation.** The Governor, Senate, and House increased funding by $600,000 in restricted funds to maintain the full $2.6 million authorization for the expenditure of Lawsuit Settlement Proceeds Funds. These funds are used for costs associated with the special counsel and the Flint investigations. The authorization was reduced in the FY 2017-18 budget and later brought whole via a supplemental appropriation. 600,000

4. **Marihuana Regulatory Fund.** The Governor, Senate, and House provided funding for the first full year of operations related to the regulation of medical marihuana and marihuana dispensaries. 126,700
5. **Economic Adjustments.** Includes $1,403,400 Gross and $558,200 GF/GP for total economic adjustments, of which an estimated $28,400 Gross and $1,500 GF/GP is for legacy retirement costs (pension and retiree health).

**Conference Agreement on Items of Difference**

6. **OK2SAY Program. Senate:** Added an additional $500,000 in GF/GP funding to enhance this program to combat bullying and promote public awareness of the program, including the availability of the OK2SAY hotline and website. **House:** Added $2.3 million in additional funding. **Conference:** Increased funding by $1.0 million. Total funding for this program for FY 2018-19 is $1,470,000.

7. **One-Time Funding. Senate:** Added one-time funding for two items totaling $800,000 Gross; $100,000 GF/GP. A total of $700,000 in restricted funding is included for the Prosecuting Attorneys Coordinating Council (PACC) for costs associated with juvenile life without parole cases and a total of $100,000 GF/GP is included for the PACC to provide additional forensic interviewing trainings. **House:** Did not include this funding. **Conference:** Concurred with Senate.

8. **Bad-Faith Patent Infringement. House:** Removed restricted funding totaling $180,000 for bad-faith patent infringement due to sufficient funding in a work project. **Conference:** Concurred with House.

9. **FY 2018-19 One-Time Gross Appropriations.** The Conference Report includes two one-time items totaling $800,000 ($100,000 GF/GP). A total of $700,000 in restricted funding is provided for Juvenile Life without Parole cases and a total of $100,000 is provided to PACC for forensic trainings.

| Total Changes | $850,100 |

| FY 2018-19 Conference Report Ongoing/One-Time Gross Appropriation | $103,648,900 |

| Amount Over/(Under) GF/GP Target: | $0 |

**Boilerplate Changes from FY 2017-18 Year-to-Date:**

**Items Included by the Senate and House**

1. **Boilerplate Structure. Governor:** Moved boilerplate from the FY 2017-18 general sections that applied to all General Government budgets to the Article for the Department of Attorney General. Changes to those items can be found in the highlight sheet for the **General Sections. Senate, House, and Conference:** Retained current law structure for the general sections.

2. **Legacy Cost Estimates.** Total legacy costs are estimated at $17,281,300. Of the total, pension-related legacy costs are estimated at $8,893,100 and retiree health care legacy costs are estimated at $8,388,200 for fiscal year ending September 30, 2018. **Governor:** Provided the following Legacy Costs estimates for FY 2019: Total legacy costs estimated at $18,049,500. Of that total, $8,321,100 are for pension-related legacy costs and $9,728,400 are for retiree health care legacy costs for the fiscal year ending September 30, 2019. **Senate, House, and Conference:** Concurred with Governor. (Sec. 315)

**Conference Agreement on Items of Difference**

3. **Drug Investigation and Prosecution Unit.** Language requires the attorney general to use funds appropriated in Part 1 to maintain a minimum of 24 drug investigations and to prosecute when sufficient evidence is obtained. **Governor:** Deleted section. **Senate:** Concurred with Governor. **House:** Retained current law. **Conference:** Concurred with Governor. (Current Law Sec. 301a)

4. **Lawsuit Proceeds for Drinking Water Contamination.** Language allows the Department to use up to $2.0 million of lawsuit settlement proceeds to pay for costs and associated expenses related to the declaration of emergency due to drinking water contamination. **Governor:** Increased allowable use amount to $2.6 million. **Senate:** Concurred with Governor but retains report. **House:** Concurs with Senate and deleted the allowance of funding for the Bad-Faith Patent Infringement Claims Act and capped the hourly rate for any attorneys retained at $250. **Conference:** Concurs with House. (Sec. 314)
5. **Juvenile Life without Parole.** Language states that the $700,000 appropriated in Part 1 is to be used for investigations, crime victim rights, prosecutions and appeals for retroactive juvenile life without parole cases. Also requires a report to be submitted by September 30. **Governor:** Deleted section. **Senate:** Retained section and added language stating that the funding will come from the Lawsuit Settlement Proceeds Fund. **House:** Revised language to limit the amount of authorized funds to be spent as work projects to $700,000. **Conference:** Concurs with Senate. (Sec. 314a)

6. **NEW. Address Confidentiality Program.** **Senate:** Added new language requiring the Attorney General to develop the address confidentiality program that allows individuals to participate if he or she is a victim of domestic violence, stalking, human trafficking, or sexual assault, or is at risk of physical harm if his or her address is disclosed. **Conference:** Concurs with Senate and adds language stating that section becomes effective upon enactment of Senate Bill 655 of the 99th Legislature. (NEW Sec. 316a)

7. **NEW. Forensic Interviewing.** **Senate:** Added new language requiring the one-time funding provided in part 1 to be used to provide additional forensic interviewing training sessions in order to meet demand. **Conference:** Concurs with Senate and adds language stating that funding is intended to fund trainings for Child Advocacy Centers and local prosecutors. (NEW Sec. 318)

8. **NEW. Wrongful Imprisonment Compensation Fund.** **Senate:** Added new language requiring a quarterly report listing all payments made from the fund, the known pending cases requiring a payment in the next quarter, and the fund balance at the end of each reported quarter. **Conference:** Concurs with Senate and adds language requiring that the Department include the number of claims filed and the corresponding amount of the settlement. (NEW Sec. 319)

Date Completed: 6-7-18
Fiscal Analyst: Joe Carrasco, Jr.
## Full-Time Equated (FTE) Classified Positions/Funding Source

<table>
<thead>
<tr>
<th>FY 2017-18 Year-to-Date*</th>
<th>FY 2018-19 Conference</th>
<th>Changes from FY 2017-18 Year-to-Date</th>
<th>Amount</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE Positions</td>
<td>110.0</td>
<td>110.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>GROSS</td>
<td>16,249,600</td>
<td>16,201,100</td>
<td>(48,500)</td>
<td>(0.3)</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interdepartmental Grants Received</td>
<td>296,600</td>
<td>299,100</td>
<td>2,500</td>
<td>0.8</td>
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<tr>
<td>ADJUSTED GROSS</td>
<td>15,953,000</td>
<td>15,902,000</td>
<td>(51,000)</td>
<td>(0.3)</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Funds</td>
<td>2,775,800</td>
<td>2,802,700</td>
<td>26,900</td>
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<tr>
<td>Local and Private</td>
<td>18,700</td>
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<td>0.0</td>
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<td>TOTAL STATE SPENDING</td>
<td>13,158,500</td>
<td>13,080,600</td>
<td>(77,900)</td>
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<tr>
<td>Other State Restricted Funds</td>
<td>151,900</td>
<td>58,500</td>
<td>(93,400)</td>
<td>(61.5)</td>
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<td>13,022,100</td>
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<td>PAYMENTS TO LOCALS</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.0</td>
</tr>
</tbody>
</table>

* As of May 3, 2018.

### FY 2017-18 Year-to-Date Gross Appropriation: $16,249,600

### Changes from FY 2017-18 Year-to-Date:

**Items Included by the Senate and House**

1. **Removal of FY 2017-18 One-Time Items.** The Governor, Senate, and House did not include one-time funding for FY 2017-18 totaling $150,000 for a needs assessment of the deaf, deaf/blind, and hard of hearing community. (150,000)

2. **Transfer of Deafness Fund to Department of Licensing and Regulatory Affairs.** The Governor, Senate, and House transfer funding to DLARA to account for the fees actually collected by DLARA for certifying deaf interpreters. (93,400)

3. **Economic Adjustments.** Includes $194,900 Gross and $165,500 GF/GP for total economic adjustments, of which an estimated negative $137,600 Gross and a negative $112,700 GF/GP is for legacy retirement costs (pension and retiree health). 194,900

Total Changes: $48,500

### FY 2018-19 Conference Report Ongoing/One-Time Gross Appropriation: $16,201,100

### Amount Over/(Under) GF/GP Target: $0

### Boilerplate Changes from FY 2017-18 Year-to-Date:

**Items Included by the Senate and House**

1. **Boilerplate Structure. Governor:** Moved boilerplate from the FY 2017-18 general sections that applied to all General Government budgets to the Article for the Department of Civil Rights. Changes to those items can be found in the highlight sheet for the General Sections. **Senate, House, and Conference:** Retained current law structure for the general sections.
2. **Deaf, Deaf/Blind, and Hard of Hearing Needs Assessment.** The funds appropriated in Part 1 for deaf, deaf/blind, and hard of hearing needs assessment may be used by the Department of Civil Rights to survey the deaf, deaf/blind, and hard of hearing community in the state to identify the size of this population so as to provide services to this population of citizens including education, employment, and healthcare. **Governor:** Deletes section. **Senate, House, and Conference:** Concurred with Governor. (Current Law Sec. 406)

3. **Legacy Cost Estimates.** Total legacy costs are estimated at $2,695,600. Of the total, pension-related legacy costs are estimated at $1,387,200 and retiree health care legacy costs are estimated at $1,308,400 for fiscal year ending September 30, 2018. **Governor:** Provided the following Legacy Costs estimates for FY 2019: Total legacy costs estimated at $2,558,000. Of that total, $1,179,300 are for pension-related legacy costs and $1,378,700 are for retiree health care legacy costs for the fiscal year ending September 30, 2019. **Senate, House, and Conference:** Concurred with Governor. (Sec. 410)
FULL-TIME EQUIVATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE

<table>
<thead>
<tr>
<th>FTE Positions</th>
<th>FY 2017-18 YEAR-TO-DATE</th>
<th>FY 2018-19 CONFERENCE</th>
<th>AMOUNT</th>
<th>PERCENT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>79.2</td>
<td>79.2</td>
<td>0.0</td>
<td>0.0</td>
</tr>
</tbody>
</table>

GROSS

6,848,500 6,980,100 131,600 1.9

Less:

| Interdepartmental Grants Received | 0 | 0 | 0 | 0.0 |

ADJUSTED GROSS

6,848,500 6,980,100 131,600 1.9

Less:

Federal Funds

0 0 0 0.0

Local and Private

0 0 0 0.0

TOTAL STATE SPENDING

6,848,500 6,980,100 131,600 1.9

Less:

Other State Restricted Funds

0 0 0 0.0

GENERAL FUND/GENERAL PURPOSE

6,848,500 6,980,100 131,600 1.9

PAYMENTS TO LOCALS

0 0 0 0.0

*As of May 3, 2018.

FY 2017-18 Year-to-Date Gross Appropriation

$6,848,500

Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

1. Executive Office Operations. The Governor, Senate, and House recommended a 2.0% overall increase for Executive Operations.

2. Unclassified Salaries. The Governor, Senate, and House increased GF/GP funding by $26,200 for total funding of $1,333,500 for FY 2018-19.

Total Changes

$131,600

FY 2018-19 Conference Report Ongoing/One-Time Gross Appropriation

$6,980,100

Amount Over/(Under) GF/GP Target:

$0

Boilerplate Changes from FY 2017-18 Year-to-Date:

1. There is no boilerplate for the Executive Office.

Date Completed: 6-7-18

Fiscal Analyst: Joe Carrasco, Jr.
FULL-TIME EQUIATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE

<table>
<thead>
<tr>
<th>FY 2017-18 YEAR-TO-DATE*</th>
<th>FY 2018-19 CONFERENCE</th>
<th>AMOUNT</th>
<th>PERCENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE Positions</td>
<td>0.0</td>
<td>0.0</td>
<td>N/A</td>
</tr>
<tr>
<td>GROSS</td>
<td>179,561,000</td>
<td>183,050,500</td>
<td>3,489,500</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interdepartmental Grants Received</td>
<td>5,709,200</td>
<td>5,823,400</td>
<td>114,200</td>
</tr>
<tr>
<td>ADJUSTED GROSS</td>
<td>173,851,800</td>
<td>177,227,100</td>
<td>3,375,300</td>
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<tr>
<td>Less:</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Federal Funds</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Local and Private</td>
<td>400,000</td>
<td>400,000</td>
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<tr>
<td>TOTAL STATE SPENDING</td>
<td>173,451,800</td>
<td>176,827,100</td>
<td>3,375,300</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other State Restricted Funds</td>
<td>6,247,100</td>
<td>6,403,100</td>
<td>156,000</td>
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<tr>
<td>GENERAL FUND/GENERAL PURPOSE</td>
<td>167,204,700</td>
<td>170,424,000</td>
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</tr>
<tr>
<td>PAYMENTS TO LOCALS</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

*As of May 3, 2018.

FY 2017-18 Year-to-Date Gross Appropriation ................................................................. $179,561,000

Changes from FY 2017-18 Year-to-Date:

1. **Removal of FY 2017-18 One-Time Items.** The Governor, Senate, and House did not include one-time funding for FY 2017-18 totaling $3.0 million (all GF/GP) that funded the upgrade and integration of the legislative computer system (Chamber Automation System). (3,000,000)

2. **Auditor General Adjustment.** Governor, Senate, and House recommended a 3.0% overall increase for Auditor General operations. The increase totaled $651,800 of which $498,200 is general fund. Funding for the Auditor General totals $24.9 million ($17.1 million GF/GP) for FY 2018-19. 651,800

Conference Agreement on Items of Difference

3. **Legislative Adjustment.** The Governor, Senate, and House increased overall funding for the Legislature by a total of 3.0% (excluding one-time funds). The Senate received an increase of $1.2 million overall while the House received an overall increase of $1.7 million. The House and Senate Fiscal Agencies received an increase of $96,900 each. The Legislative Council received an increase of $449,100 while the Retirement System received an increase of $140,100. The Binsfeld Office Building received an increase of $240,900 while the Cora Anderson House Building received increases totaling $353,100. Finally, the Governor included additional funding of $226,200 for the State Capitol Historic Site line item ($133,200 for general operations and $93,000 for restoration, renewal and maintenance). Funding for the Legislature totals $157.3 million ($152.5 million GF/GP) for FY 2018-19.

Conferences: Concurring with Governor and added a total of $600,000, split evenly between Senate and House operations line items.

Conference:

Concurred with Governor and added a total of $600,000, split evenly between Senate and House operations line items.
4. **National Association Dues. Governor and House:** Decreased the appropriation for the dues paid to national associations of which the State is a member by nearly 50% for total funding in FY 2018-19 of $224,000. **Senate:** Maintained current-year funding of $454,700. **Conference:** Concluded with Senate.

5. **One-Time Funding. Governor:** Included a total of $750,000 in one-time funding for the upgrade and integration of the legislative computer system (Chamber Automation System). **Senate:** Concluded with Governor and added a $100 placeholder for the Criminal Justice Policy Commission. **House and Conference:** Concluded with Governor and did not include the $100 placeholder for the Criminal Justice Policy Commission.

6. **Forensic Science Commission. House:** Included a $100 placeholder for the creation of the Commission pending legislation. **Conference:** Not included.

7. **University Title IX Operations Audit. House:** Included $750,000 to support new auditors necessary to complete university Title IX operations audits as required under the bill. **Conference:** Not included.

8. **FY 2018-19 One-Time Gross Appropriations.** The Conference Report included one item for $750,000 for the upgrade and integration of the legislative computer system.

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**Total Changes:** $3,489,500

**FY 2018-19 Conference Report Ongoing/One-Time Gross Appropriation:** $183,050,500

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**Boilerplate Changes from FY 2017-18 Year-to-Date:**

**Items Included by the Senate and House**

1. **Boilerplate Structure. Governor:** Moved boilerplate from the FY 2016-17 general sections that applied to all General Government budgets to the Article for the Legislature. Changes to those items can be found in the highlight sheet for the General Sections. **Senate, House, and Conference:** Retained current-law structure for the general sections.

2. **Michigan Manual.** Designates as work project appropriation for the Michigan Manual. **Governor:** Rewrites language to comply with the Management and Budget Act. Also states that the purpose of the work project will be the publication of the Michigan Manual and lists the total estimated cost at $3.0 million and a completion date of September 30, 2023. **Senate, House, and Conference:** Concluded with Governor. (Sec. 605)

3. **Property Management.** Designates property management appropriation for the Legislature as work project. Specifies that the funds will be used to purchase equipment and services for building maintenance. Includes an estimated total cost of $2.0 million and completion date of September 30, 2021. **Governor:** Rewrites language to comply with the Management and Budget Act. Also states that the purpose of the work project will be to purchase equipment and services for building maintenance and lists the total estimated cost at $2.0 million and a completion date of September 30, 2022 **Senate, House, and Conference:** Concluded with Governor. (Sec. 606)

4. **Legislative Automated Data Processing.** Designates appropriations in Part 1 for automated data processing as work project appropriations. Includes estimated costs of $2.0 million and tentative completion date of September 30, 2021 **Governor:** Rewrites language to comply with the Management and Budget Act. Also states that the purpose of the work project will be to purchase equipment, software, and services in order to support and implement data processing requirements and technology improvements and lists the total estimated cost at $3.0 million and a completion date of September 30, 2023. **Senate, House, and Conference:** Concluded with Governor. (Sec. 607)

5. **Legislative System IT Upgrade.** Language states that the funds appropriated shall be used for the design, development, and implementation of a legislative computer system. Funds cannot be used without written approval from the Speaker of the House, the Senate Majority Leader, and the Legislative Council Administrator. **Governor:** Rewrites language to comply with the Management and Budget Act. Also states that the purpose of the work project will be for the continued design, development, and implementation of the legislative computer system and lists the total estimated cost at $12.75 million and a completion date of September 30, 2023. **Senate, House, and Conference:** Concluded with Governor. (Sec. 616)
Conference Agreement on Items of Difference

6. **Legacy Cost Estimates.** Total legacy costs are estimated at $21,252,700. Of the total, Pension-related legacy costs are estimated at $10,936,800 and retiree health care legacy costs are estimated at $10,315,900 for fiscal year ending September 30, 2018. **Governor:** Deletes section. **Senate:** Retained language and updated the figures as follows: Total legacy costs are estimated at $29,587,600. Of the total, Pension-related legacy costs are estimated at $13,640,400 and retiree health care legacy costs are estimated at $15,947,200 for fiscal year ending September 30, 2019. **House:** Concurred with Governor. **Conference:** Concurred with Senate. (Sec. 615)

7. **NEW. Legislative Auditor General Title IX Audits.** **House:** Adds new language requiring the Auditor General to conduct an audit of the title IX operations of each public university at least once every three years. **Conference:** Did not include. (NEW Sec. 625)

Date Completed: 6-7-18

Fiscal Analyst: Joe Carrasco, Jr.
Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

1. **Removal of FY 2017-18 One-Time Appropriation.** Governor, Senate, and House removed a total of $9.0 million Gross, $5.0 million GF/GP. Public Act 158 of 2017 provided $5.0 million GF/GP for voting machine replacements. Public Act 82 of 2018 provided $4.0 million in Federal funding for HAVA grants.

2. **Driver License Contracting Costs.** Governor, Senate, and House included additional restricted funding to cover the costs of extending the current contract with the State's vendor that produces State-issued driver license and personal identification cards.

3. **Information Technology Costs.** Governor, Senate, and House included additional restricted funding totaling $800,000 for two items that increased IT costs. Funding of $500,000 is provided to cover the increased IT rate increases charged to the Department by DTMB for providing IT assistance. The remaining $300,000 will fund a project to create a disaster recovery plan for the Qualified Voter File in the event that the security of the QVF is ever breached.

4. **Commercial Driver License Testing Kiosks.** Governor, Senate, and House included additional restricted funding for maintenance costs of the testing kiosks for commercial driver licenses located at various branch offices across the state. The kiosks were provided by the Federal government to comply with new Federal regulations, however, maintenance costs are the responsibility of the state.

5. **Replacement of GF/GP with Restricted Funds.** Governor: General Fund/General Purpose dollars that are currently used to fund the Department are replaced with restricted funds from the Transportation Administration Collection Fund (TACF). While this has a net zero effect on the gross for the Department, this reduces overall GF/GP expenditures for the State by $1.1 million in FY 2018-19. Senate: Concluded with Governor.
6. **Economic Adjustments.** Includes $3,079,300 Gross and $475,600 GF/GP for total economic adjustments, of which an estimated negative $514,300 Gross and negative $40,500 GF/GP is for legacy retirement costs (pension and retiree health).

**Conference Agreement on Items of Difference**

7. **Branch Operations. Senate:** Added additional funding of $1.0 million in restricted funding and 100.0 FTE positions for costs associated with driver license reinstatement due to elimination of driver responsibility fees which are repealed effective October 1, 2018. **House:** Included the $1.0 million in funding but funded with GF/GP and did not include the 100 FTES. **Conference:** Did not include funding or FTEs.

8. **Debit and Credit Card Fee Assessments. House:** Removed the line item and the $8.0 million authorization in restricted funds but retained the boilerplate language that allows the Department to collect and expend the fee revenue necessary to pay the fees charged by the debit and credit card companies. **Conference:** Concurred with House.

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**Boilerplate Changes from FY 2017-18 Year-to-Date:**

**Items Included by the Senate and House**

1. **Boilerplate Structure. Governor:** Moved boilerplate from the FY 2017-18 general sections that applied to all General Government budgets to the Article for the Department of State. Changes to those items can be found in the highlight sheet for the General Sections. **Senate, House, and Conference:** Retained current-law structure for the general sections.

2. **Buena Vista Branch Office.** Requires the Department to maintain a full service branch office in Buena Vista Township. **Governor:** Eliminated section. **Senate, House, and Conference:** Retained current law. (Sec. 718)

3. **Legacy Cost Estimates.** Total legacy costs are estimated at $31,170,200. Of the total, Pension-related legacy costs are estimated at $16,040,400 and retiree health care legacy costs are estimated at $15,129,800 for fiscal year ending September 30, 2018. **Governor:** Provided the following Legacy Costs estimates for FY 2019: Total legacy costs estimated at $30,655,900. Of that total, $14,132,900 are for pension-related legacy costs and $16,523,000 are for retiree health care legacy costs for the fiscal year ending September 30, 2019. **Senate, House, and Conference:** Concurred with Governor. (Sec. 725)

**Conference Agreement on Items of Difference**

4. **Business Application Modernization Project Report.** Requires a report of the total funds expended for the business application modernization project, start dates, costs, and penalties paid to the state by the contract provider. **Governor:** Eliminated section. **Senate:** Revised language to refer to the new customer and automotive records systems project (CARS) program. **House and Conference:** Concurred with Governor. (Sec. 716b)

5. **Election Oversight.** Language states that of the funds appropriated in part 1, the Office of Investigative Services may use available funds to conduct investigations of any reported irregularities in a local, state, or national election. **House:** Retained current law. **Conference:** Concurred with Senate. (Current Law Sec. 719)

6. **NEW. Voting Machines for High Schools. Senate:** Added new language requiring the Department of State to make at least one voting machine available to at least one high school in each regional prosperity region for the purpose of allowing pupils to become familiar with the voting process in a simulated voting simulation. **House:** Did not include. **Conference:** Concurred with Senate. (NEW Sec. 719)
7. **NEW. Sec. 720. Post-Election Audits. House:** Added new language requiring the Department of State to develop a plan to enhance post-election audit procedures to ensure machine-tabulated vote accounts are counted and reported accurately. **Senate:** Did not include. **Conference:** Concurs with House. (NEW Sec. 720)

8. **NEW. Expiration of Authorization for Additional FTEs. Senate:** Added new language stating that the addition of 100.0 FTE positions in the Branch Operations line item are temporary positions whose authority shall expire on March 1, 2019. **House and Conference:** Did not include. (NEW Sec. 720a)

9. **NEW. Plug-In Electric Vehicles. Senate:** Added new language requiring the Department of State to provide certain information regarding plug-in electric vehicles. This information shall include the number of total registrations of these vehicles in the state, the classifications as to whether fully electric or hybrid, and the zip codes where those vehicles are located. The purpose of this data collection is in an effort to best provide DC fast charging stations across the state. **House and Conference:** Did not include. (NEW Sec. 723)

Date Completed: 6-7-18

Fiscal Analyst: Joe Carrasco, Jr.
### FY 2018-19 TALENT AND ECONOMIC DEVELOPMENT BUDGET

**H.B. 5567 (CR-1): CONFERENCE REPORT**

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**FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE**

<table>
<thead>
<tr>
<th></th>
<th>FY 2017-18 YEAR-TO-DATE*</th>
<th>FY 2018-19 CONFERENCE</th>
<th>AMOUNT</th>
<th>PERCENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE Positions</td>
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<td>GROSS</td>
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<td>1,115,295,600</td>
<td>(64,126,200)</td>
<td>(5.4)</td>
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<tr>
<td>Less:</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Interdepartmental Grants</td>
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<td>0</td>
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<td>0</td>
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<tr>
<td>ADJUSTED GROSS</td>
<td>1,179,421,800</td>
<td>1,115,295,600</td>
<td>(64,126,200)</td>
<td>(5.4)</td>
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<tr>
<td>Less:</td>
<td></td>
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<tr>
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<td>Less:</td>
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<td>PAYMENTS TO LOCALS</td>
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<td>31,400,000</td>
<td>20,100,000</td>
<td>177.9</td>
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</tbody>
</table>

*As of May 3, 2018.

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**FY 2017-18 Year-to-Date Gross Appropriation**

|                          | $1,179,421,800 |

**Changes from FY 2017-18 Year-to-Date:**

**Items Included by the Senate and House**

1. **Workforce Development Program.** The **Governor/Senate/House/Conference** increased the Workforce Development Program (WDP) due to an increase in the Federal award amount for the Employment and Training Program. The increase is supported by Federal funds.

   501,000

2. **Drinking Water Declaration of Emergency.** The **Governor/Senate/House/Conference** included a $100 placeholder in one-time appropriations to allow for potential transfers from the Drinking Water Declaration of Emergency Fund if necessary.

   100

3. **Community College Skilled Trades Equipment Program.** The **Governor/Senate/House/Conference** changed the fund source for this $4.6 million debt service payment from GF/GP to Penalties and Interest revenue.

   0

4. **Technical Adjustments.** The **Governor/Senate/House/Conference** reversed defined calculations and made a number of adjustments to line items that were supported by various Federal funds and the 21st Century Jobs Trust Fund, which do not allow for economic increases.

   (1,653,900)

5. **Internal FTE and Appropriation Transfers.** The **Governor/Senate/House/Conference** made a number of internal transfers throughout the Department. This included transferring 12.0 FTEs and $2.5 million in Federal funds from the UIA and WDA to the Department's Executive Direction; transferring $2.3 million in Federal funds from WDP to WDA and Talent Investment Agency Executive Direction; and transferring $150,000 from the MSF to the Land Bank Fast Track Authority.

   0

6. **Economic Adjustments.** Includes $2,693,700 Gross and $270,200 GF/GP for total economic adjustments, of which an estimated $136,000 Gross and $20,300 GF/GP is for legacy retirement costs (pension and retiree health).

   2,693,700
Conference Agreement on Items of Difference

7. Michigan Enhancement Grant. The Senate continued or included new Michigan enhancement grants, which are outlined in boilerplate section 1047 and is all supported by GF/GP. The Conference included two grants outline in section 1047 and is all supported by GF/GP. 1,350,000

8. Pure Michigan. The Senate/Conference included a $1.0 million Gross and GF/GP increase to Pure Michigan. 1,000,000

9. UIA Placeholder. The Senate included a $100 placeholder in the UIA to pay off the UIA debt owed from the dissolved Inkster School district. The Conference did not include. 100

10. One-Time Appropriations Removal. The Governor removed a number of FY 2017-18 one-time appropriations, which include: Arts and Culture Grants ($1.0 million), Michigan Enhancement Grants ($35,897,000), Protect and Grow ($1.0 million), Special Grants ($2.7 million), and Talent Marketing ($5.0 million). All of these appropriations were supported by GF/GP. The Senate concurred with the Governor’s removal of FY 2017-18 one-time appropriations except Arts and Culture Grants ($1.0 million) and included the removal of Project Rising Tide ($2.0 million). The House included Arts and Culture Grant ($1.0 million) and Project Rising Tide ($1.0 million). The Conference included $1.0 million for Arts and Culture Grants and $1.0 million for Project Rising Tide. (45,597,000)

11. Going Pro Reduction and Fund Shift. The Governor reduced the one-time appropriation portion of this program by $5.5 million Gross and GF/GP. Also, the Governor changed the fund source for $25.0 million of Penalties and Interest revenue to GF/GP. The Senate concurred with the Governor’s reduction but maintained $25.0 million as Penalties and Interest revenue. The House concurred with the Governor. The Conference concurred with the $5.5 million Gross and GF/GP, rolled out the At-Risk Youth Grants ($3.0 million) and fund shifted $22.0 million throughout the Talent Investment Agency. (5,500,000)

12. Business Attraction and Community Revitalization. The Governor reduced the program by $5,120,100 Gross and GF/GP. Also, the Governor changed the fund source for $2.0 million from GF/GP to the 21st Century Jobs Trust Fund. The Senate reduced the program by an additional $10,237,000 Gross and GF/GP under the Governor. Total appropriations is $100.1 million Gross for FY 2018-19. The House reduced the line item $10,379,900 below the Gov, appropriating $100.0 million Gross for FY 2018-19. The Conference reduced the line item $5.0 million Gross and GF/GP below the Governor. (10,120,100)

13. Community Venture Reduction. The Governor/Senate reduced Gross appropriations by $3.3 million. Of that total, $2,993,300 was Penalties and Interest revenue and $306,700 was GF/GP. Also, the Governor and Senate transferred 7.0 FTEs and $1.5 million Penalties and Interest revenue to Workforce Development Administration (WDA). The House reduced the line item $1.5 million below the Governor. The Conference reduced the line item $1.0 million below the governor, appropriating $4.0 million Gross and Penalties and Interest Revenue for FY 2018-19. (4,300,000)

14. Entrepreneurship Eco-System. The Governor/Senate/Conference reduced the program by $1.5 million Gross and 21st Century Jobs Trust Fund dollars. Also, the Governor changed the fund source for $500,000 of 21st Century Job Trust Fund revenue to GF/GP. The $2.0 million in total 21st Century Jobs Trust Fund reductions were moved to the Business Attraction and Community Revitalization. Finally, the Governor moved $2.5 million from ongoing to one-time appropriations. The House included an additional $1.0 million above the Governor. (1,500,000)

15. Land Bank Fast Track Authority. The Governor/Senate/Conference removed $1.0 million in ongoing appropriations to the Authority while adding 3.0 FTEs. The House reduced the line item $500,000 Gross and GF/GP below the Governor. (1,000,000)
16. **FY 2018-19 One-Time Gross Appropriations.** The **Conference** included a number of one-time appropriations, which include: Arts and Culture Grants ($1.0 million), Going Pro (10.0 million), Special Grants ($1.35 million), Project Rising Tide ($1.0 million), Entrepreneurship Ecosystem ($2.5 million), and the Drinking Water Declaration of Emergency placeholder ($100).

<table>
<thead>
<tr>
<th>Over/(Under) GF/GP Target:</th>
<th>$0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Changes</td>
<td>($64,126,100)</td>
</tr>
</tbody>
</table>

**FY 2018-19 Conference Report Ongoing/One-Time Gross Appropriation**

| Amount | $1,115,295,700 |

**Boilerplate Changes from FY 2017-18 Year-to-Date:**

**Items Included by the Senate and House**

1. **Senate Deleted Sections.** The **Governor/Conference** deleted a number of sections, which include: 1038 (FRIB report), 1040 (Department's use of an accounting system), 1048 (Entrepreneurship Eco-System grant), 1051 (Talent Marketing metric requirement), 1054 (Protect and Grow metric requirement), 1055 (DTED-Grant), 1067 (Helmets to Hardhats), 1069 (Focus Hope),

2. **Section Deleted by the Governor and retained by the Senate/House/Conference.** The **Governor** deleted and **Senate/House/Conference** retained a number of sections, which include: 1010 (Jobs for Michigan Investment Fund report), 1033 (Michigan Film and Media Office activity report), 1041 (limits the amount that can be transferred to Business Attraction and Community Development to no more than 60% before April 1), 1053 (Arts and Culture Grants), 1071 (Jobs for Michigan's Graduates Program), and 1084 (Going Pro metric requirement).

3. **Date Modification.** The **Governor** changed the reporting data for a number of sections from March 15th to April 10th. The **Senate/House/Conference** maintained the current March 15th due date. (Secs. 1005, 1009, 1034, 1038, 1050, 1068, and 1079)

4. **Going Pro Administration.** The **Governor/Senate/House/Conference** expanded the language for "skilled trades training program" and "jobs created, jobs retained" for Going Pro administration. (Sec. 1065)

5. **Technical Modifications.** The **Governor/Senate/House/Conference** made a number of technical adjustments to reflect date changes, Part 1 appropriations total, legacy cost estimates, and standardized language. (Secs. 201, 981, 1011, 1032, 1040, 1043, 1044, 1050, 1053, 1078, 1084)

**Conference Agreement on Items of Difference**

6. **Section Deleted by the Governor and retained/modified by the Conference.** The **Governor** deleted and **Conference** retained or modified a number of sections, which include: 990 (the **Conference** maintained the current MSHDA report), 1047 (the **Conference** included two Special Grants), 1052 (Rising Tide metric requirement), 1070 (Graduation for Life grant), 1080 (Community Venture matching allowance), 1081 (Statewide System for Data Integration status report), and 1082 (Sustainable Employment Pilot status report).

7. **Michigan Strategic Fund.** The **House/Conference** rolled out the Michigan Strategic Fund reporting requirements section into three different section for statutorily required reports (Sec. 1004), boilerplate required reports (Sec. 1006), and an Michigan Economic Development Corporation budget and activity report (Sec. 1007).

8. **Broadband Bond Restriction.** The **Senate/Conference** included a new section that restricts the Department, MSF, and MSHDA from issuing or refinancing any bonds relating to broadband. (Sec. 983)

9. **Waterway Economic Vitality Fund.** The **Senate** created a new fund and program that provides grants towards the dredging of waterways around harbors for the purpose of maintaining the economic vitality of those harbors and allows remaining funds to be carried forward into a work project. The **Conference** did not include. (Sec. 1004)

10. **UIA Placeholder.** The **Senate** included a $100 placeholder in the UIA to pay off the UIA debt owed from the dissolved Inkster School district. The **Conference** did not include (Sec. 1072)

11. **UIA Fraudulent Claim RFP.** The **Senate** included a new section that requires that the UIA issue a $300,000 RFP for a pilot project that assists in analyzing, reviewing, and dispositioning the high-volume of fraudulent claims using cloud-based solutions. The **Conference** did not include (Sec. 1077)
12. **Going Pro Line Item Report.** The House/Conference included a new report that includes the expenditure of the Going Pro line items by program/grant type for the prior fiscal year and projected expenditures for the current fiscal year. (Sec. 1064)
FY 2018-19 TECHNOLOGY, MANAGEMENT, AND BUDGET

H.B. 5567 (CR-1): CONFERENCE REPORT

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE

<table>
<thead>
<tr>
<th></th>
<th>FY 2017-18 YEAR-TO-DATE*</th>
<th>FY 2018-19 CONFERENCE</th>
<th>AMOUNT</th>
<th>PERCENT</th>
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<tr>
<td>FY 2017-18 Supplemental Funding</td>
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<tr>
<td>Removal of FY 2017-18 One-Time Items</td>
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<tr>
<td>Procurement Improvement Plan Completion</td>
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<td>Financial Services Support</td>
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<td>DTMB BOC Special Maintenance</td>
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<tr>
<td>Technical Adjustments for IT</td>
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<tr>
<td>Professional Development Funds Adjustment</td>
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<tr>
<td>State Police Employees Retirement System Supplemental Payment</td>
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*As of May 3, 2018.

**CHANGES FROM FY 2017-18 YEAR-TO-DATE**

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<th>FY 2017-18</th>
<th>FY 2018-19</th>
<th>AMOUNT</th>
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<td>GROSS</td>
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<td>Less: Interdepartmental Grants Received</td>
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<td>751,777,000</td>
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<td>ADJUSTED GROSS</td>
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<td>Less: Federal Funds</td>
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<td>TOTAL STATE SPENDING</td>
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<td>587,826,900</td>
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<td>Less: Other State Restricted Funds</td>
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<td>0</td>
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<td>0.0</td>
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FY 2017-18 Year-to-Date Gross Appropriation ................................................................. $1,412,643,200

Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

1. **FY 2017-18 Supplemental Funding.** Gov and Senate did not include supplemental funding added in FY 2017-18 by Public Act 201 of 2017 that allocates $100,000 for the implementation of House Bill 4644 (a bill that establishes size and weight permit fees for motor vehicles), contingent on the bill's enactment. (100,000)

2. **Removal of FY 2017-18 One-Time Items.** Gov and Senate did not include one-time funding for FY 2017-18 totaling $82.0 million (all GF/GP) and 10.0 FTEs that funded a variety of one-time items. (82,025,100)

3. **Procurement Improvement Plan Completion.** Gov and Senate provided Restricted funding and 6.0 FTEs to improve procurement services such as permanent supplier relationship management, contract management, and an enterprise-wide professional development certification program for procurement professionals. 891,900

4. **Financial Services Support.** Gov and Senate increased funding and added 6.0 FTEs to alleviate the increased workload related to procurement of IT services and commodities and to reduce billing errors. 559,400

5. **DTMB BOC Special Maintenance.** Gov and Senate increased authorization in the Department's IDG allowance for building operating costs to accommodate increased utility costs and other building service contracts such as elevators, security guards, and janitorial services. 1,800,000

6. **Technical Adjustments for IT.** Gov and Senate included alignment of funding of the IDGs with department and agency actual current year appropriations and increased restricted funding by $31.0 million and 10.0 FTEs. 31,023,400

7. **Professional Development Funds Adjustment.** Gov and Senate reduced the authorization for professional development funds for non-represented employees (NEREs) based on approved civil service contracts for FY 2018-19. (50,000)

8. **State Police Employees Retirement System Supplemental Payment.** Gov and Senate decrease funding to adjust for a decline in the number retirement beneficiaries. Supplemental payments have been made for these retirees and beneficiaries pursuant to PA 168 of 2015. (87,000)
9. **School Reform Office Transferred to Department of Education.** Gov and Senate include the transfer of the School Reform Office to the Department of Education pursuant to Executive Order 2017-5 which transfers the funds and accompanying 11.0 FTEs for the School Reform Office from DTMB to the Department of Education where the Office now resides. (3,353,800)

10. **FTE Adjustment.** Gov and Senate adjusted FTE allocations by adding an additional 167 FTEs to better align with the appropriated funds and the associated positions across several lines within the Technology Services funding unit. The Department has both appropriated and unappropriated FTEs that are allocated as needed by the agency. The Department expects to exceed their appropriated FTE count related to increases in federally mandated programs, new systems, and contractor conversions and IT talent retention. There are no costs associated with this realignment. 0

11. **Economic Adjustments.** Includes $8,086,400 Gross and $1,812,300 GF/GP for total economic adjustments, of which an estimated $1,054,600 Gross and $843,300 GF/GP is for legacy retirement costs (pension and retiree health). 8,086,400

**Conference Agreement on Items of Difference**

12. **Legislative Retirement. Conference:** Added a total of $12.4 million GF/GP per conference target agreement for increased pension and OPEB annual required contributions. 12,400,000

13. **Regional Prosperity Grants.** Gov increased funding by $1.5 million for continued support of the Regional Prosperity Initiative. Funding will be used to encourage local private, public, and non-profit partners to create vibrant regional economies. **Senate and House:** Does not include this funding. **Conference:** Concurred with Gov. 1,500,000

14. **Enterprisewide Portfolio Management Services.** **Gov** and **Senate** provided funding and 11.0 FTEs to support expenses associated with expanding the Enterprise Portfolio Management Office services across the portfolio of the information technology projects across all of State government. **House:** Did not include funding, **Conference:** Concurred with Gov. 2,010,000

15. **SBA Rent Increase.** Gov adjusted SBA rent payments by a total of $19.2 million GF/GP to comply with the DTMB Act which requires that SBA rent payments be made associated with projects authorized for construction. The increase in rental payments total $37.6 million for FY 2018-19, however, $18.4 million is available in existing authorization to cover nearly half of that expense thus only an additional $19.2 million is needed. The adjustments are as follows: a $5.5 million increase for community colleges; a $2.7 million decrease for corrections; a $5.9 million increase for state agencies; and a $10.5 million increase for universities. Revised Gov. Rec. 2019-1 added an additional $3,156,100 for debt service for Veterans homes. **Senate:** Concurred with Gov and added an additional $5,250,000 GF/GP pursuant to senate target. **House:** Reduced funding by $15.0 million from Gov. **Conference:** Maintained current-year funding for a $0 increase for FY 2018-19. 0

16. **National Guard Retirees. Senate:** Added new language stating that contingent on passage of Senate Bill 747 of the 99th Legislature, from the funds appropriated in Part 1 for retirement services up to $1,600,000 shall be used to cover the costs of retirement benefits for certain eligible members as prescribed in Senate Bill 747 of the 99th Legislature. **Conference:** Provided $6,000 as one-time funding for an ORS actuarial study. 6,000

17. **Corrections Officers Retirement Benefits. House:** Added new language stating that contingent on passage of House Bill 5411 of the 99th Legislature, from the funds appropriated in Part 1 for retirement services for actuarial analysis shall be used to conduct an actuarial analysis to determine the costs incurred by the State Employees Retirement System as a result of implementing House Bill 5411 of the 99th Legislature. **Conference:** Provided $4,000 as one-time funding for an ORS actuarial study. 4,000

18. **Agency Services Rate Adjustment.** Gov includes additional funding of $1.5 million GF/GP to provide continued support for pay per-performance incentives in an effort to retain important and talented information technology personnel. **Senate:** Reduced Gov’s additional funding by $100,000. **House:** Did not include this funding. **Conference:** Reduced Gov's funding by $500,000 for a total appropriation of $1.0 million. 1,000,000
19. **One-Time Funding.** **Gov** included a total of $420,100 in one-time Restricted funding for two items. A total of $420,000 was included to continue support for the Michigan Civilian Cyber Corps (MiC3) to provide expert assistance to resolve cyber incidents when the State is under a Gov-declared State of Emergency and a $100 placeholder was included for deposit into the fund for future use for costs associated with the Flint Water Crisis. **Senate:** Included two additional $100 placeholders; one for Census related services and one for the Broadband initiative. **House:** Concurred with **Gov.** **Conference:** Did not include the $420,000 in funding for the Michigan Civilian Cyber Corps but did retain Gov's $100 for the Drinking Water Declaration of Emergency Reserve Fund and Senate's $100 placeholder for the Broadband initiative.

20. **IT Investment Fund (ITIF) Reduction.** **Gov** and **Senate** included a General Fund reduction of $25.0 million to the ITIF line item to adjust its funding level to account for the near completion of the SIGMA project. Due to the near completion of this project, ongoing costs will be reduced going forward. **Gov** also removed $7.5 million of one-time funding for total funding of $40.0 million for FY 2018-19. **House:** Reduced funding by a total of $43.7 million. **Conference:** Reduced the ITIF line item by $30.0 million and concurred with the removal of $7.5 million in one-time funding. Total funding for FY 2018-19 is $35.0 million.

21. **Homeland/Cyber Security Reduction.** **Gov** and **Senate** included a General Fund reduction of $1.0 million to enterprise data network and backend network equipment updates. These updates can be put on hold without impacting the state's security posture. **House:** Reduced funding by a total of $2.0 million. **Conference:** Reduced funding by a total of $1.5 million.

22. **IT Services and Projects.** **House:** Reduced funding by $200,000 per House target. **Conference:** Concurred with House.

23. **FY 2018-19 One-Time Gross Appropriations.** The Conference Report includes $6,000 for an actuarial study for National Guard Retirees; $4,000 for an actuarial study for Corrections Officers Retirement Benefits; and two $100 placeholders (one for the Drinking Water Declaration of Emergency Reserve Fund and the other for the Broadband Initiative).

<table>
<thead>
<tr>
<th>Total Changes</th>
<th>($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>-25,000,000</td>
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<tr>
<td>-7,500,000</td>
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<tr>
<td>-65,534,600</td>
<td></td>
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</tbody>
</table>


| Amount Over/(Under) GF/GP Target: | $0 |

Boilerplate Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

1. **Unclassified Salaries.** Requires the Department to compile a report by January 1 pertaining to the salaries of unclassified employees and gubernatorial appointees. **Gov:** Eliminated section. **Senate, House and Conference:** Retained language. (Sec. 822)

2. **DTMB Fees and Rates.** Language requires the Department to provide a report to the Legislature that identifies fee and rate schedules to be used by State departments and agencies for services. **Gov:** Eliminated section. **Senate, House and Conference:** Retains language. (Sec. 822d)

3. **Legacy Cost Estimates.** Total legacy costs are estimated at $84,145,300. Pension-related legacy costs are estimated at $43,301,700 and retiree health care legacy costs are estimated at $40,843,600 for fiscal year ending September 30, 2018. **Gov:** Provided the following Legacy Costs estimates for FY 2019: Total legacy costs estimated at $85,199,900. Of that total, $39,278,600 are for pension-related legacy costs and $45,921,300 are for retiree health care legacy costs for the fiscal year ending September 30, 2019. **Senate, House and Conference:** Concurred with Gov. (Sec. 822e)

4. **School Reform Office.** Language per E.O. 2015-9 provides stipulations for schools placed in a School Reform/Redesign school district as well as protecting students with individualized education programs. **Gov:** Eliminated section. **Senate, House and Conference:** Concurred with Gov. (Current Law Sec. 822l)

5. **School Reform Office Public Hearings.** Language requires the School Reform Office to hold at least one public hearing, prior to the school reform expending funds or proceeding with the dissolution of a school, in the school district that the Office is considering for placement of a CEO or dissolution of the school district. **Gov:** Eliminated section. **Senate, House and Conference:** Concurred with Gov. (Current Law Sec. 822l)
6. Placement of all Contract Proposals on Department Website. Language requires the Department to establish a publically accessible portal on the Department's website that displays all contract proposals for all State departments and agencies. **Gov:** Eliminated section. **Senate, House and Conference:** Retained language. (Sec. 822n)

**Conference Agreement on Items of Difference**

7. **NEW. National Guard Retirees. Senate:** Added new language stating that contingent on passage of Senate Bill 747 of the 99th Legislature, from the funds appropriated in Part 1 for retirement services up to $1,600,000 shall be used to cover the costs of retirement benefits for certain eligible members as prescribed in Senate Bill 747 of the 99th Legislature. **Conference:** Does not include. (NEW Sec. 817)

8. **Regional Prosperity Grants.** Describes the qualification process for the Regional Prosperity Grant Program. **Gov:** Modified language to update amounts of grants and change completion and application dates to coincide with overall appropriation consistent with FY 2018-19. **Senate:** Retains current law language. **House:** Retains current law amounts authorized for grants; concurs with the inclusion of infrastructure asset management; and revises language for the provision of funding for a 0.3 FTE from “shall” to “may”. **Conference:** Concurs with Gov and adds House 0.3 FTE provision. (Sec. 822f)

9. **NEW. Northern Satellite Psychiatric Facility. Conference:** Adds new language requiring the DTMB to work with the Department of Health and Human Services to identify a location for the new Northern Satellite Psychiatric Facility capital outlay project approved for planning authorization in Article II of PA 107 of 2017. (NEW Sec. 822o)

10. **NEW. MPSCS and Local Payments. Senate:** Added new language stating that of the funds appropriated in part 1 for the Michigan Public Safety Communications System, $2.0 million of the funds must be used to pay off any outstanding invoices for local agencies that are dated at least three years prior to the current fiscal year. Any unpaid invoices that are less than three years old must be paid in full by the local agency before becoming eligible for payments under this section. **Conference:** Added additional language stating that any unpaid invoices dated after 9/30/2015 are not eligible for this payment and must be paid in full by the local entity before becoming eligible for payments under this section. (NEW Sec. 827a)

11. **NEW. Sec. 830. Enterprisewide IT Project Reporting. House:** Added language requiring a quarterly report on active and closed IT projects throughout all executive branch departments with information on the schedule, budget, cost, project changes, and project success scores for each project: revises the method for reporting. **Conference:** Concurred with House and added additional reporting requirements. (NEW Sec. 830)

12. **NEW. Sec. 831. ORS Actuarial Analyses. House:** Added new language stating that contingent on passage of House Bill 5411 of the 99th Legislature, funds appropriated in Part 1 for retirement services for actuarial analysis shall be used to conduct an actuarial analysis to determine the costs incurred by the state employees retirement system as a result of implementing the provisions of HB 5411 of the 99th Legislature. **Conference:** Concurs with House and adds the requirement for an additional actuarial analysis of SB 747. (NEW Sec. 831)

13. **NEW. Census-Related One-Time Funding. Senate:** Added new language requiring the funds provided as one-time funding for census-related services shall be provided to the Michigan Nonprofit Association to mobilize nonprofits across the state to achieve a fair and accurate count in the 2020 census. Any funds remaining at the end of the fiscal year shall be placed in a work project account to be used at such time that the actual census takes place in 2020. (NEW Sec. 835a)

14. **NEW. Enterprise Portfolio Management. Gov:** Added new language requiring the Department to identify specific outcomes and performance measures including: Implementing an enhanced IT project management service delivery through statewide application of best practice models; collaboration with State agencies to bring all project management/project control office contracts under the enterprise portfolio management office; and to initiate steps to improve the state unified IT environment (SUITE) compliance rating. **Senate:** Concluded with Gov. **House:** Did not include. **Conference:** Concluded with Gov. (NEW Sec. 840)

15. **Drinking Water Declaration of Emergency Reserve Fund.** Language creates the Drinking Water Declaration of Emergency Reserve Fund within the Department of Treasury. Language also requires the deposit of $25.0 million into the fund in FY 2017-18, states that funds cannot be spent until appropriated by the Legislature, requires all interest earnings by the Reserve Fund to be deposited in the general fund, and states that any funds remaining in the Reserve Fund at the end of the fiscal year shall remain in the Reserve Fund and not lapse to the general fund. **Gov:** Eliminated section. **Senate:** Retained language and updates for $100 placeholder. **House:** Did not include. **Conference:** Retains language and revises to state that any unexpended funds in the drinking water declaration of emergency reserve fund created in section 880 of Article VIII of 2017 PA 107, shall be carried forward and available for expenditure under this section pursuant to section 880(5) of Article VIII of 2017 PA 107. (Sec. 880)

Date Completed: 6-7-18

Fiscal Analyst: Joe Carrasco, Jr.
### Full-Time Equated (FTE) Classified Positions/Funding Source

<table>
<thead>
<tr>
<th></th>
<th>FY 2017-18 Year-to-Date*</th>
<th>FY 2018-19 Conference</th>
<th>Changes from FY 2017-18 Year-to-Date</th>
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<td>FTE Positions</td>
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<td>107,080,000</td>
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- Interdepartmental Grants Received: 0

**Adjusted Gross**

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<th>FY 2018-19 Conference</th>
<th>Changes from FY 2017-18 Year-to-Date</th>
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</thead>
<tbody>
<tr>
<td>GROSS</td>
<td>107,580,000</td>
<td>107,080,000</td>
<td>(500,000) (0.5)</td>
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Less:

- Federal Funds: 0
- Local and Private: 0

**Total State Spending**

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<tr>
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<th>FY 2017-18 Year-to-Date*</th>
<th>FY 2018-19 Conference</th>
<th>Changes from FY 2017-18 Year-to-Date</th>
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</thead>
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<tr>
<td>GROSS</td>
<td>107,580,000</td>
<td>107,080,000</td>
<td>(500,000) (0.5)</td>
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Less:

- Other State Restricted Funds: 0

**General Fund/General Purpose**

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<th>FY 2017-18 Year-to-Date*</th>
<th>FY 2018-19 Conference</th>
<th>Changes from FY 2017-18 Year-to-Date</th>
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<tr>
<td>GROSS</td>
<td>107,580,000</td>
<td>107,080,000</td>
<td>(500,000) (0.5)</td>
</tr>
</tbody>
</table>

Less:

- Payments to Locals: 0

*As of May 3, 2018.

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**FY 2017-18 Year-to-Date Gross Appropriation**: $107,580,000

Changes from FY 2017-18 Year-to-Date:

- **Conference Agreement on Items of Difference**
  1. **Clean Michigan Initiative.** The Senate/Conference reduced the line item by $500,000.

Total Changes: ($500,000)

**FY 2018-19 Conference Report Ongoing/One-Time Gross Appropriation**: $107,080,000

Amount Over/(Under) GF/GP Target: $0

Boilerplate Changes from FY 2017-18 Year-to-Date: None

Date Completed: 6-7-18
Fiscal Analyst: Cory Savino

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberation.
FULL-TIME EQUIVATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE

<table>
<thead>
<tr>
<th>FY 2017-18 YEAR-TO-DATE*</th>
<th>FY 2018-19 CONFERENCE</th>
<th>AMOUNT</th>
<th>PERCENT</th>
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<tr>
<td>FTE Positions</td>
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<tr>
<td>1,852.5</td>
<td>1,862.5</td>
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<td>GROSS</td>
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<tr>
<td>Interdepartmental Grants</td>
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<td>ADJUSTED GROSS</td>
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</table>

As of May 3, 2018.

FY 2017-18 Year-to-Date Gross Appropriation ................................................................. $522,929,800

Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

1. Medical Marihuana Excise Fund. The Governor/House/Senate/Conference increased administration and grants appropriated from the Medical Marihuana Excise Fund to align with current revenue projections. Of the total increase, $6,930,000 accounts for increased grants and $227,100 accounts for increased administration. The increase is all supported by the Medical Marihuana Excise Fund. Total appropriation from the Medical Marihuana Excise Fund to the Department is $11.8 million for FY 2018-19.

2. State Lottery Staff and Administration. The Governor/House/Senate/Conference added 5.0 FTEs and funding in the Bureau of State Lottery due to increased workloads in the Bureau from continued growth in the Michigan Lottery. The increase is all supported by State lottery revenue.

3. MI Thrive Program Administration. The Governor/House/Senate/Conference included 1.0 FTE and additional ongoing revenue to allow the Department to calculate income tax revenue generated from approved MI Thrive projects that clean up contaminated environmental sites. The funding is all supported by the Brownfield Development Fund.

4. Technical Adjustment. The Governor/House/Senate/Conference increased accounting services $30,000 to account for a user charge increase. The increase is supported by the IDG Accounting Service Center User Charges Fund. The Conference increase Investments $200,000 from define contributions to align with the current workload of investing the pensions.
5. **One-Time, Supplemental, & Transfer Removal.** The Governor/House/Senate/Conference removed FY 2017-18 one-time appropriations, which include Treasury Operation IT Services ($2.0 million), City Income Tax Administration ($1.5 million), and an FY 2017-18 supplemental and transfer for the Infrastructure Council ($1.5 million) and the Drinking Water Declaration of Emergency ($8,999,900). Of the total removal, $1.5 million is from the City Income Tax Local Fund, $1.5 million is from the Michigan Infrastructure Fund, and $11.0 million is GF/GP.

6. **Administration Efficiency Reduction.** The Governor/House/Senate/Conference reduced Gross and GF/GP appropriations to the Department Services, Supervision of the General Property Tax Law, and Tax Compliance line items due to administrative efficiencies.

7. **Restricted Fund Removal.** The Governor/House/Senate/Conference removed the Emergency 911 Restricted fund from the Tax and Economic Policy line item due to the sunset of authorization for the Department. The decrease was not replaced with another revenue source resulting in a gross reduction in the line item.

8. **Internal FTE and Fund Transfers.** The Governor/House/Senate/Conference made some internal transfers of FTEs and funds throughout the Department. This included transferring 6.0 FTEs and $689,000 from Tax Processing, 2.0 FTEs and $260,600 from Tax Compliance, 3.0 FTEs and $529,700 from Accounting, and 1.0 FTE and $223,600 from Collections to Executive Direction; transferring 11.0 FTEs and $2,073,400 (the Revenue Sharing and Grant Division) from the Office of Revenue and Tax Analysis to the Office of Accounting Services; and Rolling the Financial Independence Team line item (9.0 FTEs and $4,259,700) into the Supervision of the General Property Tax line item.

9. **Economic Adjustments.** Includes $4,880,400 Gross and $1,180,800 GF/GP for total economic adjustments, of which an estimated $1,013,200 Gross and $200,100 GF/GP is for legacy retirement costs (pension and retiree health).

Conference Agreement on Items of Difference

10. **Emergency 9-1-1 Payments.** The Senate/Conference increased Emergency 9-1-1 payments to align with projections from PA 51 of 2018, which increased the 9-1-1 rates and grant distributions. Total payments were increased to $48.8 million for FY 2018-19.

11. **Information Technology Rate Increase.** The Governor/Senate increased the Information Technology line item $5.45 million GF/GP to account for a rate increase from the DTMB. The increase accounts for 10.0 FTEs and $2.7 million for continuing mainframe legacy upgrades and $2.8 million for cloud hosting and security upgrades. This increased total appropriation for Information Technology to $36.7 million for FY 2018-19. The House/Conference reduced the line item $450,000 Gross and GF/GP below the Gov.

12. **Convention Facility Development Fund Distribution.** The Senate increased the total Convention Facility Development Fund distribution to align with current projections and split the distribution between the three distribution types, which includes: the statutory payments to Cobo Hall, the payments to counties, and the excess payments to Cobo Hall. The increase is all supported by restricted funds. Total appropriation from the Convention Facility Development Fund is $95.6 million for FY 2018-19. The Conference increase the total line item to $105,356,300 to align with current projections, did not roll out the distribution type.

13. **OPEB/TIF Oversight.** The Governor/House/Senate/Conference included 4.0 FTEs and additional ongoing funding to implement the requirements of Public Act 202 of 2017 and PA 57 of 2018, which require monitoring, evaluating, and reporting on pension and retirement health benefits offered by 1,400 local units of government and oversight of tax increment financing in the state. The increase is all supported by GF/GP. The Senate/Conference included boilerplate language (Sec. 949L) requiring that the department issue an RFP for data analytics of PA 202 of 2017 and PA 57 of 2018.

14. **Supervision of the General Property Tax Law.** The Senate reduced the line item by $230,900 Gross and GF/GP. The Conference reduced the line item by $100 for a placeholder for the Forensic Science Commission.
15. Financial Data Analytical Tool Reimbursement. The Governor removed this ongoing grant program, which was all supported by GF/GP. The Senate/House/Conference maintained current funding.

16. Grants. The Governor/Senate removed Urban Search and Rescue ($900,000) and Beat the Streets ($100,000). The House/Conference Included Urban Search and Rescue ($900,000), Beat the Streets ($100,000), Courageous Cadets ($50,000), and the Forensic Science Commission ($100). The grants were all supported by GF/GP.

17. Senior Citizen Cooperative Housing. The Conference reduced the line item $199,000 GF/GP to align with current projection for FY 2018-19.

18. FY 2018-19 One-Time Gross Appropriations. The Conference includes Beat the Streets ($100,000), Courageous Cadets ($50,000), Financial data analytic tool reimbursement ($50,000), Urban Search and Rescue ($900,000), and the Drinking Water Declaration of Emergency ($100) as one-time appropriations.

<table>
<thead>
<tr>
<th>Financial Data Analytical Tool Reimbursement</th>
<th>Grants</th>
<th>Senior Citizen Cooperative Housing</th>
<th>FY 2018-19 One-Time Gross Appropriations</th>
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</thead>
<tbody>
<tr>
<td>0</td>
<td>50,100</td>
<td>(199,000)</td>
<td>$562,928,500</td>
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</table>

Total Changes: $39,998,700

Boilerplate Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

1. Bond Notification. The Governor deleted, and Senate/House/Conference retained a section that requires the department to notify the legislature when a bond is refinanced. (Sec. 902a)

2. Transformation Brownfield Plans. The Governor/Senate House/Conference added new language that requires the payment of captured tax revenue due under approved transformation Brownfield plans, in accordance with the statute. (Sec. 949k)

3. Horse Racing. The Governor modified a section that removes the ability of the Michigan gaming control board to increase or reduce the number of race dates depending on changes to the funds received from certified horsemen's organizations and the regulatory costs. The Senate/House/Conference maintained current language. (Sec. 978)

4. Technical Adjustments. The Governor/Senate House/Conference made technical adjustments to reflect date changes, Part 1 appropriations total, legacy cost estimates, and standardized language. (Secs. 201, 926, and 948)

Conference Agreement on Items of Difference

5. Deleted. The Governor/Senate deleted and House/Conference retained a section that allows for a closed-loop payment system and reporting requirements for Urban Search and Rescue. (Secs. 943 and 949g)

6. Secondary Placement Collection Services. The Governor/House deleted a section that required that the department issue an RFP for the secondary placement collections program. The Senate/Conference modified the section to require that the department issue an RFP for secondary placement collection services only when an RFP is issued for primary collection services. (Sec. 903(4))

7. Personal Property Tax Audit Report. The Senate modified the report to include audits of Essential Service Assessment Audits. The Conference modified the report to include both Personality Property Tax and Essential Service Assessment Audits in the report. (Sec. 927)

8. Financial Data Analytic Tool Reimbursement. The Governor deleted a section that outlines the reimbursement of financial data analytic tool. The House maintained current language. The Senate/Conference modified the section to allow a council of government to receive reimbursement, removed the RFP requirement, allow vendors to issue reimbursement requests, and places any remaining funds into a work project. (Sec. 936)

9. Pension Plan Consultant. The Governor/Senate modified language for pension plan consultants that removes language requiring notification that a consultant has been used and provide a rationale for why a consultant was needed and retained language that the Department must retain any reports provided by consultants and made available upon request. The House/Conference maintained current language. (Sec. 944)
10. **Lottery Promotion and Advertisement.** The **Governor/Senate/Conference** modified language for Lottery promotion and advertisement that removed the $30.0 million cap but retained language that promotion and advertisement cannot exceed 1% of the prior year’s gross sales. The **House** maintained current language. (Sec. 964)

11. **Restricted Fund Report.** The **Senate/Conference** included a new section that requires that the department report on all of the funds administered or controlled by the department that are not appropriated in part 1. (Sec. 902b)

12. **Feasibility Study.** The **House/Conference** included a new section that requires that the department conduct a feasibility study on requiring homeowners to file principal residence exemption documents directly with the Department of Treasury instead of through local units. (Sec. 940)

13. **OPEB and TIF Oversight.** The **Senate** included a new section that requires that the department use the $464,000 appropriated in part 1 for OPEB oversight to issue a RFP for oversight of OPEB and TIFs to implement PA 202 of 2017 and PA 57 of 2018. The **Conference** modified the section to only include an RFP for data analytics. (Sec. 949L)

14. **Millionaire Party Oversight Report.** The **Senate/Conference** modified the due date for the Millionaire Party oversight report from April 15 to March 1. (Sec. 979)

Date Completed: 6-7-18

Fiscal Analyst: Cory Savino
Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

1. **Constitutional Revenue Sharing Year-to-Date Adjustment.** The May 2018 consensus revenue estimating conference increased the estimate for constitutional revenue sharing to $813,801,300 for FY 2017-18, a 2.6% increase over FY 2016-17.

2. **Constitutional Revenue Sharing. Governor/Senate/House:** Recommended $832,343,800 for constitutional revenue sharing for FY 2018-19, an increase of 3.1% from the January 2018 consensus estimate for FY 2017-18. **Conference:** Based on the May 2018 consensus revenue estimates, appropriated $835,333,800 for constitutional revenue sharing, a projected 2.6% increase over the revised estimate for FY 2017-18. This would pay an estimated $84.78 per capita in FY 2018-19. Constitutional revenue sharing distributes 15% of sales tax revenue collected at a 4.0% rate to cities, villages, and townships on a per capita basis.

Conference Agreement on Items of Difference

3. **City, Village, and Township (CVT) Revenue Sharing. Governor:** Recommended $243,040,000 in FY 2018-19 for nonconstitutional or "statutory" payments to cities, villages, and townships, the same ongoing amount as in FY 2017-18. Governor removed $5.8 million in one-time funding that was used for alternative per-capita payments to cities, villages, and townships. **Senate:** Retained $5.8 million funding that was used for alternative per-capita payments to cities, villages, and townships, and moved it to ongoing funding. Also reduced minimum payment threshold to receive a payment from $4,500 to $1,000. **House:** Maintained $5.8 million funding that was used for alternative per-capita payments to cities, villages, and townships, and kept it designated as one-time funding. **Conference:** Maintained $5.8 million funding that was used for alternative per-capita payments to cities, villages, and townships, and kept it designated as one-time funding. Also reduced minimum payment threshold to receive a payment from $4,500 to $1,000 as one-time funding.

### Table: Changes from FY 2017-18 Year-to-Date

<table>
<thead>
<tr>
<th>Full-Time Equated (FTE) Classified Positions/Funding Source</th>
<th>FY 2017-18 Year-to-Date*</th>
<th>FY 2018-19 Conference</th>
<th>Changes from FY 2017-18 Year-to-DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE Positions</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>GROSS</td>
<td>1,293,928,600</td>
<td>1,314,405,300</td>
<td>20,476,700</td>
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<tr>
<td>Less: Interdepartmental Grants Received</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Adjusted Gross</td>
<td>1,293,928,600</td>
<td>1,314,405,300</td>
<td>20,476,700</td>
</tr>
<tr>
<td>Less: Federal Funds</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Local and Private Funds</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total State Spending</td>
<td>1,293,928,600</td>
<td>1,314,405,300</td>
<td>20,476,700</td>
</tr>
<tr>
<td>Less: Other State Restricted Funds</td>
<td>1,285,549,400</td>
<td>1,314,405,300</td>
<td>28,855,900</td>
</tr>
<tr>
<td>General Fund/General Purpose</td>
<td>8,379,200</td>
<td>0</td>
<td>(8,379,200)</td>
</tr>
<tr>
<td>Payments to Locals</td>
<td>1,293,928,600</td>
<td>1,314,405,300</td>
<td>20,476,700</td>
</tr>
</tbody>
</table>

*As of May 3, 2018.

FY 2017-18 Year-to-Date Gross Appropriation $1,293,928,600
4. **Supplemental City, Village, and Township Revenue Sharing. Governor/Senate:** Removed one-time funding ($6,200,100) for per-capita payments for cities, villages, and townships. **House:** Reduced funding by $3,100,100 million. **Conference:** Included $6,200,000 one-time funding and added a requirement that funds be used to pay down debt, pension, or other post-employment benefit obligations.

5. **Revenue Sharing Payments to Counties. Governor/House:** Recommended a total of $218,225,500 for revenue sharing payments to counties. This amount would be paid through two line items: $175,006,700 for County Revenue Sharing and $43,218,800 for the County Incentive Program. Removed $2,179,100 for a 1% increase that was added in FY 2017-18 and recommended increases of $259,000 for County Revenue Sharing and $58,400 for the County Incentive Program to cover the partial-year cost of three counties (Antrim, Keweenaw, and Mackinac) that re-enter State-paid revenue sharing in 2019. **Senate:** Retained increase from FY 2017-18 and increased payments to counties another 1% (for a total increase of $4,364,600). Also concurred with Governor to cover the partial-year cost of three counties that re-enter State-paid revenue sharing in 2019. **Conference:** Maintained FY 2017-18 funding level and increased County Revenue Sharing by $269,900 and the County Incentive Program by $58,400 to cover the partial-year cost of three counties that re-enter State-paid revenue sharing in 2019. Also included $1.0 million one-time supplemental funding for counties to pay down debt, pension, or other post-employment benefit obligations.

6. **Financially Distressed Cities, Villages, and Townships. Governor/Senate:** Recommended $5.0 million in FY 2018-19 for this grant program, the same amount as in FY 2017-18. **House:** Reduced funding by $500,000. **Conference:** Reduced funding ($2,500,000).

7. **FY 2018-19 One-Time Gross Appropriations. Conference:** Designated $13,116,000 as one-time appropriations, including $5,916,000 from cities, villages and townships, revenue sharing (item 3 above), $6.2 million supplemental city, village, and township revenue sharing (item 4 above), and $1.0 million supplemental county revenue sharing (item 5 above).

<table>
<thead>
<tr>
<th>Total Changes</th>
<th>$20,476,700</th>
</tr>
</thead>
</table>

**FY 2018-19 Conference Report Ongoing/One-Time Gross Appropriation**

| Amount Over/(Under) GF/GP Target | $0 |

**Boilerplate Changes from FY 2017-18 Year-to-Date:**

**Conference Agreement on Items of Difference**

1. **CVT Revenue Sharing. Governor/Senate** set the amount that an eligible local government can receive at 78.51044% of FY 2009-10 statutory payments, the same as the standard payment in FY 2017-18. **Governor** removed the option for CVTs over 7,500 in population to receive payment of $2.64659 per capita instead of the standard payment. **Senate** retained the option for CVTs over 7,500 in population to receive payment of $2.64659 per capita instead of the standard payment and also lowered the minimum payment threshold from $4,500 to $1,000. (Sec. 952(1)). **House** retained the option for CVTs over 7,500 in population to receive payment of $2.64659 per capita instead of the standard payment. **Conference** concurred with Senate. But adjusted per capita payment to accommodate new smaller local units ($2,648,299).

2. **County Revenue Sharing. Governor and House** recommended that payments in FY 2018-19 be 100.986% of the payments for which counties are eligible under the Glen Steil State Revenue Sharing Act; reduced from 101.986% in FY 2017-18. **Senate** recommended that payments in FY 2018-19 be 102.986% of the payments for which counties are eligible under the Glen Steil State Revenue Sharing Act. (Sec. 955). **Conference** increased payments to 102.0%.

3. **Financial Distressed CVTs. Governor and House** added language allowing funds to be used “to administer other projects that move the city, village, or township toward financial stability”. **Senate** maintained existing language. (Sec. 956). **Conference** concurred with Governor.
4. **Supplemental CVT Revenue Sharing.** Governor/Senate removed supplemental CVT revenue sharing program. (Sec. 957). **House** maintained supplemental CVT revenue sharing program, but at a reduced per-capita rate. **Conference** maintained the program at a slightly reduced rate to accommodate 49 local units added to statutory revenue sharing and added a requirement that funds be used to pay down debt, pension, or other post-employment benefit obligations.

5. **Supplemental County Revenue Sharing.** Added language to implement a supplemental county revenue sharing program to pay down debt, pension, or other post-employment benefit obligations. Funds will be distributed in the same proportion as other county revenue sharing payments.

Date Completed: 6-7-18

Fiscal Analyst: Ryan Bergan