



**Senate Fiscal Agency**  
 P. O. Box 30036  
 Lansing, Michigan 48909-7536



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[Vehicle for Governor's Recommendation line items is Senate Bill 133](#)

**General Government Budgets  
 Total Gross and GF/GP Appropriations**

	<u>FY 2014-15</u> <u>Year-to-Date</u>	<u>FY 2015-16</u> <u>Gov's. Rec.</u>	<u>Change</u>	<u>Percent</u> <u>Change</u>
<b>Gross Appropriations .....</b>	\$4,712,772,500	\$4,711,148,900	(\$1,623,600)	0.0%
<b>GF/GP Appropriations .....</b>	\$1,211,782,700	\$1,202,374,200	(\$9,408,500)	(0.8%)
<b>Full-time Equated Employees (FTEs).....</b>	7,747.2	7,803.2	56.0	0.7%

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**See Individual Highlight Sheet for Department Detail**

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Senate Bill 122 (as introduced)  
 Committee: Appropriations

[Vehicle for Governor's Recommendation line items is Senate Bill 133](#)

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2014-15 YEAR-TO-DATE	FY 2015-16 GOV.'S REC.	CHANGES FROM FY 2014-15 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	513.5	518.5	5.0	1.0
<b>GROSS .....</b>	<b>93,822,300</b>	<b>91,941,600</b>	<b>(1,880,700)</b>	<b>(2.0)</b>
Less:				
Interdepartmental Grants Received .....	27,783,800	28,533,900	750,100	2.7
<b>ADJUSTED GROSS.....</b>	<b>66,038,500</b>	<b>63,407,700</b>	<b>(2,630,800)</b>	<b>(4.0)</b>
Less:				
Federal Funds.....	9,857,200	9,278,600	(578,600)	(5.9)
Local and Private .....	0	0	0	0.0
<b>TOTAL STATE SPENDING.....</b>	<b>56,181,300</b>	<b>54,129,100</b>	<b>(2,052,200)</b>	<b>(3.7)</b>
Less:				
Other State Restricted Funds.....	17,914,200	17,281,700	(632,500)	(3.5)
<b>GENERAL FUND/GENERAL PURPOSE.....</b>	<b>38,267,100</b>	<b>36,847,400</b>	<b>(1,419,700)</b>	<b>(3.7)</b>
<b>PAYMENTS TO LOCALS .....</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>

<b>FY 2014-15 Year-to-Date Gross Appropriation .....</b>	<b>\$93,822,300</b>
<b>Changes from FY 2014-15 Year-to-Date:</b>	
1. <b>Removal of FY 2014-15 One-Time Funding.</b> The Governor removed one-time funding of \$3.0 million GF/GP provided for sexual assault prosecution cases resulting from the backlog of rape kits in Wayne County.	(3,000,000)
2. <b>Sexual Assault Law Enforcement.</b> The Governor included funds for a new line item that provides funding for the prosecution of backlog sexual assault cases across out-State Michigan. Additional funding added 5.0 FTE positions for this function and is not related to the prior-year one-time funding for the backlog of cases in Wayne County.	1,700,000
3. <b>Technical Adjustment to Align Expenditures.</b> The Governor reduced IDG and restricted funding to better align the expenditures of the Department with the actual funds received from other departments for services provided by the Department of Attorney General.	(239,200)
4. <b>Economic Adjustments.</b> Includes a negative \$802,000 Gross and a negative \$294,000 GF/GP for OPEB and \$460,500 Gross and \$174,300 GF/GP for other economic adjustments.	(341,500)
<b>Total Changes .....</b>	<b>(\$1,880,700)</b>
<b>FY 2015-16 Governor's Recommendation .....</b>	<b>\$91,941,600</b>

The changes show the differences between the schedule of programs proposed by the Governor and the prior-year line items.

**Boilerplate Changes from FY 2014-15 Year-to-Date:**

1. **Boilerplate Structure.** The Governor moved boilerplate from the FY 2014-15 general sections that applied to all General Government budgets to the Article for the Department of Attorney General. These sections include:
  - Report on total State spending for the Department. (Sec. 2-201)
  - Appropriations are subject to Management and Budget Act, 1984 PA 431. (Sec. 2-202)
  - Definitions. (Sec. 2-203)
  - Requirement for Departments to maintain searchable websites. (Sec. 2-206)
  - Allowable use of the Internet to fulfill reporting requirements. (Sec. 2-208)
  - Buy American with a Michigan preference. (Sec. 2-209)
  - Required department to allow businesses in deprived and depressed communities to bid on contracts. (Sec. 2-210)
  - Report on out-of-state travel. (Sec. 2-216)
  - Department Scorecards. (Sec. 2-219)
  - Prohibition on outside legal services. (Sec. 2-226)
  - Restricted Revenue Report. (Sec. 2-227)
  - GF/GP Lapse Report. (Sec. 2-228)
2. **Prisoner Reimbursement Funds.** Provides that the Department may spend up to \$614,400 of prisoner reimbursement funds on activities related to the State Correctional Facilities Reimbursement Act. If the Department collects in excess of \$1,131,000, up to \$1,000,000 of that amount is appropriated and may be spent on representing the Department of Corrections and its officers, employees, and agents, including, but not limited to, the defense of civil actions filed by prisoners. **Governor:** reduced amount of prisoner reimbursement funds by \$2,500 to \$611,900 due to economic changes. (Current Law Sec. 309)
3. **Sexual Assault Law Enforcement Efforts. Governor:** added new language for sexual assault law enforcement efforts. Language requires the Department to use the funds for testing of backlogged sexual assault kits across the State. The purpose of this initiative is to eliminate all county sexual assault kit backlogs by the end of the fiscal year, assist local prosecutors with investigations and prosecutions of viable cases, and to provide victim services. (Gov. Sec. 2-316)

Date Completed: 2-18-15

Fiscal Analyst: Joe Carrasco, Jr.



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Senate Bill 122 (as introduced)  
 Committee: Appropriations

[Vehicle for Governor's Recommendation line items is Senate Bill 133](#)

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2014-15 YEAR-TO-DATE	FY 2015-16 GOV.'S REC.	CHANGES FROM FY 2014-15 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	132.0	129.0	(3.0)	(2.3)
<b>GROSS .....</b>	<b>16,644,200</b>	<b>16,128,700</b>	<b>(515,500)</b>	<b>(3.1)</b>
Less:				
Interdepartmental Grants Received .....	288,900	286,700	(2,200)	(0.8)
<b>ADJUSTED GROSS.....</b>	<b>16,355,300</b>	<b>15,842,000</b>	<b>(513,300)</b>	<b>(3.1)</b>
Less:				
Federal Funds.....	2,736,500	2,721,700	(14,800)	(0.5)
Local and Private .....	18,700	18,700	0	0.0
<b>TOTAL STATE SPENDING.....</b>	<b>13,600,100</b>	<b>13,101,600</b>	<b>(498,500)</b>	<b>(3.7)</b>
Less:				
Other State Restricted Funds.....	151,900	151,900	0	0.0
<b>GENERAL FUND/GENERAL PURPOSE.....</b>	<b>13,448,200</b>	<b>12,949,700</b>	<b>(498,500)</b>	<b>(3.7)</b>
<b>PAYMENTS TO LOCALS .....</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>

<b>FY 2014-15 Year-to-Date Gross Appropriation .....</b>	<b>\$16,644,200</b>
<b>Changes from FY 2014-15 Year-to-Date:</b>	
1. <b>Unclassified Salaries.</b> The Governor reduced funding for this line item to account for the unused portion of the funds.	(90,000)
2. <b>Public Affairs Positon.</b> The Governor eliminated funding for 1.0 FTE due to a vacant position.	(115,000)
3. <b>Librarian Position.</b> The Governor eliminated funding for 1.0 FTE due to a vacant position.	(105,000)
4. <b>Executive Secretary Position.</b> The Governor eliminated funding for 1.0 FTE due to a vacant position.	(90,000)
5. <b>Economic Adjustments.</b> Includes a negative \$ 157,900 Goss and a negative \$132,500 GF/GP for OPEB and \$42,400 Gross and \$34,000 GF/GP for other economic adjustments.	(115,500)
Total Changes .....	(\$515,500)
<b>FY 2015-16 Governor's Recommendation .....</b>	<b>\$16,128,700</b>

The changes show the differences between the schedule of programs proposed by the Governor and the prior-year line items.

**Boilerplate Changes from FY 2014-15 Year-to-Date:**

1. **Boilerplate Structure.** The Governor moved boilerplate from the FY 2014-15 general sections that applied to all General Government budgets to the Article for the Department of Civil Rights. These sections include:
  - Report on total State spending for the Department. (Sec. 3-201)
  - Appropriations are subject to Management and Budget Act, 1984 PA 431. (Sec. 3-202)
  - Definitions. (Sec. 3-203)
  - Requirement for Departments to maintain searchable websites. (Sec. 3-206)
  - Allowable use of the Internet to fulfill reporting requirements. (Sec. 3-208)
  - Buy American with a Michigan preference. (Sec. 3-209)
  - Required department to allow businesses in deprived and depressed communities to bid on contracts. (Sec. 3-210)
  - Report on out-of-state travel. (Sec. 3-216)
  - Department Scorecards. (Sec. 3-219)
  - Prohibition on outside legal services. (Sec. 3-226)
  - Restricted Revenue Report. (Sec. 3-227)
  - GF/GP Lapse Report. (Sec. 3-228)
2. **Department Report.** Requires a detailed report submitted by November 30 that covers the following items for the most recent fiscal year: detailed description of departmental operations; detailed description of all subunits in the department; responsibilities, positions, revenue, and spending for each subunit; number of complaints by type; average cost per complaint investigation and average investigative time spent per complaint; percent of complaints that are meritorious and worthy of investigation or settlement and the percentage of complaints that have no merit; list of amounts awarded to claimants; expenditures associated with complaint investigation and enforcement; complaint investigations closed per FTE for the past 5 years; complaint evaluations completed per FTE for the past 5 years; and productivity projections. **Governor:** eliminated section. (Current Law Sec. 404)
3. **Notifications Required Regarding Federal Reports or Complaints.** Requires the department to notify the Office of State Budget, Senate and House appropriations committees, and the Senate and House Fiscal Agencies prior to submitting a report or complaint to the United State Commission on Civil Rights or other Federal departments. **Governor:** eliminated section. (Current Law Sec. 405)

Date Completed: 2-18-15

Fiscal Analyst: Joe Carrasco, Jr.



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 Committee: Appropriations

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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2014-15 YEAR-TO-DATE	FY 2015-16 GOV.'S REC.	CHANGES FROM FY 2014-15 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	78.2	78.2		
<b>GROSS</b> .....	<b>5,916,100</b>	<b>5,916,100</b>	0.0	0.0
Less:			<b>0</b>	<b>0.0</b>
Interdepartmental Grants Received .....	0	0		
<b>ADJUSTED GROSS</b> .....	<b>5,916,100</b>	<b>5,916,100</b>	0	0.0
Less:			<b>0</b>	<b>0.0</b>
Federal Funds.....	0	0		
Local and Private .....	0	0	0	0.0
<b>TOTAL STATE SPENDING</b> .....	<b>5,916,100</b>	<b>5,916,100</b>	0	0.0
Less:			<b>0</b>	<b>0.0</b>
Other State Restricted Funds.....	0	0		
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>5,916,100</b>	<b>5,916,100</b>	0	0.0
<b>PAYMENTS TO LOCALS</b> .....	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>

<b>FY 2014-15 Year-to-Date Gross Appropriation</b> .....	<b>\$5,916,100</b>
<b>Changes from FY 2014-15 Year-to-Date:</b>	
1. <b>The Governor Recommended NO CHANGES</b> from enacted FY 2014-15 budget.	0
<b>Total Changes</b> .....	0
<b>FY 2015-16 Governor's Recommendation</b> .....	<b>\$5,916,100</b>

The changes show the differences between the schedule of programs proposed by the Governor and the prior-year line items.

**Boilerplate Changes from FY 2014-15 Year-to-Date:**

1. There previously were no boilerplate sections for the Executive Office. The Governor added one general section listing the total State spending from State resources and the payments to local units of government. (Gov. Sec. 8-201)

Date Completed: 2-17-15

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			AMOUNT	PERCENT
FTE Positions.....	0.0	0.0	N/A	N/A
<b>GROSS .....</b>	<b>154,089,300</b>	<b>159,304,800</b>	<b>5,215,500</b>	<b>3.4</b>
Less:				
Interdepartmental Grants Received .....	5,220,700	5,392,800	172,100	3.3
<b>ADJUSTED GROSS.....</b>	<b>148,868,600</b>	<b>153,912,000</b>	<b>5,043,400</b>	<b>3.4</b>
Less:				
Federal Funds.....	0	0	0	0.0
Local and Private .....	400,000	400,000	0	0.0
<b>TOTAL STATE SPENDING.....</b>	<b>148,468,600</b>	<b>153,512,000</b>	<b>5,043,400</b>	<b>3.4</b>
Less:				
Other State Restricted Funds.....	6,110,600	6,179,600	69,000	1.1
<b>GENERAL FUND/GENERAL PURPOSE.....</b>	<b>142,358,000</b>	<b>147,332,400</b>	<b>4,974,400</b>	<b>3.5</b>
<b>PAYMENTS TO LOCALS .....</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>

<b>FY 2014-15 Year-to-Date Gross Appropriation .....</b>	<b>\$154,089,300</b>
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**Changes from FY 2014-15 Year-to-Date:**

1. <b>Auditor General Adjustment</b> – Governor recommended a 3.5% overall increase for Auditor General operations.	681,700
2. <b>Legislative Adjustment.</b> The Governor increased overall funding for the Legislature by a total of 3.5%. The Senate received an increase of \$1.2 million overall while the House received an overall increase of \$1.8 million. The House and Senate Fiscal Agencies received an increase of \$125,300 each. The Legislative Council received an increase of \$521,500 while the Retirement System received an increase of \$148,500. The Farnum Building and the Cora Anderson House building received increases totaling \$466,500. Finally, the Governor included additional funding of \$199,600 for the State Capitol Historic Site line item (\$139,600 for general operations and \$60,000 for restoration, renewal and maintenance).	4,533,800
<b>Total Changes .....</b>	<b>\$5,215,500</b>
<b>FY 2015-16 Governor's Recommendation .....</b>	<b>\$159,304,800</b>

The changes show the differences between the schedule of programs proposed by the Governor and the prior-year line items.

**Boilerplate Changes from FY 2014-15 Year-to-Date:**

1. **Boilerplate Structure.** The Governor moved boilerplate from the FY 2014-15 general sections that applied to all General Government budgets to the Article for the Legislature. These sections include:
  - Report on total State spending for the Department. (Sec. 12-201)
  - Appropriations are subject to Management and Budget Act, 1984 PA 431. (Sec. 12-202)
  - Definitions. (Sec. 12-203)
2. **Capitol Historic Site Fund.** Language states that the appropriation in Part 1 from the Capitol Historic Site Fund does not take effect unless Enrolled Senate Bill 678 of the 97<sup>th</sup> Legislature is enacted into law. **Governor:** eliminated section. (Current Law Sec. 609)
3. **Legislative Retirement System.** Intent language states that all administrative functions and associated funding for the Michigan Legislative Retirement System shall be transferred to DTMB by the end of FY 2014-15. **Governor:** eliminated section. (Current Law Sec. 618)
4. **IT Auditors.** Language states that \$400,000 may be used to hire up to 10 additional auditors to perform audits of the State's most critical IT systems and services. **Governor:** eliminated section. (Current Law Sec. 625)

Date Completed: 2-17-15

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			AMOUNT	PERCENT
FTE Positions.....	1,587.0	1,587.0	0.0	0.0
<b>GROSS .....</b>	<b>223,984,900</b>	<b>225,256,700</b>	<b>1,271,800</b>	<b>0.6</b>
Less:				
Interdepartmental Grants Received .....	20,000,000	20,000,000	0	0.0
<b>ADJUSTED GROSS.....</b>	<b>203,984,900</b>	<b>205,256,700</b>	<b>1,271,800</b>	<b>0.6</b>
Less:				
Federal Funds.....	1,460,000	1,460,000	0	0.0
Local and Private .....	100	100	0	0.0
<b>TOTAL STATE SPENDING.....</b>	<b>202,524,800</b>	<b>203,796,600</b>	<b>1,271,800</b>	<b>0.6</b>
Less:				
Other State Restricted Funds.....	184,985,800	186,635,100	1,649,300	0.9
<b>GENERAL FUND/GENERAL PURPOSE.....</b>	<b>17,539,000</b>	<b>17,161,500</b>	<b>(377,500)</b>	<b>(2.2)</b>
<b>PAYMENTS TO LOCALS .....</b>	<b>1,360,800</b>	<b>1,272,100</b>	<b>(88,700)</b>	<b>(6.5)</b>

**FY 2014-15 Year-to-Date Gross Appropriation ..... \$223,984,900**

**Changes from FY 2014-15 Year-to-Date:**

- Credit and Debit Card Assessments.** The Governor increased restricted funding for the authorization to use additional restricted funds that are being collected as more branch office transactions are being completed with the use of a debit or credit card. 1,000,000
- Ignition Interlock Program.** The Governor increased restricted funding to adjust for ongoing costs associated with this program that monitors persons convicted of driving while intoxicated or impaired. Funding is required as a result of PA 250 of 2014 and is provided through the collection of Driver Responsibility Fees. 1,000,000
- Unclassified Salaries.** The Governor reduced funding for this line item in order to realize the savings from the unused portion of funds. (122,100)
- Department Services Operations.** The Governor reduced funding to realize the savings that will result from the Department's implementation of administrative efficiencies. (83,800)
- Legal Services Operations.** The Governor reduced funding to realize the savings that will result from the Department's implementation of administrative efficiencies. (400)
- Branch Operations.** The Governor reduced GF/GP funding to realize the savings that will result from the Department's implementation of administrative efficiencies. (241,800)
- Central Operations.** The Governor reduced funding to realize the savings that will result from the Department's implementation of administrative efficiencies. (26,900)
- Election Administration Operations.** The Governor reduced funding to realize the savings that will result from the Department's implementation of administrative efficiencies. (25,000)

FY 2015-16 STATE BUDGET

9. <b>Economic Adjustments.</b> Includes a negative \$1,482,700 Gross and a negative \$98,300 GF/GP for OPEB and \$1,254,500 Gross and \$220,800 GF/GP for other economic adjustments.	(228,200)
Total Changes .....	\$1,271,800
<b>FY 2015-16 Governor's Recommendation .....</b>	<b>\$225,256,700</b>

The changes show the differences between the schedule of programs proposed by the Governor and the prior-year line items.

**Boilerplate Changes from FY 2014-15 Year-to-Date:**

1. **Boilerplate Structure.** The Governor moved boilerplate from the FY 2014-15 general sections that applied to all General Government budgets to the Article for the Department of State. These sections include:
  - Report on total State spending for the Department. (Sec. 16-201)
  - Appropriations are subject to the Management and Budget Act, 1984 PA 431. (Sec. 16-202)
  - Definitions. (Sec. 16-203)
  - Requirement for Departments to maintain searchable websites. (Sec. 16-206)
  - Allowable use of the Internet to fulfill reporting requirements. (Sec. 16-208)
  - Buy American with a Michigan preference. (Sec. 16-209)
  - Required department to allow businesses in deprived and depressed communities to bid on contracts. (Sec. 16-210)
  - Report on out-of-state travel. (Sec. 16-216)
  - Department Scorecards. (Sec. 16-219)
  - Prohibition on outside legal services. (Sec. 16-226)
  - Restricted Revenue Report. (Sec. 16-227)
  - GF/GP Lapse Report. (Sec. 16-228)
2. **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. (Current Law Sec. 716b)
3. **Buena Vista Branch Office.** Requires the Department to maintain a full service branch office in Buena Vista Township. **Governor:** eliminated section. (Current Law Sec. 718)

Date Completed: 2-18-15

Fiscal Analyst: Joe Carrasco, Jr.



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**BILL ANALYSIS**



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			AMOUNT	PERCENT
FTE Positions.....	2,817.0	2,833.0	16.0	0.6
<b>GROSS .....</b>	<b>1,262,810,400</b>	<b>1,264,906,300</b>	<b>2,095,900</b>	<b>0.2</b>
Less:				
Interdepartmental Grants Received .....	677,671,700	678,478,500	806,800	0.1
<b>ADJUSTED GROSS.....</b>	<b>585,138,700</b>	<b>586,427,800</b>	<b>1,289,100</b>	<b>0.2</b>
Less:				
Federal Funds.....	7,974,100	7,997,300	23,200	0.3
Local and Private .....	3,744,100	3,777,800	33,700	0.9
<b>TOTAL STATE SPENDING.....</b>	<b>573,420,500</b>	<b>574,652,700</b>	<b>1,232,200</b>	<b>0.2</b>
Less:				
Other State Restricted Funds.....	94,322,000	95,771,900	1,449,900	1.5
<b>GENERAL FUND/GENERAL PURPOSE.....</b>	<b>479,098,500</b>	<b>478,880,800</b>	<b>(217,700)</b>	<b>(0.0)</b>
<b>PAYMENTS TO LOCALS .....</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>

**FY 2014-15 Year-to-Date Gross Appropriation ..... \$1,262,810,400**

**Changes from FY 2014-15 Year-to-Date:**

- 1. Removal of FY 2014-15 One-Time Appropriations.** The Governor removed a total of \$22.0 million of the following one-time funding provided in the FY 2014-15 budget: Litigation fund (\$4.0 million); Regional Prosperity Grants (\$1.0 million); Technology Services Funding (\$6.9 million IDG, \$300 GF/GP); Office of Urban Initiatives (\$5.0 million); Business One-Stop Depreciation costs (\$871,700); Special Projects (\$1.25 million); and Enterprisewide Special Maintenance (\$7.0 million). (26,022,000)
- 2. Procurement Improvement Plan.** The Governor provided new funding of \$825,000 (\$479,100 GF/GP) to hire 6.0 additional FTEs to implement a category management system for the State's procurement system. This new system will force the State to examine all of its purchasing from an enterprise perspective and allow the State to leverage its spending abilities by reducing the number of contacts and suppliers utilized. 825,000
- 3. Treasury Business Portal.** The Governor provided authorization for the Department of Treasury to implement a new and refined business portal to replace the old Michigan Business One-Stop portal that was eliminated in the FY 2014-15 budget. The additional IDG funding will allow the Department of Treasury to meet other IT projects/needs. 2,000,000
- 4. Office of Urban Initiatives.** General Fund/General Purpose funding that was provided as one-time funding in FY 2014-15 is maintained for FY 2015-16 as an ongoing program, but reduced by half. 2,500,000
- 5. Motor Vehicle Fleet.** The Governor increased IDG funding to account for higher fuel, maintenance, and vehicle leasing costs. 6,515,500

FY 2015-16 TECHNOLOGY, MANAGEMENT, AND BUDGET

<p>6. <b>State Emergency Operations Center (SEOC).</b> The Governor included funding increases in the authorization for the IDG from Building Operation Costs (BOC) to cover the costs of operating the new SEOC. The Michigan State Police (MSP) will occupy a portion of the building and this adjustment will allow DTMB to recognize the BOC they will charge the MSP for their use of the building.</p>	631,700
<p>7. <b>Office of Retirement Services.</b> The Governor increased restricted funding to cover additional administrative costs to administer the various retirement system changes due to enacted legislation affecting both Defined Contribution and Deferred Compensation.</p>	1,257,600
<p>8. <b>Information Technology (IT) Investment Fund.</b> The Governor increased GF/GP funding for this IT program to further provide maintenance and replacement of legacy IT systems across State departments and agencies. Funding for this item will total \$70.0 million in FY 2015-16.</p>	7,000,000
<p>9. <b>Enterprisewide Special Maintenance.</b> The Governor increased GF/GP funding for the ongoing appropriations for this item to provide maintenance services to State-owned buildings across the State. The FY 2014-15 budget included \$7.0 million in one-time funding for this program that is not included in the FY 2015-16 budget. Total ongoing funding in FY 2015-16 increases from \$23.0 million to \$31.0 million.</p>	8,000,000
<p>10. <b>Treasury IT Technical Adjustment.</b> The Governor's increase aligned funding of the IT IDGs with agency requests. Funding of \$1.2 million and 2.0 FTE positions is provided for City Income Tax operations and \$650,000 and 1.0 FTE position is provided for Personal Property Tax reforms.</p>	1,850,000
<p>11. <b>Michigan Public Safety Communications System (MPSCS) Lifecycle and Radio Replacement.</b> The Governor reduced GF/GP funding for this program by \$2.0 million to \$39.8 million to provide funding for lifecycle replacement of equipment that is outdated.</p>	(2,000,000)
<p>12. <b>Civil Service Commission.</b> The Governor reduced funding for the IT line item for the Civil Service Commission.</p>	(1,085,800)
<p>13. <b>Information Technology (IT) - Alignment of IDG Funding.</b> The IT portion of the budget aligned its IDG funding with enacted FY 2014-15 appropriations for all departments.</p>	(2,018,800)
<p>14. <b>FY 2015-16 One-Time Appropriations.</b> Governor included the following one-time funding: \$2.0 million for litigation costs; \$600,000 for alignment of IT funding with agency requests related to the Treasury Business Portal described above; and \$500 for planning authorizations for SBA-authorized community college and university construction projects.</p>	2,600,500
<p>15. <b>Economic Adjustments.</b> Includes a negative \$3,521,500 Gross and a negative \$667,500 GF/GP for OPEB and \$3,556,100 Gross and \$1,072,700 GF/GP for other economic adjustments.</p>	34,600
<p>16. <b>Other Changes.</b> The Governor included several miscellaneous changes including: a net zero Gross change for SWCAP, however change results in a negative adjustment to GF/GP funding of (\$3,300); \$7,600 for Professional Development to comply with contracts; a net zero Gross change to provide GF/GP funding to offset IDG funding that supports administrative services for DTMB, however change results in a positive adjustment to GF/GP funding of \$781,900; and a net zero Gross change for the Office of State Employer to reduce GF/GP funding in the Office of the State Employer and replace the funding with Health Management Fund restricted funds, however change results in a negative adjustment to GF/GP funding of (\$45,000);</p>	7,600
<p>Total Changes .....</p>	\$2,095,900
<p><b>FY 2015-16 Governor's Recommendation .....</b></p>	<p><b>\$1,264,906,300</b></p>

The changes show the differences between the schedule of programs proposed by the Governor and the prior-year line items.

**Boilerplate Changes from FY 2014-15 Year-to-Date:**

1. **Boilerplate Structure.** The Governor moved boilerplate from the FY 2014-15 general sections that applied to all General Government budgets to the Article for the Department of Technology, Management, and Budget. These sections include:
  - Report on total State spending for the Department. (Sec. 18-201)
  - Appropriations are subject to Management and Budget Act, 1984 PA 431. (Sec. 18-202)
  - Definitions. (Sec. 18-203)
  - Requirement for Departments to maintain searchable websites. (Sec. 18-206)
  - Allowable use of the Internet to fulfill reporting requirements. (Sec. 18-208)
  - Buy American with a Michigan preference. (Sec. 18-209)
  - Required department to allow businesses in deprived and depressed communities to bid on contracts. (Sec. 18-210)
  - Report on out-of-state travel. (Sec. 18-216)
  - Department Scorecards. (Sec. 18-219)
  - Prohibition on outside legal services. (Sec. 18-226)
  - Restricted Revenue Report. (Sec. 18-227)
  - GF/GP Lapse Report. (Sec. 18-228)
  - Related federal and restricted funds for special maintenance. (Sec. 18-233)
  - Related federal and restricted funds for enterprise wide IT investments. (Sec. 18-234)
2. **Computer Contract Adjustments.** Within 14 days of the Department finalizing the revisions, the Department must notify the House and Senate Appropriation Committee Chairs and General Government Subcommittee Committee Chairs on computer contract revisions that increase or decrease current contracts by more than \$500,000. The **Governor:** removed the 14-day requirement and instead requires a report quarterly. ( Current Law Sec. 809)
3. **Motor Vehicle Fleet. Governor:** removed the requirement for the Department to use remanufactured parts, whenever economically feasible, when repairing fleet vehicles. (Current Law Sec. 813(5))
4. **Enterprisewide IT Investments.** Requires the Department to develop a plan regarding the use of funds appropriated in Part 1 for the Enterprisewide IT Investments program. Also requires the Department to notify the Legislature and the fiscal agencies when an IT investment project will require the transfer of \$500,000 or more from another project. **Governor:** removed the notification to the Legislature portion of the language. (Current Law Sec. 814)
5. **IT Investments Program Expansion. Governor:** added new language requiring the Department to use any increase in funding for the program to be used for the modernization of state IT systems, improvement of the State's cyber security framework, and to achieve efficiencies. (Sec. 18-814a)
6. **Vendor Call or Contact Centers. Governor:** removed current year language requiring disclosure of location of call/contact centers. (Current Law Sec. 817)
7. **Legacy Costs.** Language lists the authorized amount of the appropriations in Part 1 that may be used for legacy costs as well as an estimate of the amount of pension-related legacy costs. **Governor:** Updated the amounts to reflect the amounts needed for FY 2015-16. (Current Law Sec. 822i; Gov. Sec. 18-822a)
8. **Regional Prosperity Grants.** Provides boilerplate language describing the qualification process for the Regional Prosperity Grant Program. (Current Law Sec. 890) **Governor:** made this an on-going program and moved the boilerplate language to the main boilerplate section of the bill as a new section. The Governor also revised and updated the language, updated dates in subsection (9), and added new subparts within the new section. (Gov. Sec. 18-822c)
9. **Cloud Computing.** Requires the Department to conduct an analysis of using public or private cloud computing technologies for new projects. **Governor:** eliminated section. (Current Law Sec. 836)
10. **Online Citizens Guide and Dashboard.** Requires the department to issue an RFP for a publicly accessible statewide online citizens guide and dashboard web service that offers access to State of Michigan reports and data from municipalities, local, and intermediate school districts as a common transparency solution and that has a fiscal stress warning system as a component. **Governor:** eliminated section. (Current Law Sec. 840)
11. **State Building Authority Authorizations.** Language requires the Legislature to determine that funding provided in Part 1 is for the leasing of facilities to be used for a public purpose. **Governor:** eliminated section. (Current Law Sec. 866)

12. **Farnum Building Sale Proceeds. Governor:** Added new language requiring the proceeds from the sale of the building to be appropriated to the Department in accordance with any legislation that is enacted that authorizes the sale. If the net proceeds from the sale of the Farnum building are less than the \$7.0 million authorized in current law Section 896 for Senate relocation costs, then the difference between the net sale proceeds and \$7.0 million shall be appropriated by the Legislature to the Department. (Gov. Sec. 18-867)
13. **Litigation Fund Report.** Requires a quarterly report to the Legislature on litigation fund expenditures by case, purpose, and department involved. **Governor:** eliminated section. (Current Law Sec. 891)
14. **Michigan Business One-Stop Depreciation Expenses.** Language states that the amount appropriated in Part 1 for depreciation expenses shall be expended solely to pay the remaining capitalized development cost of the Michigan Business One-Stop. Language also stipulates that the budget director shall reduce the user fees charged to State departments by amounts equivalent to the reduction in appropriation for the Michigan Business One-Stop. The Department shall not charge State departments or agencies for maintenance or operation of the Michigan Business One Stop. Also allows the Department to expend up to \$1.5 million on continued maintenance and operation of the program and that departments or agencies may not be charged IDGs or other sources of financing. **Governor:** eliminated section. (Current Law Sec. 895)
15. **Senate Relocation from Farnum Building.** Allows up to \$7.0 million of the funds appropriated in Part 1 to be made available to the Senate for future lease, purchase, and transition costs related to the relocation from the Farnum Building. **Governor:** eliminated section. (Current Law Sec. 896)
16. **One-Time Special Projects Earmarks.** Language earmarks \$250,000 of One-Time Special Projects funding for the Catholic Charities Center for Hope and \$500,000 for payments to individuals and surviving spouses receiving retirement payments under Section 411 of the Michigan Military Act. **Governor:** eliminated section. (Current Law Sec. 897)
17. **Other Deletions.** In keeping with the condensed structure of the Governor's budget, the following current-year language sections and/or subsections were not included: 808a, 810, 815, 816, 821, 822, 822f, 822g, 822h, 824 (required report only), 827(4), 828, 829, 830, 831, 832, and 862. The majority of these sections required the Department to provide either reports or notifications to the Legislature.

Date Completed: 2-18-15

Fiscal Analyst: Joe Carrasco, Jr.





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Senate Bill 122 (as introduced)  
 Committee: Appropriations

[Vehicle for Governor's Recommendation line items is Senate Bill 133](#)

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2014-15 YEAR-TO-DATE	FY 2015-16 GOV.'S REC.	CHANGES FROM FY 2014-15 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	N/A	N/A	N/A	N/A
<b>GROSS</b> .....	<b>152,395,000</b>	<b>156,449,000</b>	<b>4,054,000</b>	<b>2.7</b>
Less:				
Interdepartmental Grants Received .....	0	0	0	0.0
<b>ADJUSTED GROSS</b> .....	<b>152,395,000</b>	<b>156,449,000</b>	<b>4,054,000</b>	<b>2.7</b>
Less:				
Federal Funds.....	0	0	0	0.0
Local and Private .....	0	0	0	0.0
<b>TOTAL STATE SPENDING</b> .....	<b>152,395,000</b>	<b>156,449,000</b>	<b>4,054,000</b>	<b>2.7</b>
Less:				
Other State Restricted Funds.....	0	0	0	0.0
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>152,395,000</b>	<b>156,449,000</b>	<b>4,054,000</b>	<b>2.7</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>

<b>FY 2014-15 Year-to-Date Gross Appropriation .....</b>	<b>\$152,395,000</b>
<b>Changes from FY 2014-15 Year-to-Date:</b>	
1. <b>Clean Michigan Initiative.</b> The Governor increased debt service payments for this bond. Of the total, \$5,211,012 is due to changes to existing debt and \$1,525,988 is due to projected new bond issues for FY 2015-16. This increased total debt service payments for this bond to \$63,961,000.	6,737,000
2. <b>Great Lakes Water Quality Bond.</b> The Governor increased debt service payments to this bond. Of the total, there is a \$2,312,879 reduction for existing bonds and a \$5,030,879 increase due to projected new bond issues for FY 2015-16. This increased total debt service payments to this bond to \$16,529,000.	2,718,000
3. <b>Quality of Life Bond.</b> The Governor reduced payments to this bond. Of the total, there is a \$5,561,293 reduction for existing bonds and a \$160,291 increase due to projected new bond issues for FY 2015-16. This reduced total debt service payments for this bond to \$75,959,000.	(5,401,000)
<b>Total Changes .....</b>	<b>\$4,054,000</b>
<b>FY 2015-16 Governor's Recommendation .....</b>	<b>\$156,449,000</b>

The changes show the differences between the schedule of programs proposed by the Governor and the prior-year line items.

**Boilerplate Changes from FY 2014-15 Year-to-Date:**

1. There were no boilerplate changes related to Debt Service in Treasury.

Date Completed: 2-18-14

Fiscal Analyst: Cory Savino



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Senate Bill 122 (as introduced)  
 Committee: Appropriations

[Vehicle for Governor's Recommendation line items is Senate Bill 133](#)

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2014-15 YEAR-TO-DATE	FY 2015-16 GOV.'S REC.	CHANGES FROM FY 2014-15 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	1,863.5	1,901.5	38.0	2.0
<b>GROSS .....</b>	<b>545,636,400</b>	<b>533,426,200</b>	<b>(12,210,200)</b>	<b>(2.2)</b>
Less:				
Interdepartmental Grants Received .....	9,409,100	9,500,700	91,600	1.0
<b>ADJUSTED GROSS.....</b>	<b>536,227,300</b>	<b>523,925,500</b>	<b>(12,301,800)</b>	<b>(2.3)</b>
Less:				
Federal Funds.....	39,705,400	39,661,500	(43,900)	(0.1)
Local and Private .....	2,005,600	9,055,100	7,049,500	351.5
<b>TOTAL STATE SPENDING.....</b>	<b>494,516,300</b>	<b>475,208,900</b>	<b>(19,307,400)</b>	<b>(3.9)</b>
Less:				
Other State Restricted Funds.....	376,398,000	354,978,600	(21,419,400)	(5.7)
<b>GENERAL FUND/GENERAL PURPOSE.....</b>	<b>118,118,300</b>	<b>120,230,300</b>	<b>2,112,000</b>	<b>1.8</b>
<b>PAYMENTS TO LOCALS .....</b>	<b>197,086,000</b>	<b>199,157,300</b>	<b>2,071,300</b>	<b>1.1</b>

**FY 2014-15 Year-to-Date Gross Appropriation ..... \$545,636,400**

**Changes from FY 2014-15 Year-to-Date:**

1. **City Income Tax Administration.** The Governor created a program that supports cities in the collection of city income taxes. There are also 24.0 FTEs included in this program. The program would be funded by local funds from the Local City Income Tax fund. 7,050,000
2. **Payments in Lieu of Taxes (PILT).** The Governor increased this unit in order to ensure that it is being fully funded in accordance to statute and for scheduled statutory increases in the Swamp and Tax Reverted Land Program from \$3 per acre to \$4 per acre. GF/GP supports \$4.5 million of the total. 4,919,200
3. **Personal Property Tax Reform and Essential Services Assessment Act program.** The Governor increased administrative support for this program. 9.0 FTEs and \$1.5 million have been moved from one-time implementation to ongoing administration. The Governor also increased the program by an additional \$1.8 million and 2.0 FTEs totaling \$3,345,000 in FY 2015-16. The Governor also moved \$19.3 million from one-time implementation to one-time payments to locals in accordance with statute. 1,845,000
4. **Financial Review Commission.** The Governor increased \$2.0 million and 8.0 FTEs to the Financial Review Commission to provide ongoing support to ensure Detroit compliance with the Detroit Bankruptcy package that was passed in 2014. 2,000,000
5. **Treasury Online Business Portal.** The Governor created a new Department of Treasury Business Portal funded at \$2.6 million of which, \$2.0 million is appropriated as ongoing while \$600,000 is one-time. The funds go to the Information Technology line item. 2,600,000

FY 2015-16 TREASURY - OPERATIONS BUDGET

6. <b>Casino &amp; Gaming Legal Affairs.</b> The Governor increased the Casino gaming control administration line item to provide licensing and regulation associated with live horse races, verifying electronic gaming devices, and enhancing the agency's communication strategies. No additional GF/GP is included in this increase.	514,100
7. <b>Data Collection Authorization Increase.</b> The Governor increased the Financial and Administrative Services unit due to additional data collection fees.	40,000
8. <b>Lottery Promotion and Advertising.</b> The Governor removed the Lottery Promotion and Advertising line item, however, boilerplate sec. 20-964 was added that allows the Department to use 1% of the lottery gross sales towards promotion and advertising.	(18,622,000)
9. <b>Administrative Efficiency Reduction.</b> The Governor reduced line items due to administrative efficiencies that are not intended to impact essential services. The reductions impact Local Government Programs (\$2.0 million), Tax Programs (\$1.4 million), Financial Programs (\$500,000), and Finance and Administrative Services (\$100,000).	(4,000,000)
10. <b>Land Reutilization Funding.</b> The Governor reduced funding to the Supervision of the General Property tax law line item due to decreased revenue from Land Reutilization Fund fees. This cut is not offset by any additional funds.	(3,304,500)
11. <b>Senior Citizen Cooperative Housing Tax Exemption.</b> The Governor reduced funding to this line item. Costs of this program have been reduced due in part to reassessments of property values. The reduction reflects the anticipated lapse amount for FY 2015-16.	(2,000,000)
12. <b>Elimination of One-Time items.</b> The Governor eliminated the one-time appropriations of \$600,000 that went towards creating a system that allows individuals to pay income tax owed on credit cards, and a \$1.1 million grant to Flint for police and fire.	(1,600,000)
13. <b>Remove Supplemental Funding.</b> The Governor eliminated FY 2014-15 supplemental funding. PA 282 and 182 of 2014 made one-time appropriations to Tax and Economic Policy (\$1.0 million) and Executive Operations (\$100,000).	(1,100,000)
14. <b>Economic Adjustments.</b> Economic adjustments increased \$1,752,600 Gross and \$284,500 GF/GP. Also includes negative \$2,252,700 Gross and negative \$373,500 GF/GP for OPEB and negative \$51,900 Gross and negative \$12,500 GF/GP for other economic adjustments.	(552,000)
Total Changes .....	(\$12,210,200)
<b>FY 2015-16 Governor's Recommendation .....</b>	<b>\$533,426,200</b>

The changes show the differences between the schedule of programs proposed by the Governor and the prior-year line items.

**Boilerplate Changes from FY 2014-15 Year-to-Date:**

1. **Deleted Reporting Requirements.** The Governor removed a number of sections that require reporting, this includes: sec. 20-201 (change to payments to locals), sec. 20-902a (notification of bond refunding or restructuring), sec. 20-927 (Personal Property Tax audits), and sec. 20-944 (forward reports from any pension plan consultants). (Sec. 20-902a, 20-927, and 20-944)
2. **Grants to the City of Flint.** The Governor removed a section that appropriated the one-time grant to the city of Flint for police and fire. (Sec. 20-949a)
3. **Bridge Cards.** The Governor removed a section that restricts bridge cards from being used to buy lottery tickets. (Sec. 20-963)
4. **Income Tax Fraud Prevention.** The Governor added a section that allows Treasury to contract with a private agency to prevent the disbursement of fraudulent tax returns. A portion of the funds that have been prevented from being disbursed goes towards funding this program, but it cannot exceed \$1.6 million. The section also requires a report to the Legislature on the amount of fraudulent tax returns that were stopped. (Sec. 20-948)
5. **Personal Property Tax Payments.** The Governor added a section that requires Treasury to make one-time personal property tax payments to locals in accordance with the Local Community Stabilization Authority Act in addition to the administration of the program. (Sec. 20-949)

6. **City Income Tax Administration Program.** The Governor added a section that allows the Department to work with individual cities to operate e-file tax returns for city governments. (Sec. 20-949a)
7. **Online Business Portal.** The Governor added a section that allows Treasury to expend funds to Information Technology in order to establish an online business portal that allows businesses to do electronic business tax registration, tax returns, and tax payments. (Sec. 20-949b)
8. **Financial Review.** The Governor added a section that specifies the Financial Review Commission duties in overseeing the City of Detroit. (Sec. 20-949c)
9. **Essential Services Assessment.** The Governor added a section that specifies the purpose of the essential services assessment phase-in, which will replace the personal property tax. (Sec. 20-949d)
10. **Wayne County Tobacco Revenue.** The Governor added a section that allows tobacco revenue that was being used by DCH to support health care, and is no longer needed, to return to Wayne County. (Sec. 20-949e)
11. **Lottery Promotion.** The Governor added a section that allows 1% of gross lottery sales from the previous year to be used towards promotion without being included in a line item. (Sec. 20-964)
12. **Audits Modification.** The Governor modified a section that reduced the assessment and certification division audits on locals units from a full 14-point review of one local unit in each county to a minimum assessing requirement review for each county. (Sec. 20-945)
13. **Technical Adjustments.** The Governor made technical adjustments that reflect date changes, payments to locals adjustments, and legacy cost adjustments. (Sec. 20-201, 20-949, and 20-1100)

Date Completed: 2-19-14

Fiscal Analyst: Cory Savino





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Senate Bill 122 (as introduced)  
 Committee: Appropriations

[Vehicle for Governor's Recommendation line items is Senate Bill 133](#)

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2014-15 YEAR-TO-DATE	FY 2015-16 GOV.'S REC.	CHANGES FROM FY 2014-15 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	N/A	N/A	N/A	N/A
<b>GROSS</b> .....	<b>1,232,694,000</b>	<b>1,251,237,000</b>	<b>18,543,000</b>	<b>1.5</b>
Less:				
Interdepartmental Grants Received .....	0	0	0	0.0
<b>ADJUSTED GROSS</b> .....	<b>1,232,694,000</b>	<b>1,251,237,000</b>	<b>18,543,000</b>	<b>1.5</b>
Less:				
Federal Funds.....	0	0	0	0.0
Local and Private .....	0	0	0	0.0
<b>TOTAL STATE SPENDING</b> .....	<b>1,232,694,000</b>	<b>1,251,237,000</b>	<b>18,543,000</b>	<b>1.5</b>
Less:				
Other State Restricted Funds.....	1,232,694,000	1,251,237,000	18,543,000	1.5
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>1,232,694,000</b>	<b>1,251,237,000</b>	<b>18,543,000</b>	<b>1.5</b>

**FY 2014-15 Year-to-Date Gross Appropriation ..... \$1,232,694,000**

**Changes from FY 2014-15 Year-to-Date:**

- 1. Constitutional Revenue Sharing.** The Governor recommended \$788,497,000 for constitutional revenue sharing in FY 2015-16, an increase of 3.1% over the January 2015 consensus estimate of payments in FY 2014-15. Constitutional revenue sharing is paid to cities, villages, and townships on a per-capita basis. 23,843,000
- 2. City, Village, and Township Revenue Sharing.** The Governor reduced nonconstitutional (statutory) revenue sharing to CVTs by 2.3% to \$243,040,000. The Governor removed the per capita payment option for CVTs with a population over 7,500 that was included in the FY 2014-15 budget. This would remove 101 local units of government (100 townships and 1 city) from eligibility for a payment, leaving 486 eligible local units, the same as in FY 2013-14. (5,800,000)
- 3. County Revenue Sharing and County Incentive Program.** The Governor increased revenue sharing funding for counties by \$3.5 million to cover the cost of counties that return to State-paid revenue sharing for the first full or part-year of payments in FY 2015-16. The line item for County Revenue Sharing would receive \$2.8 million and the County Incentive Program (which requires compliance with accountability and transparency requirements) would receive \$700,000. 3,500,000
- 4. Financially Distressed Cities, Villages, and Townships.** This grant program to CVTs with signs of probable financial distress would be reduced from \$8.0 million in FY 2014-15 to \$5.0 million in FY 2015-16. (3,000,000)

Total Changes ..... **\$18,543,000**

**FY 2015-16 Governor's Recommendation ..... \$1,251,237,000**

The changes show the differences between the schedule of programs proposed by the Governor and the prior-year line items.

**Boilerplate Changes from FY 2014-15 Year-to-Date:**

1. **City, Village, and Township Revenue Sharing Eligibility.** The Governor deleted the distribution of \$2.64659 per capita to CVTs with a population of over 7,500 that was in effect for FY 2014-15. Eligibility remains for CVTs that received a statutory revenue sharing payment in FY 2009-10 greater than \$4,500. Those CVTs are eligible for up to 78.51044% of the payment received in FY 2009-10. (Sec. 20-952)
2. **Accountability and Transparency.** The Governor revised the accountability and transparency criteria for CVTs and counties to specify that the report of debt service payments extends until maturity of the debt and to require that eligible CVTs and counties include information in any general mailing to citizens about the internet or physical location of the accountability and transparency reports. (Sec. 20-952)
3. **County Revenue Sharing Withholding.** The Governor authorized the withholding of revenue sharing payments to a county if the county is more than three months delinquent in maintaining the county child care fund or State ward board and care chargeback obligations. These obligations relate to foster care and juvenile justice. (Sec. 20-952(4)(i))
4. **Financially Distressed CVTs.** The Governor delayed the report date for grant awards from March 15 to September 30. The Governor expanded examples of allowable uses for the grants. The Governor added replacement of critical infrastructure (instead of just repair), added repair or replacement of critical equipment owned by the CVT; permitted qualifying infrastructure to be either owned or maintained by the CVT (as opposed to "owned and maintained" by the CVT; allowed funds to be used to reduce any type of debt service obligations (not just obligations supported by the local general fund), and specified that shared services are provided in conjunction with another jurisdiction. The Governor also updated work project amounts and dates and removed the direction for Treasury to establish an application process and revised the language on the use of grants. (Sec. 20-956)
5. **County Revenue Sharing - Statement of Purpose.** The Governor added language to state that the purpose of the increased funding for county revenue sharing is to provide the funding allowed under Sec. 44a of the General Property Tax Act. (Sec. 20-957)

Date Completed: 2-17-15

Fiscal Analyst: Elizabeth Pratt





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 Committee: Appropriations

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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2014-15 YEAR-TO-DATE	FY 2015-16 GOV.'S REC.	CHANGES FROM FY 2014-15 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	756.0	756.0	0.0	0.0
<b>GROSS</b> .....	<b>1,024,779,900</b>	<b>1,006,582,500</b>	<b>(18,197,400)</b>	<b>(1.8)</b>
Less:				
Interdepartmental Grants Received .....	0	0	0	0.0
<b>ADJUSTED GROSS</b> .....	<b>1,024,779,900</b>	<b>1,006,582,500</b>	<b>(18,197,400)</b>	<b>(1.8)</b>
Less:				
Federal Funds.....	627,370,300	627,305,000	(65,300)	(0.0)
Local and Private .....	10,088,400	10,082,500	(5,900)	(0.1)
<b>TOTAL STATE SPENDING</b> .....	<b>387,321,200</b>	<b>369,195,000</b>	<b>(18,126,200)</b>	<b>(4.7)</b>
Less:				
Other State Restricted Funds.....	142,678,700	142,588,000	(90,700)	(0.1)
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>244,642,500</b>	<b>226,607,000</b>	<b>(18,035,500)</b>	<b>(7.4)</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>11,224,800</b>	<b>15,224,800</b>	<b>4,000,000</b>	<b>35.6</b>

**FY 2014-15 Year-to-Date Gross Appropriation ..... \$1,024,779,900**

**Changes from FY 2014-15 Year-to-Date:**

1. **Pure Michigan.** The Governor increased \$1.0 million in 21<sup>st</sup> Century Jobs Trust Fund to this line item. This increased total appropriations to \$30.0 million. 1,000,000
2. **Elimination of One-time.** The Governor eliminated the FY 2014-15 one-time appropriations for special grants (\$15.8 million) and the automotive, engineering and manufacturing fund (\$2.0 million). (17,750,000)
3. **Business Attraction and Community Revitalization.** The Governor reduced \$1.0 million in 21<sup>st</sup> Century Jobs Trust Fund from this line item. This reduced total ongoing and one-time appropriation to this program to \$129.0 million. (1,000,000)
4. **Michigan Film Office.** The Governor eliminated the GF/GP to this office, which reduces total appropriations to \$653,800. However, statute allows for up to 4% of the total appropriations to the film incentive program to go towards administration, so some of that could be used to support the office. (237,100)
5. **Economic Adjustments.** Economic adjustments increased \$210,000 Gross and \$93,900 GF/GP. Also includes negative \$413,800 Gross and negative \$142,300 GF/GP for OPEB and negative \$6,500 Gross and \$0 GF/GP for other economic adjustments. (210,300)
6. **Other Changes.** The Governor consolidated ten Workforce Development line items into two. The consolidation resulted in no overall change to the line items other than economic adjustments.

Total Changes ..... (\$18,197,400)

**FY 2015-16 Governor's Recommendation ..... \$1,006,582,500**

The changes show the differences between the schedule of programs proposed by the Governor and the prior-year line items.

**Boilerplate Changes from FY 2014-15 Year-to-Date:**

1. **Deleted Reporting Requirements.** The Governor removed sections that require reports on the Michigan State Housing and Development Authority progress on goals status and the Land Bank fast track activities. (Sec. 20-980 and 20-986)
2. **Deleted Section Due to Program Elimination.** The Governor removed multiple sections due to that program not being continued into FY 2015-16 by MSF, this includes sections: 20-981 (Michigan Broadband Development Authority), 20-1044 (Special Grants), 20-1057 (Aerospace special grant), and 20-1069 (Special Grant to GED assessment). (Sec. 20-981, 20-1044, 20-1057, and 20-1069)
3. **Deleted Language on Specific Bond Issues.** The Governor removed authority language on bonds issued for the MSU Faculty for Rare Isotope Beam and Community College Skilled Trades Equipment Program. These bonds have been issued in FY 2014-15. (Sec. 20-1037 and 20-1052)
4. **Deleted Creation of a Workgroups or Task Force.** The Governor removed multiple sections that created either a Workgroup or Joint Task Force in FY 2014-15, this includes sections: 20-990 (Joint Taskforce on housing rehabilitation), 20-1058 (Workgroup on transportation for the low-income, elderly, or disabled), 20-1070 (created a workgroup on Michigan Works! Job training programs and declining family independence program caseloads). (Sec. 20-990, 20-1058, 20-1070)
5. **Deleted Requirements on Appropriations.** The Governor removed multiple sections that put restrictions on how appropriations can be used, this includes sections: 20-1034(2) (business incubators and accelerators), 20-1041 (Cap on Business Attraction and Community Revitalization), 20-1043 (\$250,000 to West Michigan Film office), 20-1044 (Michigan Heritage Restoration Program), 20-1048 (Michigan Law Enforcement Memorial Fund), and 20-1059 (pre-college engineering programs). (Sec. 20-1034(2), 20-1041, 20-1043, 20-1044, 20-1048, and 20-1059)
6. **Skilled Trades Training Program.** The Governor added a section that allows the skilled trades training program to use up to \$5.0 million towards matching Federal funds. (Sec. 20-1039b)
7. **Report on MEDC Awards.** The Governor added a section that creates a report on projects that were awards by MEDC. (Sec. 20-1052)
8. **One-Time Appropriations.** The Governor added two section that establish criteria for the one-time appropriations to the Business Attraction and Community Revitalization program and Film Incentive program. (Sec. 20-1071 and 20-1072)
9. **Technical Changes.** The Governor made technical adjustments to reflect date changes, alignment with statute, consolidation of the Workforce Development Agency, consistency in reports, and Legacy Cost adjustments. (Sec. 20-1009, 20-1013, 20-1032, 20-1033, 20-1034, 20-1039, 20-1045, 20-1054, 20-1063, and 20-1068)

Date Completed: 2-18-14

Fiscal Analyst: Cory Savino