August 18, 2014

Governor –

Attached please find GF and School Aid balance sheets for FY 2015 through FY 2017. You will note that there has been a deterioration of our fiscal position since June. We are now projecting a negative FY 2016 GF balance of $367 million; the School Aid Fund projected year-end balance for FY 2016 is a positive $98.5 million.

Combined, the FY 2016 outlook for GF and School Aid is ~$305 million worse than it was in June. An analysis of the change in outlook is attached. The worsening outlook is basically attributable to two issues which, combined, reduce 2016 revenues by $310 million:

1. The expectation that we will need to issue Michigan Ventures tax vouchers; and

2. The anticipated termination of the HMO use tax effective 12/31/2015.

There are some fairly significant caveats attached our current outlook.

- We have not yet updated our FY 16 baseline cost estimates (e.g., caseloads, pupil counts, state employee economics, FMAP, etc.). We plan to update our baseline projections in November/early December after we have bookclosing numbers for the current year.
- The FY 2016 projections include $285 million GF for transportation. This assumption could change depending on how (and if) there is fall legislative action on a long-term solution for transportation infrastructure needs.
- Other than the $285 million for transportation and $19 million for PPT reform, NO OTHER ONE-TIME SPENDING IN FY 2015 IS CARRIED FORWARD INTO FY 2016. This is probably unrealistic, especially for School Aid.
- Any changes in FY 2014 and/or FY 2015 estimated year-end lapses could impact the FY 2016 outlook.
- There are some worrisome risks that are not built into our outlook at this time (see attached list). The most significant of these relates to possible revenue losses attributable to the Supreme Court decision in the IBM tax case. Other significant risks relate to pending or potential federal disallowances in Medicaid and TANF; pending tax litigation; and pending litigation related to state employee pension contributions. Lesser risks are associated with trooper bargaining and indigent legal defense costs.

I look forward to discussing these issues with you on Tuesday. I have attached a proposed agenda for the meeting.

John

Budget Meeting with Governor

August 19, 2014

AGENDA

1. **Discussion of FY 2016 Outlook**
2. **Proposed Budget Guidance to Agencies, including Potential Cabinet Meeting to Share Outlook and Approach**
    a. Ask agencies for reduction proposals within agency – specific targets
    b. Focus on initiatives that will impact established dashboard metrics
3. **Proposed Budget Schedule for FY 2016 Executive Budget Development Process**
4. **Options to Balance the Budget**
    a. FY 2015 Reduction Options – Protect K-12, Higher Education, Community Colleges, Revenue Sharing, Transportation, and Deposit to Budget Stabilization Fund
    b. FY 2016 Reduction Options
    c. FY 2016 Revenue Options – HICA Rate Adjustment; Internet Sales Tax; Other

Attachments

1. **Balance Sheets**
2. **Analysis of Change in Fiscal Position**
3. **Major Risks in Budget Forecast**
4. **Proposed Budget Schedule**
5. **Draft FY 2016 Budget Guidance to Agencies**
6. **Reduction Options for FY 2015**
7. **Agency Reduction Targets for FY 2016**
8. **Status of Legislation Needed for FY 2015 Budget**

GENERAL FUND/GENERAL PURPOSE
Fiscal Year 2014 through Fiscal Year 2017
($ in millions)

	Fiscal Year 2014 Preliminary	Fiscal Year 2015 Enacted	Fiscal Year 2016 Planning	Fiscal Year 2017 Planning
May 2014 Consensus Revenue Estimate (5/15/14)	$ 9,319.3	$ 9,826.0	$ 10,245.3	$ 10,673.0
Local government program payments/other adjustments	$ (368.1)	$ (455.2)	$ (455.2)	$ (455.2)
HMO use tax/HICA - PA 161/162 of 2014	$ 173.6	$ 386.7	$ 100.2	$ -
Redirect SAF to GF (amt = SAF/HMO use tax benefit)				
Offer-in-compromise - PA 240 of 2014		$ (3.5)	$ (3.5)	$ (3.5)
Driver responsibility fees - PA 250 of 2014/SB 633 tiebar - (a)		$ (1.6)	$ (1.5)	$ (21.4)
Community Service in lieu of driver resp fee (S 633) rev loss		tbd	tbd	tbd
Tobacco tax revenue distribution - PA 272 of 2014 (+CPI)		$ (3.0)	$ (3.0)	$ (3.0)
Personal Property tax reform PA 86-93 of 2014 (b)			$ (76.1)	$ (307.4)
GF/GP sales tax redirected to roads - $130 M (c)			see one-time	see one-time
MBT various amendments - SB 156 estimate - 8 year phasein			$ (5.0)	$ (5.0)
Venture Michigan Fund tax vouchers		$ (50.0)	$ (50.0)	$ (40.0)
Total GF/GP Resources Available - Ongoing	**$ 9,124.8**	**$ 9,699.5**	**$ 9,751.2**	**$ 9,837.5**
FY 2013 enacted	$ 8,628.5			
FY 2014 base adjustments	$ 307.1			
FY 2014 investments	$ 123.9			
FY 2014 reductions	$ (6.7)			
Enacted adjustments, including Art VIII, sec 108(13) veto	$ 2.2			
FY 2014 enacted		$ 9,055.0		
FY 2015 base adjustments		$ (64.9)		
FY 2015 investments		$ 356.1		
HMO use tax/HICA revenue shortfall		$ 338.1		
FY 2015 enacted/ FY 2016 planning			$ 9,684.3	$ 9,813.8
FY 2016 base estimates/ FY 2017 "average" adjustments			$ 211.5	$ 215.0
FY 2016/2017 - HMO use tax/HICA revenue shortfall			$ (153.9)	$ (74.1)
FY 2016/2017 - School Aid PPT holdharmless provision			$ 11.0	$ 11.1
FY 2016 replace one-time RRR fund shift in DCH			$ 60.9	$ -
FY 2016 commitment for roads (c)			see one-time	
Total GF/GP Expenditures - Ongoing	**$ 9,055.0**	**$ 9,684.3**	**$ 9,813.8**	**$ 9,965.8**
Ongoing Revenue Balance	**$ 69.8**	**$ 15.1**	**$ (62.6)**	**$ (128.3)**
Beginning Balance - One-Time	**$ 1,186.6**	**$ 430.4**	**$ -**	**$ -**
Local government program payments	$ (26.0)	$ (8.8)	$ -	$ -
Total GF/GP Resources Available - One-Time	**$ 1,160.6**	**$ 421.6**	**$ -**	**$ -**
One-Time Spending Items:				
Budget Stabilization Fund	$ 75.0	$ 94.0	$ -	$ -
Roads and Risks Reserve Fund	$ 230.0	$ -	$ -	
Other one-time appropriations/recommendations	$ 47.5	$ 97.0	$ -	
MDOT - roads commitment	$ 336.6	$ 285.0	$ 285.0	**???**
PPT reform payments to locals	$ -	$ 19.3	$ 19.3	
Pending One-Time Spending Items:				
DCH consensus caseload adjustment	$ (50.6)			
DHS consensus caseload adjustment	$ (31.4)			
DCH - HICA revenue shortfall/HMO payment	$ 173.6			
Other pending supplemental requests	$ 22.8			
Agency lapses	$ (30.0)			
1/3 agency lapses to Budget Stabilization Fund	$ 10.0			
1/3 agency lapses to School Aid Fund	$ 10.0			
IBM Supreme Court ruling - estimate; possibly more cases	$ 6.5			
Total GF/GP Expenditures - One-Time	**$ 800.0**	**$ 495.3**	**$ 304.3**	**$ -**
One-Time Revenue Balance	**$ 360.6**	**$ (73.7)**	**$ (304.3)**	**$ -**
Estimated CAFR Balance	**$ 430.4**	**$ (58.6)**	**$ (366.9)**	**$ (128.3)**

(a) Driver responsibility (PA 250) estimated revenue loss of $1.55 M (FY 15). $1.5 M (FY 16); $21.4 M (FY 17); $40.8 M (FY 18); $20.4 M (FY 19); $81.5 M (FY 20) Companion SB 633 allows waiver of fees for community service. Based on FY 13, could be revenue loss of $23.9 M depending on participation assumptions Legislative intent: $8.5 M appn to Fire Protection Fund effec FY 18

(b) Certificated credits offset PPT reform revenue reduction. Credits are reflected in consensus revenue estimates.

(c) $285 M commitment for roads; at time of FY 15 target agreement: $130 M revenue; $155 M GF/GP spend.

Attachment 1

School Aid Fund
Fiscal Years 2014, 2015, 2016 and FY2017
Based on PA 196 of 2014
Revised 8/18/14

	Fiscal Year FY2014	Fiscal Year FY2015	Fiscal Year FY2016	Fiscal Year FY2017
May 2014 Consensus Revenue Estimate	$ 11,496.3	$ 11,853.3	$ 12,258.1	$ 12,588.5
Use Tax HMO (FY15 - full year; FY16 - 1 qtr.) (PA 161 of 2014)	$ 86.8	$ 193.3	$ 48.3	$ -
Various (PA 240 of 2014)	$ -	$ (3.2)	$ (3.2)	$ (3.2)
Sales Tax Revision (PA 248 of 2014)	$ (0.1)	$ (0.1)	$ (0.1)	$ (0.1)
Personal Property Tax Reform	$ -	$ (10.0)	$ (20.9)	$ (21.0)
Personal Property Tax Reform GF Holdharmless**	$ -	$ 19.9	$ 30.9	$ 42.0
MPSERS Reserve Fund	$ 156.0	$ 18.0	$ -	$ -
Subtotal, Revised School Aid Fund	$ 11,739.0	$ 12,071.2	$ 12,313.1	$ 12,606.2
General Fund	$ 95.0	$ 95.0	$ 95.0	$ 95.0
Federal Revenue	$ 1,764.4	$ 1,808.2	$ 1,808.2	$ 1,808.2
Federal Revenue Supplemental (PA 116 of 2014)	$ 51.7	$ -	$ -	$ -
Total School Aid Fund Resources Available - Ongoing	**$ 13,650.1**	**$ 13,974.4**	**$ 14,216.3**	**$ 14,509.4**
School Aid Ongoing Costs				
Current Law Budget (as of PA 116 of 2004)	$ 13,111.2	$ -	$ -	$ -
Cost Adjustments	$ (18.0)	$ -	$ -	$ -
	$ -	$ -	$ -	$ -
FY2015 Revised Executive Budget Recommendation	$ -	$ 13,492.2	$ -	$ -
Target Adjustments	$ -	$ 2.0	$ -	$ -
	$ -	$ -	$ -	$ -
FY2016 & FY2017 Preliminary Estimates				
Base	$ -	$ -	$ 13,494.1	$ 13,719.7
Cost Adjustments (pupil counts, taxable value, special ed, etc.)	$ -	$ -	$ (30.0)	$ (45.0)
PSERS Capped UAL	$ -	$ -	$ 233.5	$ 28.0
School Bond Loan Debt Service	$ -	$ -	$ 16.8	$ 15.0
PPT Reforms	$ -	$ -	$ 0.1	$ 11.0
Educator Evaluations/Student Testing	$ -	$ -	$ 5.2	$ -
Subtotal, School Aid Budget Ongoing Costs	**$ 13,093.2**	**$ 13,494.1**	**$ 13,719.7**	**$ 13,728.7**
Higher Education Ongoing Costs				
Community Colleges Ongoing Costs	$ 197.6	$ 197.6	$ 197.6	$ 197.6
Universities Ongoing Costs	$ 200.5	$ 200.5	$ 200.5	$ 200.5
Subtotal, Higher Ed Ongoing Costs in School Aid Fund	**$ 398.1**	**$ 398.1**	**$ 398.1**	**$ 398.1**
Total School Aid Fund Expenditures - Ongoing	**$ 13,491.3**	**$ 13,892.2**	**$ 14,117.8**	**$ 14,126.8**
Ongoing Revenue Balance	**$ 158.8**	**$ 82.2**	**$ 98.5**	**$ 382.6**
Beginning Balance - One-Time	**$ 292.0**	**$ 294.7**	**$ -**	**$ 98.5**
General Fund One-Time Transfer (PA 97 of 2013)	$ 54.9	$ -	$ -	$ -
Revised Beginning Balance	**$ 346.9**	**$ 294.7**	**$ -**	**$ 98.5**
One-Time School Aid Payments				
Current Law Budget (as of PA 116 of 2014)	$ 211.1	$ -	$ -	$ -
One-Time School Aid Budget Appropriations (PA 196 of 2014)	$ -	$ 376.2	$ -	$ -
One-Time Higher Ed in School Aid Fund (PA 196 of 2014)	$ -	$ 4.0	$ -	$ -
Total School Aid Fund Expenditures - One-Time	**$ 211.1**	**$ 380.2**	**$ -**	**$ -**
One-Time Revenue Balance	**$ 135.9**	**$ (85.5)**	**$ -**	**$ 98.5**
Estimated CAFR Balance	**$ 294.7**	**$ (3.3)**	**$ 98.5**	**$ 481.1**

**Increased expenditures related to Personal Property Tax Reform are $0 in FY14, $9.9 M in FY15, $10 M in FY16, and $21 M in FY17.

NOTE: All one-time FY2015 School Aid Fund payments totalling $380.2 million have been zeroed out in FY2016; however, an estimated $170 million of these payments will need to be funded again in FY2016.

Attachment 1

Analysis of Change in Fiscal Projections for FY 2016

	Balance Sheet	$ in millions	Comments
	Change in GF outlook		
	Estimated FY16 Ending Balance in June	(24.0)	
	Estimated FY16 Ending Balance in August	(367.0)	
A	Difference	(343.0)	
	Change in SAF outlook		
	Estimated FY16 Ending Balance in June	60.0	
	Estimated FY16 Ending Balance in August	98.5	
B	Difference	38.5	
A+B	Combined Change in Outlook	(304.5)	

	Major factors impacting change in outlook		
	$50m in Michigan Ventures tax vouchers in FY16	(50.0)	Add'l $50m in vouchers in FY15 will cause GF deficit in FY15; we assume that FY15 deficit will not carryover to 2016
	Loss of HMO use tax effective 1/1/2016	(318.0)	See HMO use tax analysis below
	Increased HICA revenues	58.0	By law, when HMO use tax ends, HICA tax reverts to 1%
	Explanation for Change in Outlook	(310.0)	Miscellaneous minor changes not included in calculation

	HMO use tax impact analysis	
	FY 15 HMO use tax revenue (GF and SAF)	580.0
	Minus GF appropriation to HMOs to pay tax	(150.0)
C	FY 15 use tax revenue available for expenditure	430.0
	FY 16 HMO use tax revenue (1 qtr) (GF and SAF)	150.0
	Minus GF appropriation to HMOs to pay tax	(38.0)
D	FY 16 use tax revenue available for expenditure	112.0
C-D	FY 16 HMO use tax revenue loss	(318.0)

General Fund/General Purpose
Potential Budget Risks Not Included in Estimated CAFR Balances
(amounts in millions)

		FY 2014	FY 2015	FY 2016	FY 2017
1	IBM Supreme Court decision 7/14/2014 (a)	tbd	tbd	tbd	tbd
2	Psych DSH disallowance (assume 3-year repayment)	$ (65.0)	$ (65.0)	$ (65.0)	
3	Residential Hospice program disallowance - one-time	$ (30.0)			
4	TANF child care fund penalty (FY 09 and 10) 4/14/14	$ (114.0)	tbd	tbd	tbd
5	TANF 2011 work participation penalties 7/7/14 (b)	$ -			
6	COA opinion DTE vs Treasury (1/28/14) (c)	$ (42.2)	$ (26.7)	$ (26.7)	
7	US Supreme Ct ruling-unionized day care providers (d)		tbd		
8	Indigent Defense Commission 2013 PA 93	$ -	$ -	tbd	
9	Trooper bargaining	$ -	tbd	tbd	
10	Litigation re: DB 4% contribution (appealed Sept 2013)	tbd	tbd	tbd	
11	Litigation re: various tax law cases	tbd	tbd	tbd	
12	Michigan Venture Fund tax vouchers (e)				

(a) Could result in settlement costs for FY 15, 16, 17; best case: retro fix but SB 186 costs; worse case no fix and settlements reached for pending and newly-filed cases. Baance sheet includes $6.5 M for IBM (2008)

(b) Compliance must be met by 9/30/2015

(c) On appeal is COA ruling that purchases of equipment to transmit/distribute electricity is exempt from 6 percent use tax. If ruling is not overturned, state will pay one-time $15.5 m interest penalty. Loss in use tax fro utilities estimated at $40 m ($26.7 GF; $13.3 m SAF)

(d) 7/2/14 order to lower court to reconsider class action case seeking reimbursement of union dues collected in arrangement with the state. Estimate: $4 million

(e) Balance sheet shows GF/GP revenue loss of $50/$50/$40 million for FY 15 through FY 17. Potential for larger liability

Source: ORTA Pending Tax Legislation as of June 16, 2014

FY 2015-2016 Budget Meetings				
Date	**Time**	**Purpose**	**Desired Time Frame for FY 16 Budget**	**MJE Notes**
10/2/2013	10:00 - 12:00	Overall Budget Meeting	Late August/early September; focus will be on big picture budget issues	9/4; 10:00 - 12:00
10/22/2013	9:00 - 10:00	Economic Strength Budget Hearing	Week of 10/20 or 10/27	10/21; 10:00 - 11:00
10/23/2013	2:00 - 3:30	People Budget Hearing	Week of 10/20 or 10/27	10/27; 10:30 - 12:00
10/24/2013	2:00 - 3:00	Public Safety Buget Hearing	Week of 10/20 or 10/27	10/22; 10:30 - 11:30
10/29/2013	9:00 - 10:00	Value for Money Budget Hearing	Week of 10/20 or 10/27	10/27; 2:00 - 3:00
10/29/2013	11:00 - 12:00	Quality of Life Budget Hearing	Week of 10/20 or 10/27	10/24; 11:00 - 12:00
n/a		Statewide Investment List to Governor	10/29/2014	
11/1/2013	1:00 - 2:00	Internal w/ SBO	Late October -- must be after agency budget hearings; focus will be on investment and reduction requests from agencies	10/31; 11:00 - 12:00
11/18/2013	10:30 - 12:30	Internal w/ SBO	Could be moved to late November	11/13; 11:00 - 12:00
12/3/2013	10:00 - 11:30	Internal w/ SBO	Need 3 - 4 meetings in December; at least 2 days between meetings; 1 meeting will be education-related; other topics tbd	12/2; 10:00 - 11:30
12/10/2013	10:00 - 11:30	Internal w/ SBO		12/9; 10:00 - 11:30
12/17/2013	10:00 - 11:30	Internal w/ SBO		12/16; 10:00 - 11:30
1/7/2014	9:30 - 11:30	Internal w/ SBO	Probably need 6 meetings in January spaced out throughout the month; at least 2 days between meetings; topics tbd	1/12; 10:00 - 11:30
1/9/2014	9:30 - 11:30	Internal w/ SBO + Steudle for 15 min		1/14; 3:00 - 4:30
1/13/2014	2:00 - 3:15	Internal w/ SBO		1/20; 10:00 - 11:30
1/21/2014	4:15 - 5:00	Internal w/ SBO		1/27; 10:00 - 11:30
1/27/2014	10:30 - 11:45	Internal w/ SBO		1/29; 10:00 - 11:30
1/27/2014	11:45 - 12:00	Internal re: Detroit		2/3; 10:00 - 11:30
1/30/2014	10:30 - 11:45	Internal w/ SBO		2/5; 10:00 - 11:30
2/3/2014	2:45 - 3:15	Update Call with JR/JN	Need 2 meetings the week of budget presentation	2/9; 10:00 - 11:00 - Call
2/4/2014	2:05 - 2:30	Update Call with JR/JN		2/11; 10:00 - 11:00
2/5/2014	11:00	Budget Presentation	tbd -- last day to legally present budget will be 2/13/2015	2/12; 11:00

Note: Scheduling will be sending the notice for budget hearings the week of 8/18/14.

STATE OF MICHIGAN

RICK SNYDER
GOVERNOR

STATE BUDGET OFFICE
LANSING

JOHN E. NIXON, CPA
DIRECTOR

August xx, 2014

MEMORANDUM

TO: Directors of State Departments and Autonomous Agencies

FROM: John S. Roberts
State Budget Director

SUBJECT: Fiscal Years 2016 and 2017 Budget Development Instructions

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Instructions and due dates for submission of fiscal years 2016 and 2017 budgetary requests and accompanying documents are available electronically on the State Budget Office web site at http://connect.michigan.gov/portal/site/budget/. The budget calendar, included in the instructions, has been updated to include all fiscal year 2016 due dates.

For fiscal year 2016, we will continue to strive for fiscal sustainability in Michigan. To achieve this we will maintain structural balance by supporting one-time spending with one-time revenues. Secondly, we will continue to address long-term liabilities, including other post-employment benefits and pension funding. We will continue to focus on performance-based funding while investing for the state's future and saving for the future at the same time.

In order to focus available state revenues on the highest priority programs, and to prepare for potential fiscal risks on the planning horizon, each agency is required to submit spending reduction proposals to meet agency-specific general fund reduction targets. Departments are again encouraged to identify all opportunities for economies and efficiencies in their operations, as well as all opportunities to maximize federal or state restricted funds.

Requests for additional funding to invest in high priority programs that address improvement in state dashboard measures will be accepted for consideration for funding within available new or redirected funding. Proposals to shift funding, as appropriate, from low priority programs to high priority programs within your agency will receive high consideration.

We would like to thank those agencies that provided feedback from last year's budget process. As a result, we have maintained components of the budget development process that received strong agency support and have made a few changes in the budget development process for components of the process that were less successful. [NOTE: Any changes in the budget instructions have been designated with a line to the left of the paragraph.]

- Agency Budget Hearings (Section 2) – The agency budget hearings will follow the submission of each agency's investment and reduction proposals. The hearings will focus on how the investment and reduction proposals will impact performance and dashboard metrics.

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- State Employee Economics (Section 3) –The State Budget Office (SBO) will calculate economic baseline information prior to the calculation of state employee economic adjustments for fiscal year 2016; each agency will be given an opportunity to validate its baseline detail. After validation of the base, SBO will estimate gross and general fund economic costs for each agency. Each agency will then be asked to distribute the economic costs by line item within their agency's budget.

- Current Services Baseline (Section 5) – The definition of current services baseline issues has been clarified to address ambiguities in the current definition. Current services baseline requests will be due at the end of October.

- Investments (Section 10) – Although there is no firm maximum limit on the number of investment requests an agency may submit, agencies are strongly encouraged to limit their requests to only their highest priority requests. Given anticipated spending and revenue pressures, low priority investment requests will receive only limited review. In order to plan our workload, by September 19, 2014, please provide an estimate of the number of investment requests that you anticipate submitting.

- Investments (Section 10) – The proposals for change Form A has been revised slightly to strengthen the link between the proposed change and established dashboard metrics.

- Investments (Section 10) – Based on feedback from state agencies, we will not continue the process for submitting information technology-related investment requests to the Department of Information Technology through the DTMB Call for Projects process. Instead, information technology-related investment requests will be submitted to the State Budget Office (SBO) with all other investment requests; SBO will coordinate with DTMB to obtain their feedback and input on the proposals.

- Restricted Revenues (Section 13) – We are continuing and expanding the pilot project which attempts to simplify and streamline the submission of restricted revenue estimates. This year, the pilot will encompass the departments of Agriculture and Rural Development, Environmental Quality, Licensing and Regulatory Affairs, Natural Resources and State Police. Those agencies will receive special instructions for completing the restricted revenue reports. The instructions in this package apply to the non-pilot agencies only.

It is critical that your agency strictly adhere to all due dates. Unless otherwise noted, your submissions, and all other budget development information should be submitted electronically, via e-mail, in Word or Excel to your respective State Budget Office analyst or other specified distribution **no later than 5:00 p.m. on the specified due dates.** It is important that budget development information is accurate, complete and timely. Your personal attention to ensuring that your department meets the specified deadlines is greatly appreciated.

CAPITAL OUTLAY INSTRUCTIONS

Pursuant to Section 242 of 1984 Public Act 431, state departments and autonomous agencies must continue to present a Five-Year Capital Outlay Plan. At a minimum, the Five-Year Capital Outlay Plan should cover the next five fiscal years starting with the fiscal years for which these budget instructions are applicable. The Five-Year Plan must be posted on the department's internet site, and the internet site address must be concurrently submitted to members of the Joint Capital Outlay Subcommittee, State Budget Office and fiscal agencies no

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later than November 1. In addition, departments are invited to submit Major Capital Project and Special Maintenance requests for consideration in the Executive Budget Recommendation. Section 242 of 1984 Public Act 431 contains criteria upon which the State Budget Office and Joint Capital Outlay Subcommittee will review and evaluate requested projects. Submissions of Major Capital Project and Special Maintenance requests are to be submitted separately to the State Budget Office. Approved requests will be transmitted to the legislature and fiscal agencies in conjunction with the presentation of the Executive Budget Recommendation.

Attachments

cc: Agency Budget Officers
Internal State Budget Office Distribution
Senate Fiscal Agency
House Fiscal Agency
Office of Financial Management
Office of Revenue and Tax Analysis, Treasury

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SECTION 1 – BUDGET DEVELOPMENT CALENDAR

Last Updated: 8/15/2014

DUE DATES FOR FISCAL YEARS 2015 AND 2016
BUDGET DEVELOPMENT REQUESTS

REQUESTED ITEM	DUE DATE
BUDGET KICK-OFF MEETING	8/27/2014
PROPOSALS FOR CHANGE • Program Initiatives • Reduction Options • Fee Proposals	10/1/2014
INVESTMENT SUMMARY	10/1/2014
PROPOSALS FOR CHANGE IMPLEMENTATION PLANS	To Be Determined
BOILERPLATE CHANGES	10/20/2014
AGENCY BUDGET HEARINGS	To Be Scheduled in late-October
AGENCY BUDGET HEARING PRESENTATION	3 Business Days Prior to Agency Budget Hearing
CURRENT SERVICES BASELINE	10/31/2014
FIVE YEAR CAPITAL OUTLAY PLAN	10/31/2014
CAPITAL OUTLAY REQUESTS	10/31/2014
ECONOMIC DETAILS	11/17/2014
FEDERAL FUND PROGRAM LEVELS	12/1/2014
RESTRICTED REVENUE AND EXPENDITURE PROJECTIONS	12/1/2014
TREASURY (ORTA) RESTRICTED REVENUE ESTIMATES	12/1/2014
LEGISLATION NEEDED	1/5/2015
PROGRAM DESCRIPTIONS	To be Determined
ORGANIZATIONAL CHARTS	1/16/2015

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FY2015 INVESTMENTS BY AGENCY

Based on Conference/Enrolled Amounts

Does not include any changes to Current Services Baseline items, technical adjustments, or fund shifts

			EXECUTIVE		CONFERENCE COMMITTEE ADJUSTMENT		ENROLLED		EXECUTIVE		CONFERENCE COMMITTEE ADJUSTMENT		ENROLLED	
			ONGOING ($ in Thousands)						ONE-TIME ($ in Thousands)					
	Agency	Investment Request	GF/GP	Gross	GF/GP	Gross	GF/GP	Gross	GF/GP	Gross	GF/GP	Gross	GF/GP	Gross
1	Agriculture & Rural Development	Qualified Forest Program	$2,500.0	$2,335.0	$0.0	$0.0	$2,500.0	$2,335.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
5	Agriculture & Rural Development	Food and Agriculture Industry Growth Initiative	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$2,000.0	$2,000.0	$0.0	$0.0	$2,000.0	$2,000.0
6	**Agriculture & Rural Development**	**Agency Subtotal**	**$2,500.0**	**$2,335.0**	**$0.0**	**$0.0**	**$2,500.0**	**$2,335.0**	**$2,000.0**	**$2,000.0**	**$0.0**	**$0.0**	**$2,000.0**	**$2,000.0**
8	**Attorney General**	**Agency Subtotal**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**
11	**Civil Rights**	**Agency Subtotal**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**
14	**Community Colleges**	**Agency Subtotal**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**
15	Community Health	Primary Care Rate Adjustment	$26,000.0	$75,449.8	($1,000.0)	($2,901.9)	$25,000.0	$72,547.9	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
16	Community Health	Eliminate MIChoice Home and Community Based Waiver Waiting List	$9,020.9	$26,177.9	$0.0	$0.0	$9,020.9	$26,177.9	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
19	Community Health	Wayne State Psychiatric Residency Program	$5,605.9	$5,605.9	$0.0	$0.0	$5,605.9	$5,605.9	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
22	Community Health	Rural Prenatal Care Visitations	$2,500.0	$2,500.0	($250.0)	($250.0)	$2,250.0	$2,250.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
30	Community Health	University of Detroit Dental Program	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$4,092.3	$4,092.3	$0.0	$0.0	$4,092.3	$4,092.3
31	Community Health	University Autism Funding	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$3,000.0	$3,000.0	$0.0	$4,000.0	$3,000.0	$7,000.0
32-4	Community Health	Legislative Initiative -- Local Health Department Operational Funding	$0.0	$0.0	$1,500.0	$1,500.0	$1,500.0	$1,500.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
32-6	Community Health	Legislative Initiative -- Continue Partial FY2014 GME One-Time Funding	$0.0	$0.0	$1,450.0	$4,314.2	$1,450.0	$4,314.2	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
32-9	Community Health	Legislative Initiative -- 2% Increase for Kidney Dialysis Services	$0.0	$0.0	$110.5	$320.7	$110.5	$320.7	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
32-10	Community Health	Legislative Initiative -- 3% Increase in Adult Foster Care Personal Services	$0.0	$0.0	$375.0	$1,088.2	$375.0	$1,088.2	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
32-11	Community Health	Legislative Initiative -- Increase OB/GYN Medicaid Rate to Medicare Rate	$0.0	$0.0	$4,750.0	$13,784.1	$4,750.0	$13,784.1	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
32-13	Community Health	Legislative Initiative -- Expansion of Payments to OB/GYN hospitals	$0.0	$0.0	$3,800.0	$11,027.3	$3,800.0	$11,027.3	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
33	**Community Health**	**Agency Subtotal**	**$43,126.8**	**$109,733.6**	**$10,735.5**	**$28,882.6**	**$53,862.3**	**$138,616.2**	**$7,092.3**	**$7,092.3**	**$0.0**	**$4,000.0**	**$7,092.3**	**$11,092.3**
34	Corrections	Prisoner Education Enhancement	$3,250.0	$3,250.0	$0.0	$0.0	$3,250.0	$3,250.0	$1,045.3	$1,045.3	$0.0	$0.0	$1,045.3	$1,045.3
37-1	Corrections	Legislative Initiative -- Funding for new IDG to DHS for Michigan Rehabilitation Services / Swift and Sure Sanctions	$0.0	$0.0	$1,000.0	$1,000.0	$1,000.0	$1,000.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
37-2	Corrections	Legislative Initiative -- Earmark for Goodwill - Flip the Script	$0.0	$0.0	$2,500.0	$2,500.0	$2,500.0	$2,500.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
38	**Corrections**	**Agency Subtotal**	**$3,250.0**	**$3,250.0**	**$3,500.0**	**$3,500.0**	**$6,750.0**	**$6,750.0**	**$1,045.3**	**$1,045.3**	**$0.0**	**$0.0**	**$1,045.3**	**$1,045.3**

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			EXECUTIVE		CONFERENCE COMMITTEE ADJUSTMENT		ENROLLED		EXECUTIVE		CONFERENCE COMMITTEE ADJUSTMENT		ENROLLED	
			ONGOING ($ in Thousands)						ONE-TIME ($ in Thousands)					
	Agency	Investment Request	GF/GP	Gross	GF/GP	Gross	GF/GP	Gross	GF/GP	Gross	GF/GP	Gross	GF/GP	Gross
40	Education	Michigan Council for Educator Effectiveness Staffing and System Upgrades	$5,014.0	$5,014.0	($2,500.0)	($2,500.0)	$2,514.0	$2,514.0	$900.0	$900.0	$0.0	$0.0	$900.0	$900.0
46	**Education**	**Agency Subtotal**	**$5,014.0**	**$5,014.0**	**($2,500.0)**	**($2,500.0)**	**$2,514.0**	**$2,514.0**	**$900.0**	**$900.0**	**$0.0**	**$0.0**	**$900.0**	**$900.0**
49	Environmental Quality	Drinking Water Revolving Fund Program	$2,500.0	$2,500.0	$0.0	$0.0	$2,500.0	$2,500.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
53	Environmental Quality	Electronic Document Management System	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$2,500.0	$2,500.0	$0.0	$0.0	$2,500.0	$2,500.0
54	**Environmental Quality**	**Agency Subtotal**	**$2,500.0**	**$2,500.0**	**$0.0**	**$0.0**	**$2,500.0**	**$2,500.0**	**$2,500.0**	**$2,500.0**	**$0.0**	**$0.0**	**$2,500.0**	**$2,500.0**
57	**Executive Office**	**Agency Subtotal**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**
59	**Higher Education**	**Agency Subtotal**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**
62	Human Services	Automation of Asset Tests (Pathways to Potential)	$2,750.0	$5,000.0	$0.0	$0.0	$2,750.0	$5,000.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
63	Human Services	Offset County Costs for Child Welfare	$5,000.0	$5,000.0	$0.0	$0.0	$5,000.0	$5,000.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
72-2	Human Services	Legislative Initiative -- Increase Private Residential Rates by 2.14% While Holding Counties Harmless	$0.0	$0.0	$3,300.0	$3,655.3	$3,300.0	$3,655.3	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
72-9	Human Services	Legislative Initiative -- Adoption Determination of Care Payments	$0.0	$0.0	$7,547.4	$7,900.0	$7,547.4	$7,900.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
72-10	Human Services	Legislative Initiative -- Juvenile Justice Vision 20/20 Program	$0.0	$0.0	$1,000.0	$1,000.0	$1,000.0	$1,000.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
73	**Human Services**	**Agency Subtotal**	**$7,750.0**	**$10,000.0**	**$11,847.4**	**$12,555.3**	**$19,597.4**	**$22,555.3**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**
73-2	**Insurance and Financial Services**	**Agency Subtotal**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**
74	Judiciary	Next Generation Michigan Court System Implementation	$4,125.0	$4,125.0	$0.0	$0.0	$4,125.0	$4,125.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
80	**Judiciary**	**Agency Subtotal**	**$4,125.0**	**$4,125.0**	**$0.0**	**$0.0**	**$4,125.0**	**$4,125.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**
83	**Legislature**	**Agency Subtotal**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**
88	**Licensing and Regulatory Affairs**	**Agency Subtotal**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**
90	Michigan Strategic Fund	Michigan Film Incentive Program	$25,000.0	$25,000.0	$0.0	$0.0	$25,000.0	$25,000.0	$0.0	$0.0	$25,000.0	$25,000.0	$25,000.0	$25,000.0
93	Michigan Strategic Fund	Debt Service for Community College Skilled Trades Equipment Program	$4,600.0	$4,600.0	$0.0	$0.0	$4,600.0	$4,600.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
97	Michigan Strategic Fund	Automotive, Engineering and Manufacturing Technology Fund	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$5,000.0	$5,000.0	($3,000.0)	($3,000.0)	$2,000.0	$2,000.0
97-2	Michigan Strategic Fund	Legislative Initiative -- Special Grants	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$15,750.0	$15,750.0	$15,750.0	$15,750.0
98	**Michigan Strategic Fund**	**Agency Subtotal**	**$29,600.0**	**$29,600.0**	**$0.0**	**$0.0**	**$29,600.0**	**$29,600.0**	**$5,000.0**	**$5,000.0**	**$37,750.0**	**$37,750.0**	**$42,750.0**	**$42,750.0**
100	Military & Veterans Affairs	Michigan Veterans Affairs Agency Base Increase	$1,200.0	$1,200.0	($200.0)	($200.0)	$1,000.0	$1,000.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0

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			EXECUTIVE		CONFERENCE COMMITTEE ADJUSTMENT		ENROLLED		EXECUTIVE		CONFERENCE COMMITTEE ADJUSTMENT		ENROLLED	
			ONGOING ($ in Thousands)						ONE-TIME ($ in Thousands)					
	Agency	Investment Request	GF/GP	Gross	GF/GP	Gross	GF/GP	Gross	GF/GP	Gross	GF/GP	Gross	GF/GP	Gross
103	Military & Veterans Affairs	Special Maintenance for Armories/Veterans' Homes (Amounts Revised for Executive Revision 2015-1, Pulls Forward $3,051.2 Ongoing and $4M One-Time into FY2014)	*$0.0*	*$0.0*	*$0.0*	*$0.0*	*$0.0*	*$0.0*	$3,000.0	$3,000.0	$0.0	$0.0	$3,000.0	$3,000.0
103-1	Military & Veterans Affairs	Legislative Initiative -- Increase Veterans Advice, Advocacy and Assistance Grants	$0.0	$0.0	$857.9	$857.9	$857.9	$857.9	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
104	**Military & Veterans Affairs**	**Agency Subtotal**	**$1,200.0**	**$1,200.0**	**$657.9**	**$657.9**	**$1,857.9**	**$1,857.9**	**$3,000.0**	**$3,000.0**	**$0.0**	**$0.0**	**$3,000.0**	**$3,000.0**
107	Natural Resources	Invasive Species Initiative	$4,000.0	$4,000.0	$1,000.0	$1,000.0	$5,000.0	$5,000.0	$2,000.0	$2,000.0	($2,000.0)	($2,000.0)	$0.0	$0.0
108	Natural Resources	25 New Conservation Officers	$3,500.0	$3,500.0	$0.0	$0.0	$3,500.0	$3,500.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
109	Natural Resources	Non-Motorized Trail Initiative	$2,500.0	$2,500.0	$0.0	$0.0	$2,500.0	$2,500.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
111	Natural Resources	Great Lakes Research Vessel Replacement	$0.0	$0.0	$1,000.0	$2,000.0	$1,000.0	$2,000.0	$1,000.0	$2,000.0	($1,000.0)	($2,000.0)	$0.0	$0.0
111-3	Natural Resources	Legislative Initiative -- River Raisin National Battlefield Foundation Grant	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$2,000.0	$2,000.0	$2,000.0	$2,000.0
111-4	Natural Resources	Legislative Initiative -- Saginaw River Feasibility Study	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$280.0	$280.0	$280.0	$280.0
111-5	Natural Resources	Legislative Initiative -- Flint River Dike Repair	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$1,000.0	$1,000.0	$1,000.0	$1,000.0
111-6	Natural Resources	Legislative Initiative -- City of Alma/Alma College Public Safety Land Improvement	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$1,000.0	$1,000.0	$1,000.0	$1,000.0
112	**Natural Resources**	**Agency Subtotal**	**$10,000.0**	**$10,000.0**	**$2,000.0**	**$3,000.0**	**$12,000.0**	**$13,000.0**	**$3,000.0**	**$4,000.0**	**$1,280.0**	**$280.0**	**$4,280.0**	**$4,280.0**
129	**School Aid**	**Agency Subtotal**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**
130	State	Fraud Detection and Prevention	$1,830.8	$1,830.8	($400.0)	($400.0)	$1,430.8	$1,430.8	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
131	**State**	**Agency Subtotal**	**$1,830.8**	**$1,830.8**	**($400.0)**	**($400.0)**	**$1,430.8**	**$1,430.8**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**
132	State Police	100 New Troopers	$7,800.0	$7,800.0	$491.5	$491.5	$8,291.5	$8,291.5	$4,800.0	$5,700.0	($1,291.5)	($1,291.5)	$3,508.5	$4,408.5
133	State Police	31 New Motor Carrier Officers	$3,210.0	$3,210.0	$0.0	$0.0	$3,210.0	$3,210.0	$2,022.3	$2,022.3	($840.4)	($840.4)	$1,181.9	$1,181.9
135	State Police	Helicopter Purchase	$246.0	$246.0	$0.0	$0.0	$246.0	$246.0	$4,932.0	$4,932.0	$0.0	$0.0	$4,932.0	$4,932.0
138	State Police	Local Public Safety Initiatives - Grants to Locals, with Focus on School Safety	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$5,000.0	$5,000.0	($450.0)	($450.0)	$4,550.0	$4,550.0
140	State Police	Armored Car Replacement	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$225.0	$225.0	$0.0	$0.0	$225.0	$225.0
141	**State Police**	**Agency Subtotal**	**$11,256.0**	**$11,256.0**	**$491.5**	**$491.5**	**$11,747.5**	**$11,747.5**	**$16,979.3**	**$17,879.3**	**($2,581.9)**	**($2,581.9)**	**$14,397.4**	**$15,297.4**
142	Technology, Management & Budget	Information Technology Investment Fund	$28,000.0	$28,000.0	($12,000.0)	($12,000.0)	$16,000.0	$16,000.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
143	Technology, Management & Budget	Michigan Public Safety Communications System (MPSCS) Lifecycle Replacement	$25,300.0	$25,300.0	$0.0	$0.0	$25,300.0	$25,300.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0

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			ONGOING ($ in Thousands)						ONE-TIME ($ in Thousands)					
	Agency	**Investment Request**	**GF/GP**	**Gross**	**GF/GP**	**Gross**	**GF/GP**	**Gross**	**GF/GP**	**Gross**	**GF/GP**	**Gross**	**GF/GP**	**Gross**
145	Technology, Management & Budget	Enterprisewide Maintenance	$5,000.0	$5,000.0	$0.0	$0.0	$5,000.0	$5,000.0	*$0.0*	*$0.0*	*$0.0*	*$0.0*	*$0.0*	*$0.0*
146	Technology, Management & Budget	Regional Prosperity Grants	*$0.0*	*$0.0*	*$0.0*	*$0.0*	*$0.0*	*$0.0*	$2,500.0	$2,500.0	($1,500.0)	($1,500.0)	$1,000.0	$1,000.0
148	Technology, Management & Budget	Office of Urban Initiatives	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$5,500.0	$5,500.0	($500.0)	($500.0)	$5,000.0	$5,000.0
150-2	Technology, Management & Budget	Legislative Initiative -- Special Projects Consisting of National Guard Pension Increase ($500.0), Catholic Charities in Genesee County ($250.0), and Administration Priorities ($500.0)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$1,250.0	$1,250.0	$1,250.0	$1,250.0
151	**Technology, Management & Budget**	**Agency Subtotal**	**$58,300.0**	**$58,300.0**	**($12,000.0)**	**($12,000.0)**	**$46,300.0**	**$46,300.0**	**$8,000.0**	**$8,000.0**	**($750.0)**	**($750.0)**	**$7,250.0**	**$7,250.0**
158	**Transportation**	**Agency Subtotal**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**
160	Treasury	Financial Independence Team for Distressed Schools (see also Education #44)	$6,500.0	$6,500.0	($2,000.0)	($2,000.0)	$4,500.0	$4,500.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
161	Treasury	Office of Tax Plan Implementation Testing	$1,550.0	$1,550.0	$0.0	$0.0	$1,550.0	$1,550.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
168-2	Treasury	Legislative Initiative -- City of Flint Police and Fire Safety Grant	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$1,100.0	$1,100.0	$1,100.0	$1,100.0
169	**Treasury**	**Agency Subtotal**	**$8,050.0**	**$8,050.0**	**($2,000.0)**	**($2,000.0)**	**$6,050.0**	**$6,050.0**	**$0.0**	**$0.0**	**$1,100.0**	**$1,100.0**	**$1,100.0**	**$1,100.0**
171	**Treasury - Casino Gaming**	**Agency Subtotal**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**
174	**Treasury - Revenue Sharing**	**Agency Subtotal**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**
179	**Reserves**	**Subtotal**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**
		SUBTOTAL - ALL REQUESTS	**$188,502.6**	**$257,194.4**	**$12,332.3**	**$32,187.3**	**$200,834.9**	**$289,381.7**	**$49,516.9**	**$51,416.9**	**$36,798.1**	**$39,798.1**	**$86,315.0**	**$91,215.0**
		Total School Aid Funding Requests	$0.0		$0.0		$0.0		$0.0		$0.0		$0.0	
		Total Sales Tax Revenue (Revenue Sharing) Requests	$0.0		$0.0		$0.0		$0.0		$0.0		$0.0	
		TOTAL REQUESTS (GF + SCHOOL AID FUND + SALES TAX REVENUE)	**$188,502.6**	**$257,194.4**	**$12,332.3**	**$32,187.3**	**$200,834.9**	**$289,381.7**	**$49,516.9**	**$51,416.9**	**$36,798.1**	**$39,798.1**	**$86,315.0**	**$91,215.0**

Note: Investment numbers in italics indicate a one-time or ongoing component not suggested for reduction.

Attachment 6

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Fiscal 2016
Executive Budget Planning
Potential Reduction Targets - Ongoing Only (GF/GP)

Department	FY 2015 Enacted	FY 2016 Reduction Base	*-2.0% Change*	*-3.0% Change*	*-5.0% Change*	*-2.5% change*	*Recommendation*
Agriculture and Rural Development	43,216.2	43,216.2	*(864.0)*	*(1,297.0)*	*(2,161.0)*	*(1,080.5)*	*(1,100.0)*
Attorney General	35,267.1	35,267.1	*(705.0)*	*(1,058.0)*	*(1,763.0)*	*(881.5)*	*(900.0)*
Civil Rights	13,448.2	13,448.2	*(269.0)*	*(403.0)*	*(672.0)*	*(336.0)*	*(300.0)*
Community Health	3,222,159.1	3,222,159.1	*(64,443.0)*	*(96,665.0)*	*(161,108.0)*	*(80,554.0)*	*(75,000.0)*
Corrections	1,953,712.5	1,953,712.5	*(39,074.0)*	*(58,611.0)*	*(97,686.0)*	*(48,843.0)*	*(25,000.0)*
Education	81,183.0	81,183.0	*(1,624.0)*	*(2,436.0)*	*(4,059.0)*	*(2,029.5)*	*(2,000.0)*
Environmental Quality	38,375.9	38,375.9	*(768.0)*	*(1,151.0)*	*(1,919.0)*	*(959.5)*	*(1,000.0)*
Executive Office	5,916.1	0.0	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Human Services	990,302.6	990,302.6	*(19,806.0)*	*(29,709.0)*	*(49,515.0)*	*(24,757.5)*	*(15,000.0)*
Insurance and Financial Services	55.0	55.0	*(1.0)*	*(2.0)*	*(3.0)*	*(1.5)*	*0.0*
Judiciary	186,152.4	186,152.4	*(3,723.0)*	*(5,585.0)*	*(9,308.0)*	*(4,654.0)*	*(4,700.0)*
Legislature (includes OAG)	142,358.0	0.0	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Licensing and Regulatory Affairs	25,033.8	25,033.8	*(501.0)*	*(751.0)*	*(1,252.0)*	*(626.0)*	*(600.0)*
Military and Veterans Affairs	45,754.5	45,754.5	*(915.0)*	*(1,373.0)*	*(2,288.0)*	*(1,144.0)*	*(1,100.0)*
Natural Resources	43,841.5	43,841.5	*(877.0)*	*(1,315.0)*	*(2,192.0)*	*(1,096.0)*	*(1,100.0)*
State	17,539.0	17,539.0	*(351.0)*	*(526.0)*	*(877.0)*	*(438.5)*	*(400.0)*
State Police	366,191.7	366,191.7	*(7,324.0)*	*(10,986.0)*	*(18,310.0)*	*(9,155.0)*	*(7,800.0)*
Technology, Management and Budget	206,277.6	206,277.6	*(4,126.0)*	*(6,188.0)*	*(10,314.0)*	*(5,157.0)*	*(5,200.0)*
State Building Authority	254,570.6	0.0	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Transportation	0.0	0.0	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Treasury Operations	152,395.0	152,395.0	*(3,048.0)*	*(4,572.0)*	*(7,620.0)*	*(3,810.0)*	*(3,800.0)*
Debt Service	94,618.3	0.0	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Michigan Strategic Fund	183,992.5	183,992.5	*(3,680.0)*	*(5,520.0)*	*(9,200.0)*	*(4,600.0)*	*(30,000.0)*
Revenue Sharing	0.0	0.0	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
SUBTOTAL - OMNIBUS	**8,102,360.6**	**7,604,897.6**	**(152,099.0)**	**(228,148.0)**	**(380,247.0)**	**(190,123.5)**	**(175,000.0)**
School Aid	114,900.0	0.0	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Community Colleges	167,110.8	0.0	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Universities and Financial Aid	1,214,902.0	0.0	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
SUBTOTAL - EDUCATION	**1,496,912.8**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
GRAND TOTAL	**9,599,273.4**	**7,604,897.6**	**(152,099.0)**	**(228,148.0)**	**(380,247.0)**	**(190,123.5)**	**(175,000.0)**

**Does not include deposit made to the Budget Stabilization Fund.

Fiscal 2016
Executive Budget Planning
Potential Reduction Targets - One-Time Only (GF/GP)

Department	FY 2015 Enacted	Remove One-Time Funding	FY 2016 One-Time Base	*Recommendation*		
Agriculture and Rural Development	2,700.0	(2,700.0)	*0.0*	*0.0*		
Attorney General	3,000.0	(3,000.0)	*0.0*	*0.0*		
Civil Rights	0.0	0.0	*0.0*	*0.0*		
Community Health	17,542.3	(17,542.3)	*0.0*	*0.0*		
Corrections	27,085.9	(27,085.9)	*0.0*	*0.0*		
Education	900.0	(900.0)	*0.0*	*0.0*		
Environmental Quality	2,500.0	(2,500.0)	*0.0*	*0.0*		
Executive Office	0.0	0.0	*0.0*	*0.0*		
Human Services	5,150.0	(5,151.0)	*(1.0)*	*0.0*		
Insurance and Financial Services	0.0	0.0	*0.0*	*0.0*		
Judiciary	375.0	(375.0)	*0.0*	*0.0*		
Legislature (includes OAG)	0.0	0.0	*0.0*	*0.0*		
Licensing and Regulatory Affairs	15,000.0	(15,000.0)	*0.0*	*0.0*		
Military and Veterans Affairs	3,400.0	(3,400.0)	*0.0*	*0.0*		
Natural Resources	4,750.0	(4,750.0)	*0.0*	*0.0*		
State	0.0	0.0	*0.0*	*0.0*		
State Police	17,979.3	(17,979.3)	*0.0*	*0.0*		
Technology, Management and Budget	18,250.3	(18,250.3)	*0.0*	*0.0*		
State Building Authority	0.0	0.0	*0.0*	*0.0*		
Transportation	284,647.9	0.0	*284,647.9*	*285,000.0*		
Treasury Operations	22,400.0	(3,100.0)	*19,300.0*	*19,300.0*		
Debt Service	0.0	0.0	*0.0*	*0.0*		
Michigan Strategic Fund	60,650.0	(60,650.0)	*0.0*	*0.0*		
Revenue Sharing (Note 1)	0.0	0.0	*0.0*	*0.0*		
SUBTOTAL - OMNIBUS	**486,330.7**	**(182,383.8)**	**303,946.9**	**304,300.0**		**0.0**
School Aid	0.0	0.0	*0.0*	*0.0*		
Community Colleges	0.0	0.0	*0.0*	*0.0*		
Universities and Financial Aid	0.0	0.0	*0.0*	*0.0*		
SUBTOTAL - EDUCATION	**487,830.7**	**0.0**	**0.0**	**0.0**		**0.0**
GRAND TOTAL	**9,599,273.4**	**(182,383.8)**	**303,946.9**	**304,300.0**		**0.0**

**Does not include deposit made to the Budget Stabilization Fund.
Note 1: $8.8 million one-time funding (sales tax revenue) not included.

Attachment 7

OUTSTANDING BILLS — **Fiscal Year 2014 Executive Budget Implementation Bills**

Agency	Description	Submitting Chamber	Status	MCL	Request #	Bill #	Sponsor
Human Services	Private Residential Rate Increase - eliminate county match for rate increase	House	Senate Approps	MCL 400.117a	04243'13	HB 5507	MacGregor
MDOT	TEDF Sunset Extension	Senate	Senate Approps	247.911	01823'13	SB 1016	Kahn

Fiscal Year 2015 Executive Budget Implementation Bills

Agency	Description	Submitting Chamber	Status	MCL	Request #	Bill #	Sponsor
Community Health	Extension of Sunset on Use of Crime Victim Rights Funds for a Statewide EMS Trauma System	House	House Judiciary	ML 780.904	02989'13	HB 4915	Lori
DIFS	Expand use of autism coverage reimbursement act	House	Draft shared from House	MCL 550.1831 - 550.1841	05940'14		O'Brien
Education	Amend Revised School Code – Teacher Evaluations	House	House Education	MCL 380.1249; New MCL 380.1249b		HB 5223	O'Brien
Environmental Quality	Liquid Industrial Waste Transporter or Facility Charge Sunset Elimination	Senate	House Floor	MCL 324.12103; 324.12109; 324.12112	04988'14	SB 959	Kahn
	Hazardous Waste Manifest Sunset Elimination; Hazardous Waste Generator, Transporter or Treatment, Storage or Disposal Facility User Charge; Hazardous Waste Handler User Charge Sunset Elimination	Senate	House Floor	MCL 324.11135; 324.11153	04986'14	SB 960	Kahn
Human Services	Private Residential Rate Increase - eliminate county match for rate increase	House	Senate Approps	MCL 400.117a	04243'13	HB 5507	MacGregor
	Fostering Futures Endowment / Trust Fund	House	House Families	MCL 722.1021; 722.1027; 722.1028	TBD	HB 5444	MacGregor
DMVA	Veteran Benefit one year increase	Senate	House Approps	MCL 32.811	04355'13	SB 906	Caswell
Tech, Management and Budget	Amend Michigan Vehicle Code; Commercial Look-up Service	House	House Transportation	MCL 257.208b	04202'13	HB 5142	McCready
	Create an Information, Communications, and Technology Innovation Fund	House	House Approps	New MCL	00095'13	HB 4157	Poleski
Treasury	Early Warning; Amend Revised School Code	Senate	Senate Approps	MCL 380.12;	04327'13	SB 950	Caswell
	Early Warning; Amend Uniform Budgeting and Accounting Act	Senate	Senate Approps	MCL 141.421; 141.422c; 141.434 – 141.440a	04323'13	SB 949	Marleau
	Early Warning; Amend Local Financial Stability & Choice Act	Senate	Senate Approps	New MCL	04326'13	SB 953	Walker
	Driver Reasonability - Community Service in lieu of payment	Senate	House Floor	MCL 257.732a; new section	00717'13	SB 633	Caswell
	Individual Income Tax Act - fix SAF tax refund inconsistency; minimum $220 million ongoing	Senate	Draft shared from Senate	MCL 206.51	05796'14	TBD	Kahn

Additional Notes:

DIFS bill will expand use to address House and Senate needs totaling $5.5M (though Senate spend is to be housed in DCH).
Treasury bills are all related to the financial review/early warning team legislation. Walker leading workgroup.

Completed Bills — **Fiscal Year 2015 Executive Budget Implementation Bills**

Agency	Description	Submitting Chamber	Status	MCL	PA	Bill #	Sponsor
Tech, Management and Budget	Michigan State Capitol Historic Site Fund	Senate	Public Act	MCL 205.432	272	SB 678	Kahn
Treasury	Eliminate Driver Responsibility Fees - phase out	House	Public Act	MCL 257.732a	250	HB 5414	Haveman
DCH	Reinstate Use Tax *(Associated with HICA)*	Senate	Public Act	MCL 550.1733	161	SB 893	Kahn
DCH	HICA Adjustment *(Associated with Use Tax)*	Senate	Public Act	MCL 550.1733	162	SB 913	Kahn