

County Incentive Program

Michigan Association of Counties
Winter 2012 Conference

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Michigan Department of Treasury
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What is the County Incentive Program?

- Proposed by Gov. Snyder to replace county revenue sharing beginning October 2012
- In FY 13, provides up to \$125 million in incentive payments to counties.
- Estimates are that counties that received an FY 12 full-year revenue sharing payment can receive up to 99% of that amount in FY 13.

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County Incentive Program – Two Programs

- Incentive Program
 - Accountability & Transparency \$41.67M
 - Consolidation of Services 41.67M
 - Employee Compensation 41.67M\$125.00M
- Grant Program (shared with cities, townships, and villages) \$ 25.00M

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Accountability & Transparency (A&T) Requirements to Qualify for Payments

- By November 1, 2012, a county must make readily available to the public:
 1. A Citizen's Guide of its most recent finances, including a recognition of its unfunded liabilities.
 2. A Performance Dashboard
 3. A Projected Budget Report of revenues and expenditures for 3 or more years, and a listing of debt service, and an explanation of assumptions.

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Accountability & Transparency Requirements to Qualify for Payments

- Treasury must receive the following by November 1, 2012 for a county to qualify for A & T payments:
 1. A completed Certification Form (form # 4886) signed by the Chief Administrative Officer
 2. A copy of the county's Citizen's Guide
 3. A copy of the county's Performance Dashboard
 4. A copy of the county's projected budget report.

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Consolidation of Services (COS) Requirements to Qualify for Payments

- By January 1, 2013, a county must make readily available to the public:

A Cooperation, Collaboration and Consolidation Plan that lists any previous services consolidated with an estimated cost savings, and include one or more new proposal to increase the existing level of cooperation, collaboration and consolidation, an estimate of cost savings, and a timeline for implementing the proposal.

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Consolidation of Services Requirements to Qualify for Payments

- Treasury must receive the following by January 1, 2013 for a county to qualify for COS payments:
 1. A completed Certification Form (form # 4887) signed by the Chief Administrative Officer
 2. A copy of the local unit's Cooperation, Collaboration and Consolidation Plan

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Employee Compensation (EC) Requirements to Qualify for Payments

By May 1, 2012, a county must make available for public viewing either on the internet or in the local unit's clerk's office:

An Employee Compensation Plan that:

1. Describes how the county, for contracts after September 30, 2012 and employees not covered under contract:
 - Limits new hire employer pension plan contributions to 10% of base salary, or 16.2% if employee is not eligible for social security benefits (SS).
 - Limits defined benefit pension plan multiplier to a maximum of 1.5% w. SS and retiree healthcare (RH), 2.25% w. SS and no RH or no SS with RH, and 3% w. no SS or RH.

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Employee Compensation Requirements to Qualify for Payments

--Calculates defines defined benefit plan final average compensation using a minimum of 3 years, excluding overtime, and including no more than 240 hours of accrued leave paid at separation.

2. Lists all contracts and employment agreements, contract expiration date, and date contracts were or will be entered into.

Requirement 1 applies to all contracts or employment agreements entered into modified, or extended after September 30, 2012.

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Employee Compensation Requirements to Qualify for Payments

- Treasury must receive the following by May 1, 2013 for a county to qualify for EC payments:
 1. A completed Certification Form (form # 4888) signed by the Chief Administrative Officer
 2. A copy of the county's Employee Compensation Plan

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Compliance with Publicly Funded Health Insurance Contribution Act

- Counties that offer health care benefits to employees or elected officials shall certify to Treasury by April 1, 2013 that they are in compliance with sections 3, 4, and 5 of 2001 PA 152, MCL 15.563-15.565.
- If they aren't in compliance or don't certify that they are, all FY 13 payments reduced by 10%.

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Publicly Funded Health Insurance Contribution Act Section 3

Limit health care costs to the sum of:

- \$5,500 times number of employees with single person coverage;
- \$11,000 times number of employees with individual and spouse coverage; and
- \$15,000 times number of employees with family coverage.

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Publicly Funded Health Insurance Contribution Act Section 4

As an alternative to Section 3, with approval of the county board of commissioners, pay not more than 80% of the total annual costs of all of the medical benefit plans it offers or contributes to for its employees and elected public officials.

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Publicly Funded Health Insurance Contribution Act Section 5

- Sections 3 and 4 do not apply to a group of employees covered by a collective bargaining agreement or other contract in effect on September 27, 2011, until that contract expires, is renewed or is extended.
- Sections 3 and 4 apply to health care costs for other employees.

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Summary – County Incentive Program Requirements

- Provide the required documentation to the Michigan Department of Treasury by the due dates:
 - Accountability & Transparency 11/1/2012
 - Consolidation of Services 1/1/2013
 - Employee Compensation 5/1/2013

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Required Documentation

- Certification Form
- Additional Documentation
 - Citizens Guide & Performance Dashboard
 - Consolidation Plan
 - Employee Compensation Plan

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County Incentive Program FY 13 Payments Before Deadlines

- All counties will receive November 2012 payment for 1/6 of Consolidation of Services amount and 1/6 of Employee Compensation amount.
- All counties will receive February 2012 and April 2012 payments of 1/6 of Employee Compensation amount.

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\$25 MILLION COMPETITIVE GRANT ASSISTANCE PROGRAM

- To offset costs associated with mergers, interlocal agreements, and cooperative efforts for counties and CVTs that elect to combine government operations.
- Treasury will provide periods for submitting applications.

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EVIP Internet Location

Select: "Local Government Services"

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EVIP Internet Location

Select: "Revenue Sharing"

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EVIP Internet Location

Select: "Incentive Program: (accountability and transparency, consolidation of services, employee compensation)"

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EVIP Internet Location - Incentive

Provides general information regarding the Economic Vitality Incentive Program.

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EVIP Internet Location - Incentive

Select: links to training presentations. The Department of Treasury partnered with the Michigan Municipal League and Michigan State University to present training on the EVIP program to local units.

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EVIP Internet Location - Incentive

Link to P.A. 63 of 2011 and a summary of the boilerplate language.

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EVIP Internet Location - Incentive

The required Certification Forms can be found on the Incentive Program website.

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EVIP Internet Location - Incentive

Information regarding the three payment categories can be found on the Incentive Program website by selecting the payment category link.

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EVIP Internet Location - Incentive

The Accountability & Transparency page lists what must be provided to Treasury, and provides links to sample templates that can be used to comply with the Citizens Guide and Performance Dashboard requirements.

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EVIP Internet Location - Incentive

The Consolidation of Services page lists what must be provided to Treasury.

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EVIP Internet Location - Incentive

The Employee Compensation page lists what must be provided to Treasury.

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EVIP Internet Location - Grant

The "Grant Program" page provides information regarding the grant program, and how to apply for EVIP grant funding.

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For Information about the
Economic Vitality Incentive Program and
the Proposed County Incentive Program

Evah Cole, Revenue Sharing Manager

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Michigan Department of Treasury**

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STATE BUDGET OFFICE
FEBRUARY 9, 2012

Local Government
Incentive Funding for Best Practices

Proposal

The fiscal year 2013 Executive Budget proposes to strengthen requirements for cities, villages, and townships receiving payments under the Economic Vitality Incentive Program. A similar incentive-based program for counties is recommended to begin in fiscal year 2013, replacing statutory revenue sharing. Additionally, all local units may participate in the Competitive Grant Assistance program. The recommended budget includes a four-fold increase in grant funding to address the influx of requests for help with transition costs associated with mergers, inter-local agreements and other cooperative efforts.

Background

The Governor's March 2011 special message: *Community Development and Local Government Reforms* outlined a series of ideas for transforming government, including replacing former statutory revenue sharing with a new Economic Vitality Incentive Program. In the current year, 486 cities, villages, and townships are eligible to receive financial incentives if they meet specific standards and adopt best practices in one or more of three categories: accountability and transparency, consolidation of services, and employee compensation. For fiscal year 2013, an eligible city, village, or township may again qualify for payments provided it meets the fiscal year 2013 requirements for one or more of the three categories.

For fiscal year 2013, the recommended County Incentive Program replaces statutory revenue sharing. An estimated 61 of Michigan's 83 counties will be eligible to receive financial incentives if they meet specific standards and adopt best practices in one or more of three categories: accountability and transparency, consolidation of services, and employee compensation.

To qualify for a fiscal year 2013 payment for a specific category, an eligible local unit must meet the requirements for that category. The three categories and the requirements are:

Accountability and Transparency

- a citizen's guide of the most recent finances, including recognition of the unfunded liabilities
- a performance dashboard

Local Government
Incentive Funding for Best Practices

- a projected budget report, including a minimum 3 years of revenues and expenditures, detailed listing of debt service requirements, and explanation of assumptions used for the projections
- all documents must be available for public viewing and/or posted on a publicly accessible Internet site
- all documents, along with Treasury's certification form, must be submitted to the Department of Treasury
- to receive full funding, the required documentation must be received by October 1, 2012

Consolidation of Services

- for local units that submitted a 2012 consolidation plan, an update on the status of proposals contained in the 2012 consolidation plan, including whether the plan has been fully implemented; a listing of barriers experienced in implementing the plan, and a timeline of steps to accomplish the proposed consolidation plan
- for local units submitting consolidation plans for the first time, a listing of any previous services consolidated with an estimated cost savings amount for each consolidation
- one or more new proposals to increase the existing level of cooperation, collaboration and consolidation either within the jurisdiction or with other jurisdictions, including estimated savings and an implementation timeline
- all documents must be available for public viewing and/or posted on a publicly accessible Internet site
- all documents, along with Treasury's certification form, must be submitted to the Department of Treasury
- to receive full funding, the required documentation must be received by January 1, 2013

Employee Compensation

- for local units that submitted a 2012 employee compensation plan, an updated employee compensation plan, including a report on implementing the previous year's plan and describing barriers in implementing the plan
- for local units submitting an employee compensation plan for the first time, a description of how the local unit will implement the conditions outlined in this category
- a listing of all contracts or employment agreements; contract expiration dates, and dates the contracts were or will be entered into
- contracts and employment agreements entered into after September 30, 2012, must include retirement plans for new hires that cap annual employer contributions; and, for all employees, use maximum multipliers, final average compensation, and hours of accrued leave for pension calculations that are consistent with EVIP specifications
- all documents must be available for public viewing and/or posted on a publicly accessible Internet site

Local Government
Incentive Funding for Best Practices

- all documents, along with Treasury's certification form, must be submitted to the Department of Treasury
- to receive full funding, the required documentation must be received by May 1, 2013

Health Care Benefits (PA 152 of 2011 requirements)

The fiscal year 2013 budget recommendation also requires each city, village, township, and county that is eligible to receive incentive funding for best practices, to certify to the Department of Treasury its compliance with the Publicly Funded Health Insurance Contribution Act (2011 PA 152) or to certify that it does not offer health care benefits to its employees or its public officials. A summary of the conditions are:

- employer contributions are capped at specified dollar amounts, or not more than 80 percent of the total annual costs of all employee medical plans it offers or contributes to
- employer contribution requirements apply to any extension or renewal of collective bargaining agreement or other contract
- certifications must be received by the Department of Treasury by April 1, 2013
- failure to submit the required certification will result in a 10 percent reduction to all payments issued under the incentive funding for best practices

Competitive Grant Assistance Program

Cities, villages, townships, and counties may apply for financial assistance to offset the costs associated with mergers, inter-local agreements, and cooperative efforts. For fiscal year 2012, requests for assistance far exceeded the available funding of \$5 million. For fiscal year 2013, the Governor's proposal includes an increase of \$20 million to support local communities in their consolidation efforts. Deadlines for submission of applications will be determined by the Department of Treasury.



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Article 19

DEPARTMENT OF TREASURY

PART 1

LINE-ITEM APPROPRIATIONS AND ANTICIPATED APPROPRIATIONS

Sec. 19-101. Subject to the conditions set forth in this article, the amounts listed in this part for the department of treasury are appropriated for the fiscal year ending September 30, 2013, and are anticipated to be appropriated for the fiscal year ending September 30, 2014, from the funds indicated in this part. The following is a summary of the appropriations and anticipated appropriations in this part:

	For Fiscal Year Ending Sept. 30, 2013	For Fiscal Year Ending Sept. 30, 2014
1 <i>John R. Justice grant program</i>	287,000	287,000
2 Sec. 19-108. GRANTS AND PILT		
3 Grants and PILT	\$ <u>135,252,700</u>	\$ <u>135,252,700</u>
4 GROSS APPROPRIATION	\$ 135,252,700	\$ 135,252,700
5 Appropriated from:		
6 State restricted revenues	114,651,700	114,651,700
7 State general fund/general purpose	\$ 20,601,000	\$ 20,601,000
8 Schedule of programs:		
9 <i>Convention facility development distribution</i>	74,850,000	74,850,000
10 <i>Senior citizen cooperative housing tax exemption</i>		
11 <i>program</i>	12,020,000	12,020,000
12 <i>Emergency 911 Payments</i>	27,000,000	27,000,000
13 <i>Health and safety fund grants</i>	9,000,000	9,000,000
14 <i>Commercial forest reserve</i>	1,991,600	1,991,600
15 <i>Purchased lands</i>	5,097,900	5,097,900
16 <i>Swamp and tax reverted lands</i>	5,293,200	5,293,200
17 Sec. 19-109. REVENUE SHARING		
18 Revenue sharing	\$ <u>1,051,719,700</u>	\$ <u>1,080,716,000</u>
19 GROSS APPROPRIATION	\$ 1,051,719,700	\$ 1,080,716,000
20 Appropriated from:		
21 State restricted revenues	1,051,719,700	1,080,716,000
22 State general fund/general purpose	\$ 0	\$ 0
23 Schedule of programs:		
24 <i>Constitutional state general revenue sharing grants</i>	711,119,700	730,616,000
25 <i>County incentive program</i>	125,600,000	135,100,000
26 <i>Economic vitality incentive program</i>	210,000,000	210,000,000
27 <i>Competitive grant assistance program</i>	5,000,000	5,000,000
28 Sec. 19-110. DEBT SERVICE		
29 Debt service	\$ <u>140,554,900</u>	\$ <u>159,964,000</u>
30 GROSS APPROPRIATION	\$ 140,554,900	\$ 159,964,000
31 Appropriated from:		
32 State restricted revenues	5,514,500	5,514,500

1 receive and expend investment fees relating to new restricted funding sources that
2 participate in common cash earnings or other investment income during the current fiscal
3 year. When a new restricted fund is created starting on or after October 1, that restricted
4 fund shall be assessed a fee using the same criteria identified in subsection (1).

5 Sec. 19-327. Revenue received under the Michigan education trust act, 1986 PA 316, MCL
6 390.1421 to 390.1442, may be expended by the board of directors of the Michigan education
7 trust for necessary salaries, wages, supplies, contractual services, equipment, worker's
8 compensation insurance premiums, and grants to the civil service commission and state
9 employees' retirement fund.

10 Sec. 19-328. (1) The department of treasury may expend revenues received under the
11 hospital finance authority act, 1969 PA 38, MCL 331.31 to 331.84, the shared credit rating
12 act, 1985 PA 227, MCL 141.1051 to 141.1076, the higher education facilities authority act,
13 1969 PA 295, MCL 390.921 to 390.934, the Michigan public educational facilities authority,
14 Executive Reorganization Order No. 2002-3, MCL 12.192, the Michigan tobacco settlement
15 finance authority act, 2005 PA 226, MCL 129.261 to 129.279, the land bank fast track act,
16 2003 PA 258, MCL 124.751 to 124.774, part 505 of the natural resources and environmental
17 protection act, 1994 PA 451, MCL 324.50501 to 324.50522, the state housing development
18 authority act of 1966, 1966 PA 346, MCL 125.1401 to 125.1499c, and the Michigan finance
19 authority, Executive Reorganization Order No. 2010-2, MCL 12.194, for necessary salaries,
20 wages, supplies, contractual services, equipment, worker's compensation insurance premiums,
21 grants to the civil service commission and state employees' retirement fund, and other
22 expenses as allowed under those acts.

23 24 REVENUE SHARING

25 Sec. 19-401. The funds appropriated in part 1 for constitutional revenue sharing shall
26 be distributed by the department to cities, villages, and townships, as required under
27 section 10 of article IX of the state constitution of 1963. Revenue collected in accordance
28 with section 10 of article IX of the state constitution of 1963 in excess of the amount
29 appropriated in part 1 for constitutional revenue sharing is appropriated for distribution to
30 cities, villages, and townships, on a population basis as required under section 10 of
31 article IX of the state constitution of 1963.

32 Sec. 19-402. From the funds appropriated in part 1 and in section 19-1001 for

1 competitive grant assistance, \$25,000,000.00 is to be used for assistance grants to cities,
2 villages, townships, and counties to offset the costs associated with mergers, interlocal
3 agreements, and cooperative efforts for those cities, villages, townships, and counties that
4 elect to combine government operations. The department of treasury shall develop an
5 application process and method of grant distribution.

6 Sec. 19-403. (1) (a) From the funds appropriated in part 1 to the economic vitality
7 incentive program, \$210,000,000.00 is to be used for grants to cities, villages, and
8 townships such that, subject to fulfilling the requirements under subsection (2) (a), (b), or
9 (c), each city, village, or township that received a payment under section 950(2), 2009 PA
10 128, greater than \$4,500.00 will be eligible to receive a maximum of 67.837363% of its total
11 payment received under section 950(2), 2009 PA 128, rounded to the nearest dollar. For the
12 purposes of this subsection, any city or village that according to the 2010 federal decennial
13 census is determined to have population in more than 1 county will be treated as a single
14 entity when determining the payment received under section 950(2), 2009 PA 128.

15 (b) From the funds appropriated in part 1 for the county incentive program,
16 \$125,600,000.00 is to be used for grants to counties such that, each county is eligible to
17 receive an amount equal to the amount by which the balance in its revenue sharing reserve
18 fund under section 44a of the general property tax act, 1893 PA 206, MCL 211.44a, for the
19 county's most recent fiscal year that ends prior to the January 1 of the state's fiscal year
20 is less than the amount calculated under section 44a(13) of the general property tax act,
21 1893 PA 206, MCL 211.44a, for the county fiscal year that begins in the state's fiscal year.
22 The amount calculated under this subsection shall be adjusted as necessary to reflect partial
23 county fiscal years and prorated based on the total amount appropriated for distribution to
24 all eligible counties. Payments under this subsection will be distributed to an eligible
25 county subject to the county fulfilling the requirements under subsection (2) (a), (b), or
26 (c).

27 (2) Cities, villages, townships, and counties eligible to receive a potential payment
28 from the allocation under subsection (1) (a) or (1) (b) may qualify to receive payments under 1
29 or more of the following 3 categories:

30 (a) Category 1, accountability and transparency, requires each eligible city, village,
31 township, or county to certify that by October 1, 2012, or the first day of a payment month
32 it has produced a citizen's guide of its most recent local finances, including a recognition

1 of its unfunded liabilities, a performance dashboard, and a projected budget report including
2 at a minimum 3 years of revenues and expenditures, a detailed listing of its debt service
3 requirements, and an explanation of the assumptions used for the projections. The citizen's
4 guide, performance dashboard and projected budget report shall be made available for public
5 viewing in the city, village, township, or county clerk's office and/or posted on a publicly
6 accessible Internet site. Each city, village, township, and county applying for a payment
7 under this category shall submit a copy of the citizen's guide, a copy of the performance
8 dashboard, and a copy of the projected budget report to the department of treasury.

9 (b) Category 2, consolidation of services, requires each eligible city, village,
10 township, or county to certify that by January 1, 2013, or the first day of a payment month,
11 it has produced a consolidation plan. The consolidation plan shall be made readily available
12 for public viewing in the city, village, township, or county clerk's office and/or posted on
13 a publicly accessible Internet site. Each city, village, township and county applying for a
14 payment under this category shall submit a copy of the consolidation plan to the department
15 of treasury. At a minimum, the consolidation plan shall include the following:

16 (i) For a city, village, township, or county that is submitting a consolidation plan
17 for the first time, the plan shall include a listing of any previous services consolidated
18 with an estimated cost savings amount for each consolidation. In addition, the plan shall
19 include one or more new proposal(s) to increase its existing level of cooperation,
20 collaboration and consolidation either within the jurisdiction or with other jurisdictions,
21 an estimate of the potential savings amount, and a timeline for implementing the new
22 proposal.

23 (ii) For a city, village, or township that has submitted a consolidation plan in the
24 previous fiscal year, the plan shall include an update on the status of the new proposals
25 that were in the previous year's consolidation plan, including whether or not the previously
26 proposed plan has been fully implemented, a listing of the barriers experienced in
27 implementing the proposal and a timeline of the steps to accomplish the proposed plan. In
28 addition, the plan shall include one or more new proposal(s) to increase its existing level
29 of cooperation, collaboration and consolidation either within the jurisdiction or with other
30 jurisdictions, an estimate of the potential savings amount and a timeline for implementing
31 the new proposal.

32 (c) Category 3, employee compensation, requires each eligible city, village, township,

1 or county to certify that by May 1, 2013, or the first day of a payment month, it has
2 produced an employee compensation plan. The employee compensation plan shall be made
3 available for public viewing in the city, village, township, or county clerk's office and/or
4 posted on a publicly accessible Internet site. Each city, village, township and county
5 applying for a payment under this category shall submit a copy of the employee compensation
6 plan to the department of treasury.

7 (i) For a city, village, township, or county that is submitting an employee
8 compensation plan for the first time, the plan shall include a description of how the city,
9 village, township, or county will implement the conditions established in (iii), (iv) and (v)
10 of this subsection with all new, modified, or extended contracts or employment agreements,
11 for employees not covered under contract, entered into after September 30, 2012. In
12 addition, the plan shall include a listing of all contracts or employment agreements and
13 include the contract expiration date and the date the contracts were or will be entered into.
14 All new, modified, or extended contracts or employment agreements entered into after
15 September 30, 2012 shall be in compliance with the conditions in (iii), (iv) and (v) of this
16 subsection.

17 (ii) For a city, village, or township that has submitted an employee compensation plan
18 in the previous year, the city, village, or township shall produce an updated employee
19 compensation plan that includes a report on how the previous year's plan was implemented
20 and/or a description of the barriers experienced in implementing the proposed plan. In
21 addition the updated plan shall include a listing of all contracts or employment agreements
22 and include the contract expiration date and the date the contracts were or will be entered
23 into. All new, modified, or extended contracts or employment agreements entered into after
24 September 30, 2012 shall be in compliance with the conditions in (iii), (iv) and (v) of this
25 subsection.

26 (iii) New hires who are eligible for retirement plans are placed on retirement plans
27 that cap annual employer contributions at 10% of base salary for employees who are eligible
28 for social security benefits. For employees who are not eligible for social security
29 benefits, the annual employer contribution is capped at 16.2% of base salary.

30 (iv) For defined benefit pension plans, a maximum multiplier of 1.5% for all employees
31 who are eligible for social security benefits, except, where postemployment health care is
32 not provided, the maximum multiplier shall be 2.25%. For all employees who are not eligible

1 for social security benefits, a maximum multiplier of 2.25%, except, where postemployment
2 health care is not provided, the maximum multiplier shall be 3.0%.

3 (v) For defined benefit pension plans, final average compensation for all employees is
4 calculated using a minimum of 3 years of compensation and shall not include more than a total
5 of 240 hours of accrued leave paid at separation. Overtime hours shall not be used in
6 computing the final average compensation for an employee.

7 (3) Economic vitality incentive program payments and county incentive program payments
8 are subject to the following conditions:

9 (a) In order for a city, village, township, or county to qualify for a category under
10 subsection (2) (a), (b), or (c), the city, village, township, or county shall meet every
11 criteria for that category including a certification to the department that it has met the
12 required criteria for that category and submission of the required citizen's guide,
13 performance dashboard, and projected budget report; consolidation plan; or the employee
14 compensation plan as required by subsection (2) (a), (b), or (c), respectively. A department
15 of treasury review of the citizen's guide, performance dashboard, projected budget report,
16 consolidation plan or employee compensation plan is not required in order for a city,
17 village, township, or county to receive a payment under subsection (1). The department shall
18 develop a certification process and method for cities, villages, townships, and counties to
19 follow.

20 (b) For each category that a city, village, township, or county qualifies for in
21 subsection (2), the city, village, township, or county shall receive 1/3 of its potential
22 economic vitality incentive program payment amount or 1/3 of its potential county incentive
23 program payment amount calculated in subsection (1).

24 (c) Payments under this section shall be issued to cities, villages, townships and
25 counties for each category in subsection (2) until the specified due date for the category.
26 After the specified due date for the category, payments shall be made to a city, village,
27 township, or county only if that city, village, township, or county has complied with
28 subdivision (a).

29 (d) If a city, village, township, or county does not provide the required
30 certification or fails to submit the required citizen's guide, performance dashboard,
31 projected budget report, consolidation plan, or the employee compensation plan by the first
32 day of a payment month, the city, village, township, or county shall forfeit the payment in

1 that payment month for the uncertified category in subsection (2).

2 (e) Any city, village, township, or county that falsifies certification documents
3 shall forfeit any future economic vitality incentive program payments or county incentive
4 program payments and shall repay this state all economic vitality incentive program payments
5 or county incentive program payments it has received under subsection (1) (a) or (1) (b).

6 (f) Economic vitality incentive program payments under this section shall be
7 distributed on the last business day of October, December, February, April, June, and August.
8 County incentive program payments under this section shall be distributed on the last
9 business day of November, January, March, May, July, and September.

10 (g) Payments distributed under this section may be withheld pursuant to section 17a
11 and 21 of the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.917a and
12 141.921.

13 (4) The unexpended funds appropriated in part 1 for the economic vitality incentive
14 program and the county incentive program may be available for expenditures for competitive
15 grant assistance projects under section 19-402.

16 Sec. 19-404. (1) All cities, villages, townships, and counties that offer health care
17 benefits to their employees or elected public officials and are eligible to receive a
18 potential payment from the allocation under section 19-403 shall certify to the department of
19 treasury by April 1, 2013, that they are in compliance with section 3, section 4 and section
20 5 of the Publicly Funded Health Insurance Contribution Act, 2011 PA 152, MCL 15.563 to MCL
21 15.565. Dental and vision coverage are not considered health care benefits. The department
22 shall develop a certification process and method for cities, villages, townships and counties
23 to follow.

24 (2) All cities, villages, townships and counties that do not offer health care
25 benefits to their employees or elected public officials and are eligible to receive a
26 potential payment from the allocation under section 19-403 shall certify to the department of
27 treasury by April 1, 2013, that they do not offer health care benefits to their employees or
28 elected public officials. Dental and vision coverage are not considered health care
29 benefits. The department shall develop a certification process and method for cities,
30 villages, townships and counties to follow.

31 (3) A city, village, township, or county that fails to comply with subsection (1) or
32 subsection (2) shall receive a 10% reduction to all payments issued under section 19-403.

1 Sec. 19-405. The department of treasury shall annually certify to the state budget
2 director the amount each county is authorized to expend from its revenue sharing reserve
3 fund.
4

5 BUREAU OF STATE LOTTERY

6 Sec. 19-501. In addition to the funds appropriated in part 1 to the bureau of state
7 lottery, there is appropriated from lottery revenues the amount necessary for, and directly
8 related to, implementing and operating lottery games. Appropriations under this section shall
9 only be expended for contractually mandated payments for vendor commissions, contractually
10 mandated payments for instant tickets intended for resale, the contractual costs of providing
11 and maintaining the online system communications network, and incentive and bonus payments to
12 lottery retailers.
13

14 CASINO GAMING

15 Sec. 19-601. From the revenue collected by the Michigan gaming control board regarding
16 the total annual assessment of each casino licensee, \$2,000,000.00 is appropriated and shall
17 be deposited in the compulsive gaming prevention fund as described in section 12a(5) of the
18 Michigan gaming control and revenue act, initiated law of 1996, MCL 432.212a.

19 Sec. 19-602. (1) Funds appropriated in part 1 for local government programs may be
20 used to provide assistance to a local revenue sharing board referenced in an agreement
21 authorized by the Indian gaming regulatory act, Public Law 100-497.

22 (2) A local revenue sharing board described in subsection (1) shall comply with the
23 open meetings act, 1976 PA 267, MCL 15.261 to 15.275, and the freedom of information act,
24 1976 PA 442, MCL 15.231 to 15.246.

25 (3) A county treasurer is authorized to receive and administer funds received for and
26 on behalf of a local revenue sharing board. Funds appropriated in part 1 for local government
27 programs may be used to audit local revenue sharing board funds held by a county treasurer.
28 This section does not limit the ability of local units of government to enter into agreements
29 with federally recognized Indian tribes to provide financial assistance to local units of
30 government or to jointly provide public services.

31 (4) A local revenue sharing board described in subsection (1) shall comply with all
32 applicable provisions of any agreement authorized by the Indian Gaming Regulatory Act, Public

1 from prior fiscal years are appropriated for the purposes originally intended.

3 MICHIGAN STRATEGIC FUND - MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

4 Sec. 19-901. In addition to the funds appropriated in part 1, the funds collected by
5 state historic preservation programs for document reproduction and services and application
6 fees are appropriated for all expenses necessary to provide the required services. These
7 funds are available for expenditure when they are received and may be carried forward into
8 the succeeding fiscal year.

10 ONE-TIME BASIS ONLY

11 Sec. 19-1001. For the state fiscal year ending September 30, 2013, there is
12 appropriated, on a 1-time basis only, \$25,452,400.00 from general fund/general purpose
13 revenue and related federal and state restricted revenue for the following purposes:

14	Film incentive funding	\$ 25,000,000
15	Competitive grant assistance program	20,000,000
16	State employee lump sum payments	3,878,400
17	GROSS APPROPRIATION	\$ 48,878,400
18	Appropriated from:	
19	Interdepartmental grant revenues	112,800
20	Federal revenues	580,200
21	State restricted revenues	22,733,000
22	State general fund/general purpose	25,452,400