

Revenue Sharing & Incentive Programs FY 2016 & FY 2017 (Proposal)

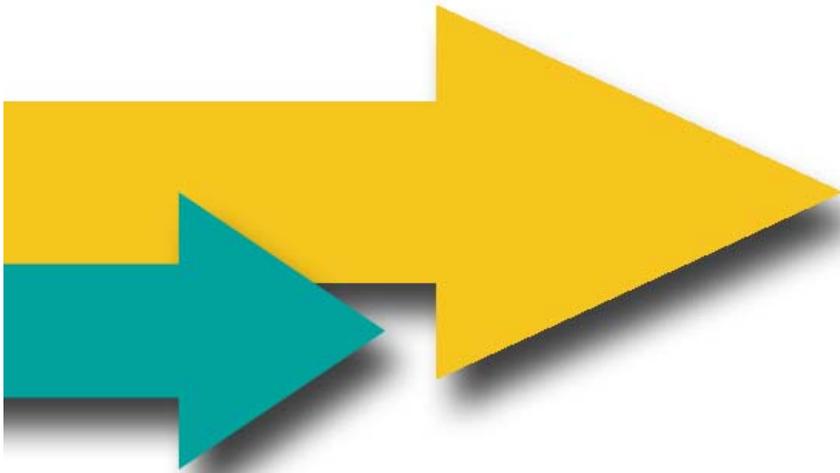
**House Appropriations Subcommittee on
General Government**

**Evah Cole
Michigan Department of Treasury
March 9, 2016**

Revenue Sharing & Incentive Programs FY 2016 & FY 2017 (Proposal)

<u>Program</u>	<u>FY 2016 Appropriation</u>	<u>FY 2017 Gov. Rec.</u>	<u>Difference</u>
Constitutional Revenue Sharing	\$752,113,744 ¹	\$781,501,400	\$29,387,656
City, Village, and Township Revenue Sharing (CVTRS)	\$248,840,000	\$243,040,000	(\$5,800,000)
County Revenue Sharing	\$171,760,000	\$172,134,000	\$374,000
County Incentive Program (CIP)	\$42,940,000	\$43,033,500	\$93,500
Financially Distressed Cities, Villages, and Townships (FDCVT)	\$5,000,000	\$5,000,000	\$0
Competitive Grant Assistance Program (CGAP)	\$0	\$11,000,000	\$11,000,000

¹ FY 2016 Constitutional Revenue Sharing is based on the January 2016 Consensus Revenue Estimating Conference



City, Village, and Township Revenue Sharing (CVTRS) & County Incentive Program (CIP)

FY 2016 & FY 2017 (Proposal)



County Revenue Sharing and County Incentive Program (CIP)

Fiscal Year	Eligible Counties	Projected Full Funding	Appropriation	Percent Funded
2010	20	\$62.0M	\$55.3M	89.1%
2011	36	\$112.4M	\$114.7M	100.0%
2012	50	\$151.9M	\$115.0M	75.7%
2013	62	\$171.0M	\$130.6M	76.4%
2014	63	\$182.3M	\$145.8M	80.0%
2015	74	\$211.6M	\$211.2M	99.8%
2016	76	\$214.7M	\$214.7M	100.0%
2017	78	\$215.2M	\$215.2M	100.0%

Note: FY 2017 Appropriation amount is based on the Governor's Executive Budget Recommendation

CIP Projected Payments/Eligible Counties FY 2016 & FY 2017 (Proposal)

County	FY 16 CIP	FY 17 CIP	County	FY 16 CIP	FY 17 CIP
Alcona	\$0	\$29,365	Genesee	\$1,976,506	\$1,976,527
Alger	\$38,344	\$38,344	Gladwin	\$101,859	\$101,860
Allegan	\$449,845	\$449,850	Gogebic	\$67,768	\$67,768
Alpena	\$145,540	\$145,542	Grand Traverse	\$341,582	\$341,585
Arenac	\$67,303	\$67,304	Gratiot	\$171,730	\$171,732
Baraga	\$37,493	\$37,493	Hillsdale	\$187,740	\$187,742
Barry	\$229,484	\$229,487	Houghton	\$136,482	\$136,484
Bay	\$516,788	\$516,793	Huron	\$160,255	\$160,257
Benzie	\$67,956	\$67,957	Ingham	\$1,217,736	\$1,217,749
Berrien	\$728,558	\$728,566	Ionia	\$235,518	\$235,521
Branch	\$193,443	\$193,445	Iosco	\$106,275	\$106,276
Calhoun	\$599,366	\$599,373	Iron	\$54,128	\$54,128
Cass	\$208,243	\$208,245	Isabella	\$248,695	\$248,698
Charlevoix	\$0	\$10,508	Jackson	\$674,554	\$674,561
Cheboygan	\$112,845	\$112,846	Kalamazoo	\$1,037,757	\$1,037,768
Chippewa	\$143,554	\$143,556	Kalkaska	\$51,296	\$69,786
Clare	\$129,065	\$129,067	Kent	\$2,409,679	\$2,409,705
Clinton	\$266,850	\$266,853	Lake	\$49,349	\$49,350
Crawford	\$64,160	\$64,161	Lapeer	\$334,307	\$334,311
Delta	\$160,419	\$160,420	Lenawee	\$406,933	\$406,938
Dickinson	\$114,558	\$114,559	Livingston	\$621,827	\$621,833
Eaton	\$443,234	\$443,239	Luce	\$25,666	\$25,666

CIP Projected Payments/Eligible Counties FY 2015 & FY 2016 (Proposal)

County	FY 16 CIP	FY 17 CIP	County	FY 16 CIP	FY 17 CIP
Macomb	\$3,286,471	\$3,286,506	Presque Isle	\$62,719	\$62,720
Manistee	\$109,025	\$109,026	Roscommon	\$101,512	\$101,513
Marquette	\$255,132	\$255,135	Saginaw	\$913,269	\$913,279
Mason	\$91,121	\$125,790	Sanilac	\$183,234	\$183,236
Mecosta	\$170,308	\$170,309	Schoolcraft	\$36,938	\$36,939
Menominee	\$106,158	\$106,159	Shiawassee	\$288,268	\$288,271
Midland	\$394,972	\$394,976	St Clair	\$750,871	\$750,879
Missaukee	\$56,739	\$56,740	St Joseph	\$274,698	\$274,701
Monroe	\$620,834	\$620,841	Tuscola	\$219,476	\$219,478
Montcalm	\$248,498	\$248,501	Van Buren	\$307,622	\$307,625
Montmorency	\$43,207	\$43,207	Washtenaw	\$1,381,567	\$1,381,581
Muskegon	\$720,210	\$720,218	Wayne	\$10,002,328	\$10,002,434
Newaygo	\$190,820	\$190,822	Wexford	\$134,367	\$134,369
Oakland	\$5,232,708	\$5,232,764	Total	<u>\$42,940,000</u>	<u>\$43,033,486</u>
Oceana	\$107,106	\$107,107			
Ogemaw	\$92,050	\$92,051			
Ontonagon	\$34,654	\$34,654			
Osceola	\$113,361	\$113,362			
Oscoda	\$39,276	\$39,276			
Otsego	\$98,165	\$98,166			
Ottawa	\$937,624	\$937,634			

There are 76 and 78 eligible counties in FY 2016 and FY 2017, respectively.

Alcona and Charlevoix are the new additions in FY 2017.

Individual amounts may not add to totals due to rounding

CVTRS Eligible Local Units FY 2016 & FY 2017 (Proposal)

	FY 2016		FY 2017	
	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Proposal</u>
Cities	274	\$234.6M	273	\$234.2M
Villages	179	3.6M	179	3.6M
Townships	<u>134</u>	<u>10.6M</u>	<u>34</u>	<u>5.3M</u>
Total	<u>587</u>	<u>\$248.8M</u>	<u>486</u>	<u>\$243.0M</u>

Eligible does not mean the local unit qualifies for payments

Individual amounts may not add to totals due to rounding



Calculation of Projected CVTRS Payments FY 2017 (Proposal)

- If a city's, village's, or township's fiscal year 2010 statutory revenue sharing total was greater than \$4,500, then the potential maximum CVTRS amount is:
 - The local unit's FY 2010 total statutory revenue sharing amount times 78.51044%
 - The amount is rounded to the nearest dollar
- **NEW** - FY 2017 proposal removes the one-time funding of \$5.8M for cities, villages, and townships with populations greater than 7,500



CVTRS/CIP Accountability & Transparency Requirements to Qualify for Payments

NO CHANGES

1. A completed Certification Form (form # 4886) signed by the Chief Administrative Officer
2. Citizen's Guide
 - Most recent finances, including a recognition of unfunded liability
3. Performance Dashboard
4. Debt Service Report
 - Including a listing of issuance dates, issuance amounts, type of debt instrument, a listing of all revenues pledged to finance debt, and a listing of annual payment amounts until maturity
5. Projected Budget Report
 - Projection of revenues and expenditures for current fiscal year and next fiscal year, including assumptions



CVTRS/CIP Accountability & Transparency Requirement

NO CHANGES

- Local units must include in any mailing of general information the Internet website address or physical location where required documents are available for public viewing



CVTRS/CIP Accountability & Transparency When Documentation is Due to Treasury

- All eligible local units receive the October payment
- If required documents are submitted on or before December 1st;
 - Receive 1/6 of the payment in December, February, April, June, and August
- **NEW** – If required documents are submitted after December 1st, but by April 1st;
 - Receive that month's and future payment(s) but will defer prior payment(s) (December and February payments deferred)
- If required documents are submitted after April 1st, but by the first day of a payment month (June, and August);
 - Receive that month's and future payment but will forfeit prior payments (December, February, and April payment forfeited)



CVTRS Accountability & Transparency FY 2016 Certifications

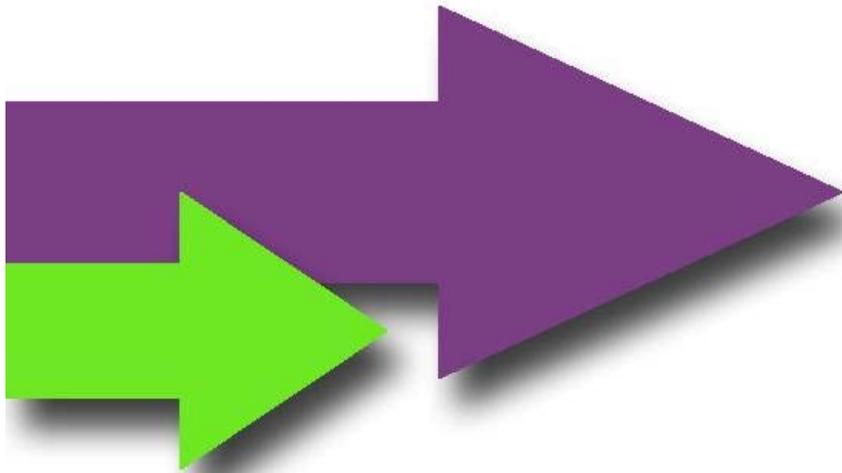
	<u>December Payment</u>	<u>February Payment</u>
Qualified	576	579
Non-Qualified	<u>11</u>	<u>8</u>
Total	<u>587</u>	<u>587</u>

In FY 2012, FY 2013, and FY 2014, 50, 12, and 12 did not qualify for the EVIP Accountability & Transparency Category, respectively. In FY 2015, 9 did not qualify for the CVTRS.

CVTRS Accountability & Transparency

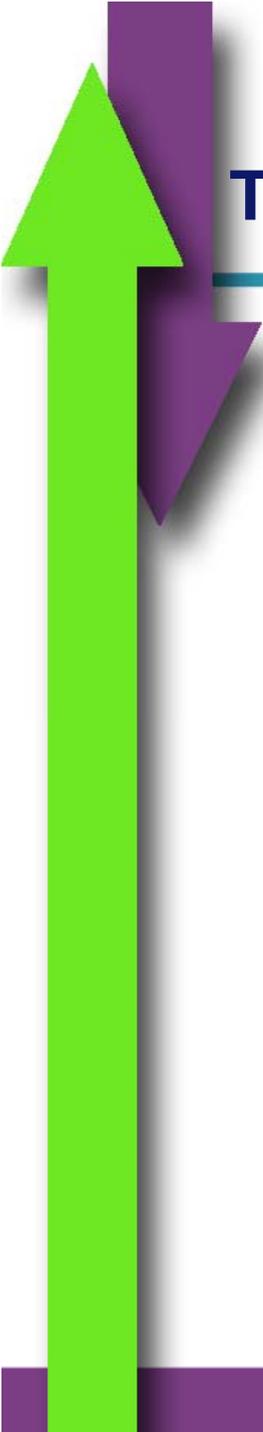
FY 2016 Non-Qualified Eligible Local Units

<u>Local Unit Name</u>	<u>County</u>	<u>December Forfeited</u>	<u>February Forfeited</u>	<u>Total Forfeited</u>
Augusta Village	Kalamazoo	\$983	\$0	\$983
Brighton Township	Livingston	\$7,847	\$7,847	\$15,694
Buckley Village	Wexford	\$637	\$637	\$1,274
Geneva Township	Van Buren	\$1,854	\$1,854	\$3,708
Grass Lake Village	Jackson	\$865	\$865	\$1,730
Litchfield City	Hillsdale	\$2,697	\$2,697	\$5,394
Montgomery Village	Hillsdale	\$1,240	\$1,240	\$2,480
New Lothrop Village	Shiawassee	\$1,048	\$0	\$1,048
Perrinton Village	Gratiot	\$999	\$0	\$999
Twining Village	Arenac	\$705	\$705	\$1,410
Ubyly Village	Huron	\$2,236	\$2,236	\$4,472
		<u>\$21,111</u>	<u>\$18,081</u>	<u>\$39,192</u>



Financially Distressed Cities, Villages, and Townships (FDCVT) Grant Program

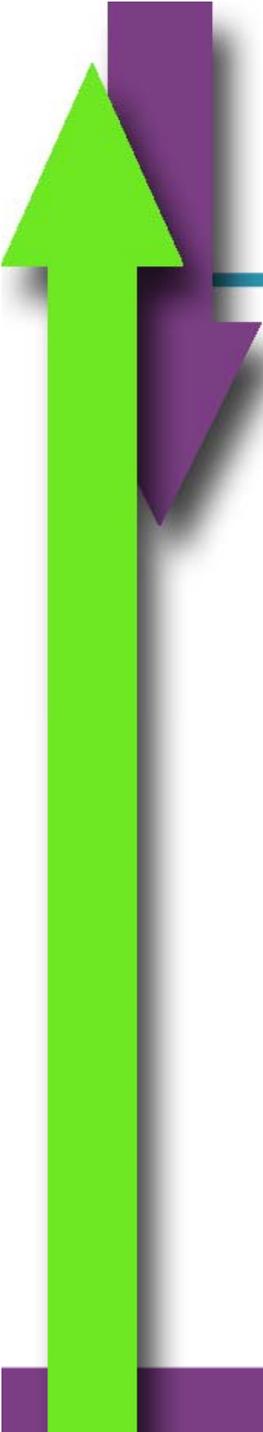
FY 2016 & 2017 (Proposal)



Financially Distressed Cities, Villages, and Townships (FDCVT) FY 2016 & FY 2017 (Proposal)

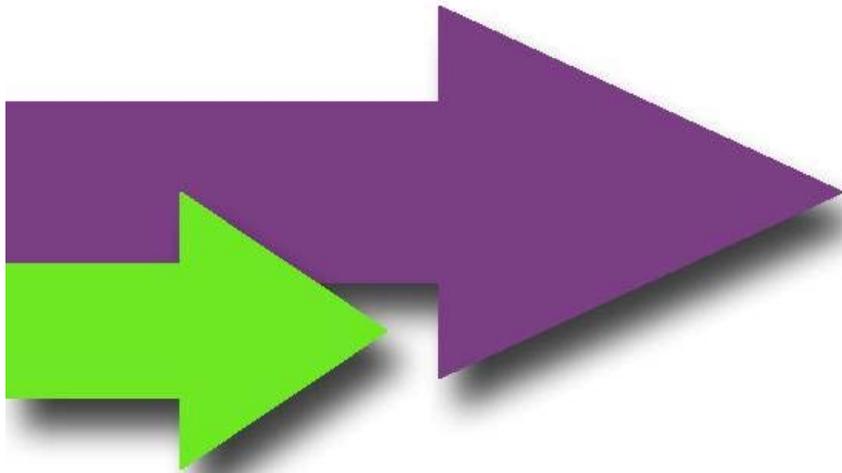
NO CHANGES

- Available to all cities, villages, and townships that have one or more conditions that indicate probable financial distress
- To offset costs associated with specific projects, services, or strategies that move the city, village, or township toward financial stability
- \$5.0M appropriated in FY 2016 and \$5.0M recommended for FY 2017
 - No more than \$2.0M may be awarded to any city, village, or township
- Application deadlines will be determined by Treasury



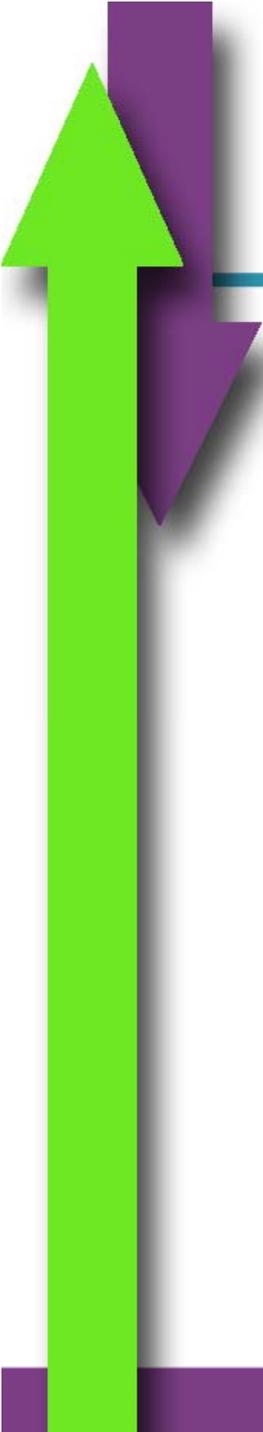
Financially Distressed Cities, Villages, and Townships (FDCVT)

<u>Application Round</u>	<u>Applications</u>	<u>Requested Funding</u>	<u>Awarded</u>	<u>Awarded Funding</u>
FY 2015	49	\$30.5M	21	\$8.0M
FY 2016	51	\$29.3M	14	\$5.4M



Competitive Grant Assistance Program (CGAP)

FY 2017 (Proposal)



Competitive Grant Assistance Program (CGAP) FY 2017 (Proposal)

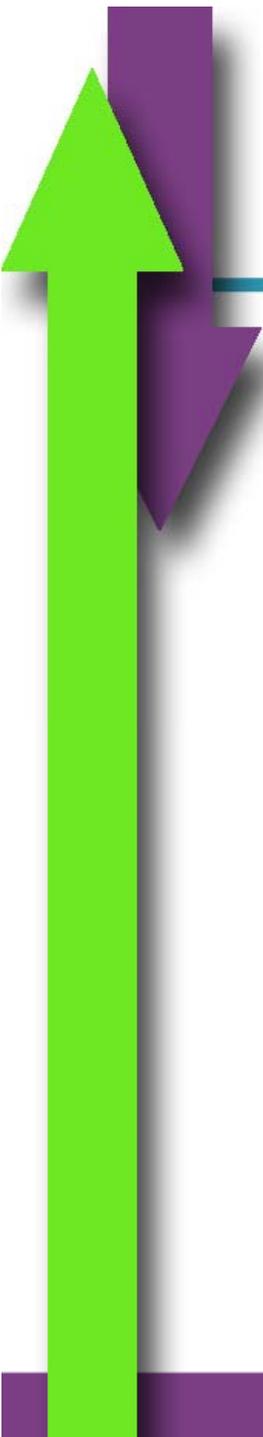
REINSTATES CGAP

- Available to all cities, villages, townships, counties, authorities, school districts, intermediate school districts, public community colleges, and public universities
- To offset costs associated with mergers, inter-local agreements, and cooperative efforts to combine government operations
- \$11.0M recommended for FY 2017
- Application deadlines will be determined by Treasury



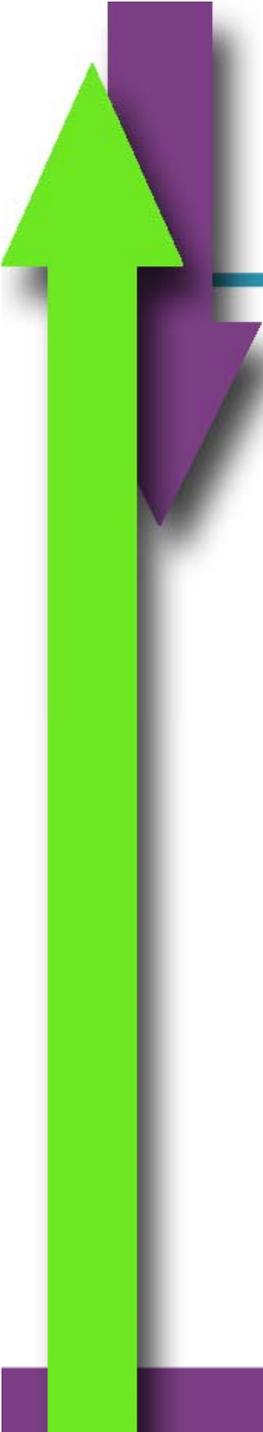
Competitive Grant Assistance Program (CGAP) – Appropriations by Fiscal Year

	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
General Purpose	\$10M	\$15M	\$15M	\$0M	\$0M	\$11M
Public Safety	\$5M	\$0M	\$0M	\$0M	\$0M	\$0M
Total	<u>\$15M</u>	<u>\$15M</u>	<u>\$15M</u>	<u>\$0M</u>	<u>\$0M</u>	<u>\$11M</u>



Competitive Grant Assistance Program (CGAP) – Application Rounds

<u>Application Round</u>	<u>Applications</u>	<u>Requested Funding</u>	<u>Awarded</u>	<u>Awarded Funding</u>
FY 2012 – Round 1	50	\$15.7M	28	\$4.3M
FY 2012 – Round 2	75	\$40.6M	32	\$10.6M
FY 2013 – Round 1	61	\$52.5M	11	\$4.0M
FY 2013 – Round 2	41	\$23.7M	17	\$6.2M
FY 2014 – Round 1	47	\$42.0M	12	\$13.0M
FY 2014 – Round 2	44	\$30.9M	16	\$6.6M



For Information about the Revenue Sharing and Incentive Programs

Office of Revenue and Tax Analysis
Michigan Department of Treasury

For more information, visit:
www.michigan.gov/revenuesharing

Questions:
517-373-2697
TreasRevenueSharing@michigan.gov