

# Policy Changes to Implement 2012 Public Acts

Prepared for the Michigan House and Senate General  
Government Appropriations Subcommittees, the Joint  
Committee on Administrative Rules, and the House  
and Senate Fiscal Agencies

April 1, 2013



## EXECUTIVE SUMMARY

The Michigan Department of Technology, Management and Budget (DTMB), in accordance with Section 221 of Public Act 200 of 2012, has prepared this Policy Changes to Implement 2012 Public Acts report. The act states:

“Sec. 221. Each department shall report no later than April 1 on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the senate and house of representatives standing committees on appropriations subcommittees on general government, the joint committee on administrative rules, and the senate and house fiscal agencies.”

With the exception of appropriations bills, 20 public acts impacting department activities became law in calendar year 2012. Following enactment, DTMB made policy changes or took other actions to implement those acts where necessary. The following chart lists the changes made to implement each act as of March 31, 2013.

Please contact John Nixon, Director, Department of Technology, Management and Budget at 517-373-4978 for more information.

<i>2012 Public Act</i>	<i>Bill</i>	<i>Act Description</i>	<i>Policy Changes</i>
167	SB 640	State; buildings; flags of the United States and the State of Michigan flown at state buildings or sold by state agencies; require to be made in the United States.	Prohibited state agencies from purchasing a flag of the United States or a state flag of Michigan for display upon a building or property owned, or entirely leased, or operated by the state unless the flag was manufactured in the United States or a territory of the United States.
233	HB 5553	State financing and management; budget; statewide single audit; implement.	Required the DTMB to devise methodology for funding a statewide single audit. The Director is also required to issue directives to all state agencies concerning the procedures and timelines for compiling the schedule of expenditures of federal awards and other information required for the statewide single audit. Additionally, the Director must submit the schedule of expenditures of federal awards to the auditor general and the fiscal agencies.
237	SB 1044	State financing and management; other; sale or exchange of surplus personal property; modify.	Allowed DTMB to donate surplus personal property to a nonprofit entity, sell surplus personal property to a local unit of government, sell surplus personal property at a public sale, or exchange surplus personal property for goods and services at fair market value with a private company that is contracted to provide state services and where the surplus personal property is essential to providing those services.
300	SB 1040	Retirement; public school employees; member contributions; increase contribution to member investment plan and require all Tier 1 members to contribute at least 5% of compensation.	Required numerous and substantial changes concerning the Michigan Public School Employees' Retirement System (MPSERS) that were intended to make the system fiscally sustainable in the long term.
359	SB 1360	Retirement; public school employees; deadline to elect pension contribution limits; extend.	Required a change to the election period established in 300 PA 2012. Extended the MPSERS election period from the previously established October 26, 2012 to January 9, 2013. The bill also postponed the effective date of these retirement changes from December 1, 2012 to February 1, 2013.
381	HB 4096	State financing and management; purchasing; searchable database listing of all state expenditures; create.	Required DTMB to issue directives requiring all State agencies to provide the Department with, and make available through a link on their website homepages, information regarding the expenditure of state funds.
423	HB 5196	Public employees and officers; compensation and benefits; details of compensation package and severance payment agreements for employees; require posting.	Required the state Civil Service Commission to publish certain information regarding state classified employees on its website for purposes of transparency.

430	HB 5831	State agencies (existing); technology, management, and budget; funding and approval of capital outlay project; clarify.	Numerous reforms to the Capital Outlay process, including new notification requirements and annual reports. Streamlined the project authorization process from three steps to two. Requires active evaluation and scoring of projects from DTMB by March 1 of each year. Required university, community colleges and state agencies to submit a five-year plan to DTMB by November 1 of each year. The bill also reduces the project carry-forward timeframes to accelerate the completion of projects, and institutionalizes Use and Finance reporting requirements related to university and community college self-funded projects.
432	HB 5881	Retirement; state employees; retired corrections officers to work as needed; allow under certain circumstances without losing retirement allowance.	Allowed for a new exemption to current retirement forfeiture requirements specifically for Corrections Officers (COs) that will expire September 30, 2013. The bill allows for individuals who have retired after a bona fide termination of employment with the State of Michigan to be rehired by the Michigan Department of Corrections (MDOC) as a limited-term employee with no benefits, work no more than 1,040 hours during a 12 month period, and caps the hourly wage paid at 80% of the maximum classified State civil service employee pay for individuals performing the same duties within MDOC.
464	HB 5261	Retirement; public school employees; retirant employed to provide substitute teaching services by entity other than reporting unit; allow without forfeiture of retirement allowance or health care coverage if reporting unit pays 10% of compensation to retirement system.	The bill amended the Michigan School Employees Retirement Act to allow for retirees to return to work within an identified area of critical shortage. This provision will sunset on July 1, 2014. It only applies to a retiree retired for at least 12 months prior to reemployment, who has no more than 3 years of total service, who is not eligible to use service or compensation earned for a change in pension computation or for whom the reporting unit pays the MPSERS system 100% of the contribution rate for pension and retiree health benefit. The bill also allows retirees to be rehired as substitute teachers, school improvement facilitators, or instructional coaches without forfeiting pension or retiree health benefits under certain circumstances.
486	SB 988	State; buildings; pedestrian walkway between the Michigan State Capitol and the Michigan Hall of Justice; designate as the "Frank J. Kelley Walkway".	Required DTMB to provide appropriate signage and recognition to reflect the designation of the "Frank J. Kelley Walkway."
517	SB 1024	State financing and management; purchasing; Iran economic sanctions act; enact.	Required DTMB to establish a process by which individuals doing business with the State of Michigan can self-certify that they are not engaged in economic activity with Iran. This will be fully implemented with the roll out of Phase I of the new e-Procurement tool.

519	HB 5830	State financing and management; authorities; state building authority; modify to comply with capital outlay reforms.	Required that State Building Authority financing for Capital Outlay projects be approved through appropriation acts, rather than concurrent resolutions. Extended the time period for execution of facility leases to 5 years, and leases for furnishings and equipment to 4 years to facilitate Capital Outlay process reforms.
535	SB 21	State financing and management; other; performance metrics; require of state departments.	Required each department, every fiscal year, to have a strategic mission, vision, goals, and a balanced scorecard in place by the deadline for the Governor to submit a budget to the Legislature. The scorecard must include at least one existing metric or establish at least one new metric for each one-time or ongoing enhancement budget recommendation.
536	SB 802	State financing and management; budget; state departments' transparency; require itemized financial plan and posting on website.	The State Budget Office (SBO) has formed a cross-agency team to implement the statutory changes included in the bill which will impact future budgets. Required each reporting unit, beginning in fiscal year 2013-14, to classify each line item in the enacted budget in one of the following spending categories: core services, support services, or work projects. Each reporting unit also must prepare a spending plan for each line item in the most recently enacted budget. SBO is required to define expense categories, design a standardized spending plan reporting format, and make the reporting form available for use by each reporting unit. Within 30 days after the SBO receives reporting units' spending plans, the State Budget Director must either review and approve each plan or return the plan to the reporting unit with a description of the requested changes. The State Budget Director must submit each approved spending plan to the appropriate Appropriations subcommittees and the Senate and House Fiscal Agencies and post it on the Department of Technology, Management, and Budget website.
625	HB 5727	State financing and management; purchasing; energy-based performance contracting for governmental energy use; require.	Established a process for the adoption of Energy Performance Contracts (EPC) within state government agencies, and charged DTMB with overseeing the implementation and promotion of EPCs within state government.

## Land Conveyances

373	SB 1039	Property; conveyances; certain state-owned property located in Jackson county; exchange for certain privately owned property.	<p>Authorized the exchange of MDOC property in Blackman Township with the Grand River Environmental Action Team (GREAT). The property had been identified for exchange because the 5.77 acre parcel of state-owned land, and the 4.05 acres of GREAT owned land are separated by the Grand River and exchanging this property allows for clearer property lines between the parcels.</p> <p>Deeds drafted by the attorney general. Transfer approved by State Admin. Board. Governor signed State Quit Claim Deed. Transfer closed on 3/18/13.</p>
489	SB 1133	Property; conveyances; conveyance of certain state-owned properties in Washtenaw county; provide for.	<p>Authorized the sale of a Michigan State Police (MSP) property in Ypsilanti Twp. Property offered to and accepted by Ypsilanti Twp. Transfer approved by State Admin. Board. Governor signed State Quit Claim Deed. Transfer closed on 3/18/13.</p>

434	HB 6029	Property; conveyances; conveyance of certain state-owned properties in Grand Traverse, Otsego, and Alger counties and interdepartmental transfer of certain state-owned property in Jackson county; provide for.	<p>Authorized multiple land conveyances around the state as well as an interdepartmental transfer between the Michigan Department of Transportation (MDOT) and MDOC for property in Jackson County. The following property is authorized for conveyance:</p> <ul style="list-style-type: none"> <li>• <b>DTMB property in Traverse City</b> Property offered to and accepted by Traverse City Schools. Deeds drafted by the attorney general. Approval by State Admin. Board pending.</li> <li>• <b>Garfield Twp. property in Grand Traverse Co.</b> Property offered to and accepted by Garfield Twp. Deeds drafted by the attorney general. Transfer approved by State Admin. Board. Governor signed State Quit Claim Deed. Closure pending.</li> <li>• <b>DCH property in Livingston Twp., Otsego Co.</b> Property offered to and accepted by non-profit. Deeds being drafted by the attorney general for preparation to sell.</li> <li>• <b>MSP property in the City of Munising.</b> Property offered to and accepted by City of Munising. Deeds drafted by the attorney general. Approval by State Admin. Board pending.</li> <li>• <b>Grand Trunk Western Railroad Jurisdictional Transfer</b> Jurisdictional Transfer in early process.</li> </ul>
435	HB 6030	Property; conveyances; conveyance of certain state-owned properties in Ingham and Wayne counties; provide for.	<p>Authorized multiple land conveyances around the state. Specifically, the bill authorized the following property for conveyance:</p> <ul style="list-style-type: none"> <li>• <b>DTMB Property in the City of Lansing.</b> Property offered to the City of Lansing. City considering purchase.</li> <li>• <b>DHS property in the City of Hamtramck.</b> Property is in appraisal process in preparation of public bid process.</li> </ul>