

# **County Incentive Program**

## **Michigan Association of Counties**

### **Fall 2012 Conference**

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**Michigan Department of Treasury**  
**September 24, 2012**



# What is the County Incentive Program? (CIP)

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- New program starting FY 13
  - Replaces a portion of revenue sharing
- Passed by the Legislature in June 2012
  - 2012 Public Act 200



# Who is Eligible for CIP Payments?

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- All counties that received a revenue sharing payment in FY 12
- Any county returning to revenue sharing during FY 13
- 62 projected eligible counties in FY 13

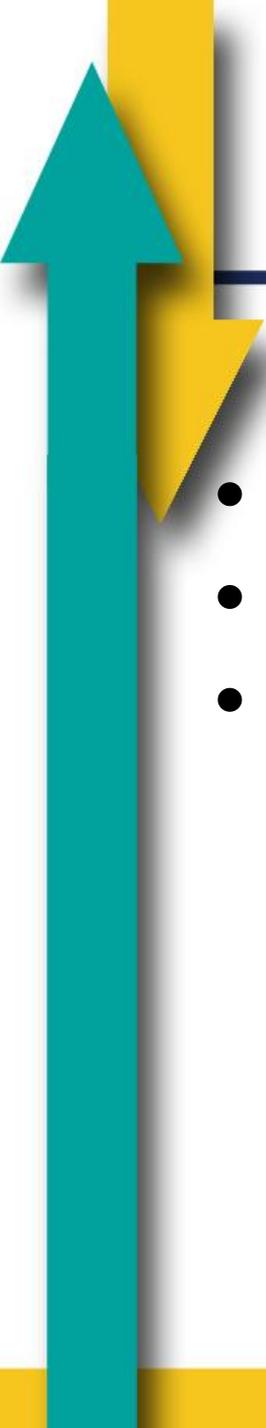
Eligible does not mean the county qualifies for payments



# County Appropriations FY 13

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- County Revenue Sharing  
\$104,500,000
- County Incentive Program (CIP)  
\$26,120,000
- Competitive Grant Assistance Program (CGAP)  
\$15,000,000



# County Incentive Program FY 13 – Three Categories

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- Accountability & Transparency \$8.7M
  - Consolidation of Services \$8.7M
  - Employee Compensation \$8.7M
- \$26.1M

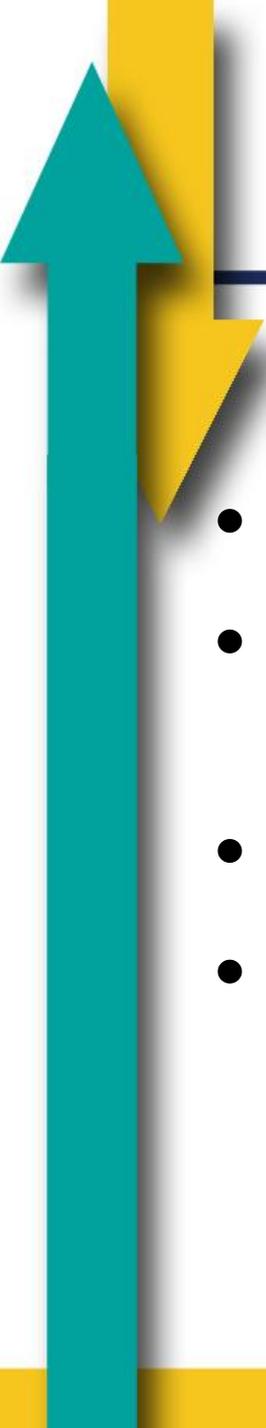


# Accountability & Transparency FY 13 Requirements

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- Citizen's Guide\*
- Performance Dashboard\*
- Projected Budget Report\*
- Treasury Certification Form (form 4886)

\* Must be available in the county clerk's office or on publicly accessible internet site



# Accountability & Transparency FY 13 Citizen's Guide Requirements

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- Most recent finances
- Must include a recognition of unfunded liabilities
- Any format is acceptable
- Templates available



# Accountability & Transparency FY 13 Performance Dashboard Requirements

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- No specific requirements, local units can decide what to put on their performance dashboards
- Any format is acceptable
- Templates available



# Accountability & Transparency FY 13 Projected Budget Report Requirements

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- Minimum of 2 years of budget information:
  - Current fiscal year's revenues and expenditures
  - Following fiscal year's revenues and expenditures
- An explanation of assumptions used for the projected revenues and expenditures
- A detailed listing of the county's debt service requirements
- Any format is acceptable
- Templates available



# Accountability & Transparency FY 13

## What to Submit to Treasury

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- Citizen's Guide
- Performance Dashboard
- Projected Budget Report
- Treasury Certification Form (form 4886)
  - Signed by Chief Administrative Officer
  - Form available on Treasury website



# Accountability & Transparency FY 13

## When Documentation is Due to Treasury

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- By October 1, 2012 → All A&T Payments
- After October 1, 2012 but before the 1<sup>st</sup> day of a payment month
  - Receive that month's payment and any future FY 13 payments
  - Forfeit prior payments

A&T = Accountability & Transparency



# Consolidation of Services FY 13 Consolidation Plan Requirements

- Previous Services Consolidated
  - List previous services consolidated
  - Include estimated savings for each consolidation
- One (or more) New Proposal(s)
  - List at least one new proposal
    - to increase existing level of cooperation, collaboration and consolidation either within the jurisdiction or with other jurisdictions
  - Estimated savings amount
  - Timeline for implementing

\* Plan must be available in the county clerk's office or on publicly accessible internet site



# Consolidation of Services FY 13

## What to Submit to Treasury

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- Consolidation Plan
- Treasury Certification Form (form 4887)
  - Signed by Chief Administrative Officer
  - Form available on Treasury website



# Consolidation of Services (COS) FY 13 When Documentation is Due to Treasury

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- By February 1, 2013 → All COS Payments
- After February 1, 2013 but before the 1<sup>st</sup> day of a payment month
  - Receive that month's payment, October and December payments, and any future FY 13 payments
  - Forfeit all payments from February until the qualified payment month



# Employee Compensation FY 13 Requirements

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## **Option 1 – Employee Compensation Plan**

- Employee Compensation Plan\*

## **Option 2 –Public Act 152 Compliant**

- Certification of 2011 PA 152 Compliance
- Board Resolution/Meeting Minutes (if applicable)
  - 80/20 Option - majority vote required
  - Exempt (opt-out) Option - 2/3 vote required (annually)

\* Plan must be available in the county clerk's office or on publicly accessible internet site



# Employee Compensation FY 13

## Option 1 – Employee Compensation Plan

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### Develop a plan the county intends to implement with the following criteria:

- Caps annual employer contributions to retirement plans for new hires
- Caps defined benefit multipliers for all employees
- Sets limits to defined benefit pension plan final average compensation calculation for all employees
- Requires employee contribution on healthcare premiums or cost competitive with State's PPO for new hires



# Employee Compensation FY 13 Compensation Plan Criteria #1

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## **Caps Annual Employer Contributions to Retirement Plans - New Hires:**

- 10% of base salary for employees who are eligible for social security benefits
- 16.2% of base salary for employees who are not eligible for social security benefits

# Employee Compensation FY 13

## Compensation Plan Criteria #2

### **Caps Defined Benefit Multipliers - All Employees:**

- Maximum multiplier of 1.5% for employees eligible for social security benefits and postemployment healthcare is provided
- Maximum multiplier of 2.25% for employees eligible for social security, but do not receive postemployment health care
- Maximum multiplier of 2.25% for employees receiving post employment healthcare, but are not eligible for social security benefits
- Maximum multiplier of 3.0% for employees who are not eligible for social security benefits and do not receive postemployment healthcare



# Employee Compensation FY 13 Compensation Plan Criteria #3

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## **Sets Limits to Defined Benefit Pension Plan Final Average Compensation Calculation - All Employees:**

- Minimum of 3 years of compensation
- Maximum total of 240 hours of paid leave
- No overtime hours



# Employee Compensation FY 13 Compensation Plan Criteria #4

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## Requires Employee Contribution on Health Care Premiums or Cost Competitive with State's PPO - New Hires:

- Health care premium costs for new hires shall include a minimum employee share of 20%

**OR**

- An employer's share of health care plan costs shall be cost competitive with the new state preferred provider organization health plan, on a per-employee basis



# **Employee Compensation FY 13 Option 2 – Public Act 152 Compliant**

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- Certify compliance with Sections 3, 4, 5 or 8 of the Publicly Funded Health Insurance Contribution Act (2011 Public Act 152)

**OR**

- Certify that health care benefits are not provided to employees and public officials



# Employee Compensation FY 13 2011 Public Act 152 - Hard Caps

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## Section 3

Beginning on or after January 1, 2012, a public employer may not pay more of the annual costs for medical benefit plans than a total amount equal to:

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



# Employee Compensation FY 13 2011 Public Act 152 - Hard Caps

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## Section 3

Beginning on or after January 1, 2013, a public employer may not pay more of the annual costs for medical benefit plans than a total amount equal to:

- \$5,692.50 times the number of employees with single person coverage
- \$11,385.00 times the number of employees with individual and spouse coverage
- \$15,525.00 times the number of employees with family coverage

**These amounts will be adjusted on October 1, 2013**



# Employee Compensation FY 13 2011 Public Act 152 - 80/20

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## Section 4

A public employer, by a majority vote of its governing body, may elect the 80% employer cap:

- A public employer may not pay more than 80% of the total annual costs of all the medical benefit plans it offers or contributes to for its employees and elected public officials



# Employee Compensation FY 13 2011 Public Act 152 - Exclusions

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## Section 5

- Sections 3 and 4 do not apply to existing collective bargaining agreements or other contracts until the agreements or contracts expire, are extended, or renewed
- Any collective bargaining agreement executed on or after September 15, 2011 must comply with sections 3 and 4



# **Employee Compensation FY 13 2011 Public Act 152 – Exemption**

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## **Section 8 – Annual Exemption**

By a 2/3 vote of its governing body each year, a local unit of government may exempt itself from the requirements of Public Act 152 for the next succeeding year.



# Employee Compensation FY 13

## What to Submit to Treasury

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- Option 1 – Employee Compensation Plan
  - Employee Compensation Plan
  - Treasury Certification Form (form 4888)
    - Signed by Chief Administrative Officer
    - Form available on Treasury website
- Option 2 – Public Act 152 Compliant
  - Board Resolutions/Meeting Minutes if choose Section 4 or 8 compliance
  - Treasury Certification Form (form 4978)
    - Signed by Chief Administrative Officer
    - Form available on Treasury website



# Employee Compensation (EC) FY 13 When Documentation is Due to Treasury

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- By June 1, 2013 → All EC Payments
- After June 1, 2013 but on or before August 1, 2013
  - Receive August payment and October, December, February, and April payments
  - Forfeit June payment



# County Incentive Program FY 13 Summary

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- Provide the required documentation to the Michigan Department of Treasury by the due dates:
  - Accountability & Transparency      10/1/2012
  - Consolidation of Services              2/1/2013
  - Employee Compensation                6/1/2013



# County Incentive Program FY 13 Required Documentation

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- Certification Forms
- Additional Documentation
  - Citizen's Guide, Performance Dashboard, Projected Budget Report
  - Consolidation Plan
  - Employee Compensation Plan
  - Board Resolutions/Meeting Minutes if applicable



# County Incentive Program FY 13 When Will Payments Be Issued?

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Last Business Day of the Even Numbered Months:

- October 31
- December 28
- February 28
- April 30
- June 28
- August 30



# County Incentive Program FY 13 Conditions

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- Falsifying Certification Documents – all future CIP payments are forfeited and the county must repay any prior payments received
- CIP payments are subject to withholding for failure to file the county's annual audit report, F65 report and/or report of a deficit condition
- Failure to submit certification documents & specific category requirements by initial due date or final due date will result in loss of payments in that category



# How To Submit Documentation to Qualify for Payments

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- **Use one of the following methods**
  1. Email to: [TreasRevenueSharing@michigan.gov](mailto:TreasRevenueSharing@michigan.gov)
  2. Mail to:

Michigan Department of Treasury  
Office of Revenue & Tax Analysis  
P.O. Box 30722  
Lansing, Michigan 48909



# Submitting Documentation to Qualify For Payments

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- Postmark dates will not be accepted
- Links to websites will not be accepted
- Please send one email (per category) with all the required documentation
- PDF's preferred



# County Incentive Program FY 13 Projections

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- County Revenue Sharing and County Incentive Program payment projections available on Treasury website:

[www.michigan.gov/revenuesharing](http://www.michigan.gov/revenuesharing)



# Competitive Grant Assistance Program FY 13

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- Available to all cities, village, townships and counties
- To offset costs associated with mergers, inter-local agreements and cooperative efforts
- Application deadlines will be determined by Treasury
- \$15M available



# Competitive Grant Assistance Program Grant Process Overview

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- Submit application
- Intent to award/denial notification
- Submit board resolution(s), board meeting minutes, or inter-local agreement(s) for all participating local units
- Final award notification
- Submit quarterly reports & reimbursement requests
- Submit final reports



# Competitive Grant Assistance Program Application Information Required

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- Project Information
  - Project title, project type (merger, inter-local agreement, or cooperative effort), estimated start & completion dates, estimated project cost, grant request amount, participating local units
- Project Details
  - Goals & objectives, services currently being provided, project description, savings, shared services analysis related to project
- Project Work Plan & Timeline
- Project Budget (detailed)



# For Information about the County Incentive Program

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Evah Cole, Administrative Manager

Office of Revenue and Tax Analysis  
Michigan Department of Treasury  
[www.michigan.gov/revenuesharing](http://www.michigan.gov/revenuesharing)

517-373-2697

TreasRevenueSharing@michigan.gov