

**STATE OF MICHIGAN
FISCAL YEAR 2019-20**

Appropriations Summary and Analysis



Mary Ann Cleary, Director

JANUARY 2020

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HOUSE FISCAL AGENCY

MARY ANN CLEARY, DIRECTOR

P.O. BOX 30014 ■ LANSING, MICHIGAN 48909-7514
PHONE: (517) 373-8080 ■ FAX: (517) 373-5874
www.house.mi.gov/hfa

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January 2020

TO: Members of the Michigan House of Representatives

FROM: Mary Ann Cleary, Director

This ***FY 2019-20 Appropriations Summary and Analysis*** summarizes the FY 2019-20 state budget. A *Glossary*, following the table of contents, explains terms used throughout this report to describe Michigan's budget. The *Budget Overview* provides information on resources used and major funding changes in the FY 2019-20 year-to-date budget; summary tables of appropriated funds and fund sources are also included. *Budget Detail* pages note enacted major budget and boilerplate changes for each budget area.

When analyzing the budget, it is important to note the following:

Adjusted Gross is the amount to use when measuring the total amount of funding included in the state budget (including spending from federal sources).

State Spending from State Sources (State Restricted plus GF/GP) is the amount to use when measuring the amount of state resources collected from taxpayers to finance state spending.

General Fund/General Purpose (GF/GP) is the amount to use when measuring unrestricted state resources available for legislative allocation to various state programs.

Information in the *Budget Detail* section was provided by HFA Analysts; report production was coordinated by Kathryn Bateson, Administrative Assistant. House Fiscal Agency staff and their areas of responsibility are listed on the inside back cover of this publication. Please feel free to contact them, or me, if you have questions or need further information.

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GLOSSARY

Frequently Used State Budget Terms

STATE BUDGET TERMS

Line Item

Specific funding amount in an appropriation bill which establishes spending authorization for a particular program or function.

Boilerplate

Specific language sections in an appropriation bill which direct, limit, or restrict line-item expenditures, express legislative intent, and/or require reports.

Lapse

Appropriated amounts that are unspent or unobligated at the end of a fiscal year; appropriations are automatically terminated at the end of a fiscal year unless otherwise provided by law.

Work Project

Account authorized through statutory process which allows appropriated spending authorization from one fiscal year to be utilized for expenditures in a succeeding fiscal year or years for a specific project or purpose.

APPROPRIATION TERMS AND FUND SOURCES

Appropriations

Authority to expend funds for a particular purpose. An appropriation is not a mandate to spend.

Gross: Total of all applicable appropriations in an appropriation bill.

Adjusted Gross: Net amount of gross appropriations after subtracting interdepartmental grants (IDGs) and intradepartmental transfers (IDTs).

Interdepartmental Grant (IDG) Revenue

Funds received by one state department from another state department—usually for service(s) provided.

Intradepartmental Transfer (IDT) Revenue

Funds transferred from one appropriation unit to another within the same departmental budget.

Federal Revenue

Federal grant or match revenue; generally dedicated to specific programs or purposes.

Local Revenue

Revenue received from local units of government for state services.

Private Revenue

Revenue from non-government entities: rents, royalties or interest payments, payments from hospitals or individuals, or gifts and bequests.

State Restricted Revenue

State revenue restricted by the State Constitution, state statute, or outside restriction that is available only for specified purposes; includes most fee revenue; at year-end, unused restricted revenue generally remains in the restricted fund.

General Fund/General Purpose (GF/GP) Revenue

Unrestricted general fund revenue available to fund basic state programs and other purposes determined by the Legislature; unused GF/GP revenue lapses to the General Fund at the end of a fiscal year.

MAJOR STATE FUNDS

General Fund

The state's primary operating fund; receives state revenue not dedicated to another state fund.

School Aid Fund (SAF)

A restricted fund that serves as the primary state funding source for K-12 schools and Intermediate School Districts. Constitutionally, SAF revenue may also be used for postsecondary education.

Budget Stabilization Fund

The Countercyclical Economic and Budget Stabilization Fund (also known as the "rainy day fund"); the Management and Budget Act provides guidelines for making deposits into and withdrawals from the fund.

FY 2019-20 Budget Detail

OVERVIEW

**Budget Overview
Consensus Revenue Estimates
FY 2019-20 Balance Sheets
Summary Tables**

OVERVIEW

**FY 2019-20
BUDGET OVERVIEW**

Mary Ann Cleary, Director, and Kevin Koorstra, Deputy Director

The budget overview highlights the many moving parts that have contributed to the fiscal year (FY) 2019-20 appropriations. The summary reflects appropriations for the enrolled budget, vetoes, administrative board transfers, and supplemental appropriations.

The year-to-date (YTD) state budget for FY 2019-20 incorporates the May 2019 Consensus Revenue Estimating Conference (CREC) revenue estimates. In addition to those estimates, the budget assumes the following major funding sources for the General Fund/General Purpose (GF/GP) and School Aid Fund (SAF) budgets:

- Beginning balances of \$640.0 million GF/GP and \$49.2 million SAF.
- Passage of HB 4125, which restores the income tax earmark to the SAF to October 1, 2019 level of \$171.9 million.
- Continued use of tobacco settlement revenue of \$75.4 million from the new Community District Education Trust Fund.

	FY 2018-19 Year-to-Date as of 1/14/20	FY 2019-20 Year-to-Date as of 1/14/20	Difference: FY 2019-20 vs. FY 2018-19	
			Amount	%
Adjusted Gross	\$58,124.3	\$58,455.5	\$331.2	0.6%
Federal	\$23,527.5	\$23,372.0	(\$155.5)	(0.7%)
Local/Private	\$417.6	\$410.9	(\$6.7)	(1.6%)
Restricted	\$23,737.6	\$24,296.5	\$559.0	2.4%
GF/GP	\$10,441.7	\$10,376.1	(\$65.5)	(0.6%)

Of the \$34,672.7 million in state resources (restricted plus GF/GP) appropriated for FY 2019-20, \$19,418.3 million (56.0% of the total) is designated for payments to local units of government. Article IX, Section 30 of Michigan's Constitution requires that at least 48.97% of spending from state resources must be paid to local governments.

Enrolled budget bills totaled \$59,926.0 million Gross (\$10,669.9 million GF/GP). The Governor vetoed \$947.1 million Gross (\$256.7 million GF/GP) from the budget. Vetoes occurred in 16 of the 23 budget bills. (See Appendix I, page 156, for specific details.) These reductions result in enacted appropriations of \$58,978.9 million Gross (\$10,115.1 million GF/GP).

In addition to the vetoes, the Governor transferred \$620.9 million in gross appropriations between line items within 13 state departments through the use of the State Administrative Board process (MCL 17.3). The only other time this process has been used was May 1991. Although the State Administrative Board transfers did not change the overall gross appropriations, they resulted in many changes to program line item funding within state department budgets. The following is a link to the HFA summary of the State Administrative Board Transfer:

http://www.house.mi.gov/hfa/PDF/Alpha/State_Adm_Board_Transfers_fy19-20.pdf

In December 2019, supplemental appropriations were adopted, which resulted in further modifications to the FY 2019-20 budget. General Fund supplemental (2019 PA 154) added \$459.3 million Gross (\$256.7 million GF/GP) to the overall budget. This resulted in funding being added to 13 state departments (see Appendix II on page 167). School Aid supplemental (2019 PA 162) added \$144.5 million Gross (\$70.0 million SAF and \$4.3 million GF/GP) to the K-12 and Higher Education budgets (see Appendix III on page 176).

In addition to the supplementals, Legislative initiated transfers were also adopted. The transfers impacted four state departments and shifted \$82.3 million in appropriations within the line items in those departments. Although the transfers did not change the overall gross appropriations, they partially restored some of the State Administrative Board transfers.

A more detailed summary of major budget changes by individual budget area begins on page 13.

CONSENSUS REVENUE ESTIMATES

Jim Stansell, Senior Economist

This section describes the May 2019 Consensus Revenue Estimating Conference revenue projections, adjusted for changes enacted, for GF/GP and SAF revenue for FY 2018-19 and FY 2019-20.

For Michigan:

- Wage and salary employment is expected to increase 0.8% in CY 2019 and 0.4% in CY 2020.
- The unemployment rate is expected to decline from 4.0% in CY 2019 to 4.1% in CY 2020.
- Personal income is expected to increase 3.6% in both CY 2019 and CY 2020.

General Fund/General Purpose Revenue by Source

Personal Income Tax

- GF/GP individual income tax revenue is expected to decrease 2.0% in FY 2018-19 and 1.3% in FY 2019-20, in part due to the \$264 million and \$468 million earmarks to the transportation fund and the \$69 million earmark for Renew Michigan.

Sales and Use Taxes

- GF/GP sales and use tax revenue is estimated to decline at a 1.6% rate to \$2,038.9 million in FY 2018-19. In FY 2019-20, sales and use tax revenue is estimated to grow by 2.7% to \$2,094.6 million.

Net Business Taxes

- Net business taxes are comprised of the Single Business Tax (SBT), the Michigan Business Tax (MBT), the corporate income tax (CIT), and insurance taxes, all of which accrue to the General Fund.
- Net business taxes are estimated to be \$890.2 million in FY 2018-19. In FY 2019-20, net business taxes are expected to decrease to \$830.7 million.

GF/GP Tax Revenue

- GF/GP tax revenue in FY 2018-19 is expected to decrease by 0.8% to \$10,497.3 million before dipping further to \$10,412.0 million in FY 2019-20.

Net GF/GP Revenue

- Total net GF/GP revenue includes tax revenue and non-tax revenue.
- Non-tax revenue includes revenue from the liquor purchase revolving fund, federal aid, licenses and permits, and investment income and borrowing costs.
- Net GF/GP revenue in FY 2018-19 is expected to decrease to \$10,851.7 million before declining further to \$10,776.9 million in FY 2019-20, a drop of 0.7%.

OVERVIEW

**GF/GP REVENUE ESTIMATES
(Millions of Dollars)**

	<u>FY 2018-19</u>	<u>FY 2019-20</u>	<u>FY 2019-20 Over FY 2018-19</u>	
			<u>Change</u>	
Individual Income Tax	\$7,118.5	\$7,027.9	(\$90.6)	(1.3%)
Sales and Use Taxes	2,038.9	2,094.6	55.7	2.7%
Net Business Taxes	890.2	830.7	(59.5)	(6.7%)
Other Taxes	449.7	458.8	9.1	2.0%
GF/GP Tax Revenue	\$10,497.3	\$10,412.0	(\$85.3)	(0.8%)
Non-Tax Revenue	354.4	364.9	10.5	3.0%
Net GF/GP Revenue	\$10,851.7	\$10,776.9	(\$74.8)	(0.7%)

**SCHOOL AID FUND REVENUE ESTIMATES
(Millions of Dollars)**

<u>Revenue</u>	<u>FY 2018-19</u>	<u>FY 2019-20</u>	<u>FY 2019-20 Over FY 2018-19</u>	
			<u>Change</u>	
Sales and Use Taxes	\$6,644.3	\$6,890.0	\$245.7	3.7%
Individual Income Tax Earmark	2,826.1	2,836.4	10.3	0.4%
Lottery and Casinos	1,100.3	1,109.3	9.0	0.8%
Cigarette Tax	340.2	335.1	(5.1)	(1.5%)
State Education Tax	2,099.6	2,166.9	67.3	3.2%
Real Estate Transfer Tax	350.9	356.5	5.6	1.6%
Liquor Excise and Specific Taxes	120.9	145.6	24.7	20.4%
Net SAF Revenue	\$13,482.3	\$13,839.8	\$357.5	2.7%

School Aid Fund Revenue by Source

Sales and Use Taxes

- Combined sales and use tax revenue dedicated to the SAF is forecast to increase to \$6,644.3 million in FY 2018-19 and \$6,890.0 million in FY 2019-20, an increase of 3.7%.

Income Tax

- Prior to December 1, 2018, approximately 23.81% of gross income tax collections were dedicated to the SAF. Between December 1, 2018 and September 30, 2019, the earmark was reduced to approximately 22.45% of gross income tax collections. House Bill 4125, which has not yet been enacted, would restore the earmark to 23.81%, effective October 1, 2019.
- SAF dedicated income tax revenue is forecast to be \$2,826.1 million in FY 2018-19, and then increase 0.4% to \$2,836.4 million in FY 2019-20.

Lottery/Casinos

- Lottery and casino revenue to the SAF is projected to increase to \$1,100.3 million in FY 2018-19 and to \$1,109.3 million in FY 2019-20.

Cigarette Tax

- Approximately 41.3% of cigarette tax revenue is dedicated to the SAF.
- The demand for tobacco products is expected to decline over the duration of the forecast, leading to total SAF tobacco tax revenue of \$340.2 million in FY 2018-19 and \$335.1 million in FY 2019-20.

State Education Tax/Real Estate Transfer Tax

- All of the 6-mill state education tax (SET) and the real estate transfer tax (RET) is dedicated to the SAF.
- SET revenue is expected to increase to \$2,099.6 million in FY 2018-19 and \$2,166.9 million in FY 2019-20.
- RET is forecast to increase to \$350.9 million in FY 2018-19 and \$356.5 million in FY 2019-20.

Net SAF Revenue

- Net SAF revenue represents revenue available for expenditure each year; it includes tax changes but does not include any GF/GP transfers, federal funds, or year-end balances.
- Net SAF revenue is expected to increase 1.4% to \$13,482.3 million in FY 2018-19 and increase 2.7% to \$13,839.8 million in FY 2019-20.

OVERVIEW

Budget Stabilization Fund Year-End Balances

The following table notes BSF deposits, withdrawals, and interest earnings from FY 1999-2000 to FY 2016-17, and HFA estimates of deposits, expected interest earnings, and year-end balances for FY 2018-19 and FY 2019-20. Deposits include appropriations as well as the provisions enacted in 2014 PA 186, which amended the Michigan Trust Fund Act to require annual \$17.5 million deposits of tobacco settlement revenue to the BSF from FY 2014-15 through FY 2034-35.

The final BSF balance was \$1,006.0 million for FY 2017-18, which included a deposit of \$265.0 million in addition to the required \$17.5 million of tobacco settlement revenue. For FY 2018-19, \$100.0 million in GF/GP revenue has been appropriated to the BSF along with the required \$17.5 million of tobacco settlement revenue.

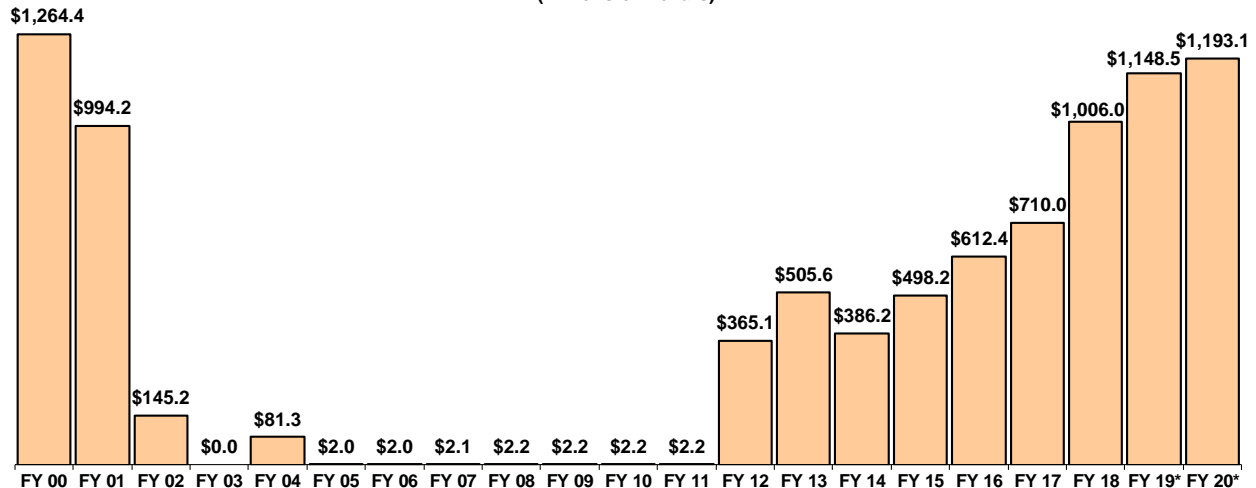
The only deposit for FY 2019-20 is the required \$17.5 million of tobacco settlement revenue, which will bring the final fund balance to an estimated \$1,148.5 million for FY 2018-19 and \$1,193.1 million for FY 2019-20.

**BUDGET STABILIZATION FUND HISTORY
(Millions of Dollars)**

<u>Fiscal Year</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Interest Earned</u>	<u>Balance</u>
1999-2000	\$100.0	\$132.0	\$73.9	\$1,264.4
2000-01	0.0	337.0	66.7	994.2
2001-02	0.0	869.8	20.8	145.2
2002-03	0.0	156.1	10.9	0.0
2003-04	81.3	0.0	0.0	81.3
2004-05	0.0	81.3	2.0	2.0
2005-06	0.0	0.0	0.0	2.0
2006-07	0.0	0.0	0.1	2.1
2007-08	0.0	0.0	0.1	2.2
2008-09	0.0	0.0	0.0	2.2
2009-10	0.0	0.0	0.0	2.2
2010-11	0.0	0.0	0.0	2.2
2011-12	362.7	0.0	0.2	365.1
2012-13	140.0	0.0	0.5	505.6
2013-14	75.0	194.8	0.4	386.2
2014-15	111.6	0.0	0.3	498.2
2015-16	112.5	0.0	1.7	612.4
2016-17	92.5	0.0	5.1	710.0
2017-18	282.5	0.0	13.5	1,006.0
2018-19*	117.5	0.0	25.0	1,048.5
2019-20*	17.5	0.0	27.2	1,193.1

Note: Numbers may not add due to rounding.
*HFA estimates.

**BUDGET STABILIZATION FUND (BSF) BALANCE
(Millions of Dollars)**



Compliance with the State Revenue Limit

HFA estimates of the state revenue limit provided for in Article IX, Section 26, of the *Constitution of the State of Michigan*, and estimates of total state revenue collections subject to the state revenue limit are shown in the following table. As provided for in the Constitution, the revenue limit is calculated as 9.49% of total state personal income in the previous full calendar year (CY) prior to the fiscal year in which the revenue is measured, as estimated by the Bureau of Economic Analysis, United States Department of Commerce.

**COMPLIANCE WITH THE STATE REVENUE LIMIT
(Millions of Dollars)**

<u>Revenue Limit Calculations</u>	<u>FY 2018-19</u>	<u>FY 2019-20</u>
Personal Income	CY 2017	CY 2018
Amount	\$460,270	\$475,626
X Limit Ratio	9.49%	9.49%
State Revenue Limit	\$43,679.6	\$45,136.9
Total Revenue Subject to Revenue Limit	\$33,161.6	\$33,709.2
Amount (Under) Over State Revenue Limit	(\$10,518.0)	(\$11,427.7)

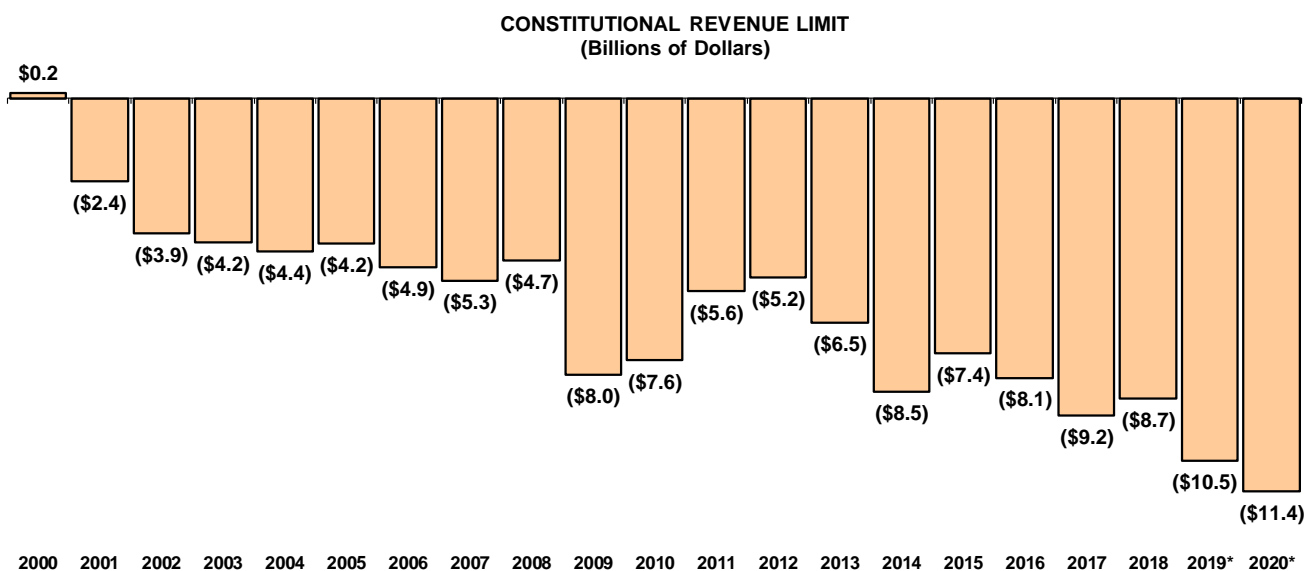
Implications of Exceeding the State Revenue Limit

Article IX, Section 26, *Constitution of the State of Michigan*, provides that:

... For any fiscal year in the event that Total State Revenue exceed the limit established in this section by 1% or more, the excess revenues shall be refunded pro rata based on the liability reported on the Michigan income tax and single business tax (or its successor tax or taxes) annual returns filed following the close of such fiscal year. If the excess is less than 1%, this excess may be transferred to the State Budget Stabilization Fund ...

Furthermore, the state is prohibited from spending any current year revenue in excess of the limit established in Section 26 by Article IX, Section 28.

For both FY 2018-19 and FY 2019-20, state revenue is estimated to be substantially below the revenue limit by roughly \$10.5 billion and \$11.4 billion, respectively.



*FY 2019 and FY 2020 are consensus estimates

OVERVIEW

**FY 2019-20
BALANCE SHEETS**

The balance sheets below summarize estimated General Fund/General Purpose, School Aid Fund, and Merit Award Trust Fund revenues, expenditures, and balance amounts for FY 2019-20 based on the year-to-date state budget.

**FY 2019-20 GENERAL FUND/GENERAL PURPOSE BALANCE SHEET
(Millions of Dollars)**

Estimated Beginning Fund Balance	\$551.0
Revenues	
May 2019 consensus revenue estimate	\$10,776.9
Revise the income tax earmark to SAF (HB 4125)	(171.9)
Marketplace/Facilitator revenue (HB 4540-41)	6.9
Marijuana revenue payback	10.0
Lawsuit settlement fund proceeds	(7.6)
Revenue sharing to local units of government	(490.1)
Total Estimated Revenues	\$10,124.2
Expenditures	
Enacted appropriations: ongoing	\$9,532.8
Enacted appropriations: one-time	520.0
General Fund to School Aid	62.7
Supplemental	260.6
Total Estimated Expenditures	\$10,376.1
Estimated Change in Balance (Revenues less Expenditures)	(\$251.9)
Estimated Ending Fund Balance	\$299.1

FY 2019-20 SCHOOL AID FUND BALANCE SHEET
(Millions of Dollars)

Estimated Beginning Fund Balance	\$49.2
Revenues	
May 2019 consensus revenue estimate	\$13,839.8
Revise the income tax earmark to SAF (HB 4125)	171.9
General Fund/General Purpose grant	62.7
Community District Education Trust Fund	75.4
MPERS retirement obligation reform reserve fund	1.9
Federal aid	1,749.6
Total Estimated Revenues	\$15,901.2
Expenditures	
Enacted appropriations: School Aid ongoing	\$15,036.7
Enacted appropriations: School Aid one-time	70.0
Supplemental: School Aid	70.5
Enacted appropriations: Community Colleges	414.7
Enacted appropriations: Higher Education	349.4
Total Estimated Expenditures	\$15,941.4
Estimated Change in Balance (Revenues less Expenditures)	(\$40.2)
Estimated Ending Fund Balance	\$9.0

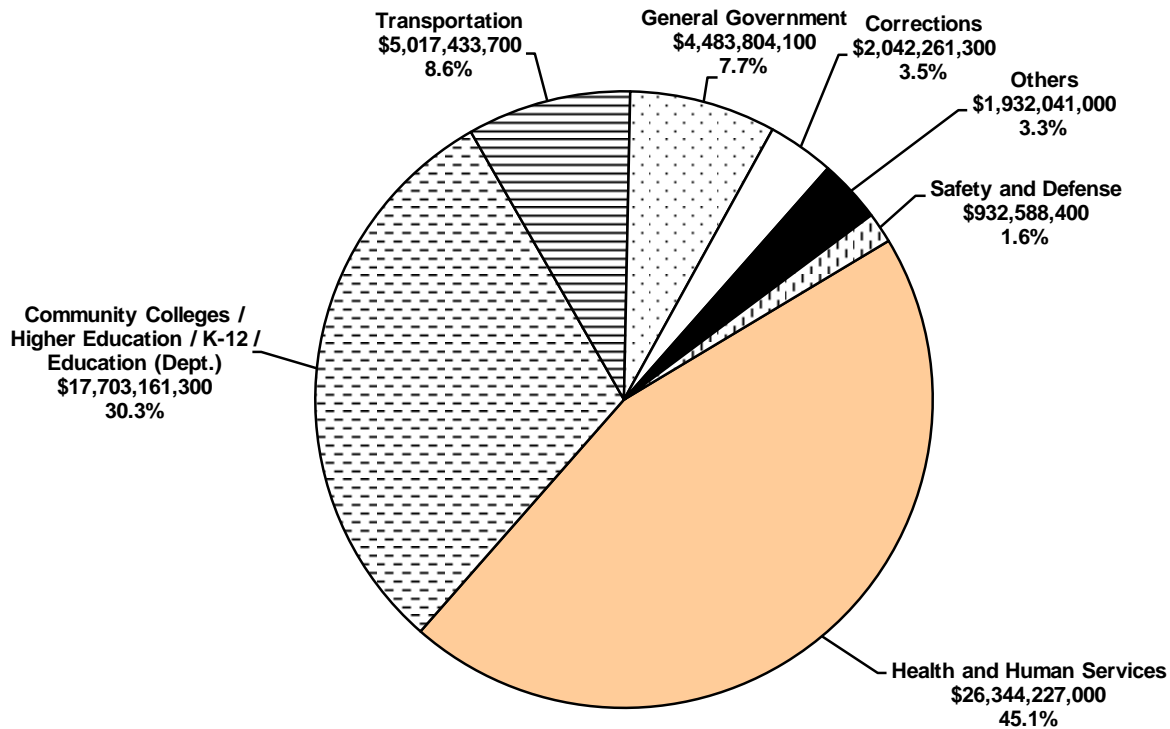
OVERVIEW

**FY 2019-20 MERIT AWARD TRUST FUND BALANCE SHEET
(Millions of Dollars)**

Estimated Beginning Fund Balance	\$16.6
Revenues	
Annual tobacco settlement payment due to Michigan	\$267.0
Debt service payments for prior securitization	(64.4)
Deposit to 21 st Century Jobs Fund	(75.0)
Repayment to Budget Stabilization Fund for Detroit settlement payment	(17.5)
Transfer to Community District Education Trust Fund	(72.0)
Interest	0.1
Total Estimated Net Revenues	\$38.2
Expenditures	
Attorney General: Administration	\$0.5
Community Health: Medicaid base funding	45.7
Community Health: Aging – Respite care	4.1
State Police: Tobacco settlement enforcement	0.8
Treasury: Tuition Incentive Program administration	1.2
Total Estimated Expenditures	\$52.3
Estimated Ending Fund Balance	\$2.5

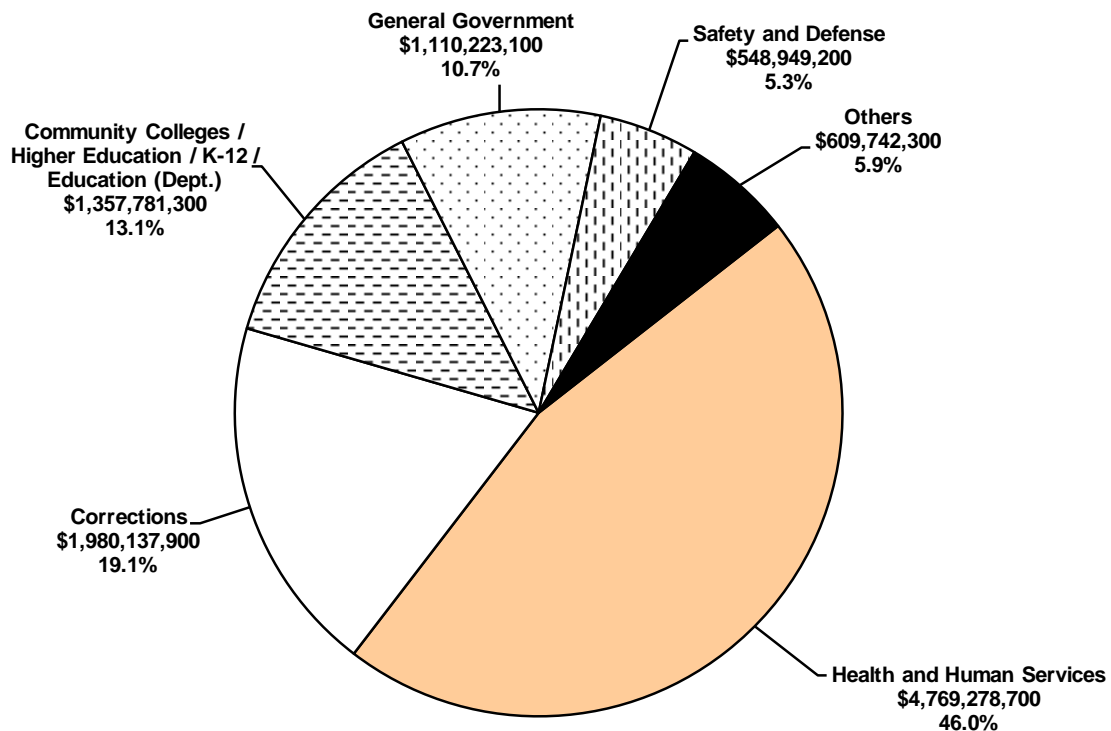
FY 2019-20 Year-to-Date Adjusted Gross Appropriations

Total: \$58,455,516,800



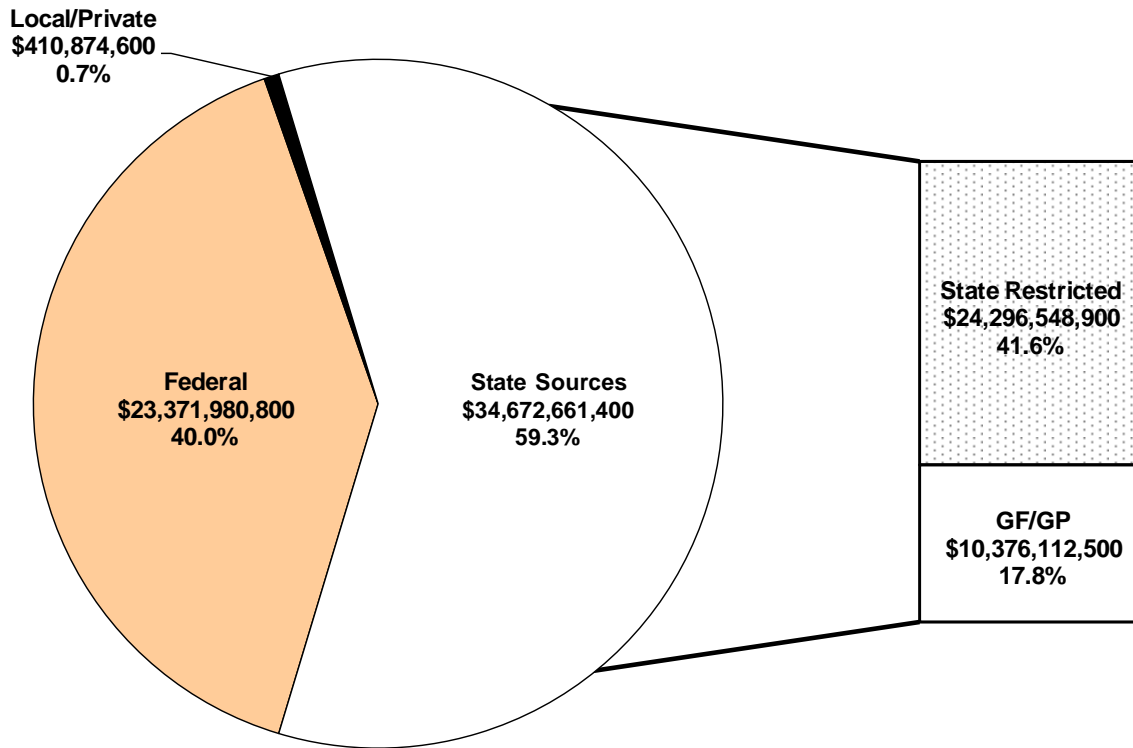
FY 2019-20 Year-to-Date General Fund/General Purpose (GF/GP) Appropriations

Total: \$10,376,112,500

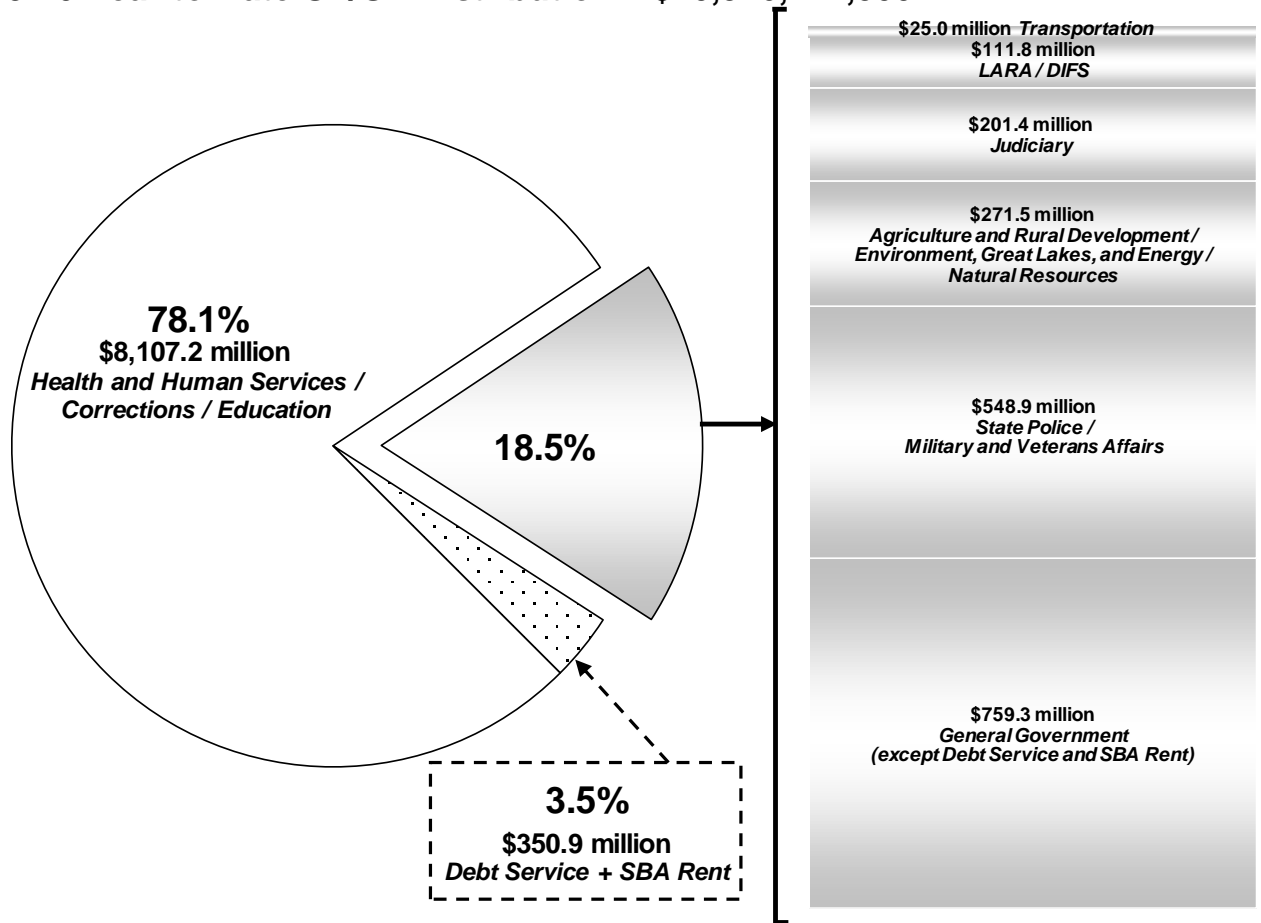


OVERVIEW

FY 2019-20 Year-to-Date Adjusted Gross Sources = \$58,455,516,800



FY 2019-20 Year-to-Date GF/GP Distribution = \$10,376,112,500



SUMMARY TABLES

In the following tables, FY 2018-19 and FY 2019-20 appropriations are year-to-date through January 14, 2020.

Table 1 (page 14) details the FY 2019-20 YTD appropriations by Source of Funds. When interdepartmental grants and intradepartmental transfers are deducted (to avoid double counting), gross appropriations of \$59,573.7 million reduce to \$58,455.5 million in adjusted gross appropriations.

Table 2 (page 15) and **Table 3** (page 16) compare FY 2018-19 YTD appropriations to FY 2019-20 YTD appropriations.

Adjusted Gross Appropriations increase from \$58,124.3 million in FY 2018-19 to \$58,455.5 million in FY 2019-20, an increase of \$331.2 million or 0.6%.

GF/GP Appropriations decrease from \$10,441.7 million in FY 2018-19 to \$10,376.1 million in FY 2019-20, a decrease of \$65.5 million or 0.6%.

Table 4 (page 17) compares the number of authorized Full-Time Equated (FTE) Positions (classified and unclassified) from FY 2018-19 YTD to FY 2019-20 YTD. An increase of 149.6 FTEs is shown in Table 4—from 53,969.5 in FY 2018-19 to 54,119.1 in FY 2019-20. Each FTE is equivalent to 2,088 hours of employee compensated time (including overtime, annual leave, and used sick leave) during the year.

Table 5 (page 18) shows FY 2019-20 YTD State Spending From State Sources Paid to Local Governments and compares enacted payments to local units of government to the amount of spending from state sources provided in each budget. Pursuant to Article IX, Section 30 of the *Constitution of the State of Michigan of 1963*, at least 48.97% of state spending from state resources must be paid to all units of local government. The FY 2019-20 YTD budget provides for \$19,418.3 million in state spending to local units of government, 56.0% of the estimated \$34,672.7 million in state spending from state resources—well above the constitutional requirement.

OVERVIEW

TABLE 1
FY 2019-20 YTD APPROPRIATIONS BY SOURCE OF FUNDS

Department/Budget Area	Gross	IDG/IDT	Adjusted Gross	Federal	Local	Private	State Restricted	GF/GP
Agriculture and Rural Development	\$111,417,500	\$1,315,700	\$110,101,800	\$12,636,400	\$0	\$101,800	\$41,383,700	\$55,979,900
Attorney General	105,982,800	34,373,000	71,609,800	9,713,700	0	0	20,159,800	41,736,300
Capital Outlay	0	0	0	0	0	0	0	0
Civil Rights	16,388,300	298,500	16,089,800	2,816,900	0	18,700	58,500	13,195,700
Community Colleges	414,719,000	0	414,719,000	0	0	0	414,719,000	0
Corrections	2,042,261,300	0	2,042,261,300	5,323,700	11,687,200	0	45,112,500	1,980,137,900
Education	419,783,700	0	419,783,700	315,342,100	5,893,400	2,036,200	9,300,000	87,212,000
Environment, Great Lakes, and Energy	614,665,800	3,176,600	611,489,200	175,269,900	0	1,201,800	266,440,100	168,577,400
Executive Office	7,114,300	0	7,114,300	0	0	0	0	7,114,300
Health and Human Services	26,358,046,300	13,819,300	26,344,227,000	18,306,958,900	146,246,000	142,959,500	2,978,783,900	4,769,278,700
Higher Education	1,691,395,000	0	1,691,395,000	134,026,400	0	0	349,419,300	1,207,949,300
Insurance and Financial Services	72,062,800	723,100	71,339,700	1,017,600	0	0	70,172,100	150,000
Judiciary	311,113,500	1,551,700	309,561,800	5,748,400	6,579,500	994,300	94,796,000	201,443,600
Labor and Economic Opportunity (MSF)	1,307,357,100	0	1,307,357,100	956,759,300	5,900,000	6,315,700	196,073,800	142,308,300
Legislative Auditor General	25,935,800	6,068,400	19,867,400	0	0	0	2,077,100	17,790,300
Legislature	175,490,100	0	175,490,100	0	0	400,000	4,514,100	170,576,000
Licensing and Regulatory Affairs	435,285,600	44,225,300	391,060,300	28,125,600	0	0	251,328,300	111,606,400
Military and Veterans Affairs	204,065,100	101,800	203,963,300	106,177,200	0	630,000	23,908,600	73,247,500
Natural Resources	438,685,400	197,200	438,488,200	75,501,200	0	7,431,600	308,570,400	46,985,000
School Aid	15,177,263,600	0	15,177,263,600	1,749,578,500	0	0	13,365,065,100	62,620,000
State	250,393,000	20,000,000	230,393,000	1,460,000	0	50,100	215,431,700	13,451,200
State Police	753,559,000	24,933,900	728,625,100	100,964,000	4,766,200	35,000	147,158,200	475,701,700
Tech., Mgmt., and Budget: Operations	1,322,829,900	950,488,800	372,341,100	4,968,400	2,321,200	131,100	117,916,800	247,003,600
Tech., Mgmt., and Budget: SBA Rent	246,570,600	0	246,570,600	0	0	0	0	246,570,600
Transportation	5,021,408,000	3,974,300	5,017,433,700	1,352,350,100	51,032,000	900,000	3,588,151,600	25,000,000
Treasury: Operations	590,066,900	12,905,600	577,161,300	27,242,500	13,215,800	27,500	430,533,700	106,141,800
Treasury: Debt Service	104,335,000	0	104,335,000	0	0	0	0	104,335,000
Treasury: Revenue Sharing	1,355,474,600	0	1,355,474,600	0	0	0	1,355,474,600	0
TOTAL APPROPRIATIONS	\$59,573,670,000	\$1,118,153,200	\$58,455,516,800	\$23,371,980,800	\$247,641,300	\$163,233,300	\$24,296,548,900	\$10,376,112,500

Notes:

1. FY 2019-20 year-to-date amounts include 2019 PA 154, 2019 PA 162, and State Police boilerplate appropriations.
2. YTD as of 1/14/2020

TABLE 2
ADJUSTED GROSS APPROPRIATIONS
FY 2019-20 YTD Compared with FY 2018-19 YTD

<u>Department/Budget Area</u>	<u>Year-to-Date FY 2018-19</u>	<u>Year-to-Date FY 2019-20</u>	<u>FY 2019-20 vs. FY 2018-19 Difference</u>	
Agriculture and Rural Development	\$113,161,200	\$110,101,800	(\$3,059,400)	(2.7%)
Attorney General	74,276,300	71,609,800	(2,666,500)	(3.6%)
Capital Outlay	15,000,900	0	(15,000,900)	(100.0%)
Civil Rights	15,902,000	16,089,800	187,800	1.2%
Community Colleges	408,215,500	414,719,000	6,503,500	1.6%
Corrections	2,019,056,200	2,042,261,300	23,205,100	1.1%
Education	396,247,700	419,783,700	23,536,000	5.9%
Environment, Great Lakes, and Energy	498,158,900	611,489,200	113,330,300	22.7%
Executive Office	6,980,100	7,114,300	134,200	1.9%
Health and Human Services	26,345,094,200	26,344,227,000	(867,200)	(0.0%)
Higher Education	1,669,732,600	1,691,395,000	21,662,400	1.3%
Insurance and Financial Services	67,258,100	71,339,700	4,081,600	6.1%
Judiciary	303,777,800	309,561,800	5,784,000	1.9%
Labor and Economic Opportunity (MSF)	1,260,746,100	1,307,357,100	46,611,000	3.7%
Legislative Auditor General	19,114,600	19,867,400	752,800	3.9%
Legislature	186,512,500	175,490,100	(11,022,400)	(5.9%)
Licensing and Regulatory Affairs	511,903,700	391,060,300	(120,843,400)	(23.6%)
Military and Veterans Affairs	209,427,200	203,963,300	(5,463,900)	(2.6%)
Natural Resources	506,294,900	438,488,200	(67,806,700)	(13.4%)
School Aid	14,811,203,800	15,177,263,600	366,059,800	2.5%
State	230,412,800	230,393,000	(19,800)	(0.0%)
State Police	755,279,300	728,625,100	(26,654,200)	(3.5%)
Tech., Mgmt., and Budget: Operations	440,061,000	372,341,100	(67,719,900)	(15.4%)
Tech., Mgmt., and Budget: SBA Rent	246,570,600	246,570,600	0	0.0%
Transportation	5,009,788,300	5,017,433,700	7,645,400	0.2%
Treasury: Operations	582,641,300	577,161,300	(5,480,000)	(0.9%)
Treasury: Debt Service	107,080,000	104,335,000	(2,745,000)	(2.6%)
Treasury: Revenue Sharing	1,314,405,300	1,355,474,600	41,069,300	3.1%
TOTAL APPROPRIATIONS	\$58,124,302,900	\$58,455,516,800	\$331,213,900	0.6%

Note: YTD as of 1/14/2020

OVERVIEW

**TABLE 3
GENERAL FUND/GENERAL PURPOSE APPROPRIATIONS
FY 2019-20 YTD Compared with FY 2018-19 YTD**

<u>Department/Budget Area</u>	<u>Year-to-Date FY 2018-19</u>	<u>Year-to-Date FY 2019-20</u>	<u>FY 2019-20 vs. FY 2018-19 Difference</u>	
Agriculture and Rural Development	\$64,112,200	\$55,979,900	(\$8,132,300)	(12.7%)
Attorney General	41,841,800	41,736,300	(105,500)	(0.3%)
Capital Outlay	15,000,900	0	(15,000,900)	(100.0%)
Civil Rights	13,022,100	13,195,700	173,600	1.3%
Community Colleges	0	0	0	--
Corrections	1,963,841,300	1,980,137,900	16,296,600	0.8%
Education	91,757,800	87,212,000	(4,545,800)	(5.0%)
Environment, Great Lakes, and Energy	58,546,500	168,577,400	110,030,900	187.9%
Executive Office	6,980,100	7,114,300	134,200	1.9%
Health and Human Services	4,410,375,200	4,769,278,700	358,903,500	8.1%
Higher Education	1,046,017,900	1,207,949,300	161,931,400	15.5%
Insurance and Financial Services	550,000	150,000	(400,000)	(72.7%)
Judiciary	196,079,500	201,443,600	5,364,100	2.7%
Labor and Economic Opportunity (MSF)	286,546,300	142,308,300	(144,238,000)	(50.3%)
Legislative Auditor General	17,105,800	17,790,300	684,500	4.0%
Legislature	181,718,200	170,576,000	(11,142,200)	(6.1%)
Licensing and Regulatory Affairs	140,845,300	111,606,400	(29,238,900)	(20.8%)
Military and Veterans Affairs	75,912,400	73,247,500	(2,664,900)	(3.5%)
Natural Resources	77,241,800	46,985,000	(30,256,800)	(39.2%)
School Aid	87,920,000	62,620,000	(25,300,000)	(28.8%)
State	20,966,300	13,451,200	(7,515,100)	(35.8%)
State Police	495,265,000	475,701,700	(19,563,300)	(4.0%)
Tech., Mgmt., and Budget: Operations	310,438,900	247,003,600	(63,435,300)	(20.4%)
Tech., Mgmt., and Budget: SBA Rent	246,570,600	246,570,600	0	0.0%
Transportation	356,790,900	25,000,000	(331,790,900)	(93.0%)
Treasury: Operations	129,131,300	106,141,800	(22,989,500)	(17.8%)
Treasury: Debt Service	107,080,000	104,335,000	(2,745,000)	(2.6%)
Treasury: Revenue Sharing	0	0	0	--
TOTAL APPROPRIATIONS	\$10,441,658,100	\$10,376,112,500	(\$65,545,600)	(0.6%)

Note: YTD as of 1/14/2020

TABLE 4
AUTHORIZED FULL-TIME EQUATED (FTE) POSITIONS*
FY 2019-20 YTD Compared with FY 2018-19 YTD

<u>Department/Budget Area</u>	<u>Year-to-Date FY 2018-19</u>	<u>Year-to-Date FY 2019-20</u>	<u>FY 2019-20 vs. FY 2018-19 Difference</u>	
Agriculture and Rural Development	508.5	514.0	5.5	1.1%
Attorney General	537.0	542.4	5.4	1.0%
Capital Outlay	0.0	0.0	0.0	--
Civil Rights	116.0	116.0	0.0	0.0%
Community Colleges	0.0	0.0	0.0	--
Corrections	13,979.2	13,794.3	(184.9)	(1.3%)
Education	620.5	620.5	0.0	0.0%
Environment, Great Lakes, and Energy	1,263.0	1,422.0	159.0	12.6%
Executive Office	89.2	89.2	0.0	0.0%
Health and Human Services	15,974.2	15,438.0	(536.2)	(3.4%)
Higher Education	0.0	0.0	0.0	--
Insurance and Financial Services	342.5	368.5	26.0	7.6%
Judiciary	502.0	509.0	7.0	1.4%
Labor and Economic Opportunity (MSF)	1,456.0	2,565.9	1,109.9	76.2%
Legislative Auditor General	0.0	0.0	0.0	--
Legislature	0.0	0.0	0.0	--
Licensing and Regulatory Affairs	2,384.8	1,849.9	(534.9)	(22.4%)
Military and Veterans Affairs	921.5	933.5	12.0	1.3%
Natural Resources	2,340.3	2,340.1	(0.2)	(0.0%)
School Aid	0.0	0.0	0.0	--
State	1,595.0	1,592.0	(3.0)	(0.2%)
State Police	3,521.0	3,583.0	62.0	1.8%
Tech., Mgmt., and Budget: Operations	3,122.0	3,132.0	10.0	0.3%
Tech., Mgmt., and Budget: SBA Rent	0.0	0.0	0.0	--!
Transportation	2,824.3	2,824.3	0.0	0.0%
Treasury: Operations	1,872.5	1,884.5	12.0	0.6%
Treasury: Debt Service	0.0	0.0	0.0	--!
Treasury: Revenue Sharing	0.0	0.0	0.0	--
TOTAL FTE POSITIONS	53,969.5	54,119.1	149.6	0.3%

* Includes classified, unclassified, and nonlegislative exempt positions. Represents authorized/estimated positions, not necessarily actual positions funded.

Note: YTD as of 1/14/2020

OVERVIEW

**TABLE 5
STATE SPENDING FROM STATE SOURCES PAID TO LOCAL GOVERNMENTS
FY 2019-20 YTD**

<u>Department/Budget Area</u>	<u>Spending From State Sources</u>	<u>State Spending to Local Government Units</u>	<u>% of State Spending From State Sources as Payment to Locals</u>
Agriculture and Rural Development	\$97,363,600	\$9,650,000	9.9%
Attorney General	61,896,100	0	0.0%
Civil Rights	13,254,200	0	0.0%
Community Colleges	414,719,000	414,719,000	100.0%
Corrections	2,025,250,400	122,635,700	6.1%
Education	96,512,000	14,267,700	14.8%
Environment, Great Lakes, and Energy	435,017,500	19,646,000	4.5%
Executive Office	7,114,300	0	0.0%
Health and Human Services	7,748,062,600	1,566,457,000	20.2%
Higher Education	1,557,368,600	0	0.0%
Insurance and Financial Services	70,322,100	0	0.0%
Judiciary	296,239,600	145,951,300	49.3%
Labor and Economic Opportunity (MSF)	338,382,100	37,598,800	11.1%
Legislative Auditor General	19,867,400	0	0.0%
Legislature	175,090,100	0	0.0%
Licensing and Regulatory Affairs	362,934,700	102,451,400	28.2%
Military and Veterans Affairs	97,156,100	8,315,000	8.6%
Natural Resources	355,555,400	8,122,200	2.3%
School Aid	13,427,685,100	13,221,615,300	98.5%
State	228,882,900	1,127,500	0.5%
State Police	622,859,900	16,078,600	2.6%
Tech., Mgmt., and Budget: Operations	364,920,400	0	0.0%
Tech., Mgmt., and Budget: SBA Rent	246,570,600	0	0.0%
Transportation	3,613,151,600	2,135,605,800	59.1%
Treasury: Operations	536,675,500	238,603,600	44.5%
Treasury: Debt Service	104,335,000	0	0.0%
Treasury: Revenue Sharing	1,355,474,600	1,355,474,600	100.0%
TOTALS	\$34,672,661,400	\$19,418,319,500	56.0%

Note: YTD as of 1/14/2020

FY 2019-20

Budget Detail

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
Summary of FY 2019-20 Enacted with Vetoes and Ad Board Transfers
Public Act 57 (Senate Bill 137)**

Analyst: William E. Hamilton

	FY 2018-19 YTD as of 3/5/19	FY 2019-20 Executive	FY 2019-20 House	FY 2019-20 Senate	FY 2019-20 Conference	FY 2019-20 Enacted	Difference: Enacted From FY 2018-19 YTD	
							Amount	%
IDG/IDT	\$313,900	\$318,400	\$1,315,700	\$318,400	\$1,315,700	\$1,315,700	\$1,001,800	319.1
Federal	11,775,200	11,836,400	11,836,400	11,836,400	12,636,400	12,636,400	861,200	7.3
Local	0	0	0	0	0	0	0	--
Private	101,800	101,800	101,800	101,800	101,800	101,800	0	0.0
Restricted	37,172,000	39,653,700	41,634,400	39,653,700	41,383,700	41,383,700	4,211,700	11.3
GF/GP	60,835,200	57,920,200	54,343,300	60,835,200	57,200,000	52,500,000	(8,335,200)	(13.7)
Gross	\$110,198,100	\$109,830,500	\$109,231,600	\$112,745,500	\$112,637,600	\$107,937,600	(\$2,260,500)	(2.1)
FTEs	508.5	509.5	507.5	509.5	514.0	514.0	5.5	1.1

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Appropriation figures do not include supplemental appropriations in 2019 PA 154 (see Appendix II).

Overview

The Michigan Department of Agriculture and Rural Development's (MDARD) key programs and priorities include ensuring food safety and security, protecting animal health and welfare, managing invasive exotic species, regulating pesticide use, certifying agricultural commodities, ensuring environmental stewardship, consumer protection, and promoting the state's agricultural economy.

Major Budget Changes from FY 2018-19 YTD Appropriations

1. Emergency Management/Contamination Response – AD BOARD TRANSFER

FY 2018-19 supplemental appropriation act, 2018 PA 618, included \$400,000 GF/GP and 2.0 FTE positions related to MDARD environmental contamination response activities. Of this funding, \$200,000 and 1.0 FTE was shown as a one-time appropriation for Emergency Management. The FY 2018-19 YTD column to the right represents both ongoing line item funding of \$1.1 million and 4.0 FTE positions, and the additional \$200,000 GF/GP and 1.0 FTE position authorization included in the supplemental. Enrolled bill does not include funding or FTE authorization associated with a contamination coordinator position and does not recognize funding or FTE increase. Ad Board transferred \$200,000 GF/GP from Food and Agriculture Investment Grant line (see Item #13) to this line item. This transfer effectively maintains baseline GF/GP funding.

	FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
FTE	5.0	(1.0)
Gross	\$1,293,300	\$0
Federal	438,100	0
GF/GP	\$855,200	\$0

2. Food Safety and Quality Assurance

Includes an additional \$300,000 federal and authorizes 2.0 FTE positions to recognize federal HHS grant related to federal Food Safety Modernization Act program.

FTE	96.0	2.0
Gross	\$16,602,900	\$300,000
Federal	2,343,600	300,000
Restricted	5,554,000	0
GF/GP	\$8,705,300	\$0

3. Animal Disease Prevention and Response – AD BOARD TRANSFER

Enrolled bill includes baseline reduction of \$400,000 GF/GP. Ad Board transferred \$782,000 GF/GP from Food and Agriculture Investment Grant line item (see Item #14) to this line item.

FTE	61.0	0.0
Gross	\$9,356,900	\$382,000
Federal	618,000	0
Private	30,500	0
Restricted	220,300	0
GF/GP	\$8,488,100	\$382,000

AGRICULTURE AND RURAL DEVELOPMENT

<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
4. Indemnification – Livestock Depredation	Gross	\$50,000	(\$25,000)
Reduces program funding by \$25,000 GF/GP. Program reimburses eligible livestock producers for animals lost to depredation by wildlife, a program authorized under the Wildlife Depredations Indemnification Act (Public Act 487 of 2012).	GF/GP	\$50,000	(\$25,000)
5. Michigan Animal Agriculture Alliance (MAAA) – VETOED	Gross	\$2,000,000	(\$2,000,000)
Maintains current-year appropriation for MAAA. This line, which supports a Michigan State University (MSU) animal industry research grant program, was funded at \$2.0 million GF/GP in the one-time only unit of the FY 2018-19 budget (as Animal Agriculture Initiative). Governor vetoed funding for this line.	GF/GP	\$2,000,000	(\$2,000,000)
6. Pesticide Plant Pest Management (PPPM)/Animal Feed Safety – AD BOARD TRANSFER	FTE	87.0	1.0
	Gross	\$14,172,700	\$1,000,000
Enrolled bill unrolls into two separate line items, makes \$500,000 GF/GP reduction, and shifts \$1.0 million restricted Agriculture Licensing and Inspection Fee revenue to replace GF/GP. Ad Board transferred \$1.5 million GF/GP from Food and Agriculture Investment Grant line (see Item #13) to this line item. This transfer effectively maintains baseline GF/GP funding.	Federal	1,686,900	0
	Private	21,300	0
	Restricted	6,737,900	1,000,000
	GF/GP	\$5,726,600	\$0
7. Environmental Stewardship/MAEAP – AD BOARD TRANSFER	FTE	25.0	0.0
	Gross	\$10,191,300	\$1,020,000
Enrolled bill replaces \$520,000 GF/GP with restricted Freshwater Protection Fund support; includes additional \$500,000 in federal funds to recognize additional USDA grant for Conservation Technical Assistance Initiative (CTAI). Ad Board transferred \$520,000 GF/GP from Food and Agriculture Investment Grant line (see Item #13) to this line item. This transfer effectively maintains baseline GF/GP funding.	Federal	1,479,100	500,000
	Restricted	7,714,900	520,000
	GF/GP	\$997,300	\$0
8. Farmland and Open Space Preservation	FTE	10.0	0.0
	Gross	\$1,545,000	\$0
Replaces \$100,000 GF/GP with restricted Agricultural Preservation Fund support. This program, commonly referred to as the PA 116 program, provides tax credits to qualified farmers and landowners who agree to certain restrictions on development rights. Farmland and Open Space line item supports MDARD administration of the program.	Restricted	1,425,700	100,000
	GF/GP	\$119,300	(\$100,000)
9. Agriculture Preservation Easement Grants	Gross	\$0	\$1,900,000
Includes \$1.9 million from the state restricted Agriculture Preservation Fund to provide grants to local units of government for the purchase of agricultural conservation easements, as authorized under Part 362 of the Natural Resources and Environmental Protection Act.	Restricted	0	1,900,000
	GF/GP	\$0	\$0
10. Migrant Labor Housing	FTE	9.0	0.0
	Gross	\$1,231,100	\$50,000
Increases baseline GF/GP support by \$50,000.	Restricted	140,100	0
	GF/GP	\$1,091,000	\$50,000
11. Qualified Forest Program – AD BOARD TRANSFER	FTE	9.0	0.0
	Gross	\$2,590,000	\$1,070,900
Reduces baseline GF/GP support by \$126,400; recognizes \$200,000 additional restricted Private Forestland Development Fund revenue. Also replaces \$997,300 GF/GP with \$997,300 Interdepartmental Grant (IDG) from the Department of Natural Resources Forest Development Fund. Ad Board transferred \$997,300 GF/GP from Food and Agriculture Investment Grant line (see Item #13) to this line item.	IDG	0	997,300
	Restricted	581,500	200,000
	GF/GP	\$2,008,500	(\$126,400)

AGRICULTURE AND RURAL DEVELOPMENT

<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>	FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
12. Agriculture Development		
Increases baseline GF/GP support by \$50,000.		
FTE	13.0	0.0
Gross	\$4,253,100	\$50,000
Federal	2,273,200	0
Private	50,000	0
Restricted	135,000	0
GF/GP	\$1,794,900	\$50,000
13. Food and Agriculture Investment Grant Program – AD BOARD TRANSFER		
Gross	\$5,125,000	(\$5,124,900)
GF/GP	\$5,125,000	(\$5,124,900)

Enrolled bill includes \$4.0 million GF/GP. Ad Board transferred \$3,999,900 GF/GP from this line to the following line items within this budget:

- Emergency Management/Contamination Response (Item #1).
- Animal Disease Prevention and Response (Item #3).
- Pesticide Plant Pest Management/Animal Feed Safety (Item #6).
- Environmental Stewardship/MAEAP (Item #7).
- Qualified Forest Program (Item #11).

The line item balance after these transfers is \$100.

14. Double Up Food Bucks		
Includes \$1.0 million for Double Up Food Bucks program. This program increases purchasing power of Michigan residents who receive Supplemental Nutritional Assistance Program (SNAP) benefits by providing a dollar-for-dollar match of up to \$20 per day to buy fresh fruits and vegetables at participating grocery stores and farmer’s markets.		
Gross	\$0	\$1,000,000
GF/GP	\$0	\$1,000,000

[Because this Summary uses March 5, 2019, as the FY 2018-19 YTD baseline, the \$2.0 million provided in FY 2018-19 supplemental funding is not shown in the FY 2018-19 YTD column to the right. However, the \$2.0 million in FY 2018-19 funding, plus the \$1.0 million provided in the FY 2019-20 enacted budget, would provide \$3.0 million in total funding over the two fiscal year period.]

15. County Fairs, Shows, and Expositions Grants – VETOED		
Enrolled bill includes \$1.0 million GF/GP in ongoing funding. This line item provides grants to county fairs, shows, and expositions. FY 2018-19 YTD figure includes \$400,000 in ongoing funding, plus \$925,000 shown as one-time. Governor vetoed funding for this line.		
Gross	\$1,325,000	(\$1,325,000)
GF/GP	\$1,325,000	(\$1,325,000)

16. Elimination of FY 2018-19 One-Time Funding		
Eliminates \$1.9 million GF/GP for the following projects or programs identified in the FY 2018-19 budget as one-time: ACRE Ag Incubator, (\$260,000); Dairy Assistance Program, (\$1.0 million); MSU/Agriculture Industry Research and Development, (\$550,000); ODC network/Project clarity, (\$120,000).		
Gross	\$1,930,000	(\$1,930,000)
GF/GP	\$1,930,000	(\$1,930,000)

[Note: Some items shown as one-time in the FY 2018-19 budget are reviewed separately in this analysis, specifically: Item #1, Emergency management, (\$200,000); Item #5, Animal agriculture initiative, (\$2.0 million); Item #15, County fairs, shows, and expositions, (\$925,000); and Item #18, Industrial Hemp program, (\$150,000).]

AGRICULTURE AND RURAL DEVELOPMENT

<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
17. Farm Stress Program – VETOED	Gross	\$0	\$0
Enrolled house bill includes \$500,000 GF/GP for new program to help farmers and agricultural producers learn more about managing stress and communicating with those in need. Governor vetoed funding for this line.	GF/GP	\$0	\$0
18. Industrial Hemp Licensing/Regulatory Program	FTE	0.0	4.5
Includes \$210,000 in new restricted revenue anticipated from Hemp program licensing and testing fees and authorizes 4.5 FTE positions.	Gross	\$0	\$210,000
	Restricted	0	210,000
	GF/GP	\$0	\$0
[See related note on \$1.3 million GF/GP in FY 2018-19 supplemental funding for Industrial Hemp Research and Development.]			
19. Local Conservation Districts – Pilot Project – VETOED	Gross	\$0	\$0
Includes \$200,000 GF/GP for new program to develop a natural resources assessment that describes the conservation district and identifies the top 5 natural resources needs for each district. Governor vetoed funding for this line.	GF/GP	\$0	\$0
20. Economic Adjustments	Gross	NA	\$1,075,600
Reflects increased costs of \$1.0 million Gross (\$740,000 GF/GP) for negotiated salary and wage increases (2.0% ongoing, 2.0% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	NA	4,500
	Private	NA	0
	Federal	NA	61,200
	Restricted	NA	269,900
	GF/GP	NA	\$740,000

Major Boilerplate Changes from FY 2018-19

Sec. 204. Use of Internet for Reporting – REVISED

Revises to direct the department to notify report recipients when reports are posted to the department website.

Sec. 210. Contingency Appropriations – REVISED

Retains contingency fund appropriations but revises contingency fund amounts as follows: federal, \$3.0 million; state restricted, \$2.0 million; local and private, \$100,000 each.

Sec. 215. Communication with the Legislature – RETAINED (UNENFORCEABLE)

Prohibits department from taking disciplinary action against an employee for communicating with the legislature. (*Signing letter states section is unenforceable.*)

Sec. 459. Bovine TB Testing, Legislative Intent – DELETED

Deletes section that expresses legislative intent that department not conduct whole-herd testing of any one herd in a TB-free zone more often than once every four years, except under specific conditions.

Sec. 462. Apiary Protection – DELETED

Deletes \$20,000 earmark for an apiary protection program.

Sec. 701. Food and Agriculture Investment Grant Program – REVISED (AD BOARD TRANSFER)

Defines program goals, selection and reporting requirements; new language limits department administrative costs to 5%; includes hoop houses as authorized grant recipients. Note that after State Administrative Board transfers, the line item has only \$100 in spending authority.

Sec. 703. Double Up Food Bucks Program – NEW

Directs the department work with the Department of Health and Human Services to notify eligible recipients of food assistance program benefits related to the Double Up Food Bucks program. Establishes new reporting requirement.

Secs. 805 and 806. County Fair Capital Grant Program – REVISED (VETOED)

Directs use of appropriation for county fair capital grant program; includes new boilerplate Section 806 to earmark \$50,000 for the promotion of festivals and events. *Note: The Governor vetoed both Sections 805 and 806.*

AGRICULTURE AND RURAL DEVELOPMENT

Major Boilerplate Changes from FY 2018-19

Sec. 901. Farm Stress Program – NEW (VETOED)

Includes new language defining use of one-time appropriation. Program would help farmers and agricultural producers learn more about managing stress and communicating with those in need.

Sec. 902. Local Conservation District Pilot Program – NEW (VETOED)

Includes new language defining use of one-time appropriation. The section indicates that the appropriation for local conservation districts pilot project be used to develop a needs assessment model that describes the conservation district and identifies the top 5 natural resources needs for each district.

FY 2018-19 Supplemental Appropriation (PA 56)

1. Industrial Hemp Research and Development

Includes \$1.3 million GF/GP for developing and implementing industrial hemp pilot research programs in accordance with 2018 PA 641. Programs would include licensing, monitoring, and testing.

	FY 2018-19 YTD (as of 3/5/19)	FY 2018-19 Supplemental Change
Gross	\$150,000	\$1,277,000
GF/GP	\$150,000	\$1,277,000

FY 2018-19 Supplemental Boilerplate Changes (PA 56)

Sec. 1505. Industrial Hemp Research and Development

Authorizes unexpended funds appropriated for industrial hemp research and development to be considered a work project appropriation and carried forward. Funding supports implementing industrial hemp pilot research programs. Project would be accomplished by utilizing state employees or contracts with service providers, or both. Project is estimated to cost \$1.3 million, with a tentative completion date of September 30, 2021.

COMMUNITY COLLEGES
Summary of FY 2019-20 Enacted with Vetoes and Ad Board Transfers
Public Act 52 of 2019 (Senate Bill 134)

Analyst: Perry Zielak

	FY 2018-19 YTD as of 3/5/19	FY 2019-20 Executive	FY 2019-20 House	FY 2019-20 Senate	FY 2019-20 Conference	FY 2019-20 Enacted	Difference: Enacted From FY 2018-19 YTD	
							Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	0	0	0	0	0	0	0	--
Local	0	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	0	--
Restricted	408,215,500	408,215,500	414,719,000	411,496,500	414,719,000	414,719,000	6,503,500	1.6
GF/GP	0	12,948,500	0	4,833,700	0	0	0	--
Gross	\$408,215,500	\$421,164,000	\$414,719,000	\$416,330,200	\$414,719,000	\$414,719,000	\$6,503,500	1.6

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Appropriation figures do not include supplemental appropriations in 2019 PA 162 (see Appendix III).

Overview

The Community Colleges budget supports the 28 public community colleges located throughout the state. Community colleges offer a wide variety of educational programs, including traditional two-year transfer programs, associate degrees, career and technical education, developmental and remedial education, continuing education, and baccalaureate programs in a limited number of areas. The colleges are supported primarily through a combination of state aid, local property tax revenue, and tuition and fees.

Major Budget Changes from FY 2018-19 YTD Appropriations

1. Community Colleges Operations Increase

Increases funding by \$2.4 million School Aid Fund (SAF), a 0.8% increase, which would be distributed through a revised performance formula. Increases for individual community colleges range from 0.4% to 4.8%. Total funding for operations is \$324.7 million SAF.

	FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
Gross	\$322,250,900	\$2,436,800
Restricted	322,250,900	2,436,800
GF/GP	\$0	\$0

2. North American Indian Tuition Waiver Funding

Provides \$785,700 SAF in additional funding for the Indian Tuition Waiver (ITW) program that helps address a funding shortfall between waiver program costs and funding provided by the state. Unrolls \$1.0 million in current program funding that had been rolled into community college base operations funding and places the appropriation into a delineated ITW category in the operations line. Total ITW program funding is \$1.8 million SAF.

	FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
Gross	\$1,033,600	\$785,700
Restricted	1,033,600	785,700
GF/GP	\$0	\$0

3. Michigan Public School Employees' Retirement System (MPERS) Normal Cost Offset

Increases funding by \$5.8 million SAF for the community colleges' normal cost portion, which would cover the cost to lower the assumed rate of return for MPERS from 7.5% to 7.05%. Incorporates \$6.4 million SAF into the base from previous one-time funding that offset the cost of lowering the assumed rate of return from 8% to 7.5%. The assumed rate of return reductions are due to the implementation of the dedicated investment gains policy. Total funding for the MPERS Normal Cost Offset is \$12.2 million SAF.

	FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
Gross	\$6,431,000	\$5,781,000
Restricted	6,431,000	5,781,000
GF/GP	\$0	\$0

COMMUNITY COLLEGES

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>			
4. MPSERS State Share of UAL Stabilization Payment		Gross \$75,300,000	(\$2,200,000)
Reduces funding by \$2.2 million SAF for the state's share of community colleges' unfunded liability to MPSERS. The state's share is the difference between the calculated unfunded accrued liability (UAL) contribution to the system and the employer contribution cap of 20.96% of payroll set by the Public School Employees Retirement Act (MCL 38.1341). Total funding for the state share of MPSERS UAL contribution is \$73.1 million SAF.		Restricted 75,300,000	(2,200,000)
		GF/GP \$0	\$0
5. Renaissance Zone Reimbursement Costs		Gross \$2,500,000	(\$300,000)
Reduces funding for Renaissance Zone reimbursements to community colleges by \$300,000 SAF. Estimated reimbursement payments required by statute have decreased due to Personal Property Tax reforms. Brings total funding for reimbursements to \$2.2 million SAF.		Restricted 2,500,000	(300,000)
		GF/GP \$0	\$0

Major Boilerplate Changes from FY 2018-19

Sec. 206. Michigan Community Colleges Data Inventory (MCCDI) Data – REVISED

Provides for payment of appropriations in 11 installments per year to community colleges; directs Department of Treasury to withhold appropriations if colleges fail to submit Michigan Community College Data Inventory data, longitudinal data system data, annual independent audits, tuition and fee information, and degree and certificate award data as required. Changes reporting deadline from November 1 to the first business day of November.

Sec. 209. Community College Transparency – REVISED

Requires colleges to post specified information on their websites, including: annual operating budgets, general fund revenue and expenditure projections, a listing of debt service obligations, collective bargaining agreements, health care benefits plans, audits and financial reports, and information on dual enrollment programs and other opportunities for earning college credit while in high school. Adds a requirement that community colleges post a map of the district's boundaries.

Sec. 209a. Campus Safety Information and Resources – REVISED

Requires community colleges to develop a "campus safety information and resources" webpage, which must be linked and displayed on their home webpage. The page must display various safety information and policies, and the schools must certify compliance to the State Budget Director or have monthly state payments withheld. Revises compliance certification date to the State Budget Director from August 31 to October 1, 2019, and the last business day of August thereafter.

Sec. 210f. Articulation Agreements and Academic Partnerships Reporting – REVISED

Requires the Michigan Community College Association (MCCA), the Michigan Association of State Universities (MASU), and the Michigan Independent Colleges and Universities (MICU) to report on the names and number of baccalaureate degree programs offered on community college campuses, the names of articulation agreements between universities and community colleges, and the number of students enrolled and degrees awarded through articulation agreements and on-campus baccalaureate programs. Revises to updates dates, and makes report due every even-numbered year.

Sec. 217. MCCDI Advisory Committee – REVISED

Requires the Center for Educational Performance and Information (CEPI) to establish, maintain, and coordinate the MCCDI database of community college data. Revises language to say a diverse mix of community colleges should be represented. Revises language to make CEPI compile and publish the Demographic Enrollment Profile report. Adds requirement that CEPI compile and publish community college performance improvement and performance completion rate data.

Sec. 218. Prisoner Credit Hours – DELETED

Excludes credit/contact hours for students incarcerated in penal institutions from enrollment data submitted by colleges.

Sec. 225. Tuition Rate Reports – REVISED

Requires colleges to report tuition and fee rates, the annual cost of tuition and fees for a 30-credit course load, and tuition and fee increases from the prior year to CEPI by August 31. Revises to change deadline to last business day of August.

Major Boilerplate Changes from FY 2018-19

Sec. 227. Community College Automobile Purchases – DELETED

Forbids the lease or purchase of foreign-made vehicles if vehicles made in Michigan or elsewhere in the U.S. are competitively priced and of comparable quality.

Sec. 230. Performance Indicator Formula – REVISED

States the formula by which the amount available for performance funding (which is the amount of the annual increase in funding for community college operations) is allocated. Revises formula to reduce weighted contact hour metric from 30% to 25% and adds new metric based on the 6 colleges with lowest taxable values from FY 2017-18 weighted by fiscal year equated students at 5%. Revises two additional performance metrics to reflect the use of data provided by CEPI.

COMMUNITY COLLEGES

**FY 2019-20 Community College Operations Appropriations
Enacted Summary**

% of Formula:	30%	10%	10%	10%	25%	5%	5%	95%	5%							
	FY 2018-19 Base	Sustainability	Performance-Improvement	Performance-Completion Number	Performance-Completion Rate	Contact Hours	Administrative	Local Strategic Value	Total Formula Distribution	Adjustments for Lowest Taxable Value	Total Performance Funding	Indian Tuition Waiver Payment	Indian Tuition Waiver Shortfall Payment	*Total Indian Tuition Waiver Payment	FY 2019-20 Appropriation	% Change
Alpena	5,707,600	12,949	3,797	2,773	7,580	5,149	4,527	2,158	38,900	17,600	56,500	10,800	8,500	19,300	\$5,772,600	1.1%
Bay de Noc	5,624,800	12,761	4,194	3,191	3,403	5,742	4,015	2,127	35,400	18,800	54,200	76,200	61,700	137,900	\$5,740,700	2.1%
Delta	15,104,300	34,268	9,138	12,431	9,138	25,944	5,283	5,711	101,900	0	101,900	45,700	(4,800)	40,900	\$15,201,400	0.6%
Glen Oaks	2,620,000	5,944	3,411	1,256	5,491	3,976	642	991	21,700	12,900	34,600	3,400	(2,200)	1,200	\$2,652,400	1.2%
Gogebic	4,844,300	10,990	2,931	1,529	7,292	4,151	2,821	1,832	31,500	13,500	45,000	15,600	44,300	59,800	\$4,933,600	1.8%
Grand Rapids	18,709,300	42,446	11,319	14,612	11,319	52,389	5,241	7,074	144,400	0	144,400	80,600	159,800	240,300	\$19,013,400	1.6%
Henry Ford	22,463,600	50,964	13,590	11,522	17,997	43,818	4,732	8,494	151,100	0	151,100	81,600	(40,000)	41,600	\$22,574,700	0.5%
Jackson	12,698,200	28,809	8,894	6,042	7,682	15,146	5,010	4,801	76,400	0	76,400	18,500	28,200	46,700	\$12,802,900	0.8%
Kalamazoo Valley	13,046,600	29,599	7,893	8,471	7,893	26,305	5,307	4,933	90,400	0	90,400	37,100	18,900	56,000	\$13,155,900	0.8%
Kellogg	10,214,400	23,174	6,180	7,310	6,180	15,361	5,475	3,862	67,500	0	67,500	14,800	64,600	79,400	\$10,346,500	1.3%
Kirtland	3,321,600	7,536	7,120	2,514	2,010	5,847	4,519	1,256	30,800	16,000	46,800	10,000	24,600	34,600	\$3,393,000	2.1%
Lake Michigan	5,672,100	12,868	3,432	3,283	3,432	11,411	2,825	2,145	39,400	0	39,400	8,800	2,500	11,300	\$5,714,000	0.7%
Lansing	32,725,800	74,246	21,372	21,933	19,799	45,143	4,871	12,374	199,700	0	199,700	73,500	80,400	153,900	\$33,005,900	0.9%
Macomb	34,124,000	77,418	20,645	21,530	24,674	70,423	5,410	12,903	233,000	0	233,000	80,900	(44,900)	36,000	\$34,312,100	0.6%
Mid-Michigan	5,112,400	11,599	3,093	5,509	3,093	12,051	3,676	1,933	41,000	43,100	84,000	12,000	128,100	140,100	\$5,324,500	4.1%
Monroe County	4,708,600	10,683	5,928	3,382	2,849	10,011	5,091	1,780	39,700	0	39,700	2,100	(1,200)	900	\$4,747,100	0.8%
Montcalm	3,542,900	8,038	5,075	2,773	2,143	5,448	4,378	1,340	29,200	0	29,200	1,500	4,200	5,700	\$3,576,300	0.9%
Mott	16,381,600	37,165	9,911	14,345	13,793	27,941	4,818	6,194	114,200	0	114,200	55,800	(42,400)	13,400	\$16,453,400	0.4%
Muskegon	9,264,700	21,019	5,605	4,116	5,605	13,277	5,469	3,503	58,600	0	58,600	34,200	43,100	77,300	\$9,366,400	1.1%
North Central	3,402,600	7,720	2,059	2,584	5,976	6,886	4,715	1,287	31,200	0	31,200	44,500	133,400	177,900	\$3,567,200	4.8%
Northwestern	9,625,400	21,837	9,103	5,990	5,823	13,126	4,203	3,640	63,700	0	63,700	122,000	124,700	246,700	\$9,813,800	2.0%
Oakland	22,093,000	50,123	24,987	23,142	13,366	53,610	5,067	8,354	178,600	0	178,600	59,900	(36,200)	23,700	\$22,235,400	0.6%
Schoolcraft	13,112,900	29,750	15,803	12,568	12,197	34,981	5,376	4,958	115,600	0	115,600	32,300	34,700	67,000	\$13,263,200	1.1%
Southwestern	6,946,900	15,761	5,392	4,626	8,048	7,593	2,628	2,627	46,700	0	46,700	14,200	25,500	39,700	\$7,019,100	1.0%
St. Clair	7,358,700	16,695	5,040	5,122	8,470	12,873	4,483	2,782	55,500	0	55,600	29,100	(20,600)	8,500	\$7,393,700	0.5%
Washtenaw	13,764,000	31,227	8,327	22,594	12,376	40,759	5,117	5,204	125,600	0	125,600	33,700	(2,700)	31,000	\$13,886,900	0.9%
Wayne County	17,487,200	39,674	17,904	17,005	14,514	33,671	4,329	6,612	133,700	0	133,700	27,500	(19,000)	8,500	\$17,601,900	0.7%
West Shore	2,573,400	5,838	1,557	1,546	1,557	6,221	1,822	973	19,600	0	19,500	7,300	12,500	19,800	\$2,605,400	1.2%
	322,250,900	731,100	243,700	243,700	243,700	609,250	121,850	121,850	2,315,000	121,900	2,436,800	1,033,600	785,700	1,819,100	\$325,473,400	1.0%

Data Notes		
<u>Component</u>	<u>Source</u>	<u>Years</u>
Performance improvement	Gov Dashboard^A	FYs 2015-2017
Performance completion number	Federal IPEDS	FYs 2015-2017
Performance completion rate	Gov Dashboard^A	FYs 2015-2017
Contact hours	State MCCDI	FY 2018
Administrative	State MCCDI	FYs 2017-2018
Lowest taxable value	State MCCDI	FY 2018

^Governor's Dashboard stopped collecting data in Jan 2018

* Indian Tuition Waiver Payments are unrolled from the Operations base amounts. ITW Payments and Shortfall Payment amounts are combined into a "Indian Tuition Waiver Costs Incurred" that is broken out in each college's operations listing in the budget bill.

% of Formula:		30%	10%	10%	10%	25%	5%	5%	95%	5%		Indian Tuition Waiver	Indian Tuition Waiver	*Total Indian Tuition Waiver	FY 2019-20 Appropriation	% Change
	FY 2018-19 Base	Sustainability	Performance-Improvement	Performance-Completion Number	Performance-Completion Rate	Contact Hours	Administrative	Local Strategic Value	Total Formula Distribution	Adjustments for Lowest Taxable Value	Total Performance Funding	Indian Tuition Waiver Payment	Indian Tuition Waiver Shortfall Payment			
Alpena	5,707,600	12,949	3,797	2,773	7,580	5,149	4,527	2,158	38,900	17,600	56,500	10,800	8,500	19,300	\$5,772,600	1.1%
Bay de Noc	5,624,800	12,761	4,194	3,191	3,403	5,742	4,015	2,127	35,400	18,800	54,200	76,200	61,700	137,900	\$5,740,700	2.1%
Delta	15,104,300	34,268	9,138	12,431	9,138	25,944	5,283	5,711	101,900	0	101,900	45,700	(4,800)	40,900	\$15,201,400	0.6%
Glen Oaks	2,620,000	5,944	3,411	1,256	5,491	3,976	642	991	21,700	12,900	34,600	3,400	(2,200)	1,200	\$2,652,400	1.2%
Gogebic	4,844,300	10,990	2,931	1,529	7,292	4,151	2,821	1,832	31,500	13,500	45,000	15,600	44,300	59,800	\$4,933,600	1.8%
Grand Rapids	18,709,300	42,446	11,319	14,612	11,319	52,389	5,241	7,074	144,400	0	144,400	80,600	159,800	240,300	\$19,013,400	1.6%
Henry Ford	22,463,600	50,964	13,590	11,522	17,997	43,818	4,732	8,494	151,100	0	151,100	81,600	(40,000)	41,600	\$22,574,700	0.5%
Jackson	12,698,200	28,809	8,894	6,042	7,682	15,146	5,010	4,801	76,400	0	76,400	18,500	28,200	46,700	\$12,802,900	0.8%
Kalamazoo Valley	13,046,600	29,599	7,893	8,471	7,893	26,305	5,307	4,933	90,400	0	90,400	37,100	18,900	56,000	\$13,155,900	0.8%
Kellogg	10,214,400	23,174	6,180	7,310	6,180	15,361	5,475	3,862	67,500	0	67,500	14,800	64,600	79,400	\$10,346,500	1.3%
Kirtland	3,321,600	7,536	7,120	2,514	2,010	5,847	4,519	1,256	30,800	16,000	46,800	10,000	24,600	34,600	\$3,393,000	2.1%
Lake Michigan	5,672,100	12,868	3,432	3,283	3,432	11,411	2,825	2,145	39,400	0	39,400	8,800	2,500	11,300	\$5,714,000	0.7%
Lansing	32,725,800	74,246	21,372	21,933	19,799	45,143	4,871	12,374	199,700	0	199,700	73,500	80,400	153,900	\$33,005,900	0.9%
Macomb	34,124,000	77,418	20,645	21,530	24,674	70,423	5,410	12,903	233,000	0	233,000	80,900	(44,900)	36,000	\$34,312,100	0.6%
Mid-Michigan	5,112,400	11,599	3,093	5,509	3,093	12,051	3,676	1,933	41,000	43,100	84,000	12,000	128,100	140,100	\$5,324,500	4.1%
Monroe County	4,708,600	10,683	5,928	3,382	2,849	10,011	5,091	1,780	39,700	0	39,700	2,100	(1,200)	900	\$4,747,100	0.8%
Montcalm	3,542,900	8,038	5,075	2,773	2,143	5,448	4,378	1,340	29,200	0	29,200	1,500	4,200	5,700	\$3,576,300	0.9%
Mott	16,381,600	37,165	9,911	14,345	13,793	27,941	4,818	6,194	114,200	0	114,200	55,800	(42,400)	13,400	\$16,453,400	0.4%
Muskegon	9,264,700	21,019	5,605	4,116	5,605	13,277	5,469	3,503	58,600	0	58,600	34,200	43,100	77,300	\$9,366,400	1.1%
North Central	3,402,600	7,720	2,059	2,584	5,976	6,886	4,715	1,287	31,200	0	31,200	44,500	133,400	177,900	\$3,567,200	4.8%
Northwestern	9,625,400	21,837	9,103	5,990	5,823	13,126	4,203	3,640	63,700	0	63,700	122,000	124,700	246,700	\$9,813,800	2.0%
Oakland	22,093,000	50,123	24,987	23,142	13,366	53,610	5,067	8,354	178,600	0	178,600	59,900	(36,200)	23,700	\$22,235,400	0.6%
Schoolcraft	13,112,900	29,750	15,803	12,568	12,197	34,981	5,376	4,958	115,600	0	115,600	32,300	34,700	67,000	\$13,263,200	1.1%
Southwestern	6,946,900	15,761	5,392	4,626	8,048	7,593	2,628	2,627	46,700	0	46,700	14,200	25,500	39,700	\$7,019,100	1.0%
St. Clair	7,358,700	16,695	5,040	5,122	8,470	12,873	4,483	2,782	55,500	0	55,500	29,100	(20,600)	8,500	\$7,393,700	0.5%
Washtenaw	13,764,000	31,227	8,327	22,594	12,376	40,759	5,117	5,204	125,600	0	125,600	33,700	(2,700)	31,000	\$13,886,900	0.9%
Wayne County	17,487,200	39,674	17,904	17,005	14,514	33,671	4,329	6,612	133,700	0	133,700	27,500	(19,000)	8,500	\$17,601,900	0.7%
West Shore	2,573,400	5,838	1,557	1,546	1,557	6,221	1,822	973	19,600	0	19,500	7,300	12,500	19,800	\$2,605,400	1.2%
	322,250,900	731,100	243,700	243,700	243,700	609,250	121,850	121,850	2,315,000	121,900	2,436,800	1,033,600	785,700	1,819,100	\$325,473,400	1.0%

Data Notes		
Component	Source	Years
Performance improvement	Gov Dashboard^	FYs 2015-2017
Performance completion number	Federal IPEDS	FYs 2015-2017
Performance completion rate	Gov Dashboard^	FYs 2015-2017
Contact hours	State MCCDI	FY 2018
Administrative	State MCCDI	FYs 2017-2018
Lowest taxable value	State MCCDI	FY 2018

^Governor's Dashboard stopped collecting data in Jan 2018

* Indian Tuition Waiver Payments are unrolled from the Operations base amounts. ITW Payments and Shortfall Payment amounts are combined into a "Indian Tuition Waiver Costs Incurred" that is broken out in each college's operations listing in the budget bill

CORRECTIONS

**DEPARTMENT OF CORRECTIONS
Summary of FY 2019-20 Enacted with Vetoes and Ad Board Transfers
Public Act 64 of 2019 (House Bill 4231)**

Analyst: Robin R. Risko

IDG/IDT	FY 2018-19 YTD	FY 2019-20	FY 2019-20	FY 2019-20	FY 2019-20	FY 2019-20	Difference: Enacted	
	as of 3/5/19	Executive	House	Senate	Conference	Enacted	From FY 2018-19 YTD	%
							Amount	
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	5,315,200	5,323,700	5,323,700	5,323,700	5,323,700	5,323,700	8,500	0.2
Local	8,960,100	11,687,200	11,687,200	11,687,200	11,687,200	11,687,200	2,727,100	30.4
Private	0	0	0	0	0	0	0	--
Restricted	40,939,600	41,112,500	57,992,400	41,112,500	65,112,500	59,212,500	18,272,900	44.6
GF/GP	1,963,841,300	1,991,874,800	1,932,500,000	1,963,841,400	1,944,000,000	1,935,085,400	(28,755,900)	(1.5)
Gross	\$2,019,056,200	\$2,049,998,200	\$2,007,503,300	\$2,021,964,800	\$2,026,123,400	\$2,011,308,800	(\$7,747,400)	(0.4)
FTEs	13,979.2	13,809.8	13,794.3	13,794.3	13,794.3	13,794.3	(184.9)	(1.3)

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Appropriation figures do not include supplemental appropriations in 2019 PA 154 (see Appendix II).

Overview

The Michigan Department of Corrections (MDOC) is responsible for operation and maintenance of the state's 29 correctional facilities that house felony offenders sentenced to prison. This includes provision of physical and mental health care, education, food service, transportation, and reintegration programming. The department is also responsible for supervision of all parolees and probationers under department jurisdiction and has oversight over community corrections programs and other programs designed to encourage alternatives to prison placement for appropriate offenders. As of October 1, 2019, the department was responsible for 93,476 Michigan offenders: 38,190 prisoners, 41,967 probationers, and 13,319 parolees.

Major Budget Changes from FY 2018-19 YTD Appropriations

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
1. One-Time Funding for Training New Custody Staff – VETOED	Gross	NA	\$0
Governor vetoed boilerplate section 226 that directs the department to expend \$7.4 million of unexpended work project appropriations for training new custody staff to meet projected attrition needs. Funding supports salary and payroll costs of new officers while they participate in training, as well as costs for uniforms, training materials, certifications, food, travel, and lodging.	GF/GP	NA	\$0
2. Savings from Closure of Ojibway Correctional Facility	FTE	NA	(217.9)
Reflects a savings of \$6.8 million GF/GP and a reduction of 217.9 FTE positions resulting from closure of the Ojibway Correctional Facility. Partial-year savings of \$19.2 million GF/GP were taken in the FY 2018-19 budget. The \$6.8 million represents the remaining balance of full-year savings.	Gross	NA	(\$6,805,700)
	GF/GP	NA	(\$6,805,700)
3. Hepatitis C Treatment	Gross	\$6,735,500	\$6,965,200
Includes \$7.0 million GF/GP for the department to continue treatment of roughly 780 prisoners per year. Settlement of a recent lawsuit requires Medicaid to cover Hepatitis C treatment for patients with metavir scores of F1, beginning October 1, 2018, and to cover treatment for patients with metavir scores of F0 beginning October 1, 2019. Medicaid is the standard of care for the department. Funding will be used to begin treating prisoners identified with metavir scores of F1 and F0.	GF/GP	\$6,735,500	\$6,965,200

CORRECTIONS

Major Budget Changes from FY 2018-19 YTD Appropriations

4. Program Eliminations

Reflects a savings of \$1.8 million GF/GP due to the following program eliminations:

- Supervising Region Incentive Program (\$1.0 million) – funding was first included in the FY 2016-17 budget to provide incentives to field operations administration regions that implement supervision practices, procedures, and sanctions directed at parole and probation revocation reduction.
- Online High School Equivalency Pilot Program (\$500,000) – funding was first included in the FY 2017-18 budget to serve up to 400 prisoners through a regionally accredited public or private school district that offers career-based online high school diplomas.
- Federally Qualified Health Center Pilot Program (\$250,000) – funding was first included in the FY 2017-18 budget for the department to work with the organization that represents federally qualified health centers to implement a pilot project to ensure that behavioral and physical health needs of parolees and probationers are met.
- Kitchen Inspections (\$50,000) – funding was first included in the FY 2018-19 budget for the department to pay for annual kitchen inspections at all correctional facilities.

	FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
Gross	\$4,740,000	(\$1,800,000)
GF/GP	\$4,740,000	(\$1,800,000)

5. Substance Abuse Parole Certain Sanction Program – VETOED

Governor vetoed boilerplate section 226 that directs the department to expend \$1.0 million of unexpended work project appropriations to continue the Substance Abuse Parole Certain Sanction Program for one more year.

Gross	\$1,440,000	(\$1,440,000)
GF/GP	\$1,440,000	(\$1,440,000)

6. Corizon Health Care Contract Adjustment

Includes \$2.7 million GF/GP to cover costs of required inflationary adjustments. The contract requires an annual increase in the base per prisoner per month cost for physical and mental health care services, including pharmaceuticals.

Gross	\$86,717,900	\$2,723,200
GF/GP	\$86,717,900	\$2,723,200

7. One-Time Funding for Replacing Electronic Tether Equipment – VETOED

Governor vetoed boilerplate section 226 that directs the department to expend \$4.6 million of unexpended work project appropriations on the purchase of 6,619 GPS devices. The department's current contract utilizes Verizon's 3G network, which will be deactivated by December 31, 2019. Deactivation will force the department to switch to LTE or 4G devices in order to maintain coverage for electronic tether units.

Gross	NA	\$0
GF/GP	NA	\$0

8. Removal of Current Year One-Time Funding

Reduces the budget by \$13.6 million GF/GP to reflect removal of one-time funding included in the FY 2018-19 budget. Funding removed includes: \$9.2 million for new custody staff training, \$2.4 million for higher custody level programming, and \$2.0 million included in 2018 PA 618 (SB 601) for expansion of the Vocational Village program.

Gross	\$13,627,700	(\$13,627,700)
GF/GP	\$13,627,700	(\$13,627,700)

9. Detroit Detention Center Contract Adjustment

Includes authorization to receive an additional \$2.6 million of local revenue from the City of Detroit and an additional 3.0 FTE positions for continued operation of the Detroit Detention Center. The current contract between the department and the city expired and a new contract will be negotiated. The \$2.6 million is an estimate of what increased costs will be, including one-time costs for physical plant upgrades.

FTE	66.1	3.0
Gross	\$8,685,100	\$2,623,600
Local	8,685,100	2,623,600
GF/GP	\$0	\$0

CORRECTIONS

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>			
10. In-Sourcing Substance Abuse Services	FTE	6.0	30.0
Includes authorization for 30.0 FTE positions to provide consistent clinical support of both mental health and substance abuse treatment services throughout a prisoner's sentence, rather than just prior to parole. Currently, prison- and non-prison-based substance abuse services are performed by contractors, and \$21.4 million is appropriated in a single line item titled Substance Abuse Treatment and Services. The department proposes in-sourcing prison-based substance abuse services and transferring \$4.5 million of the \$21.4 million to the Mental Health Services line item. The current Substance Abuse Treatment and Services line item will be eliminated, and the balance of \$16.9 million will be transferred to the Offender Success Services line item, through which non-prison-based substance abuse services will continue to be provided contractually. The net fiscal impact is \$0.	Gross	\$21,398,100	\$0
	GF/GP	\$21,398,100	\$0
11. Mileage Rate Increases	Gross	NA	\$324,100
Includes \$324,100 GF/GP to cover costs of per mile rate increases, issued by DTMB Vehicle Transportation Services, for use of state-owned vehicles.	GF/GP	NA	\$324,100
12. Vehicle Lease Cost Increase	Gross	NA	\$102,300
Includes \$102,300 GF/GP to cover increased lease costs for prisoner transportation vans.	GF/GP	NA	\$102,300
13. Water and Sewer Rate Increase	Gross	NA	\$97,000
Includes \$97,000 GF/GP to cover costs of a sewage rate increase at the St. Louis Correctional Facility. The City of St. Louis increased the combined water and sewer rates charged to the facility by 12%.	GF/GP	NA	\$97,000
14. Grandview Plaza Security Upgrade	Gross	NA	\$42,000
Includes \$42,000 GF/GP to cover costs associated with converting existing unarmed security guard contractual services at Grandview Plaza to armed security guard contractual services. The increase in contract costs is \$6.22 per hour for services that are utilized 130 hours per week.	GF/GP	NA	\$42,000
15. Transportation Costs for Prison Industries	Gross	NA	\$10,000
Includes an additional \$10,000 in state restricted funding authorization for Prison Industries Operations to cover increased transportation costs resulting from moving more of their goods sold to correctional facilities.	Restricted	NA	10,000
	GF/GP	NA	\$0
16. Savings from Historical Lapses	Gross	NA	(\$3,350,000)
Reflects a savings of \$3.4 million GF/GP from reducing appropriations for the following line items based on a history of year-end lapses:	GF/GP	NA	(\$3,350,000)
<ul style="list-style-type: none"> • Unclassified Positions (\$200,000) • Administrative Hearings Officers (\$200,000) • Prosecutorial and Detainer Expenses (\$100,000) • Community Corrections Plans and Services (\$400,000) • Offender Success Services (\$500,000) • Offender Success Services/Substance Abuse Treatment (\$1,000,000) • Field Operations (\$300,000) • Housing Inmates in Federal Institutions (\$100,000) • Inmate Legal Services (\$200,000) • Transportation (\$200,000) • Healthy Michigan Plan Administration (\$150,000). 			

CORRECTIONS

Major Budget Changes from FY 2018-19 YTD Appropriations

**FY 2018-19
Year-to-Date
(as of 3/5/19)** **FY 2019-20
Enacted
Change**

17. Administrative Efficiencies	Gross	NA	(\$1,917,600)
Reduces the Budget and Operations Administration line item by \$1.8 million GF/GP and reduces the Field Operations line item by \$136,900 GF/GP.	GF/GP	NA	(\$1,917,600)
18. Program and Special Equipment Fund Source Adjustment	Gross	NA	\$0
Reduces GF/GP funding used to support the Education/Skilled Trades/Career Readiness line item by \$24.0 million and replaces the GF/GP with state restricted Program and Special Equipment Fund (SEF) revenue. SEF revenue is collected from prisoners for their use of telephone services.	Restricted GF/GP	NA NA	24,000,000 (\$24,000,000)
19. Re-Appropriation of Unexpended Work Project Appropriations – VETOED	Gross	NA	\$0
Governor vetoed boilerplate section 226 that directs the department to expend unexpended work project appropriations on the following items (in addition to funding mentioned in items #1, #5, and #7 above):	GF/GP	NA	\$0
<ul style="list-style-type: none">• \$950,000 for providing PTSD training and wellness support for department employees• \$750,000 for demolition of the former Deerfield Correctional Facility• \$500,000 for replacing corrections officer training binders with electronic equipment• \$200,000 for requalifying corrections officers in handgun training.			
20. County Jail Reimbursement Program – VETOED	Gross	\$15,064,600	(\$15,064,600)
Governor vetoed all funding for the County Jail Reimbursement Program.	Restricted GF/GP	5,900,000 \$9,164,600	(5,900,000) (\$9,164,600)
21. Technical Adjustments	Gross	NA	\$0
Makes internal FTE adjustments, funding adjustments, and transfers throughout the budget, which have no overall Gross or GF/GP impact. Adjustments are made to more accurately reflect employee counts and where expenditures occur.	GF/GP	NA	\$0
22. Economic Adjustments	Gross	NA	\$23,370,800
Reflects increased costs of \$23.4 million Gross (\$23.1 million GF/GP) for negotiated salary and wage increases (2.0% ongoing, 2.0% lump sum), insurance rate increases, actuarially required retirement contributions, worker's compensation premium costs, building occupancy charges, food, fuel, and utility costs.	Federal Local Restricted GF/GP	NA NA NA NA	8,500 103,500 162,900 \$23,095,900

Major Boilerplate Changes from FY 2018-19

Sec. 206. Disciplinary Action Against State Employees and Prisoners – RETAINED (UNENFORCEABLE)
Prohibits MDOC from taking disciplinary action against employees or prisoners for communicating with legislators or their staff. (Governor's signing letter states this section is unenforceable.)

Sec. 210. Contingency Funding – REVISED
Appropriates up to \$10.0 million in federal, \$10.0 million in state restricted, \$2.0 million in local, and \$2.0 million in private contingency funds; authorizes expenditure of funds after legislative transfers to specific line items. Revised to include authorization for up to \$2.5 million in federal contingency funds, but does not include authorization for state restricted, local, or private contingency funds.

Sec. 216. FTE Positions and Long-Term Vacancies – REVISED
Requires MDOC to report on the number of FTE positions in pay status by civil service classification, to include an accounting of long-term vacancies. Revised to include an accounting of all vacant positions, all vacant and filled corrections officer positions by facility, all vacant healthcare-related positions, and all positions that are being held open for temporarily non-active employees.

CORRECTIONS

Major Boilerplate Changes from FY 2018-19

Sec. 217. Receipt and Retention of Required Reports – DELETED

Requires MDOC to receive and retain copies of all reports required; requires federal and state guidelines to be followed for short-term and long-term retention of records; authorizes MDOC to retain copies of reports electronically unless otherwise required by federal and state guidelines.

Sec. 225. Expending Available Work Project Authorization – NEW (UNENFORCEABLE)

Prohibits line-item appropriations that have unexpended work project authorization associated with them from being expended until all existing work project authorization is exhausted. *(Governor's signing letter states this section is unenforceable.)*

Sec. 226. Re-Appropriation of Unexpended Work Project Appropriations – NEW (VETOED)

Directs MDOC to expend unexpended work project appropriations on the following: \$7.4 million for training new custody staff; \$4.6 million for replacing electronic tethers; \$1.0 million to continue the Substance Abuse Parole Certain Sanction Program; \$950,000 for providing PTSD training and wellness support for department employees; \$750,000 for demolition of the former Deerfield Correctional Facility; \$500,000 for replacing corrections officer training binders with electronic equipment; and \$200,000 for requalifying corrections officers in handgun training.

Sec. 228. Demolition of Former Deerfield Correctional Facility – NEW (VETOED)

Requires \$750,000 of unexpended work project appropriations to be used for demolition of the former Deerfield Correctional Facility; requires MDOC to work with DTMB on awarding a contract to the most responsive and responsible best value bidder for demolition; requires MDOC to transfer the \$750,000 to DTMB for costs associated with the demolition.

Sec. 248. Consensus Revenue Estimating Conference (CREC) – RETAINED (UNENFORCEABLE)

Requires Senate and House Fiscal Agencies and the State Budget Director, or the State Treasurer, to establish a projected prisoner population, and a projected number of available beds based on prisoner population, at the May CREC. *(Governor's signing letter states this section is unenforceable.)*

Sec. 302. Staff Retention Strategies – NEW

Requires MDOC to report on staff retention strategies, including how to improve employee engagement, how to improve employee wellness, how to offer additional training and professional development, metrics used by the department to measure the success of employee wellness programming, mechanisms by which to receive employee feedback, how to consider suggestions made by employees, and steps taken and future plans for retention and improving employee wellness.

Sec. 303. Staff Departures – NEW

Requires MDOC to report on employee departures, including the number of corrections officers and the number of years they worked for the department.

Sec. 309. Maintenance and Utility Costs at Facilities – REVISED

Requires MDOC to report on maintenance and utility costs and plans for capital improvement costs for each correctional facility. Revised to include reporting on costs associated with maintenance and upkeep of all closed facilities, and estimated costs of demolition of closed facilities, for facilities closed prior to November 1, 2018.

Sec. 312. PTSD Study – DELETED

Requires MDOC to conduct a study of the prevalence of post-traumatic stress disorder and other psychological issues among correctional officers that are exacerbated by the corrections environment and exposure to highly stressful situations; requires a report on results of the study.

Sec. 312. PTSD Outreach and Employee Wellness – NEW

Requires \$50,000 from Budget and Operations Administration line item to be used for PTSD outreach and employee wellness programming; requires MDOC to work with the Michigan Corrections Organization and department employees to determine strategies for treating mental health issues and implementing mental health programming for employees; requires a report on strategies and goals, programs, prevalence of PTSD and other psychological issues among corrections officers that are exacerbated by the environment, and expenditures.

Sec. 313. New Employee Schools – NEW

Requires MDOC to report on new employee schools, including the number of schools that took place, the number of recruits that started, the number of recruits that graduated, and MDOC strategies to achieve a 5% or lower corrections officer vacancy rate.

Major Boilerplate Changes from FY 2018-19

Sec. 314. Staff Overtime Hours – NEW

Requires MDOC to report on the number of overtime hours worked by all custody staff, by facility, including the number of mandatory overtime hours worked, the number of voluntary overtime hours worked, the reasons for overtime hours worked, and the average of overtime hours worked by active employees.

Sec. 315. 12-Hour Shifts for Corrections Officers – NEW

Expresses intent of the legislature that once staffing vacancy rates improve to a sufficient level, corrections officers will be allowed the option of working 12-hour shifts.

Sec. 316. Handgun Requalification – NEW (PARTIALLY VETOED)

Requires \$400,000 (\$200,000 from New Custody Staff Training line item and \$200,000 from unexpended work project appropriations) to be used for handgun requalification for corrections officers wanting to be requalified. (*Governor vetoes the use of \$200,000 from unexpended work project appropriations.*)

Sec. 317. Study on Location for Corrections Officer Training Academy – NEW

Requires MDOC, in cooperation with DTMB, to conduct a study to find a suitable location for a corrections officer training academy; requires a minimum of four locations to be studied, including the former Riverside and Ojibway Correctional Facilities; requires the new academy to have classrooms, offices, a gymnasium, a cafeteria, lodging facilities, an outdoor training area, and a firearm range; requires a report on results of the study, including projected costs.

Sec. 406. Federally Qualified Health Centers (FQHCs) – DELETED

Requires MDOC to work with the organization representing federally qualified health centers to implement a pilot project to ensure behavioral and physical health needs of parolees and probationers are met; requires pilot project to position FQHCs to ensure parolees and probationers are enrolled in and maintain access to benefits they qualify for, are linked to health care services they need, follow up with providers, stay on medications, are engaged in services, and have barriers to care addressed; requires MDOC to make necessary accommodations to perform transition planning to allow for direct referral to FQHC organization to patients in relevant areas; requires pilot program to operate in at least Berrien, Kent, and Macomb Counties; requires FQHC organization to submit annual reports on the number of offenders served, number of contacts with offenders, federally reimbursable expenditures, and state expenditures.

Sec. 413. Public Safety Initiative – NEW

Requires the Genesee County Sheriff to report on expenditures made from the \$4.0 million appropriation; requires the report to include the purpose for which expenditures were made, amounts of expenditures by purpose, specific services provided, and number of individuals served; authorizes the Senate and House Subcommittees on Corrections to request the Genesee County Sheriff to appear before the subcommittees to discuss the report.

Sec. 414. County Jail Reimbursement Program – REVISED (VETOED)

Requires MDOC to administer County Jail Reimbursement Program, which offers counties per diem payments for housing certain offenders in jail; specifies reimbursement criteria and rates; requires counties receiving funding to report on annual average jail capacity and annual average jail occupancy; requires MDOC to report on number of inmates sentenced to custody of the sheriff and eligible for the county jail reimbursement program, amount paid to counties, number of days inmates were in custody, number of inmates sentenced by specified category, amount paid by specified category of inmate, number of days inmates were in custody by specified category, and estimated cost of housing inmates sentenced to custody of the sheriff and eligible for the county jail reimbursement program as inmates of a state prison. Revised to include a subsection which makes counties ineligible to receive reimbursement if they enact or enforce any laws, ordinances, policies, or rules that limit or prohibit peace or police officers, local officials, or employees from communicating or cooperating with appropriate federal officials concerning the immigration status of individuals in the state.

Sec. 414 (7). Immigration Status – NEW (VETOED)

Disqualifies counties from receiving reimbursement under the County Jail Reimbursement Program if they enact or enforce any law, ordinance, policy, or rule that limits or prohibits a peace officer or local official, officer, or employee from communicating or cooperating with appropriate federal officials concerning the immigration status of an individual in the state.

Sec. 419 (1). Offender Data Reports – RETAINED (UNENFORCEABLE)

Requires MDOC to provide weekly electronic mail reports on prisoner populations by security levels, by facility, prison facility capacities, and parolee and probationer populations. (*Governor's signing letter states this section is unenforceable.*)

CORRECTIONS

Major Boilerplate Changes from FY 2018-19

Sec. 421. Substance Abuse Parole Certain Sanction Program – RETAINED (VETOED)

Requires MDOC to distribute funding to accredited rehabilitation organizations in Berrien, Calhoun, Genesee, Kalamazoo, Kent, Macomb, Muskegon, Oakland, Saginaw, and Wayne Counties for operation and administration of a pilot program to be utilized as a condition of parole for technical parole violators; requires reports from organizations on program performance measures, number of individuals participating in programs, number of individuals returning to prison after participating in programs, and outcomes of participants completing programs. *(Language was retained as section 227, but referenced funding from repurposed work project appropriations.)*

Sec. 602. Supervising Region Incentive Program – DELETED

Requires funding for Supervising Region Incentive Program to be used to provide incentives to field operations administration regions that implement supervision practices, procedures, and sanctions directed at parole and probation revocation reduction.

Sec. 613. Placement of Parolees with Chronic Technical Violations – NEW

Requires MDOC to give priority to placing parolees with chronic technical violations in intensive detention programs that offer specific programming to address the behavioral needs of the parolees and that work on a plan to help assure success of the parolees upon their release.

Sec. 902. ServSafe Food Handler Certification – DELETED

Requires inmates working in prison kitchens to complete minimum requirements for ServSafe Food Handler certification before being allowed to work in prison kitchens; authorizes certification requirements to be met by using online materials unless the department determines the program would be best served by using other materials; requires current prison kitchen workers to complete certification requirements by April 1 to maintain eligibility to work in prison kitchens.

Sec. 903. Prison Kitchen Inspections – DELETED

Requires MDOC-operated kitchens to be inspected annually to ensure they meet food safety standards established for food service establishments under the Food Law or for food service establishments under the 2001 Food Code published by the FDA.

Sec. 905. Leased Beds and Alternatives to Leased Beds – DELETED

Authorizes MDOC to implement a county jail bed program to house eligible prisoners in county jails rather than in state correctional facilities; authorizes counties to volunteer to participate in the program; specifies criteria that prisoners must meet in order to be eligible to participate in the program.

Sec. 908. High School Diploma in Lieu of High School Equivalency – DELETED

Requires MDOC to establish an online career high school education pilot program to serve up to 400 prisoners through a regionally accredited public or private school district that offers career-based online high school diplomas; authorizes MDOC to use federal funds to expand the program beyond 400 prisoners; authorizes funding to be used for certification programs related to the enhanced food technology program; requires MDOC to report on progress of prisoners in the program.

Sec. 920. Female Prisoner Labor and Delivery – NEW

Requires MDOC to allow a female prisoner to have one visitor present during labor and delivery; requires the visitor to be an immediate family member, legal guardian, spouse, or domestic partner; authorizes MDOC to deny access to a visitor if there is a safety concern; authorizes MDOC to conduct criminal background checks on visitors.

Sec. 1100. One-Time Appropriation for New Custody Staff Training – DELETED

Requires one-time funding appropriated for new custody staff training to be used to increase training capacity for new custody staff for the purpose of addressing higher than normal attrition and decreasing overtime costs.

Sec. 1201. Anticipated FY 2019-20 Appropriations – DELETED

Expresses legislative intent that FY 2019-20 appropriations will be funded at the same level as FY 2018-19 appropriations, adjusting for changes in caseloads, federal fund match rates, economic factors, and available revenues.

DEPARTMENT OF EDUCATION
Summary of FY 2019-20 Enacted with Vetoes and Ad Board Transfers
Public Act 63 of 2019 (House Bill 4232)

Analyst: Samuel Christensen

IDG/IDT	FY 2018-19 YTD	FY 2019-20	FY 2019-20	FY 2019-20	FY 2019-20	FY 2019-20	Difference: Enacted	
	as of 3/5/19	Executive	House	Senate	Conference	Enacted	From FY 2018-19 YTD	
							Amount	%
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	298,074,500	332,152,900	300,765,100	318,152,900	315,352,900	315,342,100	17,267,600	5.8
Local	5,852,800	5,893,400	5,893,400	5,893,400	5,893,400	5,893,400	40,600	0.7
Private	2,035,800	2,036,200	2,036,200	2,036,200	2,036,200	2,036,200	400	0.0
Restricted	8,668,200	9,050,000	8,787,200	8,750,000	9,300,000	9,300,000	631,800	7.3
GF/GP	91,503,600	87,212,000	86,741,500	87,212,000	87,212,000	87,212,000	(4,291,600)	(4.7)
Gross	\$406,134,900	\$436,344,500	\$404,223,400	\$422,044,500	\$419,794,500	\$419,783,700	\$13,648,800	3.4
FTEs	620.5	620.5	620.5	620.5	620.5	620.5	0.0	0.0

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Appropriation figures do not include supplemental appropriations in 2019 PA 162 (see Appendix III).

Overview

The State Board of Education is an eight-member elected board constitutionally mandated to provide leadership and supervision for public education in Michigan. The Michigan Department of Education (MDE) is the administrative arm of the Board charged with implementing state and federal educational mandates and administering programs. Major responsibilities of the MDE include developing and overseeing the K-12 school system, certifying teachers, disbursing funds to educational organizations and libraries, providing technical assistance to school districts and libraries, and providing early education and child day care support for low-income and other qualifying families.

Major Budget Changes from FY 2018-19 YTD Appropriations

1. Department Administrative Reserve Funds – UNENFORCEABLE/AD BOARD TRANSFER

Includes \$104.9 million Gross for MDE to expend in the FY 2019-20 budget without legislative transfer request approval. Conference creates a new unit 118, Department Administrative Reserve Funds, that includes \$314.9 million Gross that is split evenly into three different reserve funds with \$104.9 million Gross in each fund. The funds in each reserve fund cannot be expended unless a legislative transfer request is issued by the State Budget Office (SBO) and approved by the legislature. Additionally, legislative intent specifies that MDE satisfy all of the following requirements (see Major Boilerplate Changes for Secs. 236, 237, and 238):

- Demonstrate that the grants in the State School Aid Act and federal grants that have been received by MDE are distributed.
- Demonstrate that a distribution schedule exists for grants in the State School Aid Act and federal grants that have not yet been received but are anticipated before the end of the fiscal year.
- Provide a report to the House and Senate appropriation committees, the House and Senate fiscal agencies, and the State Budget Office (SBO) to demonstrate how the requested funds would be used.
- For Department Administrative Reserve Fund 2 only (Sec. 237), publish the information as required by section 1280g of the Revised School Code, MCL 380.1280g, by March 31, 2020.

[continued on next page]

	FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
Gross	NA	NA
Federal	NA	NA
Local	NA	NA
Private	NA	NA
Restricted	NA	NA
GF/GP	NA	NA

EDUCATION (DEPARTMENT)

	FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>		
1. Department Administrative Reserve Funds – UNENFORCEABLE/ AD BOARD TRANSFER (continued)		
Ad Board transferred \$104.9 million Gross from each of the three department administrative reserve funds (\$314.9 million total) and provided full-year funding to each corresponding line item and fund source. A \$100 federal placeholder remains for each reserve fund. (Signing letter states budget structure is unenforceable.)		
2. Labor Day Start Study Report – VETOED		
Governor vetoed \$10,800 federal funding from the accountability services operations line item for a Labor Day study report. (See Major Boilerplate Changes for Sec. 239 for additional information on Labor Day start study report.)	Gross Federal GF/GP	\$14,828,600 12,652,400 \$2,176,200
		(\$10,800) (10,800) \$0
3. Child Development and Care (CDC) – Provider Reimbursement Rate Increase		
Includes \$15.0 million in federal funding to increase reimbursement rates for childcare providers. Licensed providers would receive a \$0.30 increase for children aged 0-5 and a \$0.20 increase for children aged 5 and older. License-exempt providers with a level 1 status would receive a \$0.15 increase, and those with a level 2 status would receive a \$0.05 increase.	Gross Federal GF/GP	\$202,000,000 162,570,300 \$39,429,700
		\$15,000,000 15,000,000 \$0
4. CDC – Infant/Toddler and Program Quality Spending Increase – Office of Great Start Operations		
Includes \$900,000 in federal funding for the Office of Great Start Operations line item as a two-part increase (items 4 and 5) to ensure continued compliance with federal requirements on infant/toddler and program quality spending for the CDC program.	Gross Federal Private Restricted GF/GP	\$12,350,000 10,195,500 250,000 64,600 \$1,839,900
		\$900,000 900,000 0 0 \$0
5. CDC – Infant/Toddler and Program Quality Spending Increase – Child Development and Care Contracted Services		
Includes \$900,000 in federal funding for the CDC Contracted Services line item as a two-part increase (items 4 and 5) to ensure continued compliance with federal requirements on infant/toddler and program quality spending for the CDC program.	Gross Federal GF/GP	\$11,500,000 11,500,000 \$0
		\$900,000 900,000 \$0
6. CDC – State Matching Fund Increase		
Replaces \$599,400 of federal funds with a corresponding amount of GF/GP for the CDC program’s matching funds to increase the state share as a result of the reduction of the Federal Medicare Assistance Percentage (FMAP) rate from 64.45% in FY 2018-19 to 64.06% in FY 2019-20. This rate reduction necessitates an increase in the state match portion to \$27.9 million GF/GP to draw down the estimated full federal match amount of \$48.1 million. This represents an estimate because the federal allocation for Michigan has not been appropriated at the federal level.	Gross Federal GF/GP	\$202,000,000 162,570,300 \$39,429,700
		\$0 (599,400) \$599,400
7. Renaissance Zone Adjustment		
Reduces funding for Renaissance Zone reimbursements to libraries by \$300,000 GF/GP. Estimated reimbursement payments required by statute have decreased due to recent personal property tax reform.	Gross GF/GP	\$2,500,000 \$2,500,000
		(\$300,000) (\$300,000)

EDUCATION (DEPARTMENT)

Major Budget Changes from FY 2018-19 YTD Appropriations

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
8. Teacher Certification Fee Authorization Increase	Gross	\$4,287,500	\$300,000
Increases teacher certification fee authorization by \$300,000 in the Information Technology Services and Projects line item to fund approximately two contractors at the Department of Technology, Management, and Budget (DTMB) for ongoing support and enhancements of MDE's Michigan Online Educator Certification System (MOECS), which allows teachers to access their certification data, apply for certificates and endorsements, and renew their certificates.	Federal	2,496,500	0
	Restricted	406,500	300,000
	GF/GP	\$1,384,500	\$0
9. Michigan Schools for the Deaf and Blind: Low Incidence Outreach Program	Gross	\$750,000	\$250,000
Increases by \$250,000, for a total of \$1.0 million restricted funds in the Michigan Schools for the Deaf and Blind unit's Low Incidence Outreach program. The increased appropriation allows for increased production and sale of specialized braille books, and additional fund revenue provides free books, services, supports, and training for students, teachers, parents, and other related personnel.	Restricted	750,000	250,000
	GF/GP	\$0	\$0
10. MDE Reorganization	FTE	NA	0.0
Reallocates funding and FTE positions to continue implementing a departmental reorganization that began in 2016 to reduce the duplication of service and oversight of the K-12 system and to create coordination between offices by specific function. The changes net to zero for both funding and FTE positions. The major departmental changes are as follows:	Gross	NA	\$0
	Restricted	NA	0
	GF/GP	NA	\$0
<ul style="list-style-type: none">• Transfers the Office of Audit Services and the Office of State Aid and School Finance Services into the Office of Financial Management, which brings MDE's budgeting and accounting, as well as school district state aid payments and audits, together in one office.• Combines the Office of Preparation Services and the Office of Educator Talent and Policy into a new Office of Educator Excellence, with a focus on supporting teachers through certification, professional development, and teacher evaluation.• Combines the Office of Educational Improvement and Innovation and the Office of Field Services into a new Office of Educational Supports, which focuses on school- and district-level supports.• Creates a new Office of Systems, Evaluation, and Technology to coordinate reporting systems and reduce reporting burdens on districts.• Creates a new Office of Strategic Planning for implementation of MDE's department-wide strategic initiatives, such as Top Ten in Ten Years, that focus on literacy, whole child, and prenatal through age 8.• Creates a new line item titled Grant and Contract Operations for managing grants and contracts handled by MDE.			
11. Removal of One-Time Appropriations	Gross	\$5,000,100	(\$5,000,100)
Removes \$5.0 million GF/GP for E-rate matching enhancements and \$100 Drinking Water Declaration of Emergency Reserve Fund placeholder for a CDC pilot program, which were considered one-time appropriations.	Restricted	100	(100)
	GF/GP	\$5,000,000	(\$5,000,000)
12. Economic Adjustments	Gross	NA	\$1,609,700
Includes increased costs of \$1.6 million Gross (\$409,000 GF/GP) for negotiated salary and wage increases (2.0% ongoing, 2.0% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	Federal	NA	1,077,800
	Local	NA	40,600
	Private	NA	400
	Restricted	NA	81,900
	GF/GP	NA	\$409,000

EDUCATION (DEPARTMENT)

Major Boilerplate Changes from FY 2018-19

Sec. 210. Contingency Funds – REVISED

Revises the amount of contingency funds as follows: revises federal from \$10.0 million to \$5.0 million; revises state restricted from \$700,000 to \$400,000; maintains local at \$250,000; and revises private from \$3.0 million to \$1.5 million. Authorizes expenditures after legislative transfer to specific line items.

Sec. 221. Personnel Records – DELETED

Deletes a directive that MDE require districts to retain teacher personnel records regarding sexual misconduct.

Sec. 222. Communication with the Legislature – RETAINED (UNENFORCEABLE)

Prohibits MDE from taking disciplinary action against an employee for communicating truthfully and factually with a legislator or his/her staff. *(Signing letter states section is considered unenforceable.)*

Sec. 225. Grant Application Penalty – REVISED

Revises to remove school support services operations and field services operations from the 2.5% penalty because they are no longer line items in the FY 2019-20 MDE budget. Adds grant and contract operations to the list that could receive the 2.5% penalty.

Sec. 231. Child Protection Law Reporting – REVISED

Revises to remove the requirement that MDE submit information to districts from the final task force recommendations for reducing child sexual abuse in this state as required by section 12b of the Child Protection Law, and revises to require only a district, ISD, or PSA that had not adopted a policy under the Child Protection Law or has adopted a new policy under the Child Protection Law since last year to report to MDE.

Sec. 234. Administrative Rules – DELETED

Deletes a requirement that prohibits MDE from developing, staffing, or promoting activities for the promulgation of new, revised, or rescinded administrative rules until a permanent State Superintendent of Public Instruction is appointed by the State Board of Education, unless a rules change request was submitted before the effective date of the act.

Sec. 235. Association Report – NEW

Requires MDE to compile a report by December 1, 2019 that includes an itemized list of allocations paid by the department to any association or consortium consisting of associations in the immediately preceding fiscal year. The report must include the recipient or recipients, the amount allocated, and the purpose for which the money was distributed.

Sec. 236. Department Administrative Reserve Fund 1 – NEW (UNENFORCEABLE)

Creates a Department Administrative Reserve Fund 1 in MDE and states that funds cannot be expended unless a legislative transfer request is issued by the SBO and the requirements are met under section 393 of the Management and Budget Act, MCL 18.1393. It is the intent of the legislature that MDE satisfy the following requirements: demonstrates that the grants in the State School Aid Act, MCL 388.1601 to 388.1897I, and the federal grants that have been received by MDE are distributed; demonstrate that a distribution schedule exists for those grants in the State School Aid Act of 1979, 1979 PA 94, MCL 388.1601 to 388.1897I, and those federal grants that have not yet been received but are anticipated before the end of the fiscal year; and provide a report to the House and Senate appropriations committees, House and Senate fiscal agencies, and SBO to illustrate how the requested funds would be used. *(Signing letter states section is considered unenforceable.)*

Sec. 237. Department Administrative Reserve Fund 2 – NEW (UNENFORCEABLE)

Creates a Department Administrative Reserve Fund 2 in MDE and states that funds cannot be expended unless a legislative transfer request is issued by the SBO and the requirements are met under section 393 of the Management and Budget Act, MCL 18.1393. It is the intent of the legislature that MDE satisfy the following requirements: demonstrate that the grants in the State School Aid Act, MCL 388.1601 to 388.1897I, and the federal grants that have been received by MDE are distributed; demonstrate that a distribution schedule exists for those grants in the State School Aid Act of 1979, 1979 PA 94, MCL 388.1601 to 388.1897I, and those federal grants that have not yet been received but are anticipated before the end of the fiscal year; provide a report to the House and Senate appropriations committees, House and Senate fiscal agencies, and SBO to illustrate how the requested funds would be used; and, by March 31, 2020, publish the information as required by section 1280g of the Revised School Code, 1976 PA 451, MCL 380.1280g. *(Signing letter states section is considered unenforceable.)*

Major Boilerplate Changes from FY 2018-19

Sec. 238. Department Administrative Reserve Fund 3 – NEW (UNENFORCEABLE)

Creates a Department Administrative Reserve Fund 3 in MDE and states that funds cannot be expended unless a legislative transfer request is issued by the SBO and the requirements are met under section 393 of the Management and Budget Act, MCL 18.1393. It is the intent of the legislature that MDE satisfy the following requirements: demonstrate that the grants in the State School Aid Act, MCL 388.1601 to 388.18971, and the federal grants that have been received by MDE are distributed; demonstrate that a distribution schedule exists for those grants in the State School Aid Act of 1979, 1979 PA 94, MCL 388.1601 to 388.189711, and those federal grants that have not yet been received but are anticipated before the end of the fiscal year; and provide a report to the House and Senate appropriations committees, House and Senate fiscal agencies, and SBO to illustrate how the requested funds would be used. (*Signing letter states section is considered unenforceable.*)

Sec. 239. Labor Day Start Study Report – NEW (VETOED)

Governor vetoed \$10,800 for MDE to produce a report by March 1, 2020 of the impact on student outcomes of starting school before Labor Day. The report must indicate if starting school before Labor Day has a positive impact on student outcomes when compared to not starting before Labor Day. (See Major Budget Changes item #2 for additional information.)

Sec. 502. Student Teaching Credits – REVISED

Revises from 1/2 to 1/4 the number of student teaching credits that can be earned through substitute teaching and requires the substitute teaching to occur in a single classroom setting for at least 15 consecutive school days to count toward this requirement.

Sec. 803. Keep Library Functions Together – DELETED

Deletes intent language that the state maintain the Library of Michigan and its component programs, except for the genealogy collections, together in a state department.

Sec. 1002. CDC Provider Reimbursement Rate – REVISED

Revises the provider reimbursement rate increase for licensed providers serving children in the CDC program as follows: \$0.30 for providers serving children aged 0-5 and \$0.20 for providers serving children aged 5 and older. License-exempt providers with a level 1 status would receive a \$0.15 increase, and those with a level 2 status would receive a \$0.05 increase. (See Major Budget Changes item #3 for additional information.)

Sec. 1005. CDC Childcare Monitoring – DELETED

Deletes a requirement for MDE to coordinate with LARA to provide fingerprint services and background checks of employees of childcare providers as required by the federal Child Care and Development Block Grant.

Sec. 1011. CDC Biweekly Block Reimbursement Rate Schedule – REVISED

Revises to delete the spending report for the biweekly block reimbursement rate schedule, which was only intended for the first year of implementation (FY 2018-2019).

Sec. 1101. Drinking Water Declaration of Emergency – CDC Pilot – DELETED

Deletes a requirement that, from the funds for the Drinking Water Declaration of Emergency, MDE must do the following activities until it has spent all of the money appropriated for a drinking water declaration of emergency: pilot the expansion of CDC eligibility to children aged 0 to 3 for half-day childcare services for household incomes up to 300% of the federal poverty guidelines; provide information to childcare providers on identification and intervention services for children demonstrating potential developmental delays associated with exposure to lead; and provide a report on various metrics associated with the pilot's outcomes.

<u>FY 2018-19 Supplemental Appropriation (PA 56)</u>		<u>FY 2018-19 YTD (as of 3/5/19)</u>	<u>FY 2018-19 Supplemental Change</u>
1. Child Development and Care Program – Caseload Adjustment	Gross	\$202,000,000	(\$10,000,000)
Decreases CDC caseload subsidy by \$10.0 million federal based on consensus caseload estimates.	Federal	162,570,300	(10,000,000)
	GF/GP	\$39,429,700	\$0

EDUCATION (DEPARTMENT)

FY 2018-19 Supplemental Appropriation (PA 56)

2. Child Development and Care Program – State Matching Fund Increase

Includes \$254,200 GF/GP to meet state matching fund requirements for the CDC program. The FMAP rate was reduced from 64.78% to 64.45%. The rate reduction in federal funds necessitates an increase in state funds in order to draw down the full amount of federal revenue.

	FY 2018-19 YTD (as of 3/5/19)	FY 2018-19 Supplemental Change
Gross	\$202,000,000	\$0
Federal	162,570,300	(254,200)
GF/GP	\$39,429,700	\$254,200

DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY
Summary of FY 2019-20 Enacted with Vetoes and Ad Board Transfers
Public Act 57 of 2019 (Senate Bill 137)

Analyst: Austin Scott

	FY 2018-19 YTD as of 3/5/19	FY 2019-20 Executive	FY 2019-20 House	FY 2019-20 Senate	FY 2019-20 Conference	FY 2019-20 Enacted	Difference: Enacted From FY 2018-19 YTD	
							Amount	%
IDG/IDT	\$3,143,700	\$3,176,600	\$3,148,600	\$3,176,600	\$3,176,600	\$3,176,600	\$32,900	1.0
Federal	160,225,400	160,895,300	160,432,600	160,895,300	175,269,900	175,269,900	15,044,500	9.4
Local	0	0	0	0	0	0	0	--
Private	1,061,700	1,061,800	1,061,800	1,061,800	1,201,800	1,201,800	140,100	13.2
Restricted	278,325,300	259,346,600	262,263,700	259,346,600	267,915,100	266,440,100	(11,885,200)	(4.3)
GF/GP	58,546,500	53,793,000	42,519,200	173,793,000	168,577,400	153,577,400	95,030,900	162.3
Gross	\$501,302,600	\$478,273,300	\$469,425,900	\$598,273,300	\$616,140,800	\$599,665,800	\$98,363,200	19.6
FTEs	1,263.0	1,287.0	1,280.0	1,285.0	1,422.0	1,422.0	159.0	12.6

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Appropriation figures do not include supplemental appropriations in 2019 PA 154 (see Appendix II).

Overview

The Department of Environment, Great Lakes, and Energy (EGLE) is responsible for managing Michigan's air, land, water, and energy resources. Departmental functions include improving resource quality, reducing waste, and mitigating threats to Michigan's environment.

Major Budget Changes from FY 2018-19 YTD Appropriations

1. Continued Collection of Sunsetting Fees

Continues the collection of 14 fees that are scheduled to sunset prior to January 1, 2020. Collectively these fees provide \$27.8 million in annual revenue for EGLE.

	FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
Gross	NA	NA
GF/GP	NA	NA

Fee	Annual revenue
Air emissions fee	\$9,600,000
Solid waste surcharge	6,000,000
Electronic device manufacturer's registration	230,000
Electronic device recycler registration	50,000
Groundwater discharge permit	1,190,000
Surface water discharge permit	2,816,800
Stormwater discharge fee	1,625,100
Land and water permit fees (5 fees)	2,100,000
Sewer expedited permit	31,800
Tire disposal charge	4,200,000
Total	\$27,843,700

2. Drinking Water Compliance Assistance

Includes an increase of \$1.9 million GF/GP and authorizes 10.0 FTE positions to the Drinking Water and Environmental Health Program to establish a new Drinking Water Compliance Assistance Unit intended to provide technical expertise related to the lead and copper rule requirements.

FTE	115.0	10.0
Gross	\$16,554,400	\$1,900,000
Federal	9,434,100	0
Restricted	4,465,400	0
GF/GP	\$2,654,900	\$1,900,000

ENVIRONMENT, GREAT LAKES, AND ENERGY

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
Major Budget Changes from FY 2018-19 YTD Appropriations			
3. Refined Petroleum Product Cleanup Program Staffing	FTE	85.0	14.0
Authorizes 14.0 FTE positions to the Refined Petroleum Product Cleanup program. This program provides for the remediation of petroleum contaminated sites, including leaking underground storage tanks.	Gross	\$34,680,000	\$0
	Federal	2,060,300	0
	Restricted	32,619,700	0
	GF/GP	\$0	\$0
4. Coal Ash Care Fund – Solid Waste Management Program	FTE	37.0	0.0
Includes an additional \$260,000 from the Coal Ash Care Fund for the Solid Waste Management program in accordance with 2018 PA 640, which provides for the regulation of coal ash landfills with revenue collected from landfill owners and operators.	Gross	\$5,159,600	\$260,000
	Restricted	5,159,600	260,000
	GF/GP	\$0	\$0
5. Vapor Intrusion – Contaminated Site Investigations Program	FTE	130.0	0.0
Eliminates \$1.7 million GF/GP for vapor intrusion remediation from the Contaminated Site Investigations, Cleanup, and Revitalization Program. The Renewing Michigan’s Environment Program provides for the remediation of emerging contaminants including vapor intrusion.	Gross	\$15,674,100	(\$1,655,300)
	Private	191,100	0
	Restricted	13,857,600	0
	GF/GP	\$1,625,400	(\$1,655,300)
6. Water Quality and Use Initiative	FTE	5.0	(5.0)
Eliminates \$1.5 million GF/GP for the Water Quality and Use Initiative and shifts 5.0 FTE positions to the Renewing Michigan’s Environment Program, which provides for the continuation of this program’s efforts.	Gross	\$1,522,900	(\$1,522,900)
	GF/GP	\$1,522,900	(\$1,522,900)
7. Recycling Initiative	FTE	3.0	0.0
Reduces the Recycling Initiative by \$1.0 million GF/GP. The Renewing Michigan’s Environment Program provides for the continuation of recycling grants to local communities.	Gross	\$2,020,300	(\$1,032,000)
	Restricted	1,000,000	0
	GF/GP	\$1,020,300	(\$1,032,000)
8. Lead Remediation Grants	Gross	\$2,000,000	(\$2,000,000)
Eliminates funding for lead remediation grants (\$2.0 million Gross, \$1.0 million GF/GP). Restricted funding is transferred to the Emergency Cleanup Actions program.	Restricted	1,000,000	(1,000,000)
	GF/GP	\$1,000,000	(\$1,000,000)
9. Removal of FY 2018-19 One-Time Funding	Gross	\$2,120,000	(\$2,120,000)
Removes \$2.1 million GF/GP for one-time projects included in the previous fiscal year’s budget.	GF/GP	\$2,120,000	(\$2,120,000)
Inland Lake Aquatic Invasive Plant Species Control and Eradication Program		\$1,000,000	
Landfill Research, Design, and Demonstration Project		120,000	
Mapping and Other Support		400,000	
Michigan Geological Survey		500,000	
Water Withdrawal Implementation		100,000	
10. Technical Adjustments	Gross	NA	(\$19,927,400)
Decreases EGLE budget by \$19.9 million in restricted authorization to align appropriations with available funds and to remove authorization for concluded programs. Adjustments include eliminating authorization for exhausted bond funding and the aquifer protection revolving fund.	Restricted	NA	(19,927,400)
	GF/GP	NA	\$0
11. Economic Adjustments	Gross	NA	\$3,068,300
Reflects increased costs of \$3.1 million Gross (\$676,700 GF/GP) for negotiated salary and wage increases (2.0% ongoing, 2.0% lump sum), actuarially required retirement contributions, worker’s compensation, building occupancy charges, and other economic adjustments.	IDG	NA	32,900
	Federal	NA	669,900
	Private	NA	100
	Restricted	NA	1,688,700
	GF/GP	NA	\$676,700

ENVIRONMENT, GREAT LAKES, AND ENERGY

<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
12. Drinking Water Infrastructure	FTE	2.0	(2.0)
Eliminates \$4.0 million GF/GP and 2.0 FTE positions for matching grants to local governments for PFAS contamination remediation and for costs related to connecting residents to alternative water systems.	Gross	\$4,000,000	(\$4,000,000)
	GF/GP	\$4,000,000	(\$4,000,000)
13. Oil, Gas, and Mineral Services Fund Shift	FTE	57.0	0.0
Shifts \$3.9 million in spending authorization from GF/GP to the Oil and Gas Regulatory Fund (\$2.0 million) and Orphan Well Fund (\$1.9 million).	Gross	\$10,804,700	\$0
	Restricted	6,804,700	3,900,000
	GF/GP	\$4,000,000	(\$3,900,000)
14. Surface Water – PARTIALLY VETOED	FTE	86.0	0.0
Shifts \$1.2 million in spending authorization from GF/GP to the Environmental Response Fund. Governor vetoed boilerplate section 412 which earmarks \$675,000 for grants to watershed councils for education, administration, and conservation; and boilerplate section 413 which earmarks \$150,000 to support the Cooperative Lakes Monitoring Program.	Gross	\$16,291,600	(\$825,000)
	Federal	6,246,000	0
	Restricted	7,625,900	375,000
	GF/GP	\$2,419,700	(\$1,200,000)
15. Drinking Water Protection and Innovation Initiatives (One-Time) – AD BOARD TRANSFER and PARTIALLY VETOED	Gross	NA	\$105,000,000
Adds \$105.0 million in one-time GF/GP for drinking water protection and innovation initiatives from Supplemental Request 2019-4:	GF/GP	NA	\$105,000,000
PFAS and Emerging Contaminants		\$25,000,000	
Drinking Water Revolving Fund Loan Forgiveness		35,000,000	
Lead and Copper Rule Implementation		37,499,900	
Affordability and Planning		7,500,000	
Private Well Testing		100	
Ad Board transferred \$7.5 million from private well testing line to lead and copper rule implementation line. Governor vetoed part of boilerplate section 1002 which earmarks \$15,000,000 from the PFAS and emerging contaminants appropriation for grants to municipal airports for PFAS monitoring and testing.			
16. Air Quality Programs	Gross	\$27,493,200	\$2,000,000
Increases air quality funding by \$2.0 million GF/GP. This appropriation supports air emissions control, air quality monitoring, facility inspections, and compliance with EPA air standards.	Federal	7,277,800	0
	Restricted	14,310,700	0
	GF/GP	\$5,904,700	\$2,000,000
17. Contaminated Site Investigations, Cleanup, and Revitalization	FTE	130.0	0.0
Increases GF/GP for contaminated site investigations by \$307,000. The department uses this appropriation to support staff engaged in environmental contamination site response activities.	Gross	\$15,674,100	\$307,000
	Private	191,100	0
	Restricted	13,857,600	0
	GF/GP	\$1,625,400	\$307,000
18. Renewing Michigan's Environment – PARTIALLY VETOED	FTE	30.0	98.0
Shifts 5.0 FTE positions from the water quality and use initiative and adds 93.0 new FTE positions for the Renewing Michigan's Environment Program, which administers cleanup and redevelopment activities for non-petroleum contaminated sites, waste management, and recycling. Governor vetoed boilerplate section 503 which earmarks \$500,000 from the Renewing Michigan's Environment program for the Michigan Geological Survey.	Gross	\$69,000,000	(\$500,000)
	Restricted	69,000,000	(500,000)
	GF/GP	\$0	\$0

ENVIRONMENT, GREAT LAKES, AND ENERGY

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>			
19. Departmental Reorganization – EGLE		FTE	NA
Recognizes the creation of the Department of Environment, Great Lakes, and Energy (EGLE) by transferring the Office of Great Lakes from DNR to EGLE, restructuring the Resource Management Division, and transferring the Michigan Agency for Energy from the Department of Licensing and Regulatory Affairs to EGLE.		Gross	NA
		Federal	NA
		Private	NA
		Restricted	NA
		GF/GP	NA
			44.0
			\$19,560,500
			14,374,600
			140,000
			3,468,500
			\$1,577,400
20. Central Support Services – Environmental Rules Review Committee – PARTIALLY VETOED		FTE	39.0
Governor vetoed boilerplate section 239 which earmarks \$150,000 of the central support services appropriation for the Environmental Rules Review Committee to contract with consultants to assist with business before the committee.		Gross	\$8,159,000
		IDG	54,600
		Restricted	7,029,200
		GF/GP	\$1,075,200
			0.0
			(\$150,000)
			0
			(150,000)
			\$0

Major Boilerplate Changes from FY 2018-19

Sec. 210. Contingency Fund Transfer Authority – REVISED

Provides authority for contingency fund transfers: up to \$30.0 million federal, \$5.0 million restricted, \$100,000 local, and \$500,000 million private; transfers must be approved by both the House and Senate Appropriations Committees.

Sec. 220. Disciplinary Action Against State Employees – RETAINED (UNENFORCEABLE)

Prohibits EGLE from disciplining state employees for communicating with members of the legislature and their staffs. *(Signing letter states section is unenforceable).*

Sec. 221. Rule Promulgation – RETAINED (UNENFORCEABLE)

Prohibits EGLE from adopting a rule that has a disproportionate economic impact on small business. *(Signing letter states section is unenforceable).*

Sec. 239. Environmental Rules Review Committee – NEW (VETOED)

Earmarks \$150,000 of the central support services appropriation for the Environmental Rules Review Committee to contract with consultants to assist with business before the committee.

Sec. 302. Work Projects - Environmental Cleanup Actions – REVISED

Authorizes unexpended funds appropriated for the emergency cleanup actions program to be considered work project appropriations and carried forward. The program will perform contaminated site cleanups estimated to cost \$3.0 million with a tentative completion date of September 30, 2023. Revised by rolling into Sec. 308 and changing completion date to 2022.

Sec. 303. Restricted Fund Transfer: Cleanup and Redevelopment Trust Fund – DELETED

Transfers \$1.0 million from Cleanup and Redevelopment Trust Fund to Environmental Protection Fund.

Sec. 304. Restricted Fund Transfer: Community Pollution Prevention Fund – DELETED

Transfers \$1.0 million from Community Pollution Prevention Fund to Environmental Protection Fund.

Sec. 307. Work Projects - Environmental Cleanup and Redevelopment Program – REVISED

Authorizes unexpended funds appropriated for the environmental cleanup and redevelopment program to be considered work project appropriations and carried forward. The program will perform contaminated site cleanups estimated to cost \$15.0 million with a tentative completion date of September 30, 2023. Revised by rolling into Sec. 308 and changing completion date to 2022.

Sec. 308. Work Projects – Refined Petroleum Product Cleanup Program – REVISED

Authorizes unexpended funds appropriated for the refined petroleum product cleanup program to be considered work project appropriations and carried forward. The program will perform contaminated site cleanups estimated to cost \$34.7 million with a tentative completion date of September 30, 2023. Revised to include Sec. 302 and Sec. 307 and change completion date to 2022.

Sec. 313. Vapor Intrusion – DELETED

Requires EGLE to use funds appropriated for vapor intrusion to investigate potential vapor intrusion sites.

Major Boilerplate Changes from FY 2018-19

Sec. 315. Lead Remediation Grants – DELETED

Requires EGLE to distribute grant awards for remediation and redevelopment of sites contaminated by lead paint, prioritizing sites affecting families with children.

Sec. 316. Environmental Cleanup and Redevelopment Program (One-Time) – DELETED

Requires EGLE to expend funds appropriated for the Environmental Cleanup and Redevelopment Program (one-time) for remediation and redevelopment of nonpetroleum contaminated sites.

Sec. 402. Drinking Water Infrastructure and Mapping – DELETED

Authorizes unexpended funds appropriated for Drinking Water Infrastructure and for Mapping and other support to be considered work project appropriations, and unencumbered or unallotted funds to be available until the projects have been completed. The projects will be accomplished by contract and have a tentative completion date of September 30, 2023.

Sec. 403. Grants for Drinking Water Systems – DELETED

Authorizes grants of no more than \$2.0 million each to be awarded to drinking water systems for contamination remediation or alternate system connections from the funds appropriated for drinking water infrastructure. Grants will be determined by the size of the population served and will require a 20% local match unless waived by the Water Asset Management Council.

Sec. 404. Inland Lake Aquatic Invasive Plant Species Control and Eradication Program – DELETED

Requires \$1.0 million appropriation to be used in accordance with 2018 PA 671 for the Inland Lake Aquatic Invasive Plant Species Control and Eradication program.

Sec. 412. Work Projects – Aquifer Protection Program – DELETED

Authorizes unexpended funds appropriated for the aquifer protection program to be considered work project appropriations and carried forward. The program will help resolve aquifer disputes between well owners and is estimated to cost \$524,000 with a tentative completion date of September 30, 2023.

Sec. 412. Watershed Council Grants – NEW (VETOED)

Earmarks \$675,000 from the Surface Water program (\$9.4 million Gross) for grants to watershed councils for education, administration, and conservation; requires report on grant program by April 1.

Sec. 413. Cooperative Lakes Monitoring Program – RETAINED (VETOED)

Earmarks \$150,000 from the Surface Water program (\$9.4 million Gross) to support the Cooperative Lakes Monitoring Program. Revised to include the voluntary stream monitoring program.

Sec. 503. Michigan Geological Survey – NEW (VETOED)

Earmarks \$500,000 from the Renewing Michigan's Environment program (\$69.0 million Gross) for the Michigan Geological Survey.

Sec. 601. Public Service Commission Memorandum of Understanding – NEW (UNENFORCEABLE)

Directs EGLE to enter into a memorandum of understanding with the Public Service Commission to outline the responsibilities of the Office of Climate and Energy. (*Signing letter states section is unenforceable*).

Sec. 604. Lead and Copper Rule – DELETED

Requires EGLE to use funds appropriated for the lead and copper rule program to host training sessions for public water supply owners and operators to provide technical assistance on the federal lead and copper rule.

Sec. 801. Landfill Research, Design, and Development Project – DELETED

Directs expenditure of one-time funding for the landfill development project in St. Clair County.

Sec. 1001. Lead and Copper Rule Implementation – NEW

Directs expenditure of one-time funding for lead and copper rule implementation and requires report on expenditures.

Sec. 1002. PFAS and Emerging Contaminants – NEW (PARTIALLY VETOED)

Directs expenditure of one-time funding for PFAS and emerging contaminants and requires report on expenditures.

Sec. 1003. Drinking Water Revolving Fund Loan Forgiveness – NEW

Directs expenditure of one-time funding for drinking water revolving loan fund forgiveness and requires report on expenditures.

Sec. 1004. Affordability and Planning – NEW

Directs expenditure of one-time funding for affordability and planning and requires report on expenditures.

ENVIRONMENT, GREAT LAKES, AND ENERGY

Major Boilerplate Changes from FY 2018-19

Sec. 1005. Private Well Testing – NEW

Directs expenditure of one-time funding for private well testing and requires report on expenditures.

GENERAL GOVERNMENT TOTALS

Summary of FY 2019-20 Enacted with Vetoes and Ad Board Transfers
Public Act 56 of 2019 (Senate Bill 138)

Analysts: Ben Gielczyk and Michael Cnossen

IDG/IDT	FY 2018-19 YTD as of 3/5/19	FY 2019-20 Executive	FY 2019-20 House	FY 2019-20 Senate	FY 2019-20 Conference	FY 2019-20 Enacted	Difference: Enacted From FY 2018-19 YTD	
							Amount	%
	\$821,066,200	\$1,024,424,300	\$1,019,458,300	\$1,024,669,300	\$1,024,884,300	\$1,024,134,300	\$203,068,100	24.7
Federal	809,077,500	808,347,300	806,597,300	808,347,300	808,347,300	808,347,300	(730,200)	(0.1)
Local	15,977,300	16,037,000	15,298,400	16,037,000	16,037,000	16,037,000	59,700	0.4
Private	6,247,400	6,255,700	6,242,000	6,255,700	6,255,700	6,228,200	(19,200)	(0.3)
Restricted	2,291,018,900	2,335,286,400	2,356,226,900	2,340,222,300	2,353,503,200	2,286,998,200	(4,020,700)	(0.2)
GF/GP	1,328,051,400	1,133,265,500	949,328,500	1,057,916,700	1,048,204,400	1,000,624,100	(327,427,300)	(24.7)
Gross	\$5,271,438,700	\$5,323,616,200	\$5,153,151,400	\$5,253,448,300	\$5,257,231,900	\$5,142,369,100	(\$129,069,600)	(2.4)
FTEs	8,784.7	8,819.7	8,809.7	8,814.7	8,812.1	8,812.1	27.4	0.3

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Appropriation figures do not include supplemental appropriations in 2019 PA 154 (see Appendix II).

Overview

Currently, the following departmental and agency budgets are included in the General Government budget: Executive Office, Legislature, Legislative Auditor General, and the Departments of Attorney General, Civil Rights, State, Technology, Management, and Budget (including the former Departments of Civil Service and Information Technology, and State Building Authority rent costs), Treasury (including the Bureau of State Lottery, Michigan Gaming Control Board, State Building Authority, Revenue Sharing, and Debt Service), and Labor and Economic Opportunity (including Michigan Strategic Fund, Michigan State Housing Development Authority, Unemployment Insurance Agency, and Workforce Development Agency). **Budget issues are listed by department on the following pages.**

Summary pages for individual department/agency budgets contained within the current FY 2018-19 General Government appropriations bill follow this page.

Major Boilerplate Changes from FY 2018-19**Sec. 211. Countercyclical Budget and Economic Stabilization Fund – REVISED**

Includes no countercyclical budget and economic stabilization fund (BSF) deposit totaling FY 2019-20.

Sec. 218. Disciplinary Action Against State Employees – RETAINED (UNENFORCEABLE)

Prohibits departments from taking disciplinary action against employees for communicating with legislators or their staff. (Signing letter states section is unenforceable.)

Sec. 219. Reporting Requirement Penalties – NEW (UNENFORCEABLE)

Requires departments and agencies to provide all reports by the indicated due date and to provide information requested by a member of the legislature, his or her staff, or the House and Senate fiscal agencies in a timely manner. Indicates that if the report is not provided by the required due date or a request for information is not received within 30 days of the request date, state funds appropriated in part 1 shall be reduced by 5%. Authorizes department or agency to request a waiver if chairs of the subcommittees on general government are notified. (Signing letter states section is unenforceable.)

Sec. 222. Work Project Expenditures – NEW (UNENFORCEABLE)

Prohibits appropriations in part 1 from being expended in cases where existing work project authorization is available for the same expenditures. (Signing letter states section is unenforceable.)

Sec. 229. Initiatives and Recommendations Related to Savings Identified in Audit Reports – RETAINED (UNENFORCEABLE)

Requires departments to report on their efforts and progress made toward achieving savings and efficiencies identified by the auditor general in audit reports. (Signing letter states section is unenforceable.)

**DEPARTMENT OF ATTORNEY GENERAL
Summary of FY 2019-20 Enacted with Vetoes and Ad Board Transfers
Public Act 56 of 2019 (Senate Bill 138)**

Analyst: Michael Cnossen

	FY 2018-19 YTD as of 3/5/19	FY 2019-20 Executive	FY 2019-20 House	FY 2019-20 Senate	FY 2019-20 Conference	FY 2019-20 Enacted	Difference: Enacted From FY 2018-19 YTD	
							Amount	%
IDG/IDT	\$30,386,400	\$34,908,000	\$34,373,000	\$34,908,000	\$34,373,000	\$34,373,000	\$3,986,600	13.1
Federal	10,007,300	9,713,700	9,669,500	9,713,700	9,713,700	9,713,700	(293,600)	(2.9)
Local	0	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	0	--
Restricted	22,427,200	20,159,800	19,383,600	20,159,800	20,159,800	20,159,800	(2,267,400)	(10.1)
GF/GP	41,206,800	41,736,300	35,475,900	37,562,700	41,736,300	41,736,300	529,500	1.3
Gross	\$104,027,700	\$106,517,800	\$98,902,000	\$102,344,200	\$105,982,800	\$105,982,800	\$1,955,100	1.9
FTEs	537.0	545.0	543.0	537.0	542.4	542.4	5.4	1.0

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Appropriation figures do not include supplemental appropriations in 2019 PA 154 (see Appendix II).

Overview

The Attorney General serves as legal counsel for state departments, agencies, boards, and commissions, and their officers, brings actions and intervenes in cases on the state's behalf, and represents legislators and judges who may be sued while acting in their official capacities. The Attorney General issues opinions on questions of law submitted by members of the legislature and others, serves as chief law enforcement officer of the state, and has supervisory powers over all local prosecuting attorneys.

Major Budget Changes from FY 2018-19 YTD Appropriations

1. Legal Services for Marihuana Regulation

Authorizes \$1.4 million in IDG funding from the Department of Licensing and Regulatory Affairs and a fund source transfer of state restricted to IDG funding for a net increase of \$935,400 Gross to provide legal services to the new Bureau of Marihuana Regulation. Services will be provided for enforcement of regulations of medical marihuana facilities, licensing, sales, and recreational marihuana use.

	FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
Gross	\$507,200	\$935,400
IDG	0	1,442,600
Restricted	507,200	(507,200)
GF/GP	\$0	\$0

2. Legal Services

Authorizes \$670,000 in IDG funding from the Department of Technology, Management, and Budget and 4.0 FTE positions for three additional attorneys and one support member to provide legal services to the department, primarily for review of IT-related contracts.

FTE	NA	4.0
Gross	\$474,300	\$670,000
IDG	474,300	670,000
GF/GP	\$0	\$0

3. MSHDA Legal Services

Authorizes \$335,500 in IDG funding from the Michigan State Housing Development Authority (MSHDA) and 2.0 FTE positions to support additional attorneys providing legal services for MSHDA.

FTE	NA	2.0
Gross	\$695,000	\$335,500
IDG	695,000	335,500
GF/GP	\$0	\$0

4. Removal of Current Year One-Time Funding

Eliminates \$1.2 million Gross (\$100,000 GF/GP) of one-time funding: \$378,800 in federal funding for PACC's NextGen case management IT system upgrade, \$700,000 in state restricted funding for juvenile life without parole resentencing cases, and \$100,000 GF/GP for forensic interviewing training.

FTE	NA	2.0
Gross	\$1,178,800	(\$1,178,800)
Federal	378,800	(378,800)
Restricted	700,000	(700,000)
GF/GP	\$100,000	(\$100,000)

<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
5. Alignment of Fund Sources with Operations	Gross	NA	(\$195,000)
Shifts \$1.3 million in state restricted funding with corresponding amount of IDG funding as part of the department's effort to adjust fund sources to better reflect the department's service levels to other state departments and agencies. Reduces \$195,000 in IDG funding corresponding to the elimination of a cost of living adjustment and pay increase for the HEFS division within DHHS.	IDG	NA	1,089,300
	Restricted	NA	(1,284,300)
	GF/GP	NA	\$0
6. Economic Adjustments	Gross	NA	\$1,388,000
Reflects increased costs of \$1.4 million Gross (\$629,500 GF/GP) for negotiated salary and wage increases (2.0% ongoing, 2.0% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	NA	449,200
	Federal	NA	85,200
	Restricted	NA	224,100
	GF/GP	NA	\$629,500
7. Operations Budget Line Items – AD BOARD TRANSFER	FTE	486.0	(0.6)
Ad Board removes 0.6 FTE positions and leaves \$4,300 GF/GP in 43 lines, which were created by the legislatures' unrolling of the Operations line, by leaving a \$100 placeholder in each and transferring the balance of each line back into one line for department operations.	Gross	\$90,505,200	\$0
	IDG	30,386,400	0
	Federal	6,832,400	0
	Restricted	20,843,000	0
	GF/GP	\$32,443,400	\$0

Major Boilerplate Changes from FY 2018-19

Sec. 301. Contingency Funding – REVISED

Appropriates up to \$1.5 million in federal, \$1.5 million in state restricted, \$100,000 in local, and \$100,000 in private contingency funds, which are non-GF/GP revenues that become available during the year; funds available for expenditure following legislative transfer to line items. Revises by appropriating \$750,000 in federal, \$750,000 in state restricted, \$50,000 in local, and \$50,000 in private contingency funds.

Sec. 308. Appropriation of Litigation Expense Reimbursements – DELETED

Appropriates up to \$1.0 million from litigation expense reimbursements; authorizes unexpended funding, up to \$250,000, to be carried forward.

Sec. 309a. Prisoner Reimbursements Report – NEW

Requires the department to submit a report by March 1 to the appropriations subcommittee with jurisdiction over the budget of the Department of Corrections on the total amount of reimbursements received under the State Correctional Facility Reimbursement Act, the amount paid to the department to conduct investigations in determining reimbursements, and the amount credited to the General Fund from reimbursements.

Sec. 313. Lawsuit Settlement Proceeds Fund Quarterly Report – NEW

Requires a quarterly report, itemized by court case, on total revenue deposited into the Lawsuit Settlement Proceeds Fund, anticipated deposits to the fund, and potential deposits to the fund, as well as the total amount appropriated from the fund by appropriation.

Sec. 314a. PACC Juvenile Life Without Parole Cases – DELETED

Authorizes \$700,000 to be set aside for investigations, crime victim rights, prosecutions, and appeals for retroactive juvenile life without parole cases. This section was introduced in FY 2017-18 and corresponded with a one-time appropriation of \$700,000 GF/GP and was included again in FY 2018-19 with another \$700,000 state restricted one-time appropriation from the Lawsuit Settlement Proceeds Fund.

Sec. 316a. Address Confidentiality Program – DELETED

Requires the department to develop the Address Confidentiality Program for victims of domestic or sexual assault upon passage of Senate Bill 655 of the 99th Legislature. Legislation for the Address Confidentiality Program has been reintroduced as Senate Bill 70 of the 100th Legislature.

Sec. 318. PACC Forensic Interviewing Training – DELETED

Requires \$100,000 of funding appropriated for PACC to be expended for additional training in forensic interviewing technique.

GENERAL GOVERNMENT: ATTORNEY GENERAL

Major Boilerplate Changes from FY 2018-19

Sec. 320. Lawsuit Settlement Notification and Adherence to State Laws – NEW (UNENFORCEABLE)

Requires the department to notify appropriations chairpersons and fiscal agencies of lawsuit settlements with a fiscal impact for the state of \$5.0 million or more; prohibits the department from entering into a lawsuit that is contrary to the state laws; requires the department to enforce state laws. (*Signing letter states section is unenforceable except for the notification requirement.*)

Sec. 321. Attorney General Presentation on Federal Lawsuits – NEW (UNENFORCEABLE)

Requires the department to submit notification to the chairpersons of the House and Senate subcommittees on General Government upon entering a lawsuit against the federal government and to provide an estimate of the costs to the state for participating in the lawsuit; requires the acting Attorney General, and not a designee of the Attorney General, to appear before the subcommittees on General Government within 30 business days of a request from either the House or Senate chairperson. (*Signing letter states section is unenforceable.*)

<u>FY 2018-19 Supplemental Appropriation (PA 56)</u>		<u>FY 2018-19 YTD (as of 3/5/19)</u>	<u>FY 2018-19 Supplemental Change</u>
1. Legal Services for DEGLE	Gross	\$2,051,400	\$700,000
Authorizes receipt of an additional \$700,000 from the Department of Environment, Great Lakes, and Energy for investigation and enforcement regarding environmental contaminants, including perfluoroalkyl and polyfluoroalkyl substances (PFAS).	IDG	2,051,400	700,000
	GF/GP	\$0	\$0
2. Legal Services for DHHS, DTMB, and MSHDA	Gross	\$7,239,100	\$672,500
Authorizes receipt of an additional \$170,000 from DHHS to represent child abuse cases in Wayne County; an additional \$335,000 from DTMB for various legal support services, but largely for review of IT-related contracts; and \$167,500 from MSHDA for additional legal staff.	IDG	7,239,100	672,500
	GF/GP	\$0	\$0

FY 2018-19 Supplemental Boilerplate Changes (PA 56)

Sec. 401. Legal Services for DEGLE

Authorizes unexpended funds appropriated for legal services for DEGLE to be considered a work project appropriation and carried forward. Funding supports investigation and enforcement regarding environmental contaminants, including perfluoroalkyl and polyfluoroalkyl substances (PFAS). Project will be accomplished by utilizing state employees or contracts with service providers, or both. Project is estimated to cost \$700,000, with a tentative completion date of September 30, 2023.

DEPARTMENT OF CIVIL RIGHTS
Summary of FY 2019-20 Enacted with Vetoes and Ad Board Transfers
Public Act 56 of 2019 (Senate Bill 138)

Analyst: Michael Cnossen

	FY 2018-19 YTD as of 3/5/19	FY 2019-20 Executive	FY 2019-20 House	FY 2019-20 Senate	FY 2019-20 Conference	FY 2019-20 Enacted	Difference: Enacted From FY 2018-19 YTD	
							Amount	%
IDG/IDT	\$299,100	\$298,500	\$298,500	\$298,500	\$298,500	\$298,500	(\$600)	(0.2)
Federal	2,802,700	2,816,900	2,816,900	2,816,900	2,816,900	2,816,900	14,200	0.5
Local	0	0	0	0	0	0	0	--
Private	18,700	18,700	18,700	18,700	18,700	18,700	0	0.0
Restricted	58,500	58,500	40,000	58,500	58,500	58,500	0	0.0
GF/GP	13,022,100	13,195,700	12,486,700	11,876,200	13,195,700	13,195,700	173,600	1.3
Gross	\$16,201,100	\$16,388,300	\$15,660,800	\$15,068,800	\$16,388,300	\$16,388,300	\$187,200	1.2
FTEs	116.0	116.0	116.0	116.0	116.0	116.0	0.0	0.0

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Appropriation figures do not include supplemental appropriations in 2019 PA 154 (see Appendix II).

Overview

The Michigan Civil Rights Commission is charged with investigating alleged discrimination against any person because of religion, race, color, national origin, sex, age, marital status, height, weight, arrest record, or physical and mental disabilities. The Commission is directed to "secure the equal protection of such civil rights without such discrimination." The Department of Civil Rights serves as the administrative arm charged with implementing policies of the Commission. The department works to prevent discrimination through educational programs that promote voluntary compliance with civil rights laws, investigates and resolves discrimination complaints, disseminates information on the rights and responsibilities of Michigan citizens as provided by law, and provides information and services to businesses on diversity initiatives, equal employment law, procurement opportunities, feasibility studies, and joint venture/strategic alliance matchmaking.

	FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
Major Budget Changes from FY 2018-19 YTD Appropriations		
1. Economic Adjustments	Gross	NA
Reflects increased costs of \$187,200 Gross (\$173,600 GF/GP) for negotiated salary and wage increases (2.0% ongoing, 2.0% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	NA
	Federal	NA
	GF/GP	NA
		\$187,200
		(600)
		14,200
		\$173,600
2. Operations Budget Line Items – AD BOARD TRANSFER	Gross	\$14,068,600
Ad Board transfers \$14.2 million (\$11.0 million GF/GP) from the Operations line to four new line items: \$6.4 million to Complaint Investigation and Enforcement, \$3.1 million to Executive Policy, \$3.2 million to Law and Policy, and \$1.6 million to Public Affairs.	IDG	299,100
	Federal	2,787,700
	Restricted	58,500
	GF/GP	\$10,923,300
		\$0
		0
		0
		0
		\$0

Major Boilerplate Changes from FY 2018-19

Sec. 401. Contingency Funding – REVISED

Appropriates up to \$2.0 million in federal, and \$750,000 in private contingency funds, which are non-GF/GP revenues that become available during the year; funds available for expenditure following legislative transfer to line items. Revises by appropriating \$1.0 million in federal, and \$375,000 in private contingency funds.

GENERAL GOVERNMENT: CIVIL RIGHTS

Major Boilerplate Changes from FY 2018-19

Sec. 411. Museums Support – NEW (AD BOARD TRANSFER)

Allocates \$500,000 each to the Arab American National Museum in Dearborn, the Charles H. Wright Museum of African American History in Detroit, and the Holocaust Memorial Center in Farmington Hills from funds appropriated for department operations. Ad Board transfers all but \$100, or \$1.5 million, from Museums Support to Complaint Investigations and Enforcement line item.

EXECUTIVE OFFICE
Summary of FY 2019-20 Enacted with Vetoes and Ad Board Transfers
Public Act 56 of 2019 (Senate Bill 138)

Analyst: Ben Gielczyk

	FY 2018-19 YTD as of 3/5/19	FY 2019-20 Executive	FY 2019-20 House	FY 2019-20 Senate	FY 2019-20 Conference	FY 2019-20 Enacted	<i>Difference: Enacted From FY 2018-19 YTD</i>	
							<i>Amount</i>	<i>%</i>
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	0	0	0	0	0	0	0	--
Local	0	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	0	--
Restricted	0	0	0	0	0	0	0	--
GF/GP	6,980,100	7,114,300	6,980,100	7,114,300	7,114,300	7,114,300	134,200	1.9
Gross	\$6,980,100	\$7,114,300	\$6,980,100	\$7,114,300	\$7,114,300	\$7,114,300	\$134,200	1.9
FTEs	89.2	89.2	89.2	89.2	89.2	89.2	0.0	0.0

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Appropriation figures do not include supplemental appropriations in 2019 PA 154 (see Appendix II).

Overview

The Executive Office budget provides funding for the Governor, the Lieutenant Governor, and their staffs. Major constitutionally specified responsibilities include organization and supervision of the Executive branch and annual preparation and submission of the Executive budget.

Major Budget Changes from FY 2018-19 YTD Appropriations

1. Operational Adjustments

Includes \$134,200 GF/GP for increased costs related to Executive Office staff and other operations.

	FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
Gross	\$6,980,100	\$134,200
GF/GP	\$6,980,100	\$134,200

Major Boilerplate Changes from FY 2018-19

There are no major boilerplate changes for FY 2019-20.

LEGISLATURE

**Summary of FY 2019-20 Enacted with Vetoes and Ad Board Transfers
Public Act 56 of 2019 (Senate Bill 138)**

Analyst: Ben Gielczyk

	FY 2018-19 YTD as of 3/5/19	FY 2019-20 Executive	FY 2019-20 House	FY 2019-20 Senate	FY 2019-20 Conference	FY 2019-20 Enacted	Difference: Enacted From FY 2018-19 YTD	
							Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	0	0	0	0	0	0	0	--
Local	0	0	0	0	0	0	0	--
Private	400,000	400,000	400,000	400,000	400,000	400,000	0	0.0
Restricted	4,394,300	4,394,300	4,394,300	4,514,100	4,514,100	4,514,100	119,800	2.7
GF/GP	181,718,200	162,968,200	166,185,000	165,005,700	170,576,000	170,576,000	(11,142,200)	(6.1)
Gross	\$186,512,500	\$167,762,500	\$170,979,300	\$169,919,800	\$175,490,100	\$175,490,100	(\$11,022,400)	(5.9)

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Appropriation figures do not include supplemental appropriations in 2019 PA 154 (see Appendix II).

Overview

This budget provides funding for the Legislative branch of state government, including the Legislative Council and agencies it governs, the Legislative Retirement System, and Property Management. The Legislature enacts the laws of Michigan, levies taxes, and appropriates funding from revenue collected for the support of public institutions and the administration of the affairs of state government. The Legislative Council provides a wide variety of essential services to members and staff of the Legislature. The Michigan Legislative Retirement System provides retirement allowances, survivors' allowances, and other benefits for members of the Legislature and their spouses, dependents, survivors, and beneficiaries. Property Management employees maintain, operate, and repair the Cora Anderson House of Representatives Office Building and Binsfeld Senate Office Building. The Michigan State Capitol Historic Site includes the Capitol Building, its grounds and parking lot, and the Michigan State Capitol Commission.

Major Budget Changes from FY 2018-19 YTD Appropriations

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
1. Senate Parking Facility	Gross	\$18,000,000	(\$18,000,000)
Removes \$18.0 million GF/GP considered one-time appropriations in FY 2018-19 for costs associated with purchasing the parking ramp adjacent to the Binsfeld Senate Office Building from the city of Lansing.	GF/GP	\$18,000,000	(\$18,000,000)
2. Citizens Redistricting Commission	Gross	\$0	\$3,362,800
Includes \$3.4 million GF/GP to support commissioner salaries and operational costs of the Independent Citizens Redistricting Commission created under Ballot Proposal 2 of 2018. Funding equals 25% of recommended FY 2019-20 Secretary of State GF/GP appropriations.	GF/GP	\$0	\$3,362,800
3. National Association Dues	Gross	\$454,700	\$138,000
Includes \$138,000 GF/GP to fully fund dues to national legislative associations.	GF/GP	\$454,700	\$138,000
4. Operations Increase	Gross	\$167,762,500	\$3,476,800
Includes a \$3.5 million Gross (\$3.4 million GF/GP) operations and administration increase.	Private	400,000	0
	Restricted	4,394,300	119,800
	GF/GP	\$162,968,200	\$3,357,000

Major Boilerplate Changes from FY 2018-19

Sec. 617. Legislative Redistricting Commission Reporting – NEW

Requires a quarterly expenditure and activities report from the Legislative Redistricting Commission.

LEGISLATIVE AUDITOR GENERAL
Summary of FY 2019-20 Enacted with Vetoes and Ad Board Transfers
Public Act 56 of 2019 (Senate Bill 138)

Analyst: Ben Gielczyk

IDG/IDT	FY 2018-19 YTD as of 3/5/19	FY 2019-20 Executive	FY 2019-20 House	FY 2019-20 Senate	FY 2019-20 Conference	FY 2019-20 Enacted	Difference: Enacted From FY 2018-19 YTD	
							Amount	%
IDG/IDT	\$5,823,400	\$5,823,400	\$5,823,400	\$6,068,400	\$6,068,400	\$6,068,400	\$245,000	4.2
Federal	0	0	0	0	0	0	0	--
Local	0	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	0	--
Restricted	2,008,800	2,008,800	2,008,800	2,077,100	2,077,100	2,077,100	68,300	3.4
GF/GP	17,105,800	17,105,800	17,105,800	17,790,100	17,790,300	17,790,300	684,500	4.0
Gross	\$24,938,000	\$24,938,000	\$24,938,000	\$25,935,600	\$25,935,800	\$25,935,800	\$997,800	4.0

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Appropriation figures do not include supplemental appropriations in 2019 PA 154 (see Appendix II).

Overview

The Legislative Auditor General is responsible for conducting post financial and performance audits of state government operations. Audit reports provide a continuing flow of information to assist the Legislature in its oversight of approximately 100 individual state funds. Audit reports provide citizens with a measure of accountability and assist state departments and agencies in improving financial management of their operations. The goal of the Legislative Auditor General is to improve accounting and financial reporting practices and promote effectiveness, efficiency, and economy in state government. The mission is to improve the accountability of public funds and to improve the operations of state government for the benefit of the citizens of the state.

Major Budget Changes from FY 2018-19 YTD Appropriations

1. Operations Increase

Includes \$1.0 million (\$684,500 GF/GP) operations and administration increase.

	FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
Gross	\$24,938,000	\$997,800
IDG	5,823,400	245,000
Restricted	2,008,800	68,300
GF/GP	\$17,105,800	\$684,500

Major Boilerplate Changes from FY 2018-19

Sec. 625. Access to Confidential Information – NEW (UNENFORCEABLE)

Specifies legislative intent that the Auditor General be authorized to access and examine confidential information of each branch, department, office, board, commission, agency, authority, and institution of the state subject to the same duty of confidentiality imposed by law on the entity providing the confidential information. (Signing letter states section is unenforceable.)

Sec. 626. Michigan Department of Transportation Contract Consultant Performance Audit – NEW (UNENFORCEABLE)

Requires Auditor General to conduct a performance audit of MDOT use and procurement of contract consultants for evaluating construction material specifications and availability. (Signing letter states section is unenforceable.)

**DEPARTMENT OF STATE
Summary of FY 2019-20 Enacted with Vetoes and Ad Board Transfers
Public Act 56 of 2019 (Senate Bill 138)**

Analyst: Michael Crossen

	FY 2018-19 YTD as of 3/5/19	FY 2019-20 Executive	FY 2019-20 House	FY 2019-20 Senate	FY 2019-20 Conference	FY 2019-20 Enacted	Difference: Enacted From FY 2018-19 YTD	
							Amount	%
IDG/IDT	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$0	0.0
Federal	1,460,000	1,460,000	1,460,000	1,460,000	1,460,000	1,460,000	0	0.0
Local	0	0	0	0	0	0	0	--
Private	50,100	50,100	50,100	50,100	50,100	50,100	0	0.0
Restricted	207,086,400	210,732,000	213,230,600	210,732,000	215,431,700	215,431,700	8,345,300	4.0
GF/GP	18,466,300	22,967,500	12,866,900	18,150,900	13,451,200	13,451,200	(5,015,100)	(27.2)
Gross	\$247,062,800	\$255,209,600	\$247,607,600	\$250,393,000	\$250,393,000	\$250,393,000	\$3,330,200	1.3
FTEs	1,592.0	1,592.0	1,592.0	1,592.0	1,592.0	1,592.0	0.0	0.0

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Appropriation figures do not include supplemental appropriations in 2019 PA 154 (see Appendix II).

Overview

The Department of State (DOS) is the oldest department in Michigan state government. It is administered by the Secretary of State, an elected official who serves a four-year term of office and has constitutional and statutory duties. Services provided by the department include the following: registering and titling automobiles, watercraft, and recreational vehicles; regulating automobile dealers and repair facilities; registering voters and administering elections; and streamlining the collection of revenue. The department operates programs designed to enhance driver safety, protect automotive consumers, and ensure the integrity of both the motor vehicle administration system and the statewide elections process.

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
Major Budget Changes from FY 2018-19 YTD Appropriations			
1. Proposal 2 Redistricting Commission	Gross	\$0	\$0
Transfers \$4.6 million GF/GP, to implement the Independent Citizens Redistricting Commission as approved by voters in Ballot Proposal 2 of 2018, to the Legislature and reduces the amount by \$1.3 million to \$3.4 million to reflect the FY 2019-20 GF/GP appropriation to the Department of State that is the minimum required amount as set by the Michigan Constitution.	GF/GP	\$0	\$0
2. Look Twice – Save a Life Motorcycle Safety Program	Gross	\$400,000	(\$100,000)
Reduces funding by \$100,000 of state restricted Motorcycle Safety and Education Awareness Fund that is used to develop and maintain the "Look Twice - Save a Life" program that promotes motorcycle awareness, safety, and education for Gross funding of \$300,000.	Restricted	400,000	(100,000)
	GF/GP	\$0	\$0
3. Branch Office Services Rate Increases	Gross	\$89,279,000	\$830,000
Authorizes \$830,000 of state restricted funding to support contract rate increases for services at Secretary of State branch offices, of which \$500,000 would be used for janitorial, security guard, and telecommunications services and \$330,000 for maintenance.	IDG	20,000,000	0
	Restricted	66,534,000	830,000
	GF/GP	\$2,745,000	\$0
4. TACF Fund Shift, GF Reduction	Gross	NA	\$0
Replaces \$5.4 million GF/GP with a corresponding amount of state restricted funding from the Transportation Administration Collection Fund (TACF) for a net change of \$0 Gross.	Restricted	NA	5,438,400
	GF/GP	NA	(\$5,438,400)

GENERAL GOVERNMENT: STATE (DEPARTMENT)

<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change	
5. FTE Transfer and Fund Source Alignment with Operations		FTE	NA	0.0
Transfers 11.0 FTE positions from Central Operations to Legal Services based on organizational changes and shifts state restricted funding from decreasing driver fee revenue to the Enhanced Driver License and Enhanced Official State Personal ID Card Fund and TACF for a net change of \$0 Gross.		Gross	NA	\$0
		Restricted	NA	0
		GF/GP	NA	\$0
6. Economic Adjustments		Gross	NA	\$2,600,200
Reflects increased costs of \$2.6 million Gross (\$423,300 GF/GP) for negotiated salary and wage increases (2.0% ongoing, 2.0% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.		Restricted	NA	2,176,900
		GF/GP	NA	\$423,300

Major Boilerplate Changes from FY 2018-19

Sec. 701. Contingency Funds – REVISED

Appropriates up to \$2.0 million in federal, \$7.5 million in state restricted, \$50,000 in local, and \$100,000 in private contingency funds; authorizes expenditure of funds after legislative transfer to specific line items. Revises by appropriating \$2.5 million in state restricted, \$25,000 in local, and \$50,000 in private contingency funds.

Sec. 718. Buena Vista Township Branch Office – DELETED

Requires the department to maintain a full-service Secretary of State branch office in Buena Vista Township.

Sec. 720. Post-Election Audits – DELETED

Requires the department to develop a plan to enhance post-election audit procedures to ensure machine-tabulated vote accounts are counted and reported accurately.

Sec. 721. Ballot Proposal 2 Cost Report – NEW

Requires the department to submit a quarterly report on all expenditures associated with establishing the Independent Citizens Redistricting Commission and its role as secretary of the Commission as required by the Constitutional amendment approved under Ballot Proposal 2 of 2018.

Sec. 721a. Ballot Proposal 3 Cost Report – NEW

Requires the department to submit a quarterly report on all expenditures associated with implementing changes and new procedures and purchasing equipment needed for implementing same-day registration and no-reason absentee voting as required by the Constitutional amendment approved under Ballot Proposal 3 of 2018.

Sec. 723. County Clerk Training – NEW

Requires the use of funds appropriated for County clerk education and training to be used only for costs associated with the training of local clerks in preparation for elections and no other purposes.

**DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET
Summary of FY 2019-20 Enacted with Vetoes and Ad Board Transfers
Public Act 56 of 2019 (Senate Bill 138)**

Analyst: Michael Cossen

	FY 2018-19 YTD as of 3/5/19	FY 2019-20 Executive	FY 2019-20 House	FY 2019-20 Senate	FY 2019-20 Conference	FY 2019-20 Enacted	Difference: Enacted From FY 2018-19 YTD	
							Amount	%
IDG/IDT	\$751,777,000	\$950,488,800	\$947,067,200	\$950,488,800	\$951,238,800	\$950,488,800	\$198,711,800	26.4
Federal	5,033,700	4,968,400	4,910,900	4,968,400	4,968,400	4,968,400	(65,300)	(1.3)
Local	2,341,600	2,321,200	2,030,900	2,321,200	2,321,200	2,321,200	(20,400)	(0.9)
Private	129,400	131,100	131,100	131,100	131,100	131,100	1,700	1.3
Restricted	122,117,400	117,916,800	116,913,400	117,916,800	117,916,800	117,916,800	(4,200,600)	(3.4)
GF/GP	552,044,500	503,792,600	430,906,900	446,130,600	450,480,800	450,480,500	(101,564,000)	(18.4)
Gross	\$1,433,443,600	\$1,579,618,900	\$1,501,960,400	\$1,521,956,900	\$1,527,057,100	\$1,526,306,800	\$92,863,200	6.5
FTEs	3,122.0	3,141.0	3,127.0	3,141.0	3,132.0	3,132.0	10.0	0.3

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Appropriation figures do not include supplemental appropriations in 2019 PA 154 (see Appendix II).

Overview

The Department of Technology, Management, and Budget (DTMB) has legal authority under the Management and Budget Act, 1984 PA 431, and is the central management element of the Executive branch of state government. DTMB is an interdepartmental service and management agency responsible for all of the following: ensuring proper financial record keeping for state agencies; overseeing capital outlay projects; managing state facilities, property, and leases; implementing state procurement; operating the state's retirement systems; supervising the state motor vehicle fleet; administering travel policies; providing office support services to state agencies; executing information technology projects; centralizing information technology policy-making; and unifying strategic information technology planning. Autonomous units within DTMB include the State Budget Office, Office of the State Employer, Civil Service Commission, Office of Retirement Services, State Building Authority, State Administrative Board, and the Office of Children's Ombudsman.

Major Budget Changes from FY 2018-19 YTD Appropriations

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
1. Michigan Public Safety Communications System (MPSCS) Upgrades and Maintenance	FTE	127.0	10.0
	Gross	\$40,464,100	\$7,000,000
	Local	2,248,000	0
	GF/GP	\$38,216,100	\$7,000,000
Includes \$7.0 million GF/PG in ongoing funding and 10.0 FTE positions for software upgrades, additional technical staff, increased coverage, and radio tower site maintenance for the MPSCS interoperable communications network used by state, federal, local, private, and tribal security officers and first responders across the state. A reduction of \$2.4 million GF/GP was applied to the MPSCS line as part of a department IT funding reduction as described under item number 16.			
2. Enterprisewide Maintenance of State Facilities – PARTIALLY VETOED	Gross	\$31,000,000	(\$3,100,000)
	IDG	0	0
	GF/GP	\$31,000,000	(\$3,100,000)
Includes \$5.0 million GF/GP in one-time funding for various general maintenance and demolition projects of state-owned facilities across the state and reduces ongoing funding by \$8.1 million GF/GP. Governor vetoes \$750,000 in IDG funding added by the legislature for demolition of the Deerfield Correctional Facility.			

GENERAL GOVERNMENT: TECHNOLOGY, MANAGEMENT, AND BUDGET

<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
3. Legal Services Increase	Gross	NA	\$670,000
Authorizes \$670,000 in state restricted funding for three additional attorneys and one support member from the Department of Attorney General to provide various legal support services to the department, primarily for reviewing IT-related contracts.	Restricted	NA	670,000
	GF/GP	NA	\$0
4. Microsoft License Agreement	Gross	\$27,777,200	\$5,000,000
Includes \$5.0 million GF/GP to support a licensing agreement with the Microsoft Corporation for its 365 Government G5 product bundle, which includes basic software applications for state agencies as well as additional enterprise security and compliance functionality.	IDG	932,900	0
	Restricted	16,076,400	0
	GF/GP	\$10,767,900	\$5,000,000
5. FY 2019-20 IT IDG Baseline Adjustment	Gross	\$555,159,600	\$191,899,900
Authorizes \$191.9 million in IDG funding to reflect projects and service adjustments in other executive department and agency budgets, administrative cost allocation changes, and IT budgetary requests made by departments and agencies. The increase includes \$179.8 million from DHHS, which primarily reflects transfers of IT costs from DHHS's program line items to its Technology Services line items.	IDG	555,159,600	191,899,900
	GF/GP	\$0	\$0
6. Vehicle Fleet Cost Increase and FTE Increase	FTE	35.0	4.0
Includes \$1.5 million in IDG funding for higher estimated miles driven by state fleet vehicles in FY 2019-20 and a projected increase in fuel costs. Authorizes 4.0 FTE positions to replace temporary contracted personnel for vehicle maintenance services.	Gross	\$74,377,800	\$1,500,000
	IDG	74,377,800	1,500,000
	GF/GP	\$0	\$0
7. Accounting Service Center Increase for State Police	Gross	\$3,969,800	\$374,900
Authorizes \$374,900 in IDG funding to align with Accounting Service Centers' costs for MSP to cover MiCaRS maintenance and changes in how credit card fees are being charged in SIGMA.	IDG	3,969,800	374,900
	GF/GP	\$0	\$0
8. Professional Development Funds	Gross	\$0	\$200,000
Authorizes \$200,000 in IDG funding collected from state agencies to support professional development for American Federation of State, County, and Municipal Employees (\$50,000) and the Scientific and Engineering Unit of the Service Employees International Union (\$150,000) per bargaining agreements with the Office of the State Employer.	IDG	0	200,000
	GF/GP	\$0	\$0
9. State Police Retirement System Supplemental Payments	Gross	\$30,714,300	\$10,000
Authorizes \$10,000 GF/GP for supplemental payments as required by 2015 PA 168 to produce an annual retirement allowance of \$16,000 to each retiree or beneficiary. The estimated payout in FY 2019-20 is \$82,000 for 43 beneficiaries.	Restricted	24,212,500	0
	GF/GP	\$6,501,800	\$10,000
10. Military Retirement Transfer to DMVA	Gross	\$30,714,300	(\$5,244,800)
Transfers \$5.2 million GF/GP to DMVA for military retirement payment obligations.	Restricted	24,212,500	0
	GF/GP	\$6,501,800	(\$5,244,800)
11. Regional Prosperity Grants – VETOED	Gross	\$4,000,000	(\$4,000,000)
Eliminates \$4.0 million GF/GP for grants to designated economic regions defined by the Regional Prosperity Initiative to encourage private, public, and non-profit partners to collaborate on developing economic visions and efforts to achieve them. Governor vetoes \$100 placeholder provided by the legislature.	GF/GP	\$4,000,000	(\$4,000,000)

GENERAL GOVERNMENT: TECHNOLOGY, MANAGEMENT, AND BUDGET

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
Major Budget Changes from FY 2018-19 YTD Appropriations			
12. Business Support Services GF Reduction Fund Shift			
Replaces \$138,400 GF/GP with a corresponding amount of state restricted funding from contract revenue from the Special Revenue, Internal Service, and Pension Trust Funds fund source.	Gross	\$12,759,800	\$0
	IDG	464,900	0
	Federal	100	0
	Restricted	6,546,100	138,400
	GF/GP	\$5,748,700	(\$138,400)
13. Information Technology Reduction – AD BOARD TRANSFER			
Reduces funding available for information technology projects and services by \$2.4 million GF/GP. Ad Board transfers \$7.2 million from Legislative Retirement to 2 lines: \$4.8 million to Information Technology Services and Projects and \$2.4 million to Homeland Security Initiative/Cyber Security to restore reductions made by the legislature for a total reduction of \$2.4 million for Information Technology to MPSCS.	FTE	169.0	0.0
	Gross	\$133,167,600	(\$2,400,000)
	IDG	932,900	0
	Local	2,248,000	0
	Restricted	16,076,400	0
	GF/GP	\$113,910,300	(\$2,400,000)
14. Information Technology Investment Fund (ITIF) – AD BOARD TRANSFER			
Reduces \$20.0 million from the enterprise IT legacy system modernization project portfolio. Ad Board transfers remaining \$20.0 million GF/GP to the General Services line under Information Technology from four new lines added by the legislature and leaves four \$100 placeholders for those lines.	Gross	\$40,000,000	(\$19,999,600)
	GF/GP	\$40,000,000	(\$19,999,600)
15. Executive Budget Revision			
Reduces \$650,000 GF/GP and 4.0 FTE positions by transferring the former Office of Regulatory Reinvention to the Michigan Office of Administrative Hearings and Rules line item in the Department of Licensing and Regulatory Affairs to reflect implementation of Executive Order 2019-6.	FTE	NA	(4.0)
	Gross	NA	(\$650,000)
	GF/GP	NA	(\$650,000)
16. General Fund Reductions – AD BOARD TRANSFER			
Ad Board transfers \$5.2 million from Legislative Retirement to five lines: \$15,200 to Executive Operations, \$2.9 million to Administrative Services, \$109,800 to Bureau of Labor Market Information and Strategies, \$2.1 million to Business Support Services, and \$108,000 to Office of the State Employer to restore GF/GP funding reductions approved by the legislature leaving a total GF/GP reduction to two lines: \$500 to Administrative Services and \$19,400 to Executive Operations.	Gross	NA	(\$19,900)
	GF/GP	NA	(\$19,900)
17. Capital Outlay Planning Authorization, SVSU Brown Hall Renovation – VETOED			
Governor vetoed \$100 for a Capital Outlay planning authorization for renovation of Brown Hall at Saginaw Valley State University. Estimated authorized cost totals \$19.8 million; state share of costs is \$12.0 million and university share is \$7.8 million.	Gross	NA	\$0
	GF/GP	NA	\$0
18. Capital Outlay Planning Authorization, DHHS New Northern Satellite Psychiatric Facility – VETOED			
Governor vetoed \$100 for a Capital Outlay planning authorization for Department of Health and Human Services' new Northern Satellite Psychiatric Facility, to be paid from state resources.	Gross	NA	\$0
	GF/GP	NA	\$0
19. Legislative Retirement – AD BOARD TRANSFER			
Ad Board transfers \$12.4 million from legislative retirement pension and OPEB annual required contributions to seven lines (see item numbers 16, 17, and 19).	Gross	\$12,400,000	(\$12,399,900)
	GF/GP	\$12,400,000	(\$12,399,900)

GENERAL GOVERNMENT: TECHNOLOGY, MANAGEMENT, AND BUDGET

<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
20. Services Baseline Technical Adjustments	Gross	NA	(\$115,400)
Reduces budget by \$115,400 Gross (\$167,100 GF/GP) by making various technical adjustments to align funding and operations through the statewide cost allocation plan, making annual adjustments in the department's indirect service charges, and aligning funding with operations within the Civil Service Commission.	IDG	NA	223,700
	Federal	NA	(115,400)
	Restricted	NA	(56,600)
	GF/GP	NA	(\$167,100)
21. Removal of Current Year One-Time Funding	Gross	\$73,145,100	(\$73,145,100)
Eliminates \$73.1 million Gross (\$66.8 million GF/GP) of one-time funding appropriated in FY 2018-19 for the following: \$43.1 million for a lump-sum payment for military and judges retirement; \$20.0 million for the statewide broadband internet initiative; \$8.2 million to pay off outstanding debt of the dissolved Inkster school district; \$10,000 for an Office of Retirement Services actuarial analysis; \$100 for a census-related services placeholder; \$1.2 million for state police and school employees retirement; \$450,000 for local governments cyber security program; \$170,000 for a job vacancy study; and \$30,000 for an MPSCS tower top amplifier.	Restricted	6,380,000	(6,380,000)
	GF/GP	\$66,765,100	(\$66,765,100)
22. Economic Adjustments	Gross	NA	\$7,283,100
Reflects increased costs of \$7.3 million Gross (\$1.3 million GF/GP) for negotiated salary and wage increases (2.0% ongoing, 2.0% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	NA	4,513,300
	Federal	NA	50,100
	Local	NA	(20,400)
	Private	NA	1,700
	Restricted	NA	1,427,600
	GF/GP	NA	\$1,310,800

Major Boilerplate Changes from FY 2018-19

Sec. 801. Contingency Funding – REVISED

Appropriates up to \$4.0 million in federal, \$8.0 million in state restricted, \$150,000 in local, and \$100,000 in private contingency funds; authorizes expenditure of funds after legislative transfer to specific line items. Revises by appropriating up to \$2.0 million in federal, \$4.0 million in state restricted, \$75,000 in local, and \$50,000 in private contingency funds.

Sec. 802. Appropriation of Proceeds From Auctions of State Surplus – REVISED

Appropriates proceeds from the transfer or auction of state surplus property; requires proceeds in amounts in excess of costs incurred are to be used to offset costs incurred in acquiring and distributing federal surplus property; requires DTMB to provide consolidated Internet auction services for local units of government. Revises by allowing proceeds to be appropriated to offset costs incurred in acquiring and distributing government surplus property other than federal surplus property.

Sec. 810. Notices of Invitations to Bid (ITBs) and Requests for Proposals (RFPs) – REVISED

Requires DTMB to maintain an Internet website with notice of all ITBs and RFPs over \$50,000 and for the information to appear on the first page of each department dashboard; generally requires ITBs and RFPs to be posted for at least 14 days prior to bid deadline. Revises by providing an exception for posting ITBs and RFPs online if it would not be in the best interest of the state. Revises language to state DTMB shall not set the due date for an ITB or RFP in less than 14 days, instead of stating that DTMB shall not accept an ITB or RFP in less than 14 days. Revises by extending exceptions for posting ITBs and RFPs, up to \$500,000, for certain small businesses, veteran-owned businesses, and rehabilitation organizations in accordance with department policy.

Sec. 816. Privatization RFPs – RETAINED (UNENFORCEABLE)

Requires RFPs issued for the purpose of privatization to include all factors to be used in evaluating and determining price. (Signing letter states section is unenforceable.)

Sec. 817. Former Deerfield Correctional Facility Demolition – NEW (VETOED)

Governor vetoes \$750,000 in IDG funding from the funds appropriated for Enterprisewide Special Maintenance for State Facilities to be used to work with the Department of Corrections on awarding a contract to the best bidder for demolition of the former Deerfield Correctional Facility.

GENERAL GOVERNMENT: TECHNOLOGY, MANAGEMENT, AND BUDGET

Major Boilerplate Changes from FY 2018-19

Sec. 821. Office of Retirement Services Report – NEW

Requires the Office of Retirement Services (ORS) to produce a report on the Judges Retirement System, Military Retirement System, Michigan Public School Employees' Retirement System, State Employees' Retirement System, and State Police Retirement System showing tables and charts of the annual required contribution flow per fiscal year and a justification if the payroll growth assumption is maintained at or above 0% for any pension or OPEB plan; requires additional items to be reported for the Michigan Public School Employees' Retirement System; requires ORS to post the most recent year's CAFR for each plan.

Sec. 822b. Public Private Partnership Investments – RETAINED (UNENFORCEABLE)

Creates Public-Private Partnership Investment Fund and provides for its expenditure on certain projects; requires annual report on the fund and associated projects; requires DTMB to monitor fund revenue and request legislative transfers as necessary to pay the amount appropriated for public-private partnership investments. (*Signing letter states subsection 6, relating to monitoring fund revenue and requesting a legislative transfer, is unenforceable.*)

Sec. 822f. Regional Prosperity Initiative – RETAINED (VETOED)

Authorizes the regional prosperity grant program, which offers economic and workforce development planning grants to eligible regional planning organizations working in collaboration with local governmental, non-profit, business, and educational community partners.

Sec. 827a. MPSCS Unpaid Invoices – DELETED

Requires \$2.0 million to be used to pay outstanding invoices for local agencies billed by MPSCS that are dated more than three years prior to the current fiscal year.

Sec. 828. IT Appropriations and Expenditures Report – REVISED

Requires an annual report on the total appropriations and expenditures for IT-related services and projects for all executive departments and agencies. Revised by requiring the report to be submitted quarterly.

Sec. 830. Enterprisewide IT Project Reporting – REVISED

Requires a quarterly report on active and closed IT projects throughout all executive branch departments on the schedule, budget, cost, project changes, and project success scores for each project. Revised by requiring information on the origination of projects and project changes, descriptions of projects, and a schedule metric to show the relative length of time a project is late.

Sec. 831. ORS Actuarial Analyses – DELETED

Requires funds for the retirement services actuarial analysis to be used to conduct an actuarial analysis to determine the costs incurred by the state employees' retirement system as a result of implementing provisions of 2018 PA 556.

Sec. 835a. Nonprofit Census-Related Activity – DELETED

Requires one-time funding for census-related activities to be awarded to the Michigan Nonprofit Association to achieve a fair and accurate count in the 2020 census; designates unexpended funds as a work project.

Sec. 837. EPMO Management of Projects – NEW

Requires projects expending more than \$250,000 to utilize information technology project management best practices as defined or recommended by the Enterprise Portfolio Management Office and comply with the state SUITE methodology and requirements.

Sec. 838. Clawback Provisions in State Procurement Contracts – NEW

Requires the department to develop policies and procedures no later than October 2020 that will require all new procurement contracts to include clawback repayment provisions in the event of a breach of contract by a vendor.

Sec. 862. Required Reports to JCOS – REVISED

Requires DTMB to provide various detailed reports to Joint Capital Outlay Subcommittee (JCOS) and fiscal agencies with status of each planning or construction project financed by the SBA. Revised by striking "as considered necessary" for the requirement to report.

Major Boilerplate Changes from FY 2018-19

Sec. 881. Michigan State Capitol Commission – State Capitol Restoration/Infrastructure Upgrade Project Cost Increase – NEW (VETOED)

Planning authorization for a \$15.0 million cost increase for the Michigan State Capitol Commission – State Capitol Restoration/Infrastructure Upgrade Project that was approved for construction authorization in 2017 PA 107 and reauthorized in 2018 PA 618, at a total authorized cost of \$110.0 million entirely funded by the State. The cost increase would provide the remainder of the funding necessary for the addition of approximately 54,000 sq. ft. of new space, to be called Heritage Hall, placed below ground. The \$15.0 million cost increase will result in a total project cost of \$125.0 million entirely funded by the State.

Sec. 882. Department of Health and Human Services – Caro Center Replacement – NEW

Provides for a revised scope for the DHHS – Caro Center Replacement project that was approved for construction authorization in 2017 PA 107 at a total estimated cost of \$115.0 million entirely funded by the State. The department will be required to build a new 100-bed facility at the current location of the Caro Regional Mental Health Center.

Sec. 883. Department of Health and Human Services – New Northern Satellite Psychiatric Facility – NEW (VETOED)

Planning authorization for a new DHHS – Northern Satellite Psychiatric Facility, which would serve as a satellite psychiatric facility in northern Michigan, to be located in Chippewa County. Rescinds previous planning authorization in 2017 PA 107.

<u>FY 2018-19 Supplemental Appropriation (PA 56)</u>	<u>FY 2018-19 YTD (as of 3/5/19)</u>	<u>FY 2018-19 Supplemental Change</u>
<i>1. Appropriation of Proceeds from Sale of Farnum Building</i>	Gross	NA
Appropriates \$4.5 million, the net proceeds of the sale of the Farnum Building, to the Enterprisewide Special Maintenance program as required by 2018 PA 207. Funding will cover a portion of the costs of relocating the Senate from the Farnum Building to the Binsfeld Building.	GF/GP	\$4,465,000
		\$4,465,000

DEPARTMENT OF TREASURY
Summary of FY 2019-20 Enacted with Vetoes and Ad Board Transfers
Public Act 56 of 2019 (Senate Bill 138)

Analyst: Ben Gielczyk

	FY 2018-19 YTD as of 3/5/19	FY 2019-20 Executive	FY 2019-20 House	FY 2019-20 Senate	FY 2019-20 Conference	FY 2019-20 Enacted	Difference: Enacted From FY 2018-19 YTD	
							Amount	%
IDG/IDT	\$12,780,300	\$12,905,600	\$12,646,200	\$12,905,600	\$12,905,600	\$12,905,600	\$125,300	1.0
Federal	27,128,000	27,242,500	26,985,100	27,242,500	27,242,500	27,242,500	114,500	0.4
Local	13,135,700	13,215,800	12,767,500	13,215,800	13,215,800	13,215,800	80,100	0.6
Private	27,500	27,500	27,500	27,500	27,500	0	(27,500)	(100.0)
Restricted	1,727,494,000	1,804,941,600	1,794,333,400	1,782,750,500	1,786,008,300	1,780,675,400	53,181,400	3.1
GF/GP	210,961,300	218,826,800	203,766,300	211,976,800	212,476,800	188,485,600	(22,475,700)	(10.7)
Gross	\$1,991,526,800	\$2,077,159,800	\$2,050,526,000	\$2,048,118,700	\$2,051,876,500	\$2,022,524,900	\$30,998,100	1.6
FTEs	1,872.5	1,895.5	1,880.5	1,884.5	1,884.5	1,884.5	12.0	0.6

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Appropriation figures do not include supplemental appropriations in 2019 PA 154 (see Appendix II).

Overview

The Department of Treasury is the chief fiscal agency of the state and the primary source of advice to the governor on tax and fiscal policy issues. The department's mission is to collect state taxes; to invest, control, and disburse state money; and to protect the credit rating of both the state and local units of government. The department manages one of the nation's largest pension funds, administers revenue sharing, and administers the student financial aid programs. It also investigates fraudulent financial activity, provides assistance on all property tax-related issues, and advises issuers of municipal obligations. The Bureau of State Lottery, the Michigan Gaming Control Board (MGCB), and the State Building Authority (SBA) are autonomous agencies housed within the department.

Major Budget Changes from FY 2018-19 YTD Appropriations

1. Constitutional Revenue Sharing

Increases by \$30.1 million of sales tax revenue relative to FY 2018-19 budget act appropriated amount to reflect May CREC estimates. This represents a \$14.2 million (1.7%) increase compared to actual FY 2018-19 distributions. The Michigan Constitution stipulates that 15% of sales tax collections at the 4% rate be distributed to all cities, villages, and townships on a per capita basis.

	FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
Gross	\$835,333,800	\$30,108,100
Restricted	835,333,800	30,108,100
GF/GP	\$0	\$0

2. City, Village, and Township (CVT) Revenue Sharing and Supplemental CVT Revenue Sharing

Includes increase of \$5.9 million (2.3%) of restricted sales tax revenue. FY 2018-19 one-time funds (CVT Revenue Sharing and Supplemental CVT Revenue Sharing) totaling \$12.1 million in sales tax revenue is retained and included in the ongoing CVT revenue sharing line item.

	FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
Gross	\$255,156,000	\$5,868,600
Restricted	255,156,000	5,868,600
GF/GP	\$0	\$0

3. County Revenue Sharing/County Incentive Program

Includes \$5.1 million of sales tax revenue to increase county revenue sharing/county incentive program funding by 2.3%. Eligible counties would qualify for 104.5619% of statutory full funding, which equates to a 2.05% increase over FY 2018-19. County Incentive Program funding equals 20% of the estimated FY 2019-20 full funding amount. Of the total increase, \$545,000 accommodates the full-year cost of three counties (Antrim, Keweenaw, and Mackinac) that re-entered state revenue sharing in FY 2018-19.

	FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
Gross	\$221,415,500	\$5,092,600
Restricted	221,415,500	5,092,600
GF/GP	\$0	\$0

GENERAL GOVERNMENT: TREASURY

<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
4. General Obligation Bond Debt Service	Gross	\$107,080,000	(\$2,745,000)
Includes a net reduction of \$2.7 million GF/GP for general obligation bond debt service. The estimated baseline reduction in debt service would be partially offset with projected debt service increases associated with planned new issuances for Clean Michigan Initiative and Great Lakes Water Quality bonds.	GF/GP	\$107,080,000	(\$2,745,000)
5. Medical Marihuana Excise Fund Grants	Gross	\$10,890,000	(\$10,890,000)
Eliminates Medical Marihuana Excise Grants totaling \$10.9 million from the restricted Medical Marihuana Excise Fund. The 3% excise tax on provisioning center sales was eliminated under 2018 Initiated Law 1.	Restricted	10,890,000	(10,890,000)
	GF/GP	\$0	\$0
6. Medical Marihuana Administration	FTE	4.0	(4.0)
Reduces by \$601,400 of restricted Marihuana Regulatory Fund and 4.0 FTE positions.	Gross	\$911,400	(\$601,400)
	Restricted	911,400	(601,400)
	GF/GP	\$0	\$0
7. Recreational Marihuana Grants for Locals	Gross	\$0	\$20,250,000
Includes \$20.3 million from the Marihuana Regulation Fund for statutorily required grants to local units of government.	Restricted	0	20,250,000
	GF/GP	\$0	\$0
8. Recreational Marihuana Administration	FTE	0.0	16.0
Includes \$3.6 million of restricted Marihuana Regulation Fund and authorizes 16.0 FTE positions for administration and oversight of recreational marihuana pursuant to 2018 Initiated Law 1.	Gross	\$0	\$3,632,200
	Restricted	0	3,632,200
	GF/GP	\$0	\$0
9. Senior Citizen Cooperative Housing Tax Exemption Reimbursement	Gross	\$10,521,100	\$250,000
Increases by \$250,000 GF/GP to provide full funding for two new facilities (Ingham and Saginaw Counties) that became eligible for reimbursements in FY 2018-19.	GF/GP	\$10,521,100	\$250,000
10. Information Technology Cost Increases	Gross	\$36,207,600	\$1,450,000
Includes \$1.5 million GF/GP to support increased costs related to the Unisys mainframe and servers utilized by the Department of Treasury for critical information technology systems. Other departments have ceased to use the Unisys mainframe and servers, thereby increasing the department's share of the overall costs.	IDG/IDT	400,000	0
	Federal	627,800	0
	Restricted	19,734,500	0
	GF/GP	\$15,445,300	\$1,450,000
11. Michigan Finance Authority	Gross	\$26,097,700	\$300,000
Includes \$300,000 of restricted MFA, bond and loan program revenue for increased expenditures related to information technology (IT) and IT legacy replacement, staffing costs, and attorney general services.	Federal	23,049,900	0
	Restricted	3,047,800	300,000
	GF/GP	\$0	\$0
12. Targeted General Fund Reductions	Gross	NA	(\$650,100)
Reduces various line items by a total of \$650,100 GF/GP: Executive Direction (\$100,000), Supervision of General Property Tax Law (\$100,000), Tax Administration (\$100,000), Tax Compliance (\$250,000), Department Services (\$100,000), and Forensic Science Commission placeholder (\$100).	GF/GP	NA	(\$650,100)
13. Supervision of the General Property Tax Law – AD BOARD TRANSFER	Gross	\$18,894,500	(\$2,600,100)
Reduces by \$3.1 million GF/GP to reflect administrative savings and work project availability and unrolls line item into 4 line items. The State Administrative Board transferred the four line items back into the Supervision of the General Property Tax Law line item and transferred \$499,900 from Student Loan Refinancing Program Study (Item #16) to Supervision of the General Property Tax Law line item to offset a portion of the reduction.	Local	140,000	0
	Restricted	3,600,400	0
	GF/GP	\$15,154,100	(\$2,600,100)

GENERAL GOVERNMENT: TREASURY

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>			
14. Property Tax Assessor Training – PARTIALLY VETOED	FTE	1.0	0.0
Includes \$1.0 million GF/GP to expand assessor training through the state. Governor vetoed the \$1.0 million GF/GP increase for property tax assessor training.	Gross	\$1,043,100	\$0
	Restricted GF/GP	0	0
		\$1,043,100	\$0
15. Municipal Cost Sharing Grants – PARTIALLY VETOED	Gross	\$0	\$1,250,000
Includes \$2.3 million GF/GP to support grants for the following purposes: city of Lansing security camera upgrades around Capitol Building (\$500,000), city of Lansing large special events at Capitol cost offset (\$500,000), and Dearborn 911 consolidation (\$1.3 million). Governor vetoed city of Lansing security camera upgrades around Capitol Building (\$500,000) and city of Lansing large special events at Capitol cost offset (\$500,000).	GF/GP	\$0	\$1,250,000
16. Student Loan Refinancing Program Study – AD BOARD TRANSFER	Gross	\$0	\$100
Provides \$500,000 GF/GP for a feasibility study related to a state student loan refinancing program. The State Administrative Board transferred \$499,900 GF/GP to Supervision of the General Property Tax Law line item (Item #13).	GF/GP	\$0	\$100
17. Payments in Lieu of Taxes – VETOED	Gross	\$27,351,600	(\$27,351,600)
Maintains FY 2018-19 funding levels for payments in lieu of taxes (commercial forest reserve, purchased lands, and swamp and tax reverted lands). Governor vetoed the entire appropriation for payments in lieu of taxes.	Private	27,500	(27,500)
	Restricted	5,332,900	(5,332,900)
	GF/GP	\$21,991,200	(\$21,991,200)
18. Millionaire Party Regulation	Gross	NA	\$3,000,000
Includes \$3.0 million restricted State Lottery Fund to support regulation and oversight of millionaire parties offered through the Bureau of State Lottery charitable gaming. Moves funding from boilerplate allocation to a line-item appropriation (no change to overall program).	Restricted	NA	3,000,000
	GF/GP	NA	\$0
19. Wrongful Imprisonment Compensation Fund	Gross	\$1,500,000	\$8,500,000
Includes \$10.0 million Gross (\$5.0 million GF/GP) deposit (considered one-time) into the Wrongful Imprisonment Compensation Fund. Of the total, \$5.0 million is appropriated from the Lawsuit Settlement Proceeds Fund. This represents an \$8.5 million Gross increase from the FY 2018-19 appropriation included in 2018 PA 618.	Restricted	0	5,000,000
	GF/GP	\$1,500,000	\$3,500,000
20. Removal of Other One-Time Appropriations	Gross	\$7,163,000	(\$7,163,000)
Eliminates \$7.2 million GF/GP of FY 2018-19 appropriations considered one-time: Beat the Streets (\$100,000), Courageous Cadets (\$50,000), Drinking Water Declaration of Emergency Contingency Fund Transfer (\$5.6 million), Financial Data Analytic Tool Reimbursement (\$500,000), and Urban Search and Rescue (\$900,000).	Restricted	5,613,000	(5,613,000)
	GF/GP	\$1,550,000	(\$1,550,000)
21. Economic Adjustments	Gross	NA	\$3,297,700
Reflects increased costs of \$3.3 million Gross (\$610,600 GF/GP) for negotiated salary and wage increases (2.0% ongoing, 2.0% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG/IDT	NA	125,300
	Federal	NA	114,500
	Local	NA	80,100
	Restricted	NA	2,367,200
	GF/GP	NA	\$610,600

Major Boilerplate Changes from FY 2018-19

Sec. 901. Contingency Funds – REVISED

Appropriates up to \$1.0 million in federal, \$10.0 million in state restricted, \$200,000 in local, and \$40,000 in private contingency funds; authorizes expenditure after legislative transfer to specific line items. Revised to reduce federal, local, and private contingency fund authorizations by 50%.

Sec. 903. Tax Collection Contracts – REVISED

Authorizes the department to contract with private collection agencies and law firms to collect taxes, accounts due the state, defaulted student loans, and accounts due to Michigan guaranty agencies; provides funds for collection costs and fees; requires report of agencies used, amounts collected, cost of collection, and other information. Requires amounts appropriated for defaulted student loan collections to equal no more than 24.34% of the amount collected or a lesser amount prescribed in the contract. Requires department to issue an RFP for a secondary placement collections program. Allows for a multiple contract approach for a bidder to bid on a part or the entirety of the contract for primary and secondary collections. Revises RFP requirement to state that an RFP shall be issued for secondary placement collections if the department issues an RFP for collection services. Removes language that provides guidelines for issuing RFP, as no RFP is planned to be issued in FY 2019-20.

Sec. 907b. Property Tax Assessor Training Enhancement – NEW (VETOED)

Requires \$1.0 million of increased funds appropriated in part 1 for property tax assessor training to be used to expand in-person training through the state in at least each regional prosperity zone. Governor vetoed boilerplate appropriation which reduces Property Tax Assessor Training line item by \$1.0 million.

Sec. 920. Personal Property Tax Reimbursement Reporting – REVISED

Requires the department to produce a listing of all personal property tax reimbursement payments to be distributed by the Local Community Stabilization Authority related to property taxes levied in the current calendar year. Requires listing to be posted on the department website by September 30. Requires notice describing adjustments in personal property tax reimbursements that will affect the subsequent payment. Provides that the notice shall be distributed to all municipalities. Revises by removing the requirement that the department provide a notice describing adjustments to all municipalities.

Sec. 936. Financial Data Analytical Tool Guidance – REVISED

Requires appropriation to be used for reimbursing counties, cities, villages, townships, and regional councils of government for the cost of a data analytical tool that provides financial data analysis and early warning analysis from a vendor approved by DTMB in FY 2017-18. Allows for proration of available funds. Provides work project authorization for any unexpended funds. Revises section to require the department to maintain and continue the data analytic tool work project.

Sec. 940. Principal Residence Exemption Administration Feasibility Study – DELETED

Requires the department to study the feasibility of requiring homeowners to file principal residence exemption documents directly with the department.

Sec. 943. Medical Marijuana Closed-Loop Payment System – DELETED

Authorizes the department to establish a closed-loop payment processing and digital patient identification delivery and authentication system under which the department creates accounts to be used only by registered participants.

Sec. 949g. Urban Search and Rescue Task Force – DELETED

Allocates \$900,000 to the urban search and rescue task force. Requires the task force to provide reports on FY 2017-18 revenues and expenditures, proposed FY 2018-19 grant expenditures, and a final report on FY 2018-19 grant expenditures.

Sec. 949i. Request for Proposals for OPEB Oversight and Transformational Brownfield Program – DELETED

Requires the department to issue an RFP by December 15 for data analytics for the entire department, which would include both the local other post-employment benefits oversight legislation (2017 PA 202) and the recodified tax increment financing act (2018 PA 57). Vendor would be required to specialize in data analytics. Processing of program information would remain with the department.

Sec. 949m. Grants for Security Measures Around Capitol – NEW (PARTIALLY VETOED)

Allocates \$500,000 for security camera installation around the Capitol Complex, \$500,000 for police department services during large events at the Capitol Building, and \$1.3 million for a grant to a consolidated police and EMS dispatch center in Dearborn. Governor vetoed \$500,000 for Lansing security camera upgrades and \$500,000 for reimbursement to Lansing for costs associated with large special events that occur at the Michigan Capitol Building.

GENERAL GOVERNMENT: TREASURY

Major Boilerplate Changes from FY 2018-19

Sec. 949n. Student Loan Refinancing Program Study – NEW (AD BOARD TRANSFER)

Requires the department to conduct a feasibility study concerning the implementation of a student loan refinancing program. The State Administrative Board transferred all but \$100 in the associated line item.

REVENUE SHARING

Sec. 952. City, Village, and Township (CVT) Revenue Sharing and County Incentive Program – REVISED

Specifies distribution of \$248.8 million to all CVTs that received a payment under Section 950(2) of 2009 PA 128 greater than \$1,000. Eligible payment is equal to 78.51044% of its total payment received under Section 950(2) of 2009 PA 128 or, for a CVT with a population in excess of 7,500, notwithstanding whether it received a payment greater than \$1,000 under Section 950(2) of 2009 PA 128, a payment equal to the population of the CVT multiplied by \$2.64659, whichever is greater. In order to qualify for its eligible payment, a CVT is required to comply with the items listed under accountability and transparency. To qualify for a county incentive payment, counties are required to comply with the items listed under accountability and transparency. Any unexpended funds are directed to be deposited in the Financially Distressed CVTs program in Sec. 956, subject to approval of transfers. Revises to specify that an eligible CVT is eligible to qualify for 102.3% of its FY 2018-19 payment. Includes new subsection that requires eligible CVTs to allocate an amount equal to their FY 2019-20 eligible payment increase to their unfunded pension liabilities if they have a pension that is considered to be in unfunded status pursuant to the Protecting Local Government Retirement and Benefits Act. (CVTs are exempt if they have issued a municipal security to pay down their unfunded liability.)

Sec. 955. County Revenue Sharing Payments – REVISED

Requires the county revenue sharing appropriation to be distributed so that each eligible county receives a payment (when coupled with the County Incentive Program payment) equal to 102% of the amount determined pursuant to the Glen Steil State Revenue Sharing Act. Revises to specify that each county receives a payment equal to 104.5619% of statutory full funding, which equates to a 2.05% increase for all eligible counties. Includes new subsection that requires counties receiving a payment to allocate their FY 2019-20 payment increase to their unfunded pension liabilities if they have a pension that is considered to be in unfunded status pursuant to the Protecting Local Government Retirement and Benefits Act. (Counties are exempt if they have issued a municipal security to pay down their unfunded liability.)

Sec. 957. Supplemental City, Village, and Township Revenue Sharing – DELETED

Specifies distribution of \$6.2 million to support supplemental revenue sharing payments. Payments would be provided to CVTs on a per capita basis equal to \$0.807929 per person. Funds must be used to pay down debt, pension, or other postemployment benefit obligations, unless the local unit has no such debt obligations.

Sec. 958. Supplemental County Revenue Sharing – DELETED

Requires \$1.0 million appropriated for Supplemental County Revenue Sharing to be distributed to each eligible county in an amount equal to 0.4627% of full funding for each county under the Glenn Steil State Revenue Sharing Act. Requires funds to be used to pay debt, pension, and OPEB obligations, unless the local unit has no such debt obligations.

<u>FY 2018-19 Supplemental Appropriation (PA 56)</u>	<u>FY 2018-19 YTD (as of 3/5/19)</u>	<u>FY 2018-19 Supplemental Change</u>
1. Senior Citizen Cooperative Housing Tax Exemption Reimbursement	Gross \$10,521,200	\$250,000
	GF/GP \$10,521,200	\$250,000

Includes \$250,000 GF/GP to provide full funding for two new facilities that became eligible for reimbursements in FY 2018-19. Facilities are in Ingham and Saginaw Counties.

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY

Summary of FY 2019-20 Enacted with Vetoes and Ad Board Transfers

Public Act 56 of 2019 (Senate Bill 138)

Analyst: Ben Gielczyk

IDG/IDT	FY 2018-19 YTD	FY 2019-20	FY 2019-20	FY 2019-20	FY 2019-20	FY 2019-20	Difference: Enacted	
	as of 3/5/19	Executive	House	Senate	Conference	Enacted	From FY 2018-19 YTD	%
							Amount	
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	762,645,800	762,145,800	760,754,900	762,145,800	762,145,800	762,145,800	(500,000)	(0.1)
Local	500,000	500,000	500,000	500,000	500,000	500,000	0	0.0
Private	5,621,700	5,628,300	5,614,600	5,628,300	5,628,300	5,628,300	6,600	0.1
Restricted	205,432,300	175,074,600	205,922,800	193,074,600	207,336,900	146,164,800	(59,267,500)	(28.9)
GF/GP	286,546,300	144,908,300	63,554,900	145,908,400	121,383,000	97,794,200	(188,752,100)	(65.9)
Gross	\$1,260,746,100	\$1,088,257,000	\$1,036,347,200	\$1,107,257,100	\$1,096,994,000	\$1,012,233,100	(\$248,513,000)	(19.7)
FTEs	1,456.0	1,456.0	1,456.0	1,456.0	1,456.0	1,456.0	0.0	0.0

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Appropriation figures do not include supplemental appropriations in 2019 PA 154 (see Appendix II).

Overview

As structured in the FY 2019-20 budget bill, the Department of Labor and Economic Opportunity (DLEO) includes the Michigan Strategic Fund (MSF), Talent Investment Agency (TIA), Workforce Development Agency, Unemployment Insurance Agency, Land Bank Fast Track Authority, and Michigan State Housing Development Authority (MSHDA). Collectively, DLEO includes programs and resources designed to increase job creation, job preparedness, job training, and economic development and create and preserve safe and affordable housing in the State of Michigan.

Major Budget Changes from FY 2018-19 YTD Appropriations

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
1. Pure Michigan – VETOED	Gross	\$36,000,000	(\$37,500,000)
Increases by \$1.5 million Gross (\$5.5 million GF/GP) for a total appropriation of \$37.5 million. (Note: Section 1053 of the boilerplate allocates \$500,000 of the total for last dollar use for hosting a conference for a national council that receives dues from this state.) Governor vetoed the entire Pure Michigan line item.	Restricted	35,000,000	(31,000,000)
	GF/GP	\$1,000,000	(\$6,500,000)
2. Business Attraction and Community Revitalization	Gross	\$105,379,900	(\$26,000,000)
Reduces by \$26.0 million Gross (\$30.0 million GF/GP). (See also Item #3.) Of the total adjustment, \$4.0 million GF/GP is replaced with a corresponding amount of 21 st Century Jobs Trust transferred from the Pure Michigan line item.	Restricted	23,600,000	4,000,000
	GF/GP	\$81,779,900	(\$30,000,000)
3. Rural Job and Capital Investment Fund – VETOED	Gross	\$0	\$0
Includes \$10.0 million deposit into the Rural Jobs and Capital Investment Fund. Funds are appropriated in the Business Attraction and Community Revitalization line item and allocated in Section 1048 of the boilerplate. Governor vetoed \$10.0 million GF/GP appropriation included in Section 1048.	GF/GP	\$0	\$0
4. Going Pro – VETOED	Gross	\$36,418,800	(\$36,509,000)
Includes \$92,100 Gross increase (reduction of \$1.9 million GF/GP). Note: Appropriation line item includes \$750,000 GF/GP to support Graduation Alliance (see item #12 below). Governor vetoed the entire Going Pro line item (see also Items #12 and #22 for other items included in appropriation line item).	Restricted	25,918,800	(30,172,100)
	GF/GP	\$10,500,000	(\$6,336,900)

GENERAL GOVERNMENT: LABOR AND ECONOMIC OPPORTUNITY

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>			
5. Entrepreneurship Eco-System			
Removes \$2.5 million GF/GP of one-time funds.	Gross	\$18,900,000	(\$2,500,000)
	Restricted	16,400,000	0
	GF/GP	\$2,500,000	(\$2,500,000)
6. Community Ventures – AD BOARD TRANSFER			
Reduces funding by \$3.0 million for a total appropriation of \$1.0 million for Community Ventures. The State Administrative Board transferred \$999,900 Contingent Fund, Penalty and Interest to Workforce Development Programs line item to assist Healthy Michigan Plan enrollees in meeting statutory work requirements.	Gross	\$4,000,000	(\$3,999,900)
	Restricted	4,000,000	(3,999,900)
	GF/GP	\$0	\$0
7. At-Risk Youth Grants – AD BOARD TRANSFER			
Includes \$3.8 million GF/GP (an increase of \$750,000 GF/GP) for the Jobs for Michigan Graduates program. The State Administrative Board transferred \$3.7 million GF/GP to Workforce Development Programs line item to assist Healthy Michigan Plan enrollees in meeting statutory work requirements.	Gross	\$3,000,000	(\$3,749,900)
	Restricted	3,000,000	0
	GF/GP	\$0	(\$3,749,900)
8. Van Andel Institute – AD BOARD TRANSFER			
Retains \$1.0 million GF/GP for Van Andel Institute grant but appropriates funds in Michigan Enhancement Grants line item. Section 1047 (1) of boilerplate specifies distribution of Michigan Enhancement Grants to the Van Andel Institute. The State Administrative Board transferred \$1.0 million GF/GP to Workforce Development Programs line item to assist Healthy Michigan Plan enrollees in meeting statutory work requirements.	Gross	\$1,000,000	(\$1,000,000)
	GF/GP	\$1,000,000	(\$1,000,000)
9. Michigan Film Promotion Fund			
Removes \$402,200 of restricted Michigan Film Promotion Fund.	Gross	\$402,200	(\$402,200)
	Restricted	402,200	(402,200)
	GF/GP	\$0	\$0
10. Protect and Grow – AD BOARD TRANSFER			
Includes \$1.0 million for Protect and Grow program related to Michigan's defense and homeland security businesses. The State Administrative Board transferred \$999,900 GF/GP to Workforce Development Programs line item to assist Healthy Michigan Plan enrollees in meeting statutory work requirements.	Gross	\$0	\$100
	GF/GP	\$0	\$100
11. Enhancement Grants – AD BOARD TRANSFER			
Includes \$1.8 million GF/GP for the following three grants: Western Upper Peninsula workforce development association retirement shortfall (\$971,000), Electronic Recording Commission grants (\$166,000), and Center for Employment Opportunities (\$662,000). <i>Note: Includes in Michigan Enhancement Grants line item and allocates through Section 1047.</i> The State Administrative Board transferred \$1.8 million GF/GP to Workforce Development Programs line item to assist Healthy Michigan Plan enrollees in meeting statutory work requirements.	Gross	NA	\$100
	GF/GP	NA	\$100
12. Graduation Alliance – VETOED			
Reduces by \$750,000 GF/GP for a total appropriation of \$750,000 GF/GP for Graduation Alliance. Appropriation is included in the Going Pro line item and allocated by Section 1070. Governor vetoed the appropriation totaling \$750,000 GF/GP.	Gross	\$1,500,000	(\$1,500,000)
	GF/GP	\$1,500,000	(\$1,500,000)
13. Land Bank Fast Track Authority			
Replaces all GF/GP funding (including FY 2019-20 economics adjustment totaling \$15,100 GF/GP) with a corresponding amount of Land Bank Fast Track Fund for net change of \$0 Gross.	FTE	9.0	0.0
	Gross	\$4,125,700	\$0
	Federal	1,000,000	0
	Restricted	148,400	2,992,400
	GF/GP	\$2,977,300	(\$2,992,400)

GENERAL GOVERNMENT: LABOR AND ECONOMIC OPPORTUNITY

<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
14. Blight Removal Grants – AD BOARD TRANSFER	Gross	\$350,000	(\$349,900)
Increases rural blight elimination grants by \$150,000 GF/GP to a total of \$500,000 GF/GP split between rural blight elimination (\$250,000) and city of Detroit projects performed by nonprofits (\$250,000). The State Administrative Board transferred \$499,900 GF/GP to Workforce Development Programs line item to assist Healthy Michigan Plan enrollees in meeting statutory work requirements.	GF/GP	\$350,000	(\$349,900)
15. High School Equivalency-to-School	Gross	\$0	\$250,000
Includes \$250,000 GF/GP to support a high school equivalency reimbursement program for individuals meeting certain qualifications.	GF/GP	\$0	\$250,000
16. Other One-Time Appropriations	Gross	\$147,450,600	(\$147,450,600)
Removes FY 2018-19 one-time appropriations totaling \$151.3 million Gross (\$151.3 million GF/GP). One-time appropriations supported the following items: Michigan Enhancement Grants (\$113.5 million); Business Attraction and Community Revitalization (\$20.0 million); Northern MI Tourism and Sports Fund (\$10.0 million); Workforce Development GEAR UP grants replacement (\$2.0 million); Arts and Cultural Grants (\$1.0 million); Project Rising Tide (\$1.0 million); and Drinking Water Declaration of Emergency (\$100).	Restricted	100	(100)
	GF/GP	\$147,450,500	(\$147,450,500)
17. Workforce Development Programs – AD BOARD TRANSFER	Gross	\$381,556,600	\$9,048,500
The State Administrative Board transferred \$9.0 million Gross (\$8.0 million GF/GP) to assist Healthy Michigan Plan enrollees in meeting statutory work requirements. Funds are transferred from the following appropriations:	Federal	365,858,200	0
	Local	500,000	0
	Private	3,796,400	0
	Restricted	10,000,000	999,900
<ul style="list-style-type: none"> • Protect and Grow (Item #10). • Michigan Enhancement Grants (Item #11). • Van Andel Institute (Item #8). • At-Risk Youth Grants (Item #7). • Community Ventures (Item #6). • Blight Removal Grants (Item #14). 	GF/GP	\$1,402,000	\$8,048,600
18. MSHDA Fee Authorization Increase for Attorney General Costs	Gross	\$45,043,500	\$335,500
Includes \$335,500 of restricted MSHDA fees and charges for additional attorney general legal services.	Restricted	45,043,500	335,500
	GF/GP	\$0	\$0
19. DTED Reorganization	FTE	17.0	0.0
Includes a net zero reorganization of \$3.4 million and 17.0 FTE positions to reflect movement of organizational responsibilities.	Gross	\$3,365,400	\$0
	Federal	3,112,800	0
	Restricted	252,600	0
	GF/GP	\$0	\$0
20. General Fund Replacement – Talent Investment Agency	Gross	NA	\$0
Replaces \$3.5 million GF/GP with a corresponding amount of Contingent Fund, Penalty and Interest Account funds.	Restricted	NA	3,475,600
	GF/GP	NA	(\$3,475,600)
21. Fund Source Realignment	Gross	NA	(\$2,233,000)
Includes a \$2.2 million reduction of federal fund authorization to align revenue sources with anticipated revenues and remove defined calculations/economics adjustments from federal funds that cannot absorb the economic increase.	Federal	NA	(2,185,100)
	Restricted	NA	(47,900)
	GF/GP	NA	\$0

GENERAL GOVERNMENT: LABOR AND ECONOMIC OPPORTUNITY

<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>		<u>FY 2018-19 Year-to-Date (as of 3/5/19)</u>	<u>FY 2019-20 Enacted Change</u>
22. Economics Adjustments – PARTIALLY VETOED		Gross	NA
Reflects increased costs of \$2.7 million Gross (\$243,700 GF/GP) for negotiated salary and wage increases (2.0% ongoing, 2.0% lump sum), actuarially required retirement contributions, worker’s compensation, building occupancy charges, and other economic adjustments. Governor vetoed \$1,900 GF/GP associated with Going Pro economic adjustments. Note: the entire Going Pro line item was vetoed (see Item #4).		Federal	1,685,100
		Private	6,600
		Restricted	773,600
		GF/GP	\$241,800

Major Boilerplate Changes from FY 2018-19

Sec. 980. Contingency Funds – REVISED

Appropriates \$30.0 million in federal contingency funds, \$10.0 million in state restricted contingency funds, \$2.0 million in private contingency funds, and \$2.0 million in local contingency funds. Revises to reduce authorizations by 50%.

Sec. 983. Broadband Bonding Prohibition – REVISED (UNENFORCEABLE)

Prohibits MSF and MSHDA from issuing or refinancing bonds for broadband construction, expansion, repairs, or upgrades. Retains and revises language to prohibit the use of funds for broadband construction, expansion, repairs, or upgrades. (*Signing letter states section is unenforceable.*)

DLEO – MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

Sec. 998. Blight Removal Grants – NEW (AD BOARD TRANSFER)

Requires \$350,100 appropriated in part 1 for Blight Removal Grants to be allocated in the following manner: (1) \$250,000 for blight removal projects located in counties with populations under 50,000, with priority given to communities with the greatest population loss since 2000 and grants capped at \$50,000; (2) \$250,000 awarded to blight removal projects in the city of Detroit performed by nonprofits. The State Administrative Board transferred all but \$100 of associated line item to Workforce Development Programs for Healthy Michigan work requirement assistance.

DLEO – MICHIGAN STRATEGIC FUND

Sec. 1024. Business Attraction and Community Revitalization – REVISED

Requires that not less than \$20.0 million of the funds appropriated in part 1 be used for brownfield redevelopment incentives and historic preservation incentives. Revises to require not less than 20% of the funds appropriated in part 1 be used for brownfield redevelopment and historic preservation incentives.

Sec. 1047. Michigan Strategic Fund – Grants – DELETED

Specifies individual grants included in the MSF - Grant line item totaling \$1.4 million GF/GP: Van Andel Institute (\$1.0 million GF/GP) and Rural Blight Removal (\$350,000 GF/GP).

Sec. 1047. Michigan Enhancement Grants – NEW (AD BOARD TRANSFER)

Specifies appropriation in part 1 shall be awarded to the following: Center for Employment Opportunities (\$662,000), County E-Recording grants (\$166,000), Van Andel Institute (\$1.0 million), Western Upper Peninsula workforce development retirement shortfall (\$971,000). The State Administrative Board transferred all but \$100 of associated line item to Workforce Development Programs for Healthy Michigan work requirement assistance.

Sec. 1048. Rural Jobs and Capital Investment Fund – NEW (VETOED)

Requires \$10.0 million of appropriation for Business Attraction and Community Revitalization to be deposited in the Rural Jobs and Capital Investment Fund. Any funds deposited in the fund are considered appropriated and available for expenditure pursuant to the requirements of the Michigan Strategic Fund Act. Governor vetoed boilerplate appropriation which reduces Business Attraction and Community Revitalization line item by \$10.0 million.

Sec. 1052. Project Rising Tide Performance Measures – DELETED

Requires DLEO to identify specific performance measures for the Project Rising tide appropriations; provides two performance measures.

Major Boilerplate Changes from FY 2018-19

Sec. 1053. Pure Michigan Appropriation – NEW (VETOED)

Requires \$500,000 of the funds appropriated in part 1 for Pure Michigan to be allocated for last dollars to fund the gap between the total cost of hosting a national conference for a national council that currently receives association dues from this state and the total amount privately raised. Governor vetoed entire appropriation for Pure Michigan.

DLEO – TALENT INVESTMENT AGENCY

Sec. 1064. Going Pro Expenditure Report – RETAINED (VETOED)

Requires the DLEO to provide a report of Going Pro expenditures by program/grant type for the prior fiscal year and a projected expenditure report by program/grant type for the current fiscal year. Governor vetoed entire appropriation for Going Pro.

Sec. 1066. Going Pro Administration – RETAINED (VETOED)

Requires Going Pro to be administered according to specific guidelines outline in boilerplate. Allows up to \$5.0 million of funds appropriated for Going Pro to be used for matching funds when federal funds requiring a match become available. The intent of the funds is increasing the skill level of employees in skilled trades and to address in-demand talent needs in Michigan. Governor vetoed entire appropriation for Going Pro.

Sec. 1067. Going Pro Talent Fund – NEW (VETOED)

Specifies that funds appropriated in part 1 for Going Pro may be deposited into the Going Pro Talent Fund. Further, if the funds are deposited, they are considered available for expenditure under the Going Pro Talent Fund Act. Governor vetoed entire appropriation for Going Pro.

Sec. 1069. Healthy Michigan Work Requirement Assistance – NEW

Requires \$10.0 million of the funds appropriated in part 1 for Workforce Development Programs to be used for employment and training-related services and to assist Healthy Michigan plan recipients to secure and maintain training and employment. Provides that funds may be used to hire additional department field staff to educate impacted Healthy Michigan plan recipients on the requirements and available services, make referrals, assess and address barriers to employment, and manage other caseload-related impacts. Requires monthly report.

Sec. 1070. Dropout Support and Career Training Grant – REVISED (VETOED)

Requires \$1.5 million of the funds appropriated for Going Pro to support a pilot program to assist adults over the age of 23 in obtaining high school diplomas and placement in career training programs. Provides requirements to qualify as an eligible program provider. Provides detailed reimbursement rates for certain performance measures. Revises amount to \$750,000 to reflect appropriation in part 1 Going Pro line item. Governor vetoed entire appropriation for Going Pro.

Sec. 1071. Dropout Prevention and Recovery Program for Michigan Youth – REVISED (AD BOARD TRANSFER)

Requires \$3.0 million from the funds appropriated for At-Risk Youth Grants to be awarded to the Michigan franchise holder of the national Jobs for America's Graduates program. Revises to \$3.8 million to align with appropriation in part 1. The State Administrative Board transferred all but \$100 of associated line item to Workforce Development Programs for Healthy Michigan work requirement assistance.

Sec. 1072. High School Equivalency-to-School Program Guidelines – NEW

Stipulates that \$250,000 appropriated in part 1 for the program are to be used to cover the cost of a high school equivalency test free of charge to individuals meeting certain requirements. Requires DLEO to develop procedures, provide program information, provide full-year cost estimate, and provide a report.

Sec. 1073. GED-to-School Work Project Reauthorization – NEW

Requires unexpended funds appropriated in FY 2014-15 for the GED-to-School program in work project status to be reauthorized as a work project. This would authorize continued usage of funds for the High School Equivalency-to-School program.

Sec. 1080. Community Ventures Matching Funds – REVISED (AD BOARD TRANSFER)

Stipulates that up to \$2.0 million of funding for Community Ventures may be used for a matching program (\$1 for \$1) if private funds are raised. Revises to stipulate that up to \$1.0 million may be used for matching program to reflect reduced appropriation in part 1. The State Administrative Board transferred all but \$100 of associated line item to Workforce Development Programs for Healthy Michigan work requirement assistance.

Sec. 1081. Statewide Data System Integration Performance Metrics – DELETED

Requires DLEO to identify specific outcomes and performance metrics for increased funds associated with the Statewide Data System Integration line item. Provides nonexclusive list of performance metrics to be used. Status report required by March 15.

GENERAL GOVERNMENT: LABOR AND ECONOMIC OPPORTUNITY

Major Boilerplate Changes from FY 2018-19

Sec. 1082. Sustainable Employment Pilot Program – DELETED

Requires a status update on the usage of funds appropriated for the Sustainable Employment Pilot Program. Provides requested reporting metrics.

Sec. 1084. Going Pro Performance Measures – DELETED

Requires DLEO to identify specific performance measures for Going Pro appropriations; provides three performance measures.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Summary of FY 2019-20 Enacted with Vetoes and Ad Board Transfers

Public Act 67 of 2019 (Senate Bill 139)

Analysts: Kent Dell, Susan Frey, Kevin Koorstra, and Viola Wild

IDG/IDT	FY 2018-19 YTD as of 3/5/19	FY 2019-20 Executive	FY 2019-20 House	FY 2019-20 Senate	FY 2019-20 Conference	FY 2019-20 Enacted	Difference: Enacted From FY 2018-19 YTD	
							Amount	%
IDG/IDT	\$13,813,700	\$13,857,600	\$13,424,900	\$13,857,600	\$13,857,600	\$13,857,600	\$43,900	0.3
Federal	18,016,041,200	18,221,270,400	18,029,819,500	18,228,737,500	18,393,661,400	18,260,183,200	244,142,000	1.4
Local	121,612,600	155,806,100	155,232,700	132,981,900	151,546,000	151,546,000	29,933,400	24.6
Private	152,409,900	143,535,100	137,071,200	143,535,100	143,535,100	143,535,100	(8,874,800)	(5.8)
Restricted	2,758,754,600	2,864,946,300	2,874,653,000	2,865,883,800	2,990,821,200	2,969,648,100	210,893,500	7.6
GF/GP	4,439,614,400	4,779,342,000	4,671,821,100	4,745,812,400	4,758,928,300	4,679,637,600	240,023,200	5.4
Gross	\$25,502,246,400	\$26,178,757,500	\$25,882,022,400	\$26,130,808,300	\$26,452,349,600	\$26,218,407,600	\$716,161,200	2.8
FTEs	15,942.7	16,007.0	15,973.0	15,978.0	16,011.0	16,011.0	68.3	0.4

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Appropriation figures do not include supplemental appropriations in 2019 PA 154 (see Appendix II).

Overview

The Department of Health and Human Services (DHHS) includes programs and services to assist Michigan's most vulnerable families, including public assistance programs, protecting children and assisting families by administering foster care, adoption, and family preservation programs and by enforcing child support laws, and funding for behavioral health (mental health and substance use disorder), population health, aging, crime victim, and medical services programs, including Medicaid and the Healthy Michigan Plan.

Major Budget Changes from FY 2018-19 YTD Appropriations

	FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
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MEDICAID AND BEHAVIORAL HEALTH – GENERAL

1. Traditional Medicaid Cost Adjustment

Increases \$260.8 million Gross (\$144.1 million GF/GP) for traditional Medicaid program caseload, utilization, inflation, and financing adjustments based on the May caseload consensus between the State Budget Office, Senate Fiscal Agency, and reduces Medicare Part B annualization costs. Amount includes \$70.5 million GF/GP to offset the decline in federal FMAP and SCHIP match rates from 64.45% to 64.06% and 98.12% to 86.34%, respectively. Compared to FY 2017-18 expenditures, the May caseload consensus forecasts an average annual increase of 5.0%.

	Gross	\$13,697,562,500	\$260,777,500
Federal	8,782,364,700		110,413,100
Local	47,462,400		1,033,000
Private	2,100,000		0
Restricted	2,304,205,100		5,272,100
GF/GP	\$2,561,430,300		\$144,059,300

2. Healthy Michigan Plan Cost Adjustment

Reduces \$94.5 million Gross (increases \$66.0 million GF/GP) for Healthy Michigan Plan caseload, utilization, inflation, and financing adjustments, based on the May caseload consensus and revises the savings from work requirement disenrollments to a federal match rate of 90%. Amount includes \$75.1 million GF/GP to offset the decline in federal match rate from 93.25% to 90.75%. Compared to FY 2017-18 expenditures, May caseload consensus forecasts an average annual increase of 4.4%.

	Gross	\$4,082,666,000	(\$94,529,400)
Federal	3,805,273,200		(176,411,700)
Local	873,700		361,100
Restricted	181,916,500		15,565,900
GF/GP	\$94,602,600		\$65,955,300

HEALTH AND HUMAN SERVICES

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>			
3. Actuarial Soundness	Gross	NA	\$211,452,000
Includes \$211.5 million Gross (\$61.9 million GF/GP) to support an estimated 2.75% actuarial soundness adjustment for prepaid inpatient health plans (PIHPs), an estimated 5.75% increase for PIHP autism services, and an estimated 2.0% actuarial soundness adjustment for Medicaid health plans and Healthy Kids Dental.	Federal	NA	149,565,300
	GF/GP	NA	\$61,886,700
DEPARTMENTAL ADMINISTRATION AND SUPPORT			
4. Property Management – Building Projects – One-Time Funding	Gross	\$65,966,100	\$2,460,700
Includes \$2.5 million Gross (\$1.4 million GF/GP) one-time funding for improvement projects at department priority sites. The department intends to make improvements to the following sites: Barry County, Chippewa County, Gogebic County, Kalamazoo County, Mackinac County, Macomb County-Warren, St. Clair MRS and County Office, Washtenaw County, Wayne County-Adult Services, Wayne County-Grand River/Warren, and Wayne County-Grandmont.	IDG/IDT	593,500	0
	TANF	10,620,800	0
	Federal	25,152,800	1,060,600
	Private	36,400	0
	Restricted	168,900	0
	GF/GP	\$29,393,700	\$1,400,100
5. Property Management – Lease Costs	Gross	\$65,966,100	\$1,388,900
Includes \$1.4 million Gross (\$855,300 GF/GP) to fund lease increases on non-state-owned buildings resulting from mid-term contract increases within a lease, increased rates at renewal, or increased rates from new buildings and current market.	IDG/IDT	593,500	0
	TANF	10,620,800	0
	Federal	25,152,800	533,600
	Private	36,400	0
	Restricted	168,900	0
	GF/GP	\$29,393,700	\$855,300
6. Departmental Administration GF/GP Lapses – AD BOARD TRANSFER	Gross	NA	(\$23,800)
Ad Board transferred the following to offset \$2.0 million GF/GP of lapse-based reductions: Administrative Hearings Officers (\$180,900 GF/GP), Worker’s Compensation (\$847,300 GF/GP), and Michigan Community Service Commission (\$975,300 GF/GP) for a net reduction of 23,800 GF/GP.	GF/GP	NA	(\$23,800)
7. Information Technology Adjustments – PARTIALLY VETOED	Gross	NA	(\$1,000,000)
Governor vetoed funding for the information technology investment board and contract requirement, and deletes part of Sec. 253. Major programs unrolled into separate line items.	IDG/IDT	NA	0
	TANF	NA	0
	Federal	NA	(500,000)
	Private	NA	0
	Restricted	NA	0
	GF/GP	NA	(\$500,000)
8. Temporary Assistance for Needy Families Offset	Gross	NA	\$0
Replaced \$3.6 million GF/GP with federal TANF block grant funds based on TANF-funded reductions elsewhere.	TANF	NA	3,593,700
	GF/GP	NA	(\$3,593,700)
9. Economic Adjustments	Gross	NA	\$28,809,400
Reflects increased costs of \$28.8 million Gross (\$19.1 million GF/GP) for negotiated salary and wage increases (2.0% ongoing, 2.0% lump sum), actuarially required retirement contributions, worker’s compensation, building occupancy charges, and other economic adjustments.	IDG/IDT	NA	43,900
	TANF	NA	117,200
	Federal	NA	8,715,900
	Local	NA	158,600
	Private	NA	125,200
	Restricted	NA	513,200
	GF/GP	NA	\$19,135,400

HEALTH AND HUMAN SERVICES

Major Budget Changes from FY 2018-19 YTD Appropriations

FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
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CHILD SUPPORT ENFORCEMENT

10. Federal Child Support Collection Fee Increase

Includes an increase of \$956,300 GF/GP and a federal reduction of a like amount to fund an increase in the annual federal child support collection fee. The fee was raised from \$25 to \$35 per case once \$550 is collected on behalf of the custodial parent. Currently, the state pays this fee instead of assessing it on custodial parents.

Gross	NA	\$0
Federal	NA	(\$956,300)
GF/GP	NA	\$956,300

11. Child Support Enforcement GF/GP Lapses – AD BOARD TRANSFER

Reduces a net \$13,400 GF/GP based on previous lapses in Child Support Enforcement Operations (\$562,000 GF/GP) and Legal Support Contracts (\$580,000 GF/GP) line items. Ad Board transferred in \$1.1 million GF/GP to restore most of the lapse reduction.

Gross	NA	(\$13,400)
GF/GP	NA	(\$13,400)

COMMUNITY SERVICES AND OUTREACH

12. Campus Sexual Assault Prevention and Education

Transfers out the \$1.3 million GF/GP funding for campus sexual assault prevention and education programs, which funds grants to high schools and institutions of higher education, to the Michigan State Police budget.

Gross	\$1,321,700	(\$1,321,700)
GF/GP	\$1,321,700	(\$1,321,700)

13. Child Advocacy Centers – AD BOARD TRANSFER

Includes a net increase of \$100 GF/GP for child advocacy centers after Ad Board transferred \$999,900 GF/GP from this program to other DHHS programs.

FTE	0.5	0.0
Gross	\$1,407,000	\$100
Restricted	1,407,000	0
GF/GP	\$0	\$100

14. Crime Victim Justice Assistance Grant Increase

Includes \$40.0 million federal funding and authorizes 4.0 FTE positions to recognize additional Victims of Crime Act – Victim Assistance grant funding.

FTE	0.0	4.0
Gross	\$59,279,300	\$40,000,000
Federal	59,279,300	40,000,000
GF/GP	\$0	\$0

15. Homeless Programs

Includes an increase of \$950,000 GF/GP to fund the \$2.00 per night supplemental increase to shelter providers provided by 2018 PA 618 for an entire year. The \$2.00 increase raised the per diem rate to \$18.00.

Gross	\$21,592,700	\$950,000
TANF	6,162,600	0
Federal	3,613,900	0
GF/GP	\$11,816,200	\$950,000

16. Homelessness Elimination Blueprint – One-Time Funding

Includes \$250,000 GF/GP funding to fund research and the creation of a comprehensive plan to end homelessness in Oakland County.

Gross	\$0	\$250,000
GF/GP	\$0	\$250,000

17. Sexual Assault Comprehensive Services Grant – One-Time Funding

Eliminates \$8.0 million federal funding and retains \$2.0 million GF/GP as one-time funding for grant program. Supplemental funding was provided by 2018 PA 618 to recognize federal Victims of Crime Act of 1984 (VOCA) funding for a grant to provide sexual assault comprehensive services to victims.

Gross	\$10,000,000	(\$8,000,000)
Federal	8,000,000	(8,000,000)
GF/GP	\$2,000,000	\$0

18. Unified Clinics Resiliency Center for Families and Children – One-Time Funding – AD BOARD TRANSFER

Includes a net \$100 GF/GP on a one-time basis for the development and operation of a Resiliency Center for Families and Children to provide services to families and children experiencing trauma, toxic stress, chronic disability, neurodevelopmental disorders, or addictions after Ad Board transferred \$1.5 million GF/GP from this program to other DHHS programs.

Gross	\$0	\$100
GF/GP	\$0	\$100

HEALTH AND HUMAN SERVICES

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change		
<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>					
19. Human Trafficking Survivors' Assistance – One-Time Funding – AD BOARD TRANSFER		Gross	\$0		
Includes a net \$100 restricted funding on a one-time basis in the Human Trafficking Survivors' Assistance line item for two long-term shelters that offer housing and comprehensive services to address the needs and recovery of survivors of human trafficking after Ad Board transferred \$999,900 restricted funding from this program to the Crime Victim Rights Services Grant line item.		Restricted	\$0		
		GF/GP	\$0		
			\$100		
20. Crime Victim Rights Services Grants – AD BOARD TRANSFER		Gross	\$18,870,000		
Ad Board transferred in \$999,900 restricted funding of Crime Victim's Rights Fund to this program from Human Trafficking Survivors' Assistance line item.		Federal	3,070,000		
		Restricted	15,800,000		
		GF/GP	\$0		
			\$999,900		
CHILD WELFARE SERVICES					
21. Child Welfare Caseload Adjustments		Gross	\$659,258,800		
Increases funding for child welfare programs by \$21.4 million Gross (\$19.0 million GF/GP) based on the May caseload consensus between the State Budget Office, Senate Fiscal Agency, and House Fiscal Agency as follows:		Federal	198,260,300		
		TANF	94,804,700		
		Local	17,183,500		
		Private	1,770,700		
		GF/GP	\$347,239,600		
			\$21,423,800		
<ul style="list-style-type: none"> • Foster care payments are increased by \$19.6 million Gross (\$13.5 million GF/GP) from 6,066 cases at \$37,786 per year to 6,124 cases at \$37,100 per year. • Adoption subsidies are reduced by \$7.4 million Gross (\$2.1 million GF/GP) from 22,685 cases at \$727.28 per month to 22,062 cases at \$730.41 per month. • The Child Care Fund is increased by \$9.9 million Gross (\$8.1 million GF/GP). • Guardianship assistance payments are decreased by \$706,400 Gross (\$507,200 GF/GP) from 1,160 cases at \$709.26 per month to 1,188 cases at same monthly rate. 					
		22. Family Preservation Program Increases		FTE	13.0
		Includes an increase of \$5.0 million federal TANF funding and authorizes 2.0 FTE positions to expand 3 family preservation programs:		Gross	\$38,900,900
				Federal	607,600
				TANF	38,043,300
				GF/GP	\$250,000
<ul style="list-style-type: none"> • Foster Care Supportive Visitation program – expand to all 83 counties. Program helps children who are in foster care due to abuse and neglect reunify with their parents; also funds new Parent-Child Visit Assistance program; includes \$3.0 million TANF and authorizes 1.0 FTE position. • Family Reunification Program – continue funding for five contracts whose work project funding will end in FY 2018-19; includes \$1.0 million TANF and authorizes 1.0 FTE position. • Parent Partner Program – provides in-home mentoring and other support services to help families succeed in reunification; includes an increase of \$975,000 TANF funding. 			2.0		
		23. Family Preservation Program Private Agency Rate Increase – VETOED		FTE	13.0
		Governor vetoed an increase of \$2.1 million Gross (\$1.1 million GF/GP) to fund a 5.5% increase to private agency rates for family preservation program services. Governor vetoed Sec. 523(3) in related boilerplate.		Gross	\$38,900,900
				Federal	607,600
				TANF	38,043,300
				GF/GP	\$250,000
	\$0	(75,000)	\$75,000		

HEALTH AND HUMAN SERVICES

Major Budget Changes from FY 2018-19 YTD Appropriations

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
24. Adoption Services Rate Increase – AD BOARD TRANSFER	FTE	10.0	0.0
Ad Board transferred out \$699,900 GF/GP for a 6.5% increase to private agency rates for adoption support services, which leaves an increase of \$400,100 Gross (\$100 GF/GP) in Adoption Support Services line item.	Gross	\$29,467,000	\$400,100
	Federal	13,031,800	400,000
	TANF	1,370,100	0
	GF/GP	\$15,065,100	\$100
25. Court-Appointed Special Advocates – AD BOARD TRANSFER	Gross	\$0	\$100
Includes a net \$100 GF/GP to fund court-appointed special advocates that advocate in the legal system for the best interests of children who have been abused or neglected after Ad Board transferred \$499,900 GF/GP from this program to other DHHS programs.	GF/GP	\$0	\$100
26. Relative Foster Care Provider Licensing Incentive Payments	Gross	\$0	\$250,000
Includes an increase of \$250,000 GF/GP to support new \$1,000 one-time incentive payments for relative foster care providers who become licensed foster parents within 180 days of the initial placement.	GF/GP	\$0	\$250,000
27. Implementation of State Pays First	FTE	NA	0.0
Includes \$22.8 million local funding to implement 2018 PA 22, which requires the state be the first payer of costs for children placed in child welfare under DHHS's care and requires counties be the first payer for those who are not. The increased appropriation authorizes DHHS to receive an estimated \$22.8 million in local funding to reimburse the state for services for which the state will now be the first payer.	Gross	NA	\$22,811,800
	Federal	NA	0
	Local	NA	22,811,800
	GF/GP	NA	\$0
28. Child Care Fund – Indirect Cost Allotment – VETOED	Gross	\$0	\$0
Governor vetoed \$4.2 million GF/GP transferred from the Child Care Fund line item into a new line item for indirect cost allotment payments from the Child Care Fund to counties; Governor vetoed Sec. 521 in related boilerplate.	Federal	0	0
	GF/GP	\$0	\$0
29. West Michigan Partnership for Children (WMPC) – AD BOARD TRANSFER	Gross	NA	(\$1,999,900)
Ad Board transferred out \$2.0 million GF/GP for WMPC from the Foster Care Payments line item to other DHHS programs.	GF/GP	NA	(\$1,999,900)
30. Child Protective Services (CPS) Increase	FTE	175.0	0.0
Includes an increase of \$4.9 million GF/GP to fund the supplemental CPS increase provided by 2018 PA 618 for an entire year.	Gross	\$15,000,000	\$4,868,500
	GF/GP	\$15,000,000	\$4,868,500
31. Title IV-E Foster Care Reduction	Gross	\$243,507,000	(\$2,169,800)
Reduces \$2.2 million Gross (\$1.1 million GF/GP) to recognize the decrease in foster care residential placements based on the requirements of the federal Family First Prevention Services Act (FFPSA) and the increase of in-home foster care. The FFPSA requires that if a foster child is placed in residential care, federal IV-E funding cannot be used after the first two weeks of placement.	Federal	101,625,600	(1,116,100)
	TANF	9,166,600	0
	Local	17,183,500	0
	Private	1,770,700	0
	GF/GP	\$113,760,600	(\$1,053,700)
32. Executive Child Welfare Program Eliminations – VETOED	Gross	\$775,000	(\$775,000)
Governor vetoed \$525,000 TANF funding for state grant to Northeast Michigan Community Service Agency for School Success Partnership Program and \$250,000 GF/GP funding to Adoptive Family Support Network for the Parent-to-Parent mentoring program. Governor vetoed Sec. 450 and Sec. 559 in related boilerplate.	TANF	450,000	(525,000)
	GF/GP	\$325,000	(\$250,000)

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<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
33. Child Welfare Services GF/GP Lapses – AD BOARD TRANSFER	Gross	NA	(\$29,300)
Reduces a net \$29,300 GF/GP based on previous lapses in Child Welfare Medical/Psychiatric Evaluations (\$600,000 GF/GP), Children’s Services Administration (\$600,000 GF/GP), Foster Care Payments: Incentive (\$300,000 GF/GP), and Juvenile Justice Administration and Maintenance (\$1.0 million GF/GP) line items. Ad Board transferred in \$2.5 million GF/GP to restore most of the lapse reduction.	GF/GP	NA	(\$29,300)
34. Runaway and Homeless Youth – One-Time Funding – VETOED	Gross	NA	\$0
Governor vetoed \$1.5 million GF/GP one-time funding for Runaway and Homeless Youth programs and Sec. 596(2) in related boilerplate.	TANF	NA	0
	GF/GP	NA	\$0
35. Bay Pines and Shawono Facility Improvements – One-Time Funding	FTE	94.0	0.0
Reduces \$489,600 in excess local funding authorization and includes a one-time increase of \$300,000 GF/GP to fund facility improvements.	Gross	\$11,419,300	(\$189,600)
	Federal	444,300	0
	Local	6,015,600	(489,600)
	GF/GP	\$4,959,400	\$300,000
PUBLIC ASSISTANCE			
36. Food Assistance Program Caseload Adjustment	Gross	\$1,931,717,000	(\$170,911,300)
Recognizes a \$170.9 million reduction in federal Supplemental Nutrition Assistance Program revenues during FY 2018-19 and FY 2019-20 due to declining caseloads.	Federal	1,927,007,000	(170,911,300)
	Restricted	4,710,000	0
	GF/GP	\$0	\$0
37. Public Assistance Caseload Adjustments	Gross	\$143,367,800	(\$10,400,100)
Recognizes a \$10.4 million Gross (\$1.1 million GF/GP) reduction in expected public assistance program expenditures (excluding food assistance) during FY 2018-19 and FY 2019-20 due to declining caseloads. Amount includes adjustments reflecting FMAP declining from 64.45% to 64.06%. Reductions include:	TANF	58,840,000	(9,442,000)
• Family Independence Program: \$7.7 million Gross (\$1.6 million GF/GP increase)	Restricted	15,514,600	168,300
• State Disability Assistance: \$1.4 million GF/GP	GF/GP	\$69,013,200	(\$1,126,400)
• State Supplementation: \$1.3 million GF/GP			
38. Family Independence Program – Child Support Pass Through – AD BOARD TRANSFER	Gross	\$75,216,800	\$946,000
Ad Board transferred in \$946,000 GF/GP to implement a child support pass through up to \$200 per eligible FIP-recipient family. Child support payments are otherwise split 36%/64% with the federal government to support the cost of TANF-funded programs.	TANF	58,840,000	0
	Restricted	11,361,900	0
	GF/GP	\$5,014,900	\$946,000
39. Indigent Burial GF/GP Lapse Reduction – AD BOARD TRANSFER	Gross	\$4,375,000	(\$5,900)
Ad Board transferred in \$494,100 GF/GP to offset nearly all of the \$500,000 in lapse-based reduction.	TANF	300,000	0
	GF/GP	\$4,075,000	(\$5,900)
40. Food Delivery – One-Time Funding	Gross	\$0	\$470,000
Includes \$470,000 GF/GP for the Food Bank Council of Michigan to support increased food collection and delivery through a partnership with a local non-profit organization.	GF/GP	\$0	\$470,000
41. Kids’ Food Basket – One-Time Funding – VETOED	Gross	\$0	\$0
Governor vetoed \$250,000 GF/GP for a grant to the Kids’ Food Basket organization, which provides meals to children from low-income families.	GF/GP	\$0	\$0

HEALTH AND HUMAN SERVICES

<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>		<u>FY 2018-19 Year-to-Date (as of 3/5/19)</u>	<u>FY 2019-20 Enacted Change</u>
42. Multicultural Integration Funding Grants – AD BOARD TRANSFER	Gross	\$15,303,800	(\$8,084,600)
Ad Board transferred out \$8.1 million GF/GP to various line items within the DHHS budget.	TANF	421,000	0
	Federal	694,500	0
	GF/GP	\$14,188,300	(\$8,084,600)
FIELD OPERATIONS AND SUPPORT SERVICES			
43. Centers for Independent Living – AD BOARD TRANSFER	Gross	\$14,031,600	(\$1,999,900)
Ad Board transferred out \$3.5 million GF/GP to various line items within the DHHS budget, of which \$1.5 million GF/GP was an increase in year-to-date funding.	Federal	8,451,600	0
	Private	10,000	0
	GF/GP	\$5,570,000	(\$1,999,900)
44. SSI Legal Services Grant – VETOED	Gross	\$250,000	(\$250,000)
Governor vetoed grant funding for the Legal Services Association of Michigan and deletes Sec. 625.	GF/GP	\$250,000	(\$250,000)
45. Volunteer Services and Reimbursement – AD BOARD TRANSFER	Gross	\$942,400	(\$7,000)
Ad Board transferred in \$935,400 GF/GP into the contractual services, supplies, and materials line item to offset the elimination of the Volunteer Services and Reimbursement line item (\$942,400 Gross reduction), which supported transportation reimbursement, customer and clerical assistance, donations processing, and fundraising for locally customized programs meeting community needs with help from volunteers.	TANF	3,200	(3,200)
	Federal	3,800	(3,800)
	GF/GP	\$935,400	\$0
46. Electronic Benefit Transfer (EBT) GF/GP Lapses – AD BOARD TRANSFER	Gross	\$8,509,000	(\$20,000)
Ad Board transferred in \$1.7 million GF/GP to offset \$1.7 million GF/GP in lapse-based reductions.	TANF	1,016,000	0
	Federal	2,129,100	0
	GF/GP	\$5,363,900	(\$20,000)
47. Wrap-Around Services – One-Time Funding – VETOED	Gross	\$0	\$0
Governor vetoed \$600,000 GF/GP grant funding to support contracts with non-profits to create a before and after school program pilot project, and deletes Sec. 1922.	GF/GP	\$0	\$0
48. Legal Assistance – One-Time Funding – VETOED	Gross	\$0	\$0
Governor vetoed \$60,000 GF/GP grant funding to the Allegan County Legal Assistance Center to support free civil law legal services to low-income individuals, and deletes Sec. 1932.	GF/GP	\$0	\$0
BEHAVIORAL HEALTH SERVICES			
49. Direct Care Wage Increase Annualization	Gross	\$16,000,000	\$16,000,000
Includes \$16.0 million Gross (\$5.3 million GF/GP) to annualize the \$0.25 direct care behavioral health worker hourly wage increase included in 2018 PA 618. Sec. 1009 is related boilerplate.	Federal	10,899,500	10,688,700
	GF/GP	\$5,100,500	\$5,311,300
50. Caro Staffing Increase Annualization	FTE	68.0	0.0
Includes \$3.0 million GF/GP to annualize the 68.0 FTE position increase at the Caro Regional Mental Health Center added in 2018 PA 618 to address clinical and direct care staff shortages. Staff would come from a combination of direct civil service hires and contractual staff through a Michigan-based behavioral health services provider.	Gross	\$5,910,000	\$3,023,300
	GF/GP	\$5,910,000	\$3,023,300
51. Center for Forensic Psychiatry	FTE	601.1	7.0
Includes \$1.3 million GF/GP and authorizes 7.0 FTE positions to increase the number of forensic evaluations performed for persons who may be incompetent to stand trial. From August 2016 to December 2018, the forensic evaluation wait list has grown from 79 to 138.	Gross	\$94,729,400	\$1,270,900
	Federal	3,000,000	0
	Local	10,115,800	0
	Restricted	3,002,100	0
	GF/GP	\$78,611,500	\$1,270,900

HEALTH AND HUMAN SERVICES

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>			
52. Kalamazoo Psychiatric Hospital	FTE	533.8	15.0
Includes \$1.0 million GF/GP and authorizes 15.0 FTE positions to Kalamazoo Psychiatric Hospital to reduce the amount of mandatory overtime for direct care staff.	Gross	\$69,457,400	\$1,000,000
	Federal	6,541,300	0
	Local	3,945,600	0
	Restricted	4,003,600	0
	GF/GP	\$54,966,900	\$1,000,000
	Gross	\$0	\$11,221,500
	Federal	0	6,221,500
	GF/GP	\$0	\$5,000,000
53. Behavioral Health Community Supports and Services	Gross	\$0	\$11,221,500
Includes \$11.2 million Gross (\$5.0 million GF/GP) to expand assertive community treatment, forensic assertive community treatment, and residential programs with the purpose of reducing wait lists at the state-operated psychiatric hospitals and centers.	Federal	0	6,221,500
	GF/GP	\$0	\$5,000,000
54. Medicaid Mental Health Local Funding	Gross	NA	\$0
Increases \$5.1 million GF/GP to offset a like amount of local funding used as Medicaid mental health match funding. Amount reflects the first-year cost of a legislative intent to phase out these local funds over a 5-year period. Sec. 928 is related boilerplate.	Local	NA	(5,095,100)
	GF/GP	NA	\$5,095,100
55. Federal State Response to the Opioid Crisis Grant – PARTIALLY VETOED	Gross	\$0	\$30,714,700
Includes a net \$30.7 million federal from the new state opioid response grant. The federal grant for FY 2018-19 is \$28.2 million, and DHHS received authorization to spend those funds through a federal contingency fund transfer in June 2019. Governor vetoed \$1.2 million Gross related to two specific distributions: one totaling \$600,000 for Recovery High Schools and the other totaling \$600,000 for recovery community organizations.	Federal	0	30,714,700
	GF/GP	\$0	\$0
56. Executive Behavioral Health Program Reductions or Eliminations – PARTIALLY VETOED AND AD BOARD TRANSFER	Gross	NA	(\$7,798,900)
Reduces \$7.8 million GF/GP from reducing or eliminating the following behavioral health programs:	GF/GP	NA	(\$7,798,900)
<ul style="list-style-type: none"> Reduces Michigan CARES hotline \$1.0 million GF/GP, Governor vetoed remaining funds to eliminate program (net \$3.0 million GF/GP reduction). Reduces Mental Health and Wellness Commission (\$2.8 million GF/GP). Increases court-appointed guardian reimbursement \$1.2 million GF/GP, Ad Board transferred out \$2.7 million GF/GP to eliminate program (net \$1.5 million GF/GP reduction). Increases \$500,000 GF/GP for Kent County opioid pilot and retains Western Wayne opioid pilot, Governor vetoed both pilots (net \$500,000 GF/GP reduction). 			
57. Sec. 298. Behavioral Health Integration Implementation – VETOED	FTEs	3.0	0.0
Governor vetoed funding for implementation costs of behavioral health pilot projects and demonstration model. Funding was added to support a project facilitator, project evaluators, actuarial rate setting, contractual services, and staffing.	Gross	\$3,088,200	(\$3,088,200)
	Federal	2,088,200	(2,088,200)
	GF/GP	\$1,000,000	(\$1,000,000)
58. State Disability Assistance Substance Use Disorder Services – AD BOARD TRANSFER	Gross	\$2,018,800	\$0
Ad Board transferred in \$2.0 million GF/GP into the Medicaid Mental Health line item to restore program elimination. Funds are allocated to PIHPs for per diem room and board payments for eligible individuals who reside in substance use disorder residential facilities.	GF/GP	\$2,018,800	\$0

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<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
59. Behavioral Health GF/GP Lapses – AD BOARD TRANSFER	Gross	NA	(\$3,511,100)
Reduces a net \$3.5 million GF/GP funding based on historic lapse trends for the following: Behavioral Health Administration (\$600,000 GF/GP), Office of Recipient Rights (\$200,000 GF/GP), Children with Serious Emotional Disturbance Waiver (\$1.4 million GF/GP), Children’s Waiver Home Care Program (\$2.1 million GF/GP), and Civil Service Charges (\$150,000 GF/GP) after Ad Board transferred in \$938,000 GF/GP to partially restore lapse funding reductions.	GF/GP	NA	(\$3,511,100)
60. Behavioral Health – One-Time Funding – PARTIALLY VETOED	FTEs	0.0	10.0
Governor vetoed all behavioral health one-time funding except for \$4.0 million GF/GP for McLaren behavioral health pilot project. Vetoes included Co-responder crisis services (\$60,000), SAFE Substance Abuse Coalition (\$100,000), Andy’s Angels (\$750,000), Mosaic Counseling (\$100,000), and Project ECHO (\$40,000).	Gross	\$0	\$4,000,000
	GF/GP	\$0	\$4,000,000
POPULATION HEALTH			
61. Free Health Clinics	Gross	\$250,000	\$150,000
Increases funding for free health clinics by \$150,000 GF/GP, to \$10,000 per clinic grantee (\$400,000 GF/GP total). Sec. 1140 is related boilerplate.	GF/GP	\$250,000	\$150,000
62. Michigan Essential Health Provider	Gross	\$3,591,300	\$1,000,000
Provides an increase of \$1.0 million GF/GP for Michigan essential health provider program. Sec. 1141 is related new boilerplate for the increased funds.	Federal	1,236,300	0
	Private	855,000	0
	GF/GP	\$1,500,000	\$1,000,000
63. Island Health Care Access and Clinics – VETOED	Gross	\$525,000	(\$525,000)
Governor vetoed Sec. 1143 and related funding of \$675,000 GF/GP from the Primary Care Services line item for health care clinics and access to care on 4 islands, including an increase of \$150,000 GF/GP and current-year funding of \$525,000 GF/GP.	GF/GP	\$525,000	(\$525,000)
64. Population Health Program Eliminations	Gross	\$1,750,000	(\$1,750,000)
Eliminates GF/GP funding and related boilerplate for bone marrow registry (\$250,000 and Sec. 1146), early primary care incentive program (\$500,000 and Sec. 1147), and laboratory opioid enhanced testing (\$1.0 million and Sec. 1170).	GF/GP	\$1,750,000	(\$1,750,000)
65. Public Health Laboratory Fee Fund Balance	Gross	\$0	\$0
Includes a net \$0 Gross laboratory services funding adjustment with a \$1.0 million GF/GP reduction offset by a \$1.0 million state restricted fund increase using laboratory fee fund balance carryforward, which has been increasing.	Restricted	0	1,000,000
	GF/GP	\$0	(\$1,000,000)
66. Environmental Contamination Response	FTEs	75.1	11.0
Increases funding by \$4.6 million GF/GP and authorizes an increase of 11.0 FTE positions to expand monitoring and response to public health hazards and threats from environmental contamination; expand laboratory testing and analysis for dioxins, mercury, polychlorinated biphenyls (PCBs), arsenic, and lead; fund nurse case management for children with elevated blood lead levels in Detroit; and support local water and well sampling for state laboratory testing. YTD shown is Epidemiology Administration line item.	Gross	\$21,179,800	\$4,552,300
	Federal	13,141,000	0
	Private	264,900	0
	Restricted	683,200	0
	GF/GP	\$7,090,700	\$4,552,300

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<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
67. PFAS Contamination Response		FTEs	46.0
Increases funding by \$2.7 million GF/GP and authorizes an increase of 2.0 FTE positions for public health response to perfluoroalkyl and polyfluoroalkyl substances (PFAS) drinking water contamination; funds support toxicology and chemical analysis, outreach, and local health department services, including provision of alternative water sources and water filters, and environmental and well sampling for state laboratory testing.		Gross	\$18,925,300
		GF/GP	\$18,925,300
			2.0
			\$2,708,400
			\$2,708,400
68. Lead Abatement Grant SCHIP Adjustment		Gross	\$27,754,200
Includes a net \$0 Gross (\$2.9 million GF/GP) federal to GF/GP fund shift to recognize reduction of the federal share for lead abatement grant from 98.12% to 86.34%. YTD shown is for Healthy Homes Program line item, of which \$23.5 million is federal Children's Health Insurance Program (SCHIP) funds approved for use for lead abatement in Flint and other high-risk communities for up to five years, since FY 2016-17.		Federal	25,194,100
		Private	77,800
		Restricted	723,700
		GF/GP	\$1,758,600
			(2,857,400)
			0
			0
			\$2,857,400
69. Healthy Homes and Lead Abatement – AD BOARD TRANSFER		Gross	\$27,754,200
Ad Board transferred in \$1.5 million GF/GP to the Healthy Homes line item to support public health initiatives related to the revised lead and copper rules including education and outreach, drinking water investigations in community with lead level exceedance, and distribution of water filters.		Federal	25,194,100
		Private	77,800
		Restricted	723,700
		GF/GP	\$1,758,600
			0
			0
			\$1,500,000
70. Traumatic Brain Injury Support – VETOED		Gross	\$1,000,000
Governor vetoed Sec. 1228 and related \$1.5 million line item for traumatic brain injury (TBI) treatment software and support in hospitals, including an increase of \$500,000 GF/GP and current-year funding of \$1.0 million GF/GP. Focus was broadened from pediatric TBI.		GF/GP	\$1,000,000
			(\$1,000,000)
			(\$1,000,000)
71. Essential Local Public Health Services		Gross	\$45,419,300
Provides an increase of \$6.0 million GF/GP for essential local public health services funding to local health departments, related to new formula implementation and hold harmless. Sec. 1234 related boilerplate is revised.		Local	5,150,000
		GF/GP	\$40,269,300
			0
			\$6,000,000
72. Health and Wellness Initiatives		Gross	\$9,047,600
Includes net \$0 Gross adjustments to eliminate the Health and Wellness Initiatives line item and move GF/GP and Healthy Michigan Fund (HMF) project funding to related appropriation line items. Line item was created in FY 2011-12 when HMF funding for public health prevention projects was reduced and consolidated.		Restricted	5,299,100
		GF/GP	\$3,748,500
			0
			\$0
73. Waive Vital Records Fee for Homeless		Gross	\$10,167,700
Includes \$226,000 GF/GP increase to waive state or local vital records fee for a copy of a birth certificate to a homeless individual; \$136,000 supports state cost (Vital Records line item), and \$90,000 reimburses homeless service agencies that pay county or out-of-state fee (Homeless Programs line item). YTD shown is Vital Records line item. Sec. 456 is related boilerplate. Necessary statutory change is enacted as Act 89 of 2019 (HB 4853) effective October 7, 2019.		Federal	4,553,600
		Restricted	5,172,100
		GF/GP	\$442,000
			0
			0
			\$226,000
74. Alternative Pregnancy and Parenting Program – VETOED		Gross	\$700,000
Governor vetoed Sec. 1307 and related funding of \$700,000 federal TANF for alternative pregnancy and parenting program from Prenatal Care Outreach line item. Enrolled bill shifted all funding to TANF.		TANF	650,000
		GF/GP	\$50,000
			(650,000)
			(\$50,000)

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<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
75. Prenatal Strong Beginnings Program	Gross	NA	\$1,000,000
Includes \$1.0 million GF/GP funding for a new Prenatal Care and Premature Birth Avoidance Grant line item to support the Strong Beginnings program in Kent County, a federal Healthy Start program, previously funded as an outcome-based pay for success program. Section 1312 is related boilerplate.	GF/GP	NA	\$1,000,000
76. Dental Programs GF/GP – AD BOARD TRANSFER	Gross	\$3,759,100	(\$3,300)
Ad Board transferred in \$281,600 GF/GP for public health dental programs, restoring most of a \$284,900 GF/GP funding reduction.	Federal	1,259,900	0
	Private	500,000	0
	Restricted	20,000	0
	GF/GP	\$1,979,200	(\$3,300)
77. Oral Health Assessment for Children – VETOED	Gross	\$0	\$0
Governor vetoed Sec. 1319 and \$2.0 million GF/GP from the Dental Programs line item for a new oral health assessment program for children entering public school kindergarten who do not have dental insurance, similar to HB 4223.	GF/GP	\$0	\$0
78. Population Health Non-GF/GP Funds Adjustments	Gross	NA	(\$31,208,900)
Recognizes net reduction of \$31.2 million for federal, private, and state restricted funding, including: 1) completion of \$269,700 federal nursing collaborative grant; 2) \$25.0 million reduction to women, infants, and children (WIC) food program federal authorization to recognize declining caseload; 3) \$7.0 million reduction to AIDS program federal and private authorization to align to actual spending; 4) \$500,000 increase to epidemiology and laboratory capacity federal grant; and 5) annual inflationary fee adjustment for screening of newborns for genetic conditions, an increase of \$560,800.	Federal	NA	(26,769,700)
	Private	NA	(5,000,000)
	Restricted	NA	560,800
	GF/GP	NA	\$0
79. Population Health GF/GP Lapses – AD BOARD TRANSFER	Gross	NA	(\$72,700)
Reduces a net \$72,700 GF/GP based on historic lapse trends for 4 line items including \$66,000 from Bioterrorism Preparedness. Ad Board transferred GF/GP into other 3 line items to restore most of the funding reductions:	GF/GP	NA	(\$72,700)
<ul style="list-style-type: none"> Health Policy Admin. - \$300,000 reduction; \$296,500 transferred in Michigan Essential Health Provider - \$137,000 reduction, \$135,400 transferred in Laboratory Services \$134,000 reduction, \$132,400 transferred in. 			
80. Flint Drinking Water and Lead Exposure – One-Time Funding	Gross	\$4,621,100	\$0
Continues one-time funding of \$4.6 million Gross for assistance to residents exposed to lead in the City of Flint, and makes \$376,700 fund shift from Healthy Michigan Fund to GF/GP. Section 1910 boilerplate is revised and renumbered from Sec. 1905.	Restricted	376,700	(376,700)
	GF/GP	\$4,244,400	\$376,700
81. Child and Adolescent Health Centers – One-Time Funding – VETOED	Gross	\$0	\$0
Governor vetoed Sec. 1911 and \$1.0 million GF/GP one-time funding line item to expand school-based child and adolescent health centers in underserved areas, for behavioral and physical health services.	GF/GP	\$0	\$0
82. Cercarial Dermatitis Prevention – One-Time Funding – AD BOARD TRANSFER	Gross	\$0	\$100
Ad Board transferred \$249,900 GF/GP from new one-time funding for a cercarial dermatitis prevention program (swimmer’s itch), leaving \$100 in line item; previously funded for 3 years in the Department of Natural Resources budget. Sec. 1913 is related boilerplate.	GF/GP	\$0	\$100

HEALTH AND HUMAN SERVICES

Major Budget Changes from FY 2018-19 YTD Appropriations		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
83. Healthy Communities Grant – One-Time Funding – AD BOARD TRANSFER	Gross	\$0	\$100
Ad Board transferred \$299,900 GF/GP from new one-time funding for obesity and substance abuse prevention programs of Leaders Advancing and Helping Communities, leaving \$100 in line item. Sec. 1915 is related boilerplate.	GF/GP	\$0	\$100
84. Lead Exposure Response for Communities – One-Time Funding	Gross	\$0	\$3,434,500
Includes \$3.4 million GF/GP as one-time funding for health care, food and nutrition, lead abatement, and other services statewide in communities with lead contamination in water, soil, or housing that has caused human health consequences. Sec. 1917 is related boilerplate.	GF/GP	\$0	\$3,434,500
85. State Innovation Model Regions – One-Time Funding	Gross	\$10,000,000	\$3,000,000
Includes one-time funding of \$3.0 million GF/GP to sustain infrastructure of five community health innovation regions (CHIRs), initiated under the 4-year \$70 million federal state innovation model (SIM) grant nearing completion, while SIM evaluation and recommendations are completed and the regions work to identify ongoing non-state financial support. Work project funding available from prior fiscal years will also be used.	Federal	10,000,000	0
	GF/GP	\$0	\$3,000,000
AGING AND ADULT SERVICES			
86. Aging Services GF/GP Lapses – AD BOARD TRANSFER	Gross	\$46,067,300	(\$1,200)
Ad Board transferred \$99,800 GF/GP to the senior Community Services line item, restoring most of the \$101,000 funding reduction made based on historic lapse trends.	Federal	22,280,400	0
	GF/GP	\$23,786,900	(\$1,200)
87. Senior Citizen Center Grants – One-Time Funding – VETOED	Gross	\$0	\$0
Governor vetoed Sec. 1923 and \$500,000 GF/GP one-time funding line item for senior citizen center health programs.	GF/GP	\$0	\$0
88. Senior Community Services – One-Time Funding – VETOED	Gross	\$0	\$0
Governor vetoed Sec. 1924 and \$400,000 GF/GP one-time funding line item for Alzheimer’s Disease program in 10 counties.	GF/GP	\$0	\$0
89. Healthy Seniors Grant – One-Time Funding – VETOED	Gross	\$0	\$0
Governor vetoed Sec. 1936 and \$1.0 million GF/GP one-time funding line item for senior services and programs at a senior center in the City of Portage, intended to be matched by equivalent non-state funds.	GF/GP	\$0	\$0
MEDICAL SERVICES			
90. Healthy Michigan Plan Work Requirement – AD BOARD TRANSFER	FTE	84.0	(48.0)
Increases a net \$32.3 million Gross (\$19.2 million GF/GP) for administrative costs related to the Healthy Michigan Plan work requirements set to begin January 1, 2020 after Ad Board transferred in an additional \$6.1 million GF/GP to support implementation costs.	Gross	\$49,078,800	\$32,291,000
	Federal	37,035,500	13,107,700
	GF/GP	\$12,043,300	\$19,183,300
91. Medicaid Adult Home Help Minimum Wage Increase	Gross	\$328,368,100	\$31,233,800
Increases \$31.2 million Gross (\$11.2 million GF/GP) for Medicaid adult home help minimum wage cost increases and increases adult home help wages \$0.25 per hour for the last half of the fiscal year. FY 2018-19 YTD funding supports a minimum wage of \$9.25 that will be increasing to \$9.65 on January 1, 2020. Amount includes \$16.6 million Gross (\$6.0 million GF/GP) to increase home health agency providers, which have been decoupled from minimum wage increases since November 2017.	Federal	212,068,900	20,008,300
	GF/GP	\$116,299,200	\$11,225,500

HEALTH AND HUMAN SERVICES

<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>		<u>FY 2018-19 Year-to-Date (as of 3/5/19)</u>	<u>FY 2019-20 Enacted Change</u>
92. Office of Inspector General Medicaid Managed Care Audit	FTE	NA	30.0
Includes a net reduction of \$27.1 million Gross (\$6.9 million GF/GP) in state recoupment of inappropriate and fraudulent payments from Medicaid managed care organizations to providers. Amount includes an increase of \$3.4 million Gross (\$1.7 million GF/GP) and authorizes 30.0 FTE positions for the Office of Inspector General and a reduction of \$30.5 million Gross (\$8.3 million GF/GP) from Medicaid recoupments. Current Inspector General staffing levels have been limited to only reviewing Medicaid fee-for-service payments.	Gross	NA	(\$27,147,400)
	Federal	NA	(20,285,900)
	GF/GP	NA	(\$6,861,500)
93. Medicaid Managed Care Pharmaceutical Administration	Gross	NA	(\$19,853,000)
Reduces the Medicaid managed care pharmaceutical administration component \$19.9 million Gross (\$5.0 million GF/GP). Pharmaceutical administrative costs are calculated as a percentage of pharmaceutical costs, so any pharmaceutical cost increases have led to a proportionate increase in payments for Medicaid managed care pharmaceutical administration.	Federal	NA	(14,853,000)
	GF/GP	NA	(\$5,000,000)
94. Medicaid Managed Care Pharmacy Dispensing Fee Increase – VETOED	Gross	NA	\$0
Governor vetoed \$7.6 million Gross (\$1.9 million GF/GP) to require, beginning February 1, 2020, Medicaid managed care organizations to only contract with pharmacy benefit managers that reimburse independent pharmacies at ingredient and dispensing fees comparable to Medicaid fee-for-service. Sec. 1625 is related boilerplate, which includes other requirements was also vetoed.	Federal	NA	0
	GF/GP	NA	\$0
95. Special Hospital Payments	Gross	NA	\$274,731,100
Includes a net increase of \$274.7 million Gross (net reduction of \$9.7 million GF/GP) based on changes to special hospital payments based on the May caseload consensus. Changes include: increasing Hospital Rate Adjustment (HRA) \$236.3 million Gross (reducing \$5.1 million GF/GP), reducing Medicaid Access to Care Initiative (MACI) \$2.2 million Gross (\$65,800 GF/GP), and increasing outpatient Disproportionate Share Hospital (DSH) \$40.7 million Gross (reducing \$4.5 million GF/GP).	Federal	NA	194,016,600
	Restricted	NA	90,420,000
	GF/GP	NA	(\$9,705,500)
96. Rural Hospital Payments – VETOED	Gross	NA	(\$31,698,900)
Governor vetoed \$154.1 million Gross (\$41.3 million GF/GP) in rural hospital pools and hospital outpatient rate increases. Enrolled budget included a net increase of \$122.4 million Gross (\$12.3 million GF/GP) realized from removing \$10.1 million GF/GP for critical access hospitals from the Rural Hospital Pools, increasing Rural Hospital Pools \$3.0 million GF/GP, increasing all hospital outpatient rates 7% (\$62.5 million Gross (\$17.9 million GF/GP)), increasing critical access hospital outpatient rates (\$22.5 million Gross (\$6.4 million GF/GP)), and making the associated MACI and HRA adjustments. Net reduction is \$31.7 million Gross (\$29.0 million GF/GP).	Federal	NA	(2,720,600)
	Restricted	NA	0
	GF/GP	NA	(\$28,978,300)
97. MiDocs – VETOED	Gross	\$28,129,400	(\$28,129,400)
Governor vetoed MiDOCs funding, a medical residency training program for primary care residency slots in underserved communities.	Federal	18,129,400	(18,129,400)
	Restricted	5,000,000	(5,000,000)
	GF/GP	\$5,000,000	(\$5,000,000)
98. Psychiatric Residency Program	Gross	\$8,438,800	(\$8,438,800)
Eliminates \$8.4 million Gross (\$3.0 million GF/GP) added in 2018 PA 618 to support a new psychiatric residency training program through Beaumont Health.	Federal	5,438,800	(5,438,800)
	GF/GP	\$3,000,000	(\$3,000,000)

HEALTH AND HUMAN SERVICES

Major Budget Changes from FY 2018-19 YTD Appropriations		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
99. Medicaid Long-Term Care – Capital Asset Value Limit – VETOED	Gross	\$1,866,486,100	\$0
Governor vetoed Sec. 1645 and \$4.9 million Gross (\$1.7 million GF/GP) related to changing the capital asset value limit for Class I nursing facilities from a total average to a rolling 15-year average of new construction.	Federal	1,199,095,600	0
	Local	6,618,800	0
	Private	2,100,000	0
	Restricted	361,309,300	0
	GF/GP	\$297,362,400	\$0
100. Medicaid Long-Term Care – Quality Assurance Assessment Program (QAAP)	Gross	\$1,866,486,100	\$52,980,000
Increases \$53.0 million Gross (reduces \$6.1 million GF/GP) in QAAP-funding supplemental nursing facility payments, based on the May caseload consensus.	Federal	1,199,095,600	33,396,300
	Local	6,618,800	0
	Private	2,100,000	0
	Restricted	361,309,300	25,666,800
	GF/GP	\$297,362,400	(\$6,083,100)
101. MI Choice Waiver Program	Gross	\$351,913,900	\$40,535,500
Includes \$40.5 million Gross (\$14.6 million GF/GP) to increase the capitated rates by 5% and to increase the number of MI Choice slots by 1,000. Increase is offset with assumed long-term care savings.	Federal	226,383,300	25,932,800
	GF/GP	\$125,530,600	\$14,602,700
102. Neonatology Rate Increase – VETOED	Gross	NA	\$0
Governor vetoed Sec. 1791 and \$5.2 million Gross (\$1.9 million GF/GP) to increase Medicaid neonatal rates to 95% of Medicare reimbursement.	Federal	NA	0
	GF/GP	NA	\$0
103. Pediatric Psychiatric Rate Increase – VETOED	Gross	NA	\$0
Governor vetoed Sec. 1790 and \$10.7 million Gross (\$3.9 million GF/GP) to increase pediatric psychiatric practitioner rates by 15%.	Federal	NA	0
	GF/GP	NA	\$0
104. Private Duty Nursing Rate Increase – VETOED	Gross	NA	\$0
Governor vetoed Sec. 1702 and \$3.9 million Gross (\$1.4 million GF/GP) to increase Medicaid private duty nursing rates by 15%.	Federal	NA	0
	GF/GP	NA	\$0
105. Opioid Prescribing	Gross	NA	(\$2,000,000)
Reduces \$2.0 million Gross (\$500,000 GF/GP) from FY 2018-19 policy changes limiting certain opioid prescriptions to seven days and reducing Morphine Equivalent Daily Dose limits in accordance with federal CDC guidelines.	Federal	NA	(1,500,000)
	GF/GP	NA	(\$500,000)
106. Non-Emergency Medical Transportation Pilot	Gross	\$1,419,600	(\$1,419,600)
Eliminates \$1.4 million Gross (\$510,200 GF/GP) allocated for a non-emergency medical transportation pilot aimed at increasing public transportation utilization.	Federal	909,400	(909,400)
	GF/GP	\$510,200	(\$510,200)
107. Medical Services GF/GP Lapses – AD BOARD TRANSFER	Gross	NA	(\$504,700)
Reduces a net \$504,700 Gross (\$404,700 GF/GP) funding based on historic lapse trends for the following: Children’s Special Health Care Services (CSHCS) Nonemergency Medical Transportation (\$500,000 Gross) and Medical Services Administration (\$400,000 GF/GP) after Ad Board transferred in \$395,300 GF/GP to restore part of the lapse reduction.	Federal	NA	(100,000)
	GF/GP	NA	(\$404,700)
108. Medical Services Administration Contracts – VETOED	Gross	\$500,000	(\$500,000)
Governor vetoed Sec. 1504 and Sec. 1508, which increased Michigan Dental Registry from \$500,000 to \$700,000 GF/GP and included \$200,000 GF/GP for a cloud-based analytics platform, respectively.	GF/GP	\$500,000	(\$500,000)
109. Michigan Health Information Network (MiHIN) – One-Time Funding – AD BOARD TRANSFER	Gross	NA	\$500,100
Includes a net \$500,100 GF/GP increase for MiHIN, on a one-time basis after Ad Board transferred out \$999,900 GF/GP to other areas of the budget.	GF/GP	NA	\$500,100

HEALTH AND HUMAN SERVICES

Major Budget Changes from FY 2018-19 YTD Appropriations

**FY 2018-19
Year-to-Date
(as of 3/5/19)** **FY 2019-20
Enacted
Change**

110. State Restricted Revenue Adjustments

Revises restricted revenues based on projected available revenue for a net increase of \$15.0 million, which is offset with a like amount of GF/GP savings. Revisions include:

- Increasing State Psychiatric DSH savings \$21.0 million.
- Reducing Medicaid Benefits Trust Fund \$10.0 million.
- Reducing Merit Award Trust Fund \$2.5 million.
- Increasing Healthy Michigan Fund \$2.5 million.
- Allocating remaining \$7.2 million Health Insurance Claims Assessment (HICA) fund balance.

Gross	NA	\$0
Restricted	NA	18,245,400
GF/GP	NA	(\$18,245,400)

ONE-TIME APPROPRIATIONS

111. Remove FY 2018-19 One-Time Appropriations – PARTIALLY VETOED

Retains \$2.0 million GF/GP for multicultural integration, \$150,000 for Asian American health care and wellness, \$1.0 million GF/GP for autism navigator contracts, \$100,000 for autism train-the-trainer \$1.0 million GF/GP for U of D Mercy dental clinic, \$500,000 for employment first, \$150,000 for Team CARES, and \$175,000 GF/GP for refugee assistance. Governor vetoed funding for Asian American health and wellness, autism navigator contracts, autism train-the-trainer, U of D Mercy dental clinic, employment first, Team CARES, and refugee assistance.

Gross	\$56,024,000	(\$54,042,900)
Federal	14,206,300	(14,206,300)
Private	4,000,000	(4,000,000)
GF/GP	\$37,817,700	(\$35,836,600)

Major Boilerplate Changes from FY 2018-19

GENERAL SECTIONS

Sec. 208. Legal Services of Attorney General – DELETED

Deletes language prohibiting the use of funds to hire a person to provide legal services that are the responsibility of the Attorney General, except for bonding activities and outside services authorized by the Attorney General.

Sec. 210. Contingency Fund Appropriations – REVISED

Appropriates federal, state restricted, local, and private contingency funds of up to \$545 million total, available for expenditure when transferred to a line item through the legislative transfer process. Revises to reduce maximum amounts for federal, local, and private contingency appropriations for a total contingency amount of up to \$132 million, based on recent use of contingency authorization.

Sec. 218. Basic Health Services – RETAINED (UNENFORCEABLE)

Lists eight health services to be included in annual list of proposed basic health services that are to be available and accessible throughout the state, as required under Part 23 of the Public Health Code, 1978 PA 368. *(Signing letter states section is considered unenforceable.)*

Sec. 225. Public and Private Service Providers – RETAINED (UNENFORCEABLE)

Prohibits sanctions or suspensions from being more stringent for private providers than for public providers performing equivalent services; prohibits preferential treatment for public or private service providers based on whether or not they have collective bargaining agreements with direct care workers. *(Signing letter states section is considered unenforceable.)*

Sec. 229. Interagency Agreement with Michigan Talent Investment Agency – RETAINED (UNENFORCEABLE)

Requires DHHS to continue interagency agreement with Michigan Talent Investment Agency for TANF-funded job readiness and welfare-to-work programming and require specific outcome and performance reporting; requires reports on TANF expenditures and clients served and on Michigan Works! job readiness referrals and outcomes. *(Signing letter states section is considered unenforceable.)*

HEALTH AND HUMAN SERVICES

Major Boilerplate Changes from FY 2018-19

Sec. 240. Use of Existing Work Project Authorization – NEW (UNENFORCEABLE)

Establishes that appropriations in part 1 shall not be expended in cases where existing work project authorization is available for the same expenditures. *(Signing letter states section is considered unenforceable.)*

Sec. 253. Information Technology Investment Management and Board – NEW (PARTIALLY VETOED) (UNENFORCEABLE)

Subsections (1) through (3) require establishment of an information technology investment board within DHHS, provides guidance and policy for establishing management practices, and requires reports; subsections (4) through (7) require DHHS to establish an independent verification and validation program to oversee information technology practices and compliance and to assess risks, and requires a report. Governor vetoed subsections (4) through (7) and \$1.0 million related funding (item 8 above). *(Signing letter states section is considered unenforceable.)*

Sec. 257. Revise Education Modules Regarding Suicide and Depression Prevention – NEW

Directs DHHS, if funds are available, to collaboratively revise the curriculum for 2 education health modules to include age-appropriate and medically accurate information about depression and suicide and protective factors to prevent suicide.

Sec. 264. DHHS Employee Communication with Legislature – RETAINED (UNENFORCEABLE)

Prohibits DHHS from taking disciplinary action against an employee for communicating with a member of the Legislature or his/her staff. *(Signing letter states section is considered unenforceable.)*

Sec. 293. Savings From Behavioral Health Integration Pilot Projects – NEW

Requires that any savings from pilots to integrate Medicaid behavioral health and Medicaid physical health services systems shall only be used for reinvestment in the pilot sites where savings occurred. Shared savings between a PIHP or CMHSP and a Medicaid health plan shall be carried forward for expenditures in future years.

Sec. 294. Integrated Service Demonstration Pilot – NEW

Allows DHHS to work with PIHPs and CMHSPs to pilot a physical and behavioral health integrated service demonstration model that does not transfer funds to Medicaid health plans; pilot would expand on existing integrated efforts and include shared care coordination; pilot project intended to last at least 2 years; pilot would increase number of individuals who meet criteria for expanded care coordination including persons not receiving certain health care services; states outcomes and performance measures; requires a report following completion of pilot.

Sec. 298. Behavioral Health Integration Pilot Projects – REVISED (VETOED)

Requires DHHS to continue to pilot the integration of behavioral health and physical health services, including: project facilitator, demonstration model project in Kent County with a willing CMHSP, up to 3 additional pilot projects with CMHSPs and Medicaid health plans, reinvesting savings into behavioral health services in the pilot area, and evaluating pilots and replicability. Requires report by DHHS, and report by managing entities of pilots, and states legislative intent for projects. Revises to: 1) eliminate language regarding Kent County project; 2) allow Medicaid health plans of the 3 pilot projects to also contract directly with other behavioral health service providers if certain conditions are met; 3) require a January 2022 report on progress on a list of measures that if met would trigger an October 2023 implementation statewide of integrated care provided through managed care; and 4) create a risk corridor, and ensure that rates paid to Medicaid health plans are actuarially sound and that implementation costs are accounted for before savings are reinvested in the pilot site.

CHILDREN'S SERVICES - CHILD WELFARE

Sec. 505. DHHS Juvenile Justice Report – REVISED

Requires report on DHHS juvenile justice system including number of youth served by DHHS, type of setting for each youth, and financial costs. Revises language to require report from both DHHS and Wayne County.

Sec. 515. Child Protection Services (CPS) Caseworker Home Visit Safety – NEW

Prohibits DHHS from denying a CPS caseworker's request to have another worker accompany the CPS caseworker on a home visit if the CPS caseworker believes it unsafe to conduct the home visit alone.

Sec. 518. Supervisory Oversight of CPS Caseworker Reports – NEW (UNENFORCEABLE)

Requires supervisors to complete an initial read of a CPS caseworker's report and either approve the report or note any needed corrections within 5 business days; requires the caseworker to resubmit a corrected report within 3 business days. *(Signing letter states section is unenforceable.)*

Major Boilerplate Changes from FY 2018-19

Sec. 535. Federal IV-E Claims for Foster Care Payments to Unlicensed Relatives – NEW

Requires DHHS to create a process to review and approve unlicensed relatives as meeting state licensing standards and to seek Title IV-E claims for payments; requires report.

Sec. 537. Residential Bed Space Standards and Preferences – RETAINED (UNENFORCEABLE)

Directs DHHS to collaborate with child caring institutions to develop a strategy to implement MCL 400.115o, which restricts out-of-state placements and placements of youth in state administered facilities over comparable private provider facilities; requires report. Revises language to require DHHS just to implement MCL 400.115o and deletes report requirement. *(Signing letter states section is unenforceable.)*

Sec. 558. Child Welfare Caseworker Training – REVISED (UNENFORCEABLE)

Requires DHHS to identify ways to modernize the child welfare caseworker training program. Revises language to allow private child placing agencies to provide in-house pre-service training by agency staff and to allow them to train staff at other private agencies. *(Signing letter states section is unenforceable.)*

Sec. 595. CPS Staff and DHHS/Private Agency Caseload Ratio – NEW (UNENFORCEABLE)

Requires DHHS to expend \$162.8 million to hire/employ CPS staff to comply with the Office of the Auditor General 2018 CPS audit; requires that most new foster care cases be placed under a private child placing agency's supervision until the statewide ratio of foster cases is 55% for private agency supervision and 45% for DHHS supervision. *(Signing letter states section is unenforceable.)*

PUBLIC ASSISTANCE

Sec. 603. Change in Public Assistance Benefits Notification – NEW

Require the department to notify Food Assistance Program, Family Independence Program, and State Disability Assistance Program benefits recipients of any income-based benefits reductions no later than 15 workdays prior to the effective date of the reductions in benefits received.

FIELD OPERATIONS AND SUPPORT SERVICES

Sec. 805. 1155. Michigan Rehabilitative Services Order of Selection – REVISED

Details the intent of the legislature that the department not implement a waiting list for rehabilitative services and provides for the intent of the legislature that the department coordinate with various entities in order to ensure maximum program participation.

Sec. 809. Pathways to Potential – REVISED

Details the purpose, goals, and reporting requirements of the Pathway to Potential program, as well as requirements for measuring outcomes and remedial course of action for schools that do not have sufficient outcomes as measured by the department.

BEHAVIORAL HEALTH SERVICES

Sec. 924. Autism Services Fee Schedule – REVISED

Requires DHHS to establish a fee schedule for autism services by not allowing expenditures used for actuarially sound rate certification to exceed the identified fee schedule, also reduces behavioral technician fee schedule by 10%, but not less than \$50.00 per hour. Revises to maintain the established fee schedule and includes requirement for behavioral technician fee to be not be more than \$55.00 per hour.

Sec. 950. Court-Appointed Guardians – REVISED (VETOED)

Adds \$1.5 million GF/GP to reimburse counties for 50% of the cost to provide up to \$83 per month to court-appointed public guardians and conservators for individuals who receive CMHSP services, and requires a report. Revises to provide \$2.7 million GF/GP to directly reimburse court-appointed public guardians at \$50 per month and removes reference to conservators.

Sec. 964. Behavioral Health Fee Schedule – NEW

Requires DHHS to develop and implement a standardized fee schedule for Medicaid behavioral health services by January 1, and to develop and implement adequacy standards for all contracts with PIHPs and CMHSPs.

Sec. 970. Skill Building Assistance Services – NEW

Requires DHHS to maintain skill building assistance services policies in effect on October 1, 2018, and requires DHHS to continue to seek federal matching funds for skill building assistance services.

HEALTH AND HUMAN SERVICES

Major Boilerplate Changes from FY 2018-19

Sec. 974. Intellectual or Developmental Disability Service Delivery – NEW

Allows an individual with an intellectual or developmental disability who receives supports and services from a CMHSP to choose to instead receive supports and services from another provider.

Sec. ~~1010~~. 963. Kevin's Law – REVISED

Allocates up to \$2.0 million to address implementation of court-ordered assisted outpatient treatment under the Mental Health Code (Kevin's Law). Revises to \$1.0 million, modifies the line item name, and renumbers to Sec. 963.

Sec. 1053. Behavioral Health Facility Contingency Fund – NEW (UNENFORCEABLE)

Limits expenditures from the behavioral health facility contingency line item until the funds are transferred to another line item. (*Signing letter states section is unenforceable.*)

Sec. 1061. Caro Regional Mental Health Center – REVISED

Requires DHHS to only use the funds appropriated for the Caro Regional Mental Health Center to support a psychiatric hospital at its current location, includes legislative intent that the Caro Regional Mental Health Center remain open and operational at its current location and that any capital outlay funding be used for planning and construction at the current location instead of a new location. Revised to include minor revisions to the capital outlay intent language.

POPULATION HEALTH

Sec. 1234. Essential Local Public Health Services Funding Formula Revision – REVISED

Requires DHHS to develop and report to the legislature a revised distribution formula for the allocation of essential local public health services line item appropriations to local health departments and states legislative intent that the new formula be implemented beginning October 1, 2019. Revises to replace with language requiring that the new distribution formula be implemented by October 1, 2019 and that the amount allocated to each local health department shall not be less than the amount allocated in the previous year.

Sec. 1235. Prison Food Service Kitchen Inspections by Local Health Departments – DELETED

Deletes language allowing that if funds become available from the Department of Corrections, funds shall be allocated to local health departments to evaluate and inspect food service kitchens of state prisons.

Sec. 1238. Lead Elimination and Response Workgroup – NEW

Requires DHHS to establish a workgroup to determine the cost of establishing lead elimination and response, and report to the legislature on the findings of the workgroup by March 1.

Sec. 1239. MPART Participation – NEW

Requires DHHS to participate collaboratively with the Michigan PFAS Action Response Team (MPART) and other departments and to make continuous efforts to ensure that DHHS does not duplicate activities of another department.

Sec. 1304. Prohibit Use of State Funds for Abortion Counseling, Referrals, or Services – REVISED

Prohibits the use of state restricted or state general funds appropriated in the Family Planning Local Agreements line item or the Pregnancy Prevention Program line items for abortion counseling, referrals, or services. Revises to also include that DHHS shall not allow grantees or subcontractors to use funds from these line items for these purposes.

Sec. 1305. Contract Restrictions and Priorities for Family Planning and Pregnancy Prevention – RETAINED (UNENFORCEABLE)

(1) Prohibits DHHS from contracting for family planning and pregnancy prevention services with an entity that engages in abortion activities under PA 360 of 2002, if another entity applies to provide those services that is not already engaged in abortion activities. (2) Requires DHHS to give a higher priority to a) contracting for services in counties where there are currently no contracts for services, before b) contracting for additional services by an entity that engages in abortion activities in a county where there are already services provided by an entity that does not engage in abortion activities. (*Signing letter states section is considered unenforceable.*)

Sec. 1310. Family Planning Federal Title X Rule Compliance – NEW

Requires family planning programs receiving federal Title X funds to be in compliance with all federal Title X rules and requires DHHS to monitor for compliance; agencies not in compliance shall not receive supplemental or reallocated funds. Language is similar to current Sec. 1302.

Sec. 1320. Family Planning and Pregnancy Prevention Media Campaign Messaging – NEW

States legislative intent that funds that may be expended for a public media campaign regarding publicly funded family planning or pregnancy prevention programs shall not be used to communicate any message that implies or that can be interpreted to mean that abortion is a method of family planning or pregnancy prevention.

Major Boilerplate Changes from FY 2018-19

Sec. 1340. Approved WIC Food Items – REVISED

Requires the Women, Infants, and Children Special Supplemental Food and Nutrition program (WIC) to include national brand peanut butter on the list of approved food basket items for WIC participant purchase. Revises to broaden to include national brand options for all food categories.

Sec. 1350. Emergency Medical Services Data Exemption – NEW (UNENFORCEABLE)

Prohibits DHHS from requiring a life support agency that does not charge for services to submit data to the Michigan emergency medical services information system or any other quality improvement program. *(Signing letter states section is considered unenforceable.)*

MEDICAL SERVICES

Sec. 1502. Nursing Facility Cost Report Policies – NEW (UNENFORCEABLE)

Requires DHHS to use prospective effective dates if DHHS issues new policies affecting nursing facility cost reports, and allows a retroactive date if required by state law, federal law, or judicial ruling; and adds “except as otherwise provided under state law”. *(Signing letter states section is unenforceable.)*

Sec. 1513. Medicaid Inpatient Psychiatric Hospital Workgroup – NEW

Requires DHHS to create a workgroup to determine an equitable and adequate reimbursement methodology for Medicaid inpatient psychiatric hospital care, list participating workgroup members, require a report from the workgroup.

Sec. 1625. Medicaid Managed Care Pharmacy Benefits Managers – NEW (VETOED)

Prohibits DHHS, beginning February 1, 2020, from entering into any contracts with a Medicaid managed care organization that relies on a pharmacy benefits manager that does not: 1) utilize a pharmacy reimbursement methodology of the National Average Drug Acquisition Cost plus a professional dispensing fee comparable to the Medicaid fee-for-service dispensing fees for pharmacies with not more than 7 retail outlets (and lists reimbursements when an ingredient does not have a National Average Drug Acquisition Cost listed); 2) reimburse for valid claims at the rate in effect at the time of original claim; 3) agree to transparent “pass-through” pricing, 4) agree to not create new fees or increase fees above inflation, and 5) agree to not terminate existing contracts for the sole reason of the additional professional dispensing fee.

Sec. 1763. Actuarial Services Request for Proposal – REVISED (UNENFORCEABLE)

Requires DHHS to issue a request for proposal for a 3-year contract for actuarial services related to rate setting for traditional Medicaid and Healthy Michigan Plan during the next contract renewal period and to notify the legislature. Revises to require an RFP before the initial contract expiration date of February 28, 2020. *(Signing letter states section is unenforceable.)*

Sec. 1792. Pharmacy Encounter Data – NEW

Requires DHHS, in consultation with the Medicaid health plans, to evaluate pharmacy encounter data through the first 2 quarters to determine if rates must be recertified.

Sec. 1793. Medicaid Overpayment Standard of Promptness – NEW (UNENFORCEABLE)

Prohibits DHHS from recovering an overpayment if DHHS notifies the provider more than 180 days after receipt of the overpayment. *(Signing letter states section is unenforceable.)*

Sec. 1801. Primary Care Rates – REVISED

Requires DHHS to continue the increase in Medicaid rates to primary care service providers and establish policies to limit the rate increase to practitioners that solely practice primary care; requires a report. Revised to replace “under the supervision of a physician” with “in collaboration with a physician”.

Sec. 1802. and Sec. 1866. Rural Hospital Payments – REVISED (VETOED)

Sec. 1802 directs \$8.0 million in lump-sum payments to hospitals that qualified for rural hospital access payments in FY 2013-14 at a rate proportional to each hospital's obstetrical care and newborn care volume. Sec. 1866 allocates \$18.0 million GF/GP and any associated federal match to hospitals providing services to low-income rural residents; provides that no hospital or hospital system may receive more than 10% of the total distribution; requires DHHS to provide each hospital the distribution methodology and data used to determine payment amounts. Revises by combining both sections into Sec. 1802, limiting the pools to non-critical access hospitals, and reducing the two pools by \$7.1 million.

HEALTH AND HUMAN SERVICES

Major Boilerplate Changes from FY 2018-19

Sec. 1804. Identification of Medicaid Beneficiaries Who Are Veterans – REVISED (UNENFORCEABLE)

Requires DHHS, in cooperation with the Department of Military and Veterans Affairs, to work with the federal government’s public assistance reporting information system to identify Medicaid recipients who are veterans and may be eligible for federal veterans health care benefits. Revises to require an interagency agreement with specific performance outcomes to be reported to the legislature and to revise the working in the public assistance application from “veteran” to “served in the military”. *(Signing letter states section is unenforceable.)*

Sec. 1805. Graduate Medical Education (GME) Quality Data – REVISED

Requires hospitals receiving GME payments to submit quality data utilizing consensus-based nationally endorsed standards to be posted on a public website, lists specific quality reporting information, requires hospitals to also post quality data on the hospital’s website, and requires DHHS to withhold 25% of a hospital’s GME payment if data is not submitted by January 1. Revises to exclude psychiatric hospitals from data submission requirements.

Sec. 1837. Telemedicine Reimbursement – REVISED

Requires DHHS to continue and expand the use of telemedicine and telepsychiatry as a means to increase access to services for Medicaid recipients. Revises to require DHHS to expand the definition of “originating site” to include the patient’s home or any other site considered appropriate by the provider and expand the definition of “distant site” to include the provider’s office or other site considered appropriate by the provider.

INFORMATION TECHNOLOGY

Sec. 468. 1905. Information Technology Spending Report – REVISED

Requires monthly reporting on information technology expenditures, previous fiscal year funding by fund source, proportion of information technology to overall department budget, a return on investment evaluation by project, comparison data between 3 other Midwestern states for the previous 5 fiscal years, and estimated project cost overruns.

Sec. 1906. Michigan Statewide Automated Child Welfare Information System Workgroup – NEW

Requires the department’s pre-established MiSACWIS replacement workgroup to report on a bi-monthly basis on recommendations for future funding of MiSACWIS or a replacement system, remedial actions necessary to improve MiSACWIS or a replacement system’s functionality, and any other recommendations at the discretion of the workgroup.

Sec. 1909. Information Technology Spending Restrictions and Contingency Funding – NEW (UNENFORCEABLE)

Restricts the department from encumbering or expending funds for the operations, maintenance, and improvement of major programs except from their associated line item in Part 1; restricts encumbrances and expenditures from the Information Technology Contingency and One-Time Information Technology Contingency line items, and requires the department to request a legislative transfer of funds from the contingency line items in order to encumber or expend those funds; restricts the department from encumbering or expending funds on a MiSACWIS replacement system until 30 days after providing a spending plan for the development or procurement of a new system. *(Signing letter states subsections (1), (2), and (9) are unenforceable.)*

Sec. 4948. 1931. Michigan Medical Resident Loan Repayment Program – REVISED (UNENFORCEABLE)

Allocates \$5.0 million GF/GP for a 5-year program to provide medical education loan repayment assistance of up to \$50,000 for physicians in primary care and other general subspecialties who commit to practice for 2 years in a medically underserved area after completion of residency; establishes unexpended funds as work project. Revises to replace with language stating that DHHS shall spend available work project revenue to continue implementation of the program. *(Signing letter states section is considered unenforceable.)*

<u>FY 2018-19 Supplemental Appropriation (PA 56)</u>	<u>FY 2018-19 YTD (as of 3/5/19)</u>	<u>FY 2018-19 Supplemental Change</u>
1. Restricted Revenue – Fund Source Adjustment	Gross	NA
Includes \$417,400 in restricted funding to align authorization with available revenues, resulting from re-basing first year SIGMA cost allocations. Line items affected include Property Management (\$324,700), Worker’s Compensation (\$40,000), and Terminal Leave Payments (\$52,700).	Restricted	\$417,400
	GF/GP	\$0

HEALTH AND HUMAN SERVICES

FY 2018-19 Supplemental Appropriation (PA 56)

	FY 2018-19 YTD (as of 3/5/19)	FY 2018-19 Supplemental Change
2. Federal Child Support Collection Fee Increase	Gross	NA
Includes \$956,300 GF/GP and reduces federal funding by a like amount to fund an increase in the annual federal child support collection fee. The fee was raised from \$25 to \$35 per case once \$550 is collected on behalf of the custodial parent. Currently, the state pays this fee instead of assessing it on custodial parents.	Federal	NA
	GF/GP	NA
		\$0
		(956,300)
		\$956,300
3. Community Services and Outreach Administration Adjustments	FTE	11.0
Includes \$167,000 Gross (\$460,000 GF/GP) for the Community Services and Outreach Administration line item to authorize 1.0 additional FTE position and correct financing of line item. Transfers the 1.0 FTE authorization from the Michigan Community Service Commission and \$400,000 GF/GP from Behavioral Health Program Administration line item.	Gross	\$1,492,000
	Federal	527,700
	GF/GP	\$964,300
		0.0
		\$167,000
		(293,000)
		\$460,000
4. Domestic Violence Prevention and Treatment	FTE	15.6
Includes \$1.9 million Gross (\$0 GF/GP) to increase Crime Victims Rights Fund authorization by \$315,000 to fund 2 staff and to increase federal funding by \$1.6 million for an anticipated federal STOP violence grant.	Gross	\$16,010,100
	Federal	13,414,700
	Restricted	1,040,500
	GF/GP	\$1,554,900
		0.0
		\$1,883,500
		1,568,500
		315,000
		\$0
5. Adoption Support Services Fund Shift	Gross	\$29,467,000
Includes \$100,200 GF/GP to offset a decrease of the same amount in federal Title IV-B funding.	Federal	15,025,100
	GF/GP	\$14,441,900
		\$0
		(100,200)
		\$100,200
6. Adoption Incentive Payment Grant	Gross	\$29,467,000
Authorizes receipt of an additional \$4.1 million in federal grant awards for the Adoption and Legal Guardianship Incentive Payments Program.	Federal	15,025,100
	GF/GP	\$14,441,900
		\$4,145,500
		\$0
7. Child Welfare Institute Staffing Increase	FTE	51.0
Includes \$130,000 Gross (\$98,600 GF/GP) and authorizes 1.0 FTE position for a supervisor to oversee the six new child welfare trainers added in the FY 2018-19 budget.	Gross	\$9,246,600
	Federal	5,124,000
	GF/GP	\$4,122,600
		1.0
		\$130,000
		31,400
		\$98,600
8. Kinship Navigator	Gross	\$243,507,000
Authorizes receipt of an additional \$427,700 in federal funds to reflect a grant award received in September 2018 for the Kinship Navigator program.	Federal	110,792,200
	Local	17,183,500
	Private	1,770,700
	GF/GP	\$113,760,600
		427,700
		0
		0
		\$0
9. Settlement Monitor	Gross	\$1,885,800
Includes \$148,300 Gross (\$78,400 GF/GP) to cover costs of an increase in the Settlement Monitor contract.	Federal	1,017,900
	GF/GP	\$867,900
		\$148,300
		69,900
		\$78,400
10. Strong Families/ Safe Children	Gross	\$15,150,100
Reduces federal funding authorization by \$2.6 million to reflect reduced federal grant awards in FY 2017-18.	Federal	12,350,100
	GF/GP	\$2,800,000
		(\$2,550,100)
		(2,550,100)
		\$0
11. Bay Pines Center and Shawono Center	FTE	94.0
Replaces \$489,600 of the local county chargeback revenue appropriation with GF/GP in order to allow full use of the appropriated amounts in the facilities' budgets (\$252,300 Bay Pines; \$237,300 Shawono). The county chargeback revenue authorization in these line items is greater than the amount the counties might be required to pay.	Gross	\$11,419,300
	Federal	444,300
	Local	6,015,600
	GF/GP	\$4,959,400
		0.0
		\$0
		0
		(489,600)
		\$489,600
12. State Supplementation Administration	Gross	\$1,681,100
Includes \$125,000 GF/GP to support increased administrative costs based on a 3-year spending average and a 2.8% administrative rate increase for federal SSI.	GF/GP	\$1,681,100
		\$125,000

HEALTH AND HUMAN SERVICES

<u>FY 2018-19 Supplemental Appropriation (PA 56)</u>	<u>FY 2018-19 YTD (as of 3/5/19)</u>	<u>FY 2018-19 Supplemental Change</u>
13. MI Rehabilitation Services – FTE Allocation	FTE 526.0	29.0
Includes authorization for 29.0 FTE positions to meet newly imposed federal Workforce Innovation and Opportunity Act mandates that all persons with disabilities be served.	Gross \$129,881,000	\$0
	IDG 38,300	0
	TANF 140,000	0
	Federal 104,761,500	0
	Local 5,300,000	0
	Private 521,500	0
	Restricted 150,000	0
	GF/GP \$18,969,700	\$0
14. Federal Mental Health Block Grant	FTE 2.5	1.5
Authorizes an additional 1.5 FTE positions for the Federal Mental Health Block Grant. The positions would be supported with current funding.	Gross \$17,465,400	\$0
	Federal 17,465,400	0
	GF/GP \$0	\$0
15. Revenue Recapture	Gross \$750,000	\$100
Includes \$100 in local funding for the revenue recapture program of the state psychiatric hospitals.	Federal 375,000	0
	Local 0	100
	Restricted 375,000	0
	GF/GP \$0	\$0
16. Electronic Mobile Verification System	Gross \$0	\$1,500,000
Includes \$1.5 million Gross (\$150,000 GF/GP) for a Medicaid adult home help electronic verification program.	Federal 0	1,350,000
	GF/GP \$0	\$150,000
17. Increase Hurley GME	Gross NA	\$2,363,000
Increases non-GF/GP Graduate Medical Education (GME) program funding by \$2.4 million for Hurley Hospital.	Federal NA	1,181,500
	Restricted NA	1,181,500
	GF/GP NA	\$0
18. Opioid Prescribing	Gross NA	(\$2,000,000)
Reflects a savings of \$2.0 million Gross (\$474,900 GF/GP) resulting from a FY 2018-19 policy change that limits dispensing of certain opioid prescriptions to seven days and reduces Morphine Equivalent Daily Dose limits in accordance with federal CDC guidelines.	Federal NA	(1,525,100)
	GF/GP NA	(\$474,900)
19. Medicare Premium Payments Buy-in Costs	Gross \$608,352,900	\$8,018,400
Includes \$8.0 million Gross (\$2.9 million GF/GP) to cover costs associated with changes to the state’s Medicare buy-in policy for individuals who are dually eligible for Medicare and Medicaid.	Federal 464,872,300	5,167,900
	GF/GP \$143,480,600	\$2,850,500
20. Beaumont Psychiatric Residency Training Funding – VETOED	Gross \$8,438,800	(\$8,438,800)
Governor vetoed a net \$0 reappropriation of Beaumont psychiatric residency training funding in order to revise current-year boilerplate. (Sec. 501.)	Federal 5,438,800	(5,438,800)
	GF/GP \$3,000,000	(\$3,000,000)
21. Child Welfare Caseload Adjustment	Gross \$674,989,100	\$25,361,900
Includes an increase of \$25.4 million Gross (\$16.2 million GF/GP) to revise child welfare caseload costs based on the May caseload consensus between the State Budget Office, the Senate Fiscal Agency, and the House Fiscal Agency.	Federal 308,795,300	7,035,400
	Local 17,183,500	0
	Private 1,770,700	2,142,200
	GF/GP \$347,239,600	\$16,184,300
22. Public Assistance Caseload Adjustment	Gross \$143,367,800	(\$4,475,100)
Includes a reduction of \$4.5 million Gross (\$1.8 million GF/GP) to revise public assistance caseload costs based on the May caseload consensus between the State Budget Office, the Senate Fiscal Agency, and the House Fiscal Agency.	TANF 58,840,000	(2,713,100)
	Restricted 15,514,600	0
	GF/GP \$69,013,200	(\$1,762,000)

HEALTH AND HUMAN SERVICES

<u>FY 2018-19 Supplemental Appropriation (PA 56)</u>		<u>FY 2018-19 YTD (as of 3/5/19)</u>	<u>FY 2018-19 Supplemental Change</u>
23. Food Assistance Caseload Adjustment	Gross	\$1,931,717,000	(\$113,757,300)
Reduces \$113.8 million Gross (\$0 GF/GP) to revise Medicaid behavioral health costs based on the May caseload consensus between the State Budget Office, the Senate Fiscal Agency, and the House Fiscal Agency.	Federal	1,927,007,000	(113,757,300)
	Restricted	4,710,000	0
	GF/GP	\$0	\$0
24. Behavioral Health Caseload Adjustment	Gross	NA	\$98,137,800
Includes \$98.1 million Gross (\$9.6 million GF/GP) to revise Medicaid behavioral health costs based on the May caseload consensus between the State Budget Office, the Senate Fiscal Agency, and the House Fiscal Agency.	Federal	NA	78,436,900
	Restricted	NA	10,140,400
	GF/GP	NA	\$9,560,500
25. Children's Special Health Care Caseload Adjustment	Gross	NA	\$6,831,800
Includes \$6.8 million Gross (\$3.1 million GF/GP) to revise CSHCS costs based on the May caseload consensus between the State Budget Office, the Senate Fiscal Agency, and the House Fiscal Agency.	Federal	NA	3,750,200
	GF/GP	NA	\$3,081,600
26. Medical Services Caseload Adjustment	Gross	NA	\$425,222,400
Includes an increase of \$425.2 million Gross (a reduction of \$65.7 million GF/GP) to revise Medicaid physical health costs based on the May caseload consensus between the State Budget Office, the Senate Fiscal Agency, and the House Fiscal Agency.	Federal	NA	305,529,000
	Restricted	NA	185,430,700
	GF/GP	NA	(\$65,737,300)

FY 2018-19 Supplemental Boilerplate Changes (PA 56)

Sec. 501. Beaumont Psychiatric Residency (VETOED)

Allocates \$3.0 million GF/GP grant to Beaumont Health to create and support a new psychiatric residency training program and authorizes unexpended funds appropriated for the new psychiatric residency training program to be considered a work project appropriation and carried forward. Funding supports a psychiatric residency program operated by a nonprofit Michigan health system. Project would be accomplished by utilizing contracts with service providers. Project is estimated to cost \$3.0, million with a tentative completion date of November 30, 2019.

REPEALER

Enacting Section 1.

Repeals section 462 of 2018 PA 618.

HIGHER EDUCATION

HIGHER EDUCATION

**Summary of FY 2019-20 Enacted with Vetoes and Ad Board Transfers
Public Act 62 of 2019 (House Bill 4236)**

Analyst: Perry Zielak

	FY 2018-19 YTD as of 3/5/19	FY 2019-20 Executive	FY 2019-20 House	FY 2019-20 Senate	FY 2019-20 Conference	FY 2019-20 Enacted	Difference: Enacted From FY 2018-19 YTD	
							Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	123,526,400	123,526,400	123,526,400	128,026,400	128,026,400	93,930,800	(29,595,600)	(24.0)
Local	0	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	0	--
Restricted	500,188,300	0	150,000	500,537,300	349,419,300	349,419,300	(150,769,000)	(30.1)
GF/GP	1,046,017,900	1,587,795,400	1,557,368,700	1,064,438,100	1,208,099,300	1,204,023,400	158,005,500	15.1
Gross	\$1,669,732,600	\$1,711,321,800	\$1,681,045,100	\$1,693,001,800	\$1,685,545,000	\$1,647,373,500	(\$22,359,100)	(1.3)

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Appropriation figures do not include supplemental appropriations in 2019 PA 162 (see Appendix III).

Overview

The Higher Education budget, contained in Article III of the compiled School Aid Act, provides funding for operational support of the state's 15 public universities, the AgBioResearch and Extension programs operated by Michigan State University, various financial aid programs for students attending public and independent colleges and universities in the state, and several other smaller higher education-related programs.

Major Budget Changes from FY 2018-19 YTD Appropriations

1. University Operations Funding

Increases funding by \$7.9 million GF/GP, a 0.5% increase, distributed under the current performance formula. Swaps \$151.1 million School Aid Fund (SAF) with a corresponding amount of GF/GP. Attainment of performance funding would be conditioned on restraining resident undergraduate tuition and fee increases to 4.4% or \$587, whichever is greater. Total funding for operations is \$1.5 billion Gross (\$1.1 billion GF/GP).

	FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
Gross	\$1,456,911,800	\$7,882,000
Restricted	494,286,300	(151,118,000)
GF/GP	\$962,625,500	\$159,000,000

2. North American Indian Tuition Waiver Funding

Provides \$6.7 million GF/GP for the Indian Tuition Waiver program that helps address a funding shortfall between waiver program costs and funding provided by the state. Also unrolls \$3.9 million in current program funding that had been rolled into university base operations funding, combined with a \$300,000 appropriation that originally addressed ITW program shortfalls, and places the appropriation into a delineated ITW category in the operations line. Total ITW program funding is \$10.9 million GF/GP.

Gross	\$4,218,600	\$6,687,100
GF/GP	\$4,218,600	\$6,687,100

3. Michigan State Extension and AgBioResearch Programs

Increases funding for Michigan State's AgBioResearch program by \$345,900 GF/GP and Extension program by \$298,400 GF/GP, a 1.0% increase for both programs. Total funding for the Extension and AgBioResearch programs is \$65.1 million GF/GP.

Gross	\$64,429,100	\$644,300
GF/GP	\$64,429,100	\$644,300

HIGHER EDUCATION

Major Budget Changes from FY 2018-19 YTD Appropriations

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
4. Michigan Competitive Scholarships	Gross	\$32,361,700	\$0
Maintains current funding levels for Michigan Competitive Scholarships but replaces \$2.1 million GF/GP with a corresponding amount of federal Temporary Assistance for Needy Families (TANF) funding. The scholarships are awarded to students with a qualifying SAT score and demonstrated financial need.	Federal	24,361,700	2,069,100
	GF/GP	\$8,000,000	(\$2,069,100)
5. Tuition Grant Program – VETOED	Gross	\$38,021,500	(\$38,021,500)
Maintains current funding levels for the Tuition Grant program but replaces \$2.4 million GF/GP with a corresponding amount of TANF funding and increases award amount from \$2,400 to \$3,000. The Tuition Grant program provides need-based tuition assistance to students at Michigan independent (i.e., private, non-profit) colleges and universities. All funding for the program and associated boilerplate was vetoed.	Federal	31,664,700	(34,095,600)
	GF/GP	\$6,356,800	(\$3,925,900)
6. Children of Veterans and Officer's Survivor Tuition Grant Program	Gross	\$1,400,000	\$0
Maintains current funding levels for the Children of Veterans and Officer's Survivor Tuition Grant Program but replaces \$100,000 in restricted funding with a corresponding amount of GF/GP.	Restricted	100,000	(100,000)
	GF/GP	\$1,300,000	\$100,000
7. Michigan Public School Employees' Retirement System (MPERS) Normal Cost Offset	Gross	\$669,000	\$565,000
Increases funding by \$565,000 SAF to reimburse universities for the normal cost increase required to reduce the assumed rate of return for MPERS from 7.5% to 7.05% and incorporates \$669,000 into the base from previous one-time funding that offset the cost of lowering the assumed rate of return from 8% to 7.5%. The assumed rate of return reductions are due to the implementation of the dedicated investment gains policy. Total funding for the MPERS normal cost offset is \$1.2 million SAF.	Restricted	669,000	565,000
	GF/GP	\$0	\$0
8. MPERS State Share of UAL Stabilization Payment	Gross	\$5,133,000	(\$116,000)
Reduces funding by \$116,000 SAF for the state's share of the universities' unfunded liability contribution to MPERS. The state's share is the difference between the calculated unfunded accrued liability contribution to the system and the employer contribution cap of 25.73% of payroll for the seven universities with MPERS employees (Central, Eastern, Ferris, Lake Superior State, Michigan Tech, Northern, and Western). Total funding for the state share of MPERS is \$5.0 million GF/GP.	Restricted	5,133,000	(116,000)
	GF/GP	\$0	\$0
9. Pregnant and Parenting Student Services – VETOED	Gross	\$0	\$0
Includes \$150,000 GF/GP for pregnant and parenting services. Universities that establish and operate a pregnant and parenting student services office according to the guidelines found in 2004 PA 500 are eligible for grants to operate the office. All funding for the program was vetoed.	Restricted	0	0
	GF/GP	\$0	\$0

Major Boilerplate Changes from FY 2018-19

Sec. 245. University Transparency – REVISED

Requires each university to post on its website specified data on budget, revenue, expenditures, and employee compensation, as well as university performance data, information on transfer policies and opportunities for high school students to earn college credit, collective bargaining agreements, benefit plans, and audits. Revises to update reporting deadlines and adds reporting requirement on the number and percentage of enrolled students who complete the Free Application for Federal Student Aid (FAFSA).

HIGHER EDUCATION

Major Boilerplate Changes from FY 2018-19

Sec. 245a. Campus Safety Information and Resources – REVISED

Requires universities to develop a “campus safety information and resources” webpage, which must be linked and displayed on their home webpage. The page must display various safety information and policies, and the schools must certify compliance to the State Budget Director by August 31 or have monthly state payments withheld. Changes certification date to October 1, 2019, and the last business day of August thereafter.

Sec. 251. State Competitive Scholarship Program – REVISED

Provides for distribution of funds appropriated for State Competitive Scholarships; specifies maximum grant amount of at least \$1,000, unless insufficient funds are available, in which case a report is required; provides that unexpended funds at close of fiscal year remain available for expenditure in subsequent year as a work project. Removes one-year restriction on work project language.

Sec. 252. Tuition Grant Program – REVISED (VETOED)

Provides for distribution of funds appropriated for Tuition Grants; specifies maximum grant amount of at least \$2,400, unless insufficient funds are available, in which case a report is required. Increases the institutional cap to \$5.0 million and increases individual award amount to \$3,000. Adds language prohibiting the use of funds offsetting costs in other financial aid programs and removes one-year restriction on work project language.

Sec. 256. Tuition Incentive Program – REVISED

Specifies criteria for Tuition Incentive Program (TIP) eligibility; provides for award conditions and limits under Phases I (associate degree and certificate programs) and II (third and fourth years toward bachelor’s degree) of the program. Revises to push back October 15 deadline change to FY 2020-21. Removes program restriction on incarcerated individuals and removes one-year restriction on work project language.

Sec. 263a. MSU AgBioResearch and MSU Extension – REVISED

States intent regarding metric goals to be used to evaluate impacts of MSU AgBioResearch and MSU Extension; requires annual report containing financial data and metric goals for the two organizations. Revises reporting requirements to eliminate specific metric goals.

Sec. 265. Student Affordability Criteria: Tuition Restraint – REVISED

Provides tuition restraint requirements in order to receive performance funding increase. Revises restraint cap for universities to 4.4% or \$587, whichever is greater. Deletes language on appropriation adjustment for cap violation. Revises certification deadline to October 1, 2019.

Sec. 265a. Performance Funding Criteria and Formula – REVISED

Includes requirements for a university to receive the performance funding increase. Revises to specify that language applies to FYs 2019-20, 2020-21, and 2021-22. Revises intent language to specify that more funding will be based on an updated set of performance metrics that result from joint House and Senate Higher Education subcommittee hearings. Changes certification deadline from August 31 to October 1, 2019.

Sec. 265b. Operations Funding Criteria and Sexual Assault/Title IX Standards – REVISED

Penalizes universities with a 10% reduction in operations funding for schools that fail to submit certification of compliance to the State Budget Director on Title IX reporting requirements found in sections 274c and 274d and a number of other requirements. Changes certification dates to October 1, 2019.

Sec. 265c. Articulation Agreements and Academic Partnerships Reporting – REVISED

Requires the Michigan Community College Association (MCCA), the Michigan Association of State Universities (MASU), and the Michigan Independent Colleges and Universities (MICU) to report on the names and number of baccalaureate degree programs offered on community college campuses, the names of articulation agreements between universities and community colleges, and the number of students enrolled and degrees awarded through articulation agreements and on-campus baccalaureate programs. Revises to make report due every even-numbered year.

Sec. 268. Indian Tuition Waivers – REVISED

Specifies that \$300,000 appropriation be proportional to each institution’s shortfall. Requires Department of Civil Rights to report certain information related to the waivers, and requires universities to provide data under guidelines and procedures developed by Department of Civil Rights. Deletes subsection concerning additional funding distribution.

Sec. 274. Embryonic Stem Cell Research – REVISED

Provides legislative intent language that instructs organizations conducting research using human embryonic stem cells to report to the Department of Health and Human Services regarding compliance with federal guidelines and detailing usage of stem cell lines. Revises to update dates.

Major Boilerplate Changes from FY 2018-19

Sec. 275d. Communication with the Legislature – NEW

Adds language that discourages a university from taking disciplinary action against an employee for communicating with the legislature.

Sec. 289. Audit of Higher Education Institutional Data Inventory (HEIDI) Data – REVISED (UNENFORCEABLE)

Requires Office of the Auditor General to review HEIDI data; excludes certain credit hours from those reported to HEIDI; states that legislature retains authority to exclude specific academic programs for enrollment reporting purposes.

Deletes language defining certain restrictions on what can be reported as student credit hours, including distance learning and hours generated through inmate prison programs. Deletes definition of distance learning instruction. *(Signing letter states section is unenforceable.)*

Summary: FY 2019-20 University Performance Funding Increases
Enacted Summary

University	Proportional to FY 2010-11			Performance Funding Proportional to Share of Total				Performance Funding Scored vs. National Carnegie Peers							Indian Tuition Waiver				Percent Change		
	% of formula:	50.0%		11.1%		5.6%		33.3%													
	Funding per unit:	\$0.0028 per dollar		\$47.11 per completion		\$0.0003 per dollar		\$1.83 per weighted point													
	FY 2018-19 Year-to-Date Appropriation	FY 2010-11 Appropriation	Funding	Critical Skills Undergrad Completions	Funding	Research & Development Expenditures	Funding	6-year Grad Rate	Total Degrees	Instl. Support as % of Expend.	% Students Receiving Pell Grants	Total Points	Total FY 2018 Undergrad FYES	FYES-Weighted Points	Funding	*Total Performance Funding Increase	Indian Tuition Waiver Payment	Waiver Shortfall Payment	**Total Indian Tuition Waiver Payment	Proposed FY 2019-20 Appropriation	
Michigan State	\$286,274,200	\$283,685,200	\$787,135	3,423	\$161,250	\$380,486,534	\$104,692	2	3	2	0	7	36,995	258,965	\$473,567	\$1,526,600	469,100	998,600	1,467,700	\$288,799,400	0.9%
UM-Ann Arbor	320,782,400	\$316,254,500	877,504	3,290	155,002	\$914,018,000	251,496	3	3	2	0	8	29,411	235,287	430,267	\$1,714,300	526,600	276,900	803,500	\$322,773,600	0.6%
Wayne State	202,363,200	\$214,171,400	594,257	1,057	49,775	\$191,999,000	52,829	2	2	0	3	7	14,614	102,295	187,066	\$884,000	250,500	166,700	417,200	\$203,413,900	0.5%
Central	87,415,000	\$80,132,000	222,341	836	39,363	\$15,736,994	4,330	2	3	2	2	9	16,211	145,899	266,804	\$532,800	318,100	1,280,000	1,598,100	\$89,227,800	2.1%
Michigan Tech	49,949,600	\$47,924,200	132,974	965	45,482	\$59,970,863	16,501	3	2	2	0	7	5,570	38,993	71,307	\$266,300	114,300	352,200	466,500	\$50,568,100	1.2%
Western	111,151,000	\$109,615,100	304,147	1,235	58,164	\$24,093,220	6,629	0	2	2	2	6	16,160	96,960	177,310	\$546,200	175,000	592,900	767,900	\$112,290,100	1.0%
Eastern	76,979,300	\$76,026,200	210,948	991	46,689	\$5,085,290	1,399	2	3	2	0	7	13,918	97,424	178,158	\$437,200	162,800	139,500	302,300	\$77,556,000	0.7%
Oakland	52,819,200	\$50,761,300	140,846	1,427	67,207	\$12,772,918	3,515	2	3	3	0	8	14,760	118,080	215,932	\$427,500	99,300	185,800	285,100	\$53,432,500	1.2%
Grand Valley	72,056,600	\$61,976,400	171,965	1,487	70,072			3	3	2	0	8	19,899	159,190	291,108	\$533,100	276,200	798,800	1,075,000	\$73,388,500	1.8%
Saginaw Valley	30,528,000	\$27,720,700	76,916	537	25,300			0	0	2	0	2	6,857	13,714	25,079	\$127,300	71,500	152,400	223,900	\$30,807,700	0.9%
UM-Dearborn	26,071,800	\$24,726,200	68,607	534	25,147			2	2	2	2	8	5,937	47,499	86,860	\$180,600	85,400	74,800	160,200	\$26,327,200	1.0%
UM-Flint	23,585,400	\$20,898,000	57,985	600	28,268			0	2	0	2	4	4,938	19,750	36,117	\$122,400	91,600	185,400	277,000	\$23,893,200	1.3%
Ferris	54,950,700	\$48,619,200	134,903	1,443	67,993			0	3	2	0	5	9,866	49,330	90,209	\$293,100	218,300	789,000	1,007,300	\$56,032,800	2.0%
Northern	47,998,400	\$45,140,300	125,250	553	26,053			2	3	2	0	7	6,373	44,611	81,580	\$232,900	422,200	677,800	1,100,000	\$48,909,100	1.9%
Lake Superior	13,987,000	\$12,694,200	35,222	194	9,140			2	2	0	0	4	1,824	7,296	13,342	\$57,700	637,700	316,300	954,000	\$14,361,000	2.7%
TOTAL:	\$1,456,911,800	\$1,420,344,900	\$3,941,000	18,570	\$874,902	\$1,604,162,819	\$441,392	25	36	25	11	97	203,332	1,435,293	\$2,624,706	\$7,882,000	\$3,918,600	\$6,987,100	10,905,700	\$1,471,780,900	1.0%

Data Notes	Source	Years	Notes
Component	State HEIDI	FYs 2017-2018	STEM/health/etc.
Critical skills undergrad completions	Federal IPEDS	FY 2017	Carnegie research universities only
Research & develop expend	Federal IPEDS^	FYs 2013-2016	First-time, full-time degree seeking students
Six-year graduation rate	Federal IPEDS^	FYs 2013-2016	Includes graduate degrees
Total degree completions	Federal IPEDS^	FYs 2013-2016	Measure of administrative costs
Inst support as % of core expend	Federal IPEDS^	FYs 2014-2016	Federal need-based aid for undergrads
Pell grant students	State HEIDI	FY 2018	Includes nonresident students
Undergrad FYES	^ via Business Leaders for Michigan and Anderson Economic Group		

Scoring Based on Carnegie Peers	Score
Top 20% nationally	3
Above national median	2
Improving over 3 years	2

- *Requirements to receive performance funding increase for the next 3 fiscal years:
1. Restrain FY 2019-20 resident undergraduate tuition/fee rate increase to 4.4% or \$587 (whichever is greater)
 2. Participate in at least three reverse transfer agreements with community colleges
 3. Maintain a dual enrollment credit policy that does not consider whether credits were used toward high school graduation
 4. Actively participate in and submit timely updates to the Michigan Transfer Network

- Requirements to avoid a 10% reduction in operations funding:
1. Submit Sec. 274c & 274d Title IX reports
 2. Comply with various Title IX requirements listed in Sec. 265b

** Indian Tuition Waiver Payments are unrolled from the Operations base amounts. ITW Payments and Shortfall Payment amounts are combined into a "Indian Tuition Waiver Costs Incurred" that is broken out in each university's operations listing in the budget bill

DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES
Summary of FY 2019-20 Enacted with Vetoes and Ad Board Transfers
Public Act 55 of 2019 (Senate Bill 141)

Analyst: Marcus Coffin

	FY 2018-19 YTD as of 3/5/19	FY 2019-20 Executive	FY 2019-20 House	FY 2019-20 Senate	FY 2019-20 Conference	FY 2019-20 Enacted	Difference: Enacted From FY 2018-19 YTD	
							Amount	%
IDG/IDT	\$713,800	\$723,100	\$723,100	\$723,100	\$723,100	\$723,100	\$9,300	1.3
Federal	2,017,300	1,017,600	1,017,600	1,017,600	1,017,600	1,017,600	(999,700)	(49.6)
Local	0	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	0	--
Restricted	64,690,800	66,999,100	67,099,100	66,999,100	66,999,100	66,924,100	2,233,300	3.5
GF/GP	550,000	150,000	50,000	150,000	150,000	150,000	(400,000)	(72.7)
Gross	\$67,971,900	\$68,889,800	\$68,889,800	\$68,889,800	\$68,889,800	\$68,814,800	\$842,900	1.2
FTEs	342.5	352.5	352.5	352.5	352.5	352.5	10.0	2.9

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Appropriation figures do not include supplemental appropriations in 2019 PA 154 (see Appendix II).

Overview

The Department of Insurance and Financial Services (DIFS) is responsible for regulating, licensing, examining, evaluating, and promoting the insurance and financial services industries operating within the state. The department also provides consumer protection by managing consumer information and inquiries and investigating consumer complaints. DIFS administers and enforces state statutes pertaining to state-chartered banks and credit unions; mortgage brokers, lenders, and servicers; consumer finance entities; insurance companies, agents, and products; and health maintenance organizations.

Major Budget Changes from FY 2018-19 YTD Appropriations**1. Anti-Fraud Unit**

Includes \$499,300 Gross (\$0 GF/GP) and authorization for 6.0 FTE positions for the Anti-Fraud Unit, created under Executive Order 2018-9. The unit will provide greater ability to conduct background checks and to investigate instances of fraudulent activity in the financial services and insurance industries. FTE positions that will be filled include departmental analysts, departmental specialists, and departmental technicians.

	FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
FTE	NA	6.0
Gross	NA	\$499,300
IDG	NA	1,400
Restricted	NA	497,900
GF/GP	NA	\$0

2. Removal of FY 2018-19 One-Time Funding

Removes \$400,000 GF/GP that was included in the FY 2018-19 budget to fund an actuarial and economic study to support the pursuit of a state innovation waiver, available under section 1332 of the Patient Protection and Affordable Care Act.

Gross	\$400,000	(\$400,000)
GF/GP	\$400,000	(\$400,000)

3. Net-to-Zero Fund Shifts

Replaces federal funding with restricted funding (due to reductions in federal funding based on the maturity of the Patient Protection and Affordable Care Act) and adjusts fund sources to align with the department's cost allocation plan.

Gross	NA	\$0
Federal	NA	(1,000,000)
Restricted	NA	1,000,000
GF/GP	NA	\$0

INSURANCE AND FINANCIAL SERVICES

<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>	FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change	
4. FTE Increase	FTE	NA	4.0
Includes authorization for 4.0 additional FTE positions to address workload increases in the Financial Institutions Evaluation and Insurance Evaluation line items. Due to recent statutory changes to the Insurance Code of 1956, departmental responsibilities have increased with respect to licensing of insurance agents, maintenance of continuing education programs, and approval of qualifying insurance companies. FTE positions that will be filled include financial institutions examiners, departmental analysts, and departmental technicians.	Gross	NA	\$0
	GF/GP	NA	\$0
5. Economic Adjustments	Gross	NA	\$818,600
Reflects increased costs of \$818,600 Gross (\$0 GF/GP) for negotiated salary and wage increases (2.0% ongoing, 2.0% lump sum), insurance rate increases, actuarially required retirement contributions, worker's compensation premium costs, building occupancy charges, and other economic adjustments.	IDG	NA	7,900
	Federal	NA	300
	Restricted	NA	810,400
	GF/GP	NA	\$0
6. Executive Vetoes	Gross	NA	(\$75,000)
Governor vetoed \$75,000 in restricted funding that was linked to vetoed boilerplate sections. Vetoed amounts include \$50,000 from the Insurance Bureau Fund for the Insurance Evaluation line item and \$25,000 from Bank Fees for the Financial Institutions Evaluation line item.	Restricted	NA	(75,000)
	GF/GP	NA	\$0

Major Boilerplate Changes from FY 2018-19

Sec. 210. Contingency Funding – REVISED

Appropriates \$1.0 million in federal and \$5.0 million in state restricted contingency funds, available for expenditure when transferred to a line item through the legislative transfer process. Revises to include \$200,000 in federal and \$1.0 million in restricted contingency funding.

Sec. 216. Communication with the Legislature – RETAINED (UNENFORCEABLE)

Prohibits DIFS from taking disciplinary action against an employee for communicating with a member of the legislature or his or her staff. *(Signing letter states section is unenforceable.)*

Sec. 217. Television and Radio Productions – REVISED

Prohibits DIFS from developing or producing television or radio productions. Revises to only prohibit contracting with third-party vendors for producing television and radio productions.

Sec. 304. Insurance Marketplace Feasibility Study – NEW (VETOED)

Requires DIFS to conduct a study to determine the feasibility of an auto insurance marketplace where consumers could compare offerings from different insurers.

Sec. 305. Anti-Fraud Unit Cost Savings Report – NEW (VETOED)

Requires DIFS to report on cost savings achieved by the anti-fraud unit in FY 2019-20 and stipulates report requirements.

Sec. 306. Consumer Services Complaints Report – NEW

Requires DIFS to report on complaints received by the Office of Consumer Services and stipulates report requirements.

Sec. 307. Marijuana Banking Materials – NEW (VETOED)

Requires DIFS to issue an examination manual and letter of guidance to state-chartered financial institutions offering services to businesses in the marijuana industry.

Sec. 401. Section 1332 State Innovation Waiver Study – DELETED

Requires DIFS to use one-time GF/GP funding to have an actuarial firm complete a study capable of supporting the state's pursuit of a state innovation waiver, available under section 1332 of the Patient Protection and Affordable Care Act; outlines material to be contained in the study.

JUDICIARY

Summary of FY 2019-20 Enacted with Vetoes and Ad Board Transfers
Public Act 61 of 2019 (House Bill 4238)

Analyst: Robin R. Risko

	FY 2018-19 YTD as of 3/5/19	FY 2019-20 Executive	FY 2019-20 House	FY 2019-20 Senate	FY 2019-20 Conference	FY 2019-20 Enacted	Difference: Enacted From FY 2018-19 YTD	
							Amount	%
IDG/IDT	\$1,551,300	\$1,551,700	\$1,551,700	\$1,551,700	\$1,551,700	\$1,551,700	\$400	0.0
Federal	5,987,400	6,028,400	5,748,400	6,028,400	5,748,400	5,748,400	(239,000)	(4.0)
Local	6,499,800	6,579,500	6,505,300	6,579,500	6,579,500	6,579,500	79,700	1.2
Private	981,600	994,300	994,300	994,300	994,300	994,300	12,700	1.3
Restricted	92,979,500	93,044,900	94,785,900	94,796,000	94,796,000	94,796,000	1,816,500	2.0
GF/GP	196,079,500	201,142,200	198,594,700	201,142,200	201,392,200	201,043,600	4,964,100	2.5
Gross	\$304,079,100	\$309,341,000	\$308,180,300	\$311,092,100	\$311,062,100	\$310,713,500	\$6,634,400	2.2
FTEs	502.0	503.0	503.0	505.0	509.0	509.0	7.0	1.4

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Appropriation figures do not include supplemental appropriations in 2019 PA 154 (see Appendix II).

Overview

Article VI of the State Constitution of 1963 forms the basis for Michigan's judicial branch of government. The Judiciary budget provides operational funding for the Michigan Supreme Court, the Court of Appeals, and related judicial agencies. The budget funds the salaries of justices of the Supreme Court and judges of the appeals, circuit, probate, and district courts according to constitutional and statutory requirements. Funding assistance for local trial court operations is provided through a variety of grant programs. The largest of these, the Court Equity Fund Reimbursement program, reimburses counties for trial court operations based on a statutory formula that recognizes circuit and probate caseloads and the number of judgeships.

Major Budget Changes from FY 2018-19 YTD Appropriations

1. Cybersecurity for Supreme Court Website

Includes \$1.9 million GF/GP (\$1.5 million one-time, \$454,100 ongoing) and authorization for 2.0 FTE positions for redesigning and updating the Supreme Court website and extranet. Funding will be used to support staff, purchase web content management software, replace and secure customer relationship management software, and provide cloud-hosting and software licenses.

	FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
FTE	NA	2.0
Gross	NA	\$1,929,100
GF/GP	NA	\$1,929,100

2. Compliance with U.S. Supreme Court Decision Regarding Juvenile Lifers

Includes \$841,900 of one-time GF/GP and authorization for 11.0 FTE positions for the State Appellate Defender Office (SADO) to ensure compliance with the U.S. Supreme Court ruling on the *Montgomery v Louisiana* case. SADO provides post-conviction representation of juvenile lifers. There are 96 clients awaiting new sentencing hearings.

FTE	0.0	11.0
Gross	\$0	\$841,900
GF/GP	\$0	\$841,900

3. SADO Caseload Increase

Includes \$228,600 GF/GP and authorization for 2.0 FTE positions for SADO's public defense division to provide representation for an increased number of clients appealing convictions they received after trial.

FTE	51.0	2.0
Gross	\$8,143,400	\$228,600
Federal	343,500	0
Private	85,900	0
Restricted	92,300	0
GF/GP	\$7,621,700	\$228,600

JUDICIARY

Major Budget Changes from FY 2018-19 YTD Appropriations		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
4. Online Dispute Resolution Services		Gross	\$2,815,800
Includes \$450,000 GF/GP for expanding availability of online dispute resolution for small claims and landlord/tenant cases. In addition, funding will be used to pilot the use of online dispute resolution services to resolve certain domestic relations and youth-related issues and to prevent rental eviction.		Restricted	0
		GF/GP	\$450,000
5. Pretrial Risk Assessment		FTE	1.0
Includes \$325,700 of one-time GF/GP and authorization for 1.0 FTE position for continued improvement and development of the pretrial risk assessment tool. Funding will be used to collect, analyze, and interpret pretrial court data, provide technical assistance, conduct trainings on pretrial best practices, establish pretrial metrics and performance measures, and improve technological resources and data integration reports.		Gross	\$0
		GF/GP	\$325,700
6. Judicial Tenure Commission		Gross	\$200,000
Includes \$200,000 GF/GP (\$100,000 one-time, \$100,000 ongoing) for additional staff resources to handle a backlog of cases, which is due to an increase in the number of formal complaints and increasingly complex cases.		GF/GP	\$200,000
7. Judgeship Changes		Gross	NA
Reflects a net savings of \$451,900 GF/GP from the following changes in judgeships: elimination of 2.0 Court of Appeals judges (2012 PA 40); elimination of 2.0 district court judges (2018 PA 6); and establishment of 3.0 circuit court judges (2014 PA 56, 2014 PA 57, and 2018 PA 6). The net savings amount is a result of the effective dates of the judgeship changes.		Restricted	15,600
		GF/GP	(\$451,900)
8. Partial Replacement of Reduced Federal Revenue		Gross	\$0
Includes \$280,000 in additional general fund revenue to partially offset the reduction in federal funding granted by the U.S. Department of Transportation, National Highway Traffic Safety Administration, for drug treatment court programs. The reduction in federal funding was effective October 1, 2019.		IDG	0
		Federal	(280,000)
		Restricted	0
		GF/GP	\$280,000
9. Reduce Funding for Swift and Sure		Gross	(\$400,000)
Reduces funding for the Swift and Sure Sanctions Probation Program by \$400,000 GF/GP based on historical year-end lapses.		Restricted	0
		GF/GP	(\$400,000)
10. Funding and FTE Adjustment for SADO		FTE	2.0
Includes authorization for SADO to receive an additional \$75,000 in state restricted revenue from the Michigan Indigent Defense Commission for subscriptions to Criminal Defense Resource Center services for court appointed attorneys. Also, includes authorization for an additional 2.0 FTE positions that will be funded by a federal grant that SADO anticipates receiving from the U.S. Department of Justice.		Gross	\$75,000
		Federal	0
		Private	0
		Restricted	75,000
		GF/GP	\$0
11. Funding Adjustment for Statewide E-Filing System		Gross	\$1,676,100
Increases state restricted fund source authorization by \$1.7 million to allow receipt of additional Electronic Filing Fee Fund revenue. Revenue is available due to expanded use of the system and a corresponding increase in the amount of fees paid by users.		Restricted	1,676,100
		GF/GP	\$0
12. Expansion of Problem Solving Courts – VETOED		Gross	\$0
Governor vetoed \$348,600 of one-time GF/GP funding for expansion of problem solving courts.		GF/GP	\$0

<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>		<u>FY 2018-19 Year-to-Date (as of 3/5/19)</u>	<u>FY 2019-20 Enacted Change</u>
13. Kalamazoo County Trauma Court	Gross	\$0	\$250,000
Includes \$250,000 GF/GP for Kalamazoo County prosecutors to hire an assistant prosecutor who specializes in trauma for prosecution of offenders, and for providing intervention and treatment services to offenders and referral services for victims.	GF/GP	\$0	\$250,000
14. Removal of Current Year One-Time Funding	FTE	11.0	(11.0)
Reduces the budget by \$1.8 million GF/GP and 11.0 FTE positions to reflect removal of one-time funding and FTE positions included in the FY 2018-19 budget. Items removed include \$700,000 and 11.0 FTE positions for SADO to ensure compliance with the U.S. Supreme Court ruling on the <i>Montgomery v Louisiana</i> case, \$750,000 for expansion of problem solving courts, \$305,700 for pretrial risk assessment, and \$75,000 for the Youthful Sex Offender Treatment pilot program.	Gross	\$1,830,700	(\$1,830,700)
	GF/GP	\$1,830,700	(\$1,830,700)
15. Economic Adjustments	Gross	NA	\$3,325,000
Reflects increased costs of \$3.3 million Gross (\$3.1 million GF/GP) for negotiated salary and wage increases (2.0% ongoing, 2.0% lump sum), insurance rate increases, actuarially required retirement contributions, worker's compensation premium costs, building occupancy charges, and rent.	IDG	NA	400
	Federal	NA	41,000
	Local	NA	79,700
	Private	NA	12,700
	Restricted	NA	49,800
	GF/GP	NA	\$3,141,400

Major Boilerplate Changes from FY 2018-19

Sec. 215. Disciplinary Action Against State Employees – RETAINED (UNENFORCEABLE)

Prohibits the judicial branch from taking disciplinary action against employees for communicating with legislators or their staff. (*Governor's signing letter states this section is unenforceable.*)

Sec. 216. Input on Foster Care Cases – RETAINED (UNENFORCEABLE)

Expresses legislative intent that judges presiding over hearings on foster care cases publicly acknowledge and request input from foster parent(s) during hearings. (*Governor's signing letter states this section is unenforceable.*)

Sec. 217. Changes to Foster Care Family Service Plans – RETAINED (UNENFORCEABLE)

Expresses legislative intent that judges presiding over foster care cases provide explanations in court records for any changes made to foster care family service plans. (*Governor's signing letter states this section is unenforceable.*)

Sec. 306. Collected and Uncollected Payments and Fees – DELETED

Requires SCAO to provide a statistical report, categorized by county, on collected and uncollected amounts of restitution payments, court fees, and other judgements placed on people within the counties.

Sec. 316. Pretrial Risk Assessment – REVISED

Requires SCAO to pilot a pretrial risk assessment tool in an effort to provide relevant information to judges so they can make evidence-based bond decisions; requires SCAO to report on the progress made toward implementing the tool and associated costs. Revised to require SCAO to continue piloting the pretrial risk assessment tool, and to require the report to include an assessment of the effectiveness of the pretrial risk assessment tool pilot program, the failure to appear rate for each type of bond, plans to expand use of the assessment tool, and details on expenditures.

Sec. 320. Swift and Sure Sanctions Program – REVISED

Requires SCAO to administer the Swift and Sure Sanctions Probation program; authorizes SCAO to expend \$100,000 of the appropriation to pay for employee costs associated with administration of the program; reserves \$500,000 for programs in counties that had more than 325 individuals sentenced to prison in the previous calendar year; requires SCAO to work with the Department of Corrections to report on courts receiving funding, number of offenders participating, criminal history of offenders, recidivism rates, and parameters of the program. Revised reporting requirements to include a list of courts participating in the program, and an accounting of expenditures.

JUDICIARY

Major Boilerplate Changes from FY 2018-19

Sec. 325. Kalamazoo County Trauma Court – NEW

Requires funding to be used for the Kalamazoo County office of the prosecuting attorney to hire an assistant prosecutor who specializes in trauma for prosecution of offenders and for providing intervention and treatment services to offenders and referral services for victims; requires the court to focus on deterrence of offenders; requires intervention services to be supplemented by trauma treatment and addiction services; requires a report on outcomes of the trauma court to include performance measures, the number of individuals served, the outcomes of participants who complete the program, and recommendations on how the state can hold offenders accountable while rehabilitating them with treatment.

Sec. 403. Youthful Sex Offender Treatment Pilot Program – DELETED

Requires funding allocated to Kent County to be used for assessing sex offenders, between the ages of 17 and 24, for risk, and for providing treatment to eligible offenders; specifies that the duration of treatment will be determined by and will depend on the assessment-based level of identified risk; requires victim approval of offenders' enrollment in the program.

Sec. 403. Veterans Court Participants' Compliance with Mental Health Treatment – NEW (VETOED)

Requires SCAO to create a pilot program that investigates the effectiveness of saliva testing to determine compliance with prescribed mental health medications and other treatments; authorizes \$20,000 to be used to cover costs of saliva testing.

Sec. 1201. Anticipated FY 2018-19 Appropriations – DELETED

Expresses legislative intent that FY 2018-19 appropriations are to be funded at the same level as FY 2017-18 appropriations, but adjusted for changes in caseloads, federal fund match rates, economic factors, and available revenues.

<u>FY 2018-19 Supplemental Appropriation (PA 56)</u>		<u>FY 2018-19 YTD (as of 3/5/19)</u>	<u>FY 2018-19 Supplemental Change</u>
1. Statewide e-File System Expansion	Gross	\$8,511,700	\$1,250,000
Increases state restricted fund source authorization by \$1.3 million to allow receipt of additional Electronic Filing Fee Fund revenue. Revenue is available due to expanded use of the system and a corresponding increase in the amount of fees paid by users.	Restricted	8,511,700	1,250,000
	GF/GP	\$0	\$0

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
Summary of FY 2019-20 Enacted with Vetoes and Ad Board Transfers
Public Act 60 of 2019 (House Bill 4239)

Analyst: Marcus Coffin

	FY 2018-19 YTD as of 3/5/19	FY 2019-20 Executive	FY 2019-20 House	FY 2019-20 Senate	FY 2019-20 Conference	FY 2019-20 Enacted	Difference: Enacted From FY 2018-19 YTD	
							Amount	%
IDG/IDT	\$48,414,300	\$49,014,200	\$48,496,100	\$49,014,200	\$49,014,200	\$49,014,200	\$599,900	1.2
Federal	91,213,900	91,988,300	95,210,100	95,852,500	91,988,300	91,988,300	774,400	0.8
Local	300,000	100,000	100,000	100,000	100,000	100,000	(200,000)	(66.7)
Private	111,800	111,800	251,800	251,800	111,800	111,800	0	0.0
Restricted	276,471,400	300,439,000	295,188,500	303,125,900	301,049,000	301,049,000	24,577,600	8.9
GF/GP	135,845,300	124,355,700	123,228,000	123,520,440	\$124,030,700	\$124,030,700	(11,814,600)	(8.7)
Gross	\$552,356,700	\$566,009,000	\$562,474,500	\$571,864,840	\$566,294,000	\$566,294,000	\$13,937,300	2.5
FTEs	2,384.8	2,387.8	2,403.8	2,403.8	2,385.8	2,385.8	1.0	0.0

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Appropriation figures do not include supplemental appropriations in 2019 PA 154 (see Appendix II).

Overview

The Department of Licensing and Regulatory Affairs (LARA) is the state's primary regulatory agency. The department oversees regulation across a variety of areas, including commercial and occupational activities, construction and fire safety, health care and human services, energy and public utilities, liquor control, and marijuana. Agencies within LARA are responsible for implementing and enforcing workers' compensation requirements, occupational safety and health standards, and labor and wage laws, in addition to providing vocational rehabilitation services for the blind and coordinating employment services for immigrants. Entities within LARA also conduct and adjudicate administrative hearings, provide support for several commissions, and administer multiple grant programs, including Michigan Indigent Defense Commission grants.

Major Budget Changes from FY 2018-19 YTD Appropriations

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
1. 2018 Initiated Law 1 – Veterans Treatment Research	Gross	NA	\$20,000,000
Includes \$20.0 million in restricted funding from the Marijuana Regulation Fund to support clinical trials (approved by the FDA and sponsored by non-profit organizations or researchers within academic institutions) researching the efficacy of marijuana for treatment of medical conditions afflicting veterans and for preventing veteran suicide, in accordance with the Michigan Regulation and Taxation of Marijuana Act (2018 IL 1).	Restricted	NA	20,000,000
	GF/GP	NA	\$0
2. Recreational Marijuana Regulation	FTE	NA	30.0
Includes \$6.0 million in restricted funding from the Marijuana Regulation Fund and authorization for 30.0 FTE positions for the department's activity related to licensing entities and otherwise regulating the recreational marijuana market, in accordance with 2018 IL 1. Approximately \$4.5 million Gross will be allocated for salaries, wages, and fringe benefits, with the remainder being allocated for other costs, including information technology and contractual services.	Gross	NA	\$6,000,000
	Restricted	NA	6,000,000
	GF/GP	NA	\$0
3. Michigan Indigent Defense Commission Grants Reduction	Gross	\$86,850,100	(\$5,850,400)
Reduces funding by \$5.9 million GF/GP to reflect one-time costs that were included in FY 2018-19 grant awards to local funding units for compliance with MIDC standards 1-4. One-time costs in the FY 2018-19 grant awards included construction and facility renovation costs and equipment expenses.	Local	200,000	0
	Restricted	100	0
	GF/GP	\$86,650,000	(\$5,850,400)

LICENSING AND REGULATORY AFFAIRS

<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
4. First Responder Presumed Coverage Fund Removal		Gross	\$5,445,000
Removes \$5.4 million in First Responder Presumed Coverage Fund restricted funding from the First Responder Presumed Coverage Fund Claims and Workers' Compensation Agency line items, but includes \$250,000 GF/GP for the First Responder Presumed Coverage Fund Claims line item. The removal reflects the elimination of the 3% excise tax on medical marihuana provisioning center sales via 2018 Initiated Law 1, because that excise tax served as the primary funding source for the First Responder Presumed Coverage Fund.		Restricted	(5,445,000)
		GF/GP	\$250,000
5. Office for New Americans – Unaccompanied Refugee Minors		FTE	9.0
Includes \$3.8 million in federal funding for the Michigan Office for New Americans to increase service capabilities of providers assisting unaccompanied refugee minors. Services offered by the providers include foster care, independent living, treatment, and residential placement.		Gross	\$25,449,700
		Federal	3,790,900
		GF/GP	\$480,200
6. Medical Marihuana Right-Sizing		FTE	108.0
Includes \$900,000 in restricted funding from the Marihuana Regulatory Fund and a reduction of 13.0 FTE positions to align departmental resources with anticipated ongoing administrative, licensing, and enforcement activities related to medical marihuana licensing and regulation.		Gross	\$10,000,000
		Restricted	900,000
		GF/GP	\$0
7. Refugee Services Database		Gross	NA
Includes \$520,000 in federal funding for the Michigan Office for New Americans to develop a refugee services database that will be used for data monitoring to streamline federal grant reporting requirements.		Federal	520,000
		GF/GP	\$0
8. Bureau of Fire Services Awards		FTE	78.0
Increases federal funding for the Bureau of Fire Services by \$500,000 to recognize federal awards related to community risk reduction.		Gross	\$11,175,500
		Federal	500,000
		Restricted	0
		GF/GP	\$3,812,000
9. Child Care Restricted Funding		Gross	NA
Includes \$500,000 in restricted funding to recognize revenues that are anticipated to be collected from child day care centers and child day care homes for licensing and regulation, pursuant to 2017 PA 258.		Restricted	500,000
		GF/GP	\$0
10. Adult Foster Care Restricted Funding		Gross	NA
Includes \$410,000 in restricted funding to recognize revenues that are anticipated to be collected from adult foster care facilities for licensing and regulation, pursuant to 2018 PA 557.		Restricted	410,000
		GF/GP	\$0
11. Firefighter Training Grants Enhancement		Gross	\$2,000,000
Includes \$300,000 in restricted funding for enhancements to Firefighter Training Grants that would be disbursed on a county basis for reimbursements for Michigan Firefighters' Training Council-approved courses related to mental health and community risk reduction.		Restricted	300,000
		GF/GP	\$0
12. Bureau of Fire Services Testing Support		FTE	78.0
Includes \$289,900 in restricted funding and authorization for 1.0 FTE position to implement new fire service testing requirements and to conduct quality assurance audits on training coordinators, in accordance with 2017 PA 144.		Gross	\$11,175,500
		Federal	0
		Restricted	289,900
		GF/GP	\$3,812,000

LICENSING AND REGULATORY AFFAIRS

<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
13. Michigan Indigent Defense Commission – AD BOARD TRANSFER	FTE	16.0	0.0
Ad Board transferred \$205,200 GF/GP from other line items to the Michigan Indigent Defense Commission line item.	Gross	\$2,420,700	\$205,200
	GF/GP	\$2,420,700	\$205,200
14. Light-Duty Zero Emission Vehicle Supply Equipment Program	FTE	NA	1.0
Includes \$140,000 in private funding and authorization for 1.0 FTE position to support the Light-Duty Zero Emission Vehicle Supply Equipment Program, pursuant to the Volkswagen Settlement Beneficiary Mitigation Plan. The funding would be used to analyze investments in public charging stations for electric vehicles.	Gross	NA	\$140,000
	Private	NA	140,000
	GF/GP	NA	\$0
15. Workers' Compensation Agency – AD BOARD TRANSFER	FTE	56.0	0.0
Ad Board transferred \$91,000 in Corporation Fees from the Urban Search and Rescue line item to the Workers' Compensation Agency line item.	Gross	\$8,177,000	\$91,000
	Restricted	4,742,200	91,000
	GF/GP	\$3,434,800	\$0
16. Bureau of Construction Codes – AD BOARD TRANSFER	FTE	182.0	0.0
Ad Board transferred \$261,900 GF/GP from the Bureau of Construction Codes line item to other line items, and transferred \$289,500 in Corporation Fees from the Urban Search and Rescue line item to the Bureau of Construction Codes line item.	Gross	\$23,839,300	\$27,600
	Restricted	23,054,400	289,500
	GF/GP	\$784,900	(\$261,900)
17. Bureau of Professional Licensing – AD BOARD TRANSFER	FTE	206.0	0.0
Ad Board transferred \$24,300 GF/GP from other line items to the Bureau of Professional Licensing.	Gross	\$39,834,200	\$24,300
	Restricted	38,575,700	0
	GF/GP	\$1,258,500	\$24,300
18. Bureau of Fire Services Increase	FTE	78.0	0.0
Includes an additional \$20,000 GF/GP for the Bureau of Fire Services line item.	Gross	\$11,175,500	\$20,000
	Federal	942,400	0
	Restricted	6,421,100	0
	GF/GP	\$3,812,000	\$20,000
19. Michigan Office of Administrative Hearings and Rules – AD BOARD TRANSFER	FTE	218.0	0.0
Ad Board transferred \$15,000 in Corporation Fees from the Urban Search and Rescue line item to the Michigan Office of Administrative Hearings and Rules line item.	Gross	\$38,607,100	\$15,000
	IDG/IDT	25,561,600	0
	Federal	153,900	0
	Restricted	12,195,800	15,000
	GF/GP	\$695,800	\$0
20. Unclassified Salaries – AD BOARD TRANSFER	FTE	57.5	0.0
Ad Board transferred \$11,000 in Corporation Fees from the Urban Search and Rescue line item to the Unclassified Salaries line item.	Gross	\$5,107,700	\$11,000
	IDG/IDT	601,100	0
	Federal	35,500	0
	Restricted	4,211,500	11,000
	GF/GP	\$259,600	\$0
21. Marihuana Education	Gross	NA	\$10,000
Includes \$10,000 in restricted funding from the Marihuana Regulation Fund for the production of educational materials to inform consumers about potential effects of using marihuana.	Restricted	NA	10,000
	GF/GP	NA	\$0
22. Urban Search and Rescue – AD BOARD TRANSFER	Gross	NA	\$100
Ad Board transferred \$599,900 of Corporation Fees from the Urban Search and Rescue line item to the Unclassified Salaries (\$11,000), Information Technology Services and Projects (\$193,400), Workers' Compensation Agency (\$91,000), Michigan Office of Administrative Hearings and Rules (\$15,000), and Bureau of Construction Codes (\$289,500) line items.	Restricted	NA	100
	GF/GP	NA	\$0

LICENSING AND REGULATORY AFFAIRS

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>			
23. Executive Revision 2020-1	FTE	NA	(17.0)
Reflects changes included in ER 2020-1, including internal net-zero restructuring of a Marijuana Regulatory Agency FTE and restructuring of the Michigan Unarmed Combat Commission; the transfer of Michigan Agency for Energy funding to the Department of Environment, Great Lakes, and Energy; and the receipt of funding and FTE authorization for the transfer of the Office of Regulatory Reinvention.	Gross	NA	(\$6,603,500)
	Federal	NA	(3,864,200)
	Private	NA	(140,000)
	Restricted	NA	(2,686,900)
	GF/GP	NA	\$87,600
24. Michigan Office for New Americans – AD BOARD TRANSFER	FTE	9.0	0.0
Ad Board transferred \$500 GF/GP from other line items to the Michigan Office for New Americans line item.	Gross	\$25,449,700	\$500
	Federal	24,969,500	0
	GF/GP	\$480,200	\$500
25. Bureau of Community and Health Systems Unroll – AD BOARD TRANSFER	Gross	NA	\$128,500
Ad Board transferred funding from the Adult Foster Care and Camps Licensing and Regulation, Childcare Licensing and Regulation, Health Facilities Regulation, and Nurse Aide Program line items to the Bureau of Community and Health Systems Administration line item, and transferred \$128,500 GF/GP from other line items to the Bureau of Community and Health Systems Administration line item.	IDG/IDT	NA	0
	Federal	NA	0
	Restricted	NA	0
	GF/GP	NA	\$128,500
26. Technical Adjustments	FTE	NA	(1.0)
Reduces funding by \$7.1 million Gross (\$6.4 million GF/GP) to reflect the removal of FY 2018-19 supplemental appropriations and legislative transfers, incorporates funding alignments and net-to-zero funding shifts, and reduces Wage and Hour Program FTE authorization by 3.0 positions and increases Liquor Licensing and Enforcement and Management Support Services FTE authorization by 1.0 position.	Gross	NA	(\$7,088,200)
	Federal	NA	(952,400)
	Local	NA	(200,000)
	Restricted	NA	439,200
	GF/GP	NA	(\$6,375,000)
27. Economic Adjustments	Gross	NA	\$5,083,400
Reflects increased costs of \$5.1 million Gross (\$443,000 GF/GP) for negotiated salary and wage increases (2.0% ongoing, 2.0% lump sum), actuarially required retirement contributions, worker’s compensation premiums, building occupancy charges, and other economic adjustments.	IDG/IDT	NA	599,900
	Federal	NA	780,100
	Restricted	NA	3,260,400
	GF/GP	NA	\$443,000
28. Administrative Efficiencies	Gross	NA	(\$293,100)
Includes GF/GP reductions of \$293,100 from 7 separate line items.	IDG/IDT	NA	0
	Federal	NA	0
	Restricted	NA	0
	GF/GP	NA	(\$293,100)
29. Information Technology – AD BOARD TRANSFER	Gross	\$21,815,300	\$100
Ad Board transferred \$96,600 GF/GP from the Information Technology Services and Projects line item to other line items and transferred \$193,400 in Corporation Fees from the Urban Search and Rescue line item to the Information Technology Services and Projects line item.	Federal	2,728,300	0
	Restricted	17,664,500	193,400
	GF/GP	\$1,422,500	(\$193,300)

Major Boilerplate Changes from FY 2018-19

Sec. 210. Contingency Funding – REVISED

Appropriates federal, state restricted, local, and private contingency funds of up to \$36.5 million total, available for expenditure when transferred to a line item through the legislative transfer process. Revises to reduce contingency funding to \$1.0 million federal, \$1.5 million state restricted, \$200,000 local, and \$100,000 private.

Major Boilerplate Changes from FY 2018-19

Sec. 216. Communication with the Legislature – RETAINED (UNENFORCEABLE)

Prohibits LARA from taking disciplinary action against an employee for communicating with a member of the legislature or his or her staff. (*Signing letter states section is unenforceable.*)

Sec. 217. Television and Radio Productions – REVISED

Prohibits LARA from developing or producing television or radio productions. Revises to only prohibit contracting with third-party vendors for the production of television and radio productions.

Sec. 226. Regulatory and Statistical Report – REVISED

Requires LARA to submit an annual report that specifies and summarizes statistical information pertaining to fees, revenues, expenditures, application determinations, timeliness, examinations, complaints, investigations, enforcement actions, administrative hearings, and adjudications for each regulatory product administered by LARA. Revises to include the Marijuana Regulatory Agency as a reporting entity and to require information for the three previous fiscal years.

Sec. 302. Fast Charging Siting Study – DELETED

Requires the Michigan Agency for Energy, in cooperation with the Public Service Commission and MDOT, to prepare a study assessing statewide optimal siting locations for fast charging stations; includes study content requirements.

Sec. 509. Regulatory Fees on Child and Adult Care Facilities – DELETED

Requires LARA to assess and collect fees on child care and adult foster care organizations in accordance with existing legislation; requires the department to report these collections to the fiscal agencies.

Sec. 512. Medical Marijuana Facilities Licensing and Tracking Report – REVISED

Requires that LARA submit a report providing information regarding licensing under and revenues from the Medical Marijuana Facilities Licensing and Tracking Program. Revises to include the Michigan Regulation and Taxation of Marijuana Act in the report and to include data on license renewals.

Sec. 513. Medical Marijuana Community Impact Statements – NEW (PARTIALLY UNENFORCEABLE)

Includes language with subsection (1) requiring LARA to submit a report on the addresses of facilities licensed under the Medical Marijuana Facilities Licensing Act and the Michigan Regulation and Taxation of Marijuana Act; and subsection (2) requiring LARA to work with local units, upon written request, to prepare community impact statements for communities with three or more licensed facilities and stipulates what must be contained in the impact statement; requires neighbor responsibility plans in certain instances. (*Signing letter states subsection 2 is unenforceable.*)

Sec. 514. Occupational Regulation Complaints Reports – NEW

Includes language requiring bureaus in the occupational regulation appropriation unit to submit reports regarding complaints received; establishes requirements for report contents.

Sec. 515. Substance Abuse Treatment Licensure Activities – NEW (UNENFORCEABLE)

Stipulates requirements that substance use disorder programs must meet in order to be licensed. (*Signing letter states section is unenforceable.*)

Sec. 803. Michigan Indigent Defense Commission Performance Metrics and Report – DELETED

Requires MIDC to implement a performance metrics system assessing provision of indigent defense services and requires a report on metrics.

Sec. 803. Ethnic Affairs Commission Report – REVISED

Requires Michigan Office for New Americans to coordinate with the three ethnic affairs commissions to produce a report detailing the commissions' activities. Revises to include data on number of persons the commissions assisted with hurdles the commissions have identified and to include attendance figures for commission events.

Sec. 805. Michigan Office for New Americans Report – NEW

Includes language requiring the Michigan Office for New Americans to report on education and workforce training programs that the office has conducted, statistics for how many people the office has assisted navigating the immigration system, and a description of activities for talent attraction and retention.

Sec. 1001. Marijuana Educational Materials – NEW

Includes language requiring the Marijuana Regulatory Agency to use funds appropriated to produce and distribute materials to inform children and young adults of risks associated with marijuana use.

LICENSING AND REGULATORY AFFAIRS

<u>FY 2018-19 Supplemental Appropriation (PA 56)</u>		<u>FY 2018-19 YTD (as of 3/5/19)</u>	<u>FY 2018-19 Supplemental Change</u>
1. Child Care Restricted Funding	Gross	NA	\$500,000
Authorizes receipt of an additional \$500,000 in fee revenue anticipated to be collected from child day care centers and child day care homes for licensing and regulation pursuant to 2017 PA 258.	Restricted	NA	500,000
	GF/GP	NA	\$0

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
Summary of FY 2019-20 Enacted with Vetoes and Ad Board Transfers
Public Act 54 of 2019 (Senate Bill 144)

Analyst: Michael Cnossen

	FY 2018-19 YTD as of 3/5/19	FY 2019-20 Executive	FY 2019-20 House	FY 2019-20 Senate	FY 2019-20 Conference	FY 2019-20 Enacted	Difference: Enacted From FY 2018-19 YTD	
							Amount	%
IDG/IDT	\$101,800	\$101,800	\$101,800	\$101,800	\$101,800	\$101,800	\$0	0.0
Federal	98,170,200	106,177,200	106,130,200	106,177,200	106,177,200	106,177,200	8,007,000	8.2
Local	1,545,400	0	0	0	0	0	(1,545,400)	(100.0)
Private	630,000	630,000	630,000	630,000	630,000	630,000	0	0.0
Restricted	23,279,500	23,908,600	23,503,700	23,908,600	23,908,600	23,908,600	629,100	2.7
GF/GP	75,912,400	70,284,900	72,082,200	74,379,900	73,800,000	69,247,500	(6,664,900)	(8.8)
Gross	\$199,639,300	\$201,102,500	\$202,447,900	\$205,197,500	\$204,617,600	\$200,065,100	\$425,800	0.2
FTEs	921.5	933.5	933.5	933.5	933.5	933.5	12.0	1.3

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Appropriation figures do not include supplemental appropriations in 2019 PA 154 (see Appendix II).

Overview

The Department of Military and Veterans Affairs provides for the operations of the Michigan National Guard in support of the military and security needs of the state and the federal government. The department, through the Michigan Veterans Affairs Agency, also oversees state programs for veterans, including the state's veterans' homes, grants to veterans service organizations, and the Michigan Veterans Trust Fund.

		FY 2018-19 Year-to-Date (as of 3/5/18)	FY 2019-20 Enacted Change
Major Budget Changes from FY 2018-19 YTD Appropriations			
1. CMS Certification Revenue Adjustment		Gross	\$23,687,200
Authorizes an increase of \$1.8 million in federal funds and a reduction of \$900,000 GF/GP to reflect a net increase of \$900,000 Gross in anticipated federal revenue following Centers for Medicare/Medicaid Services certification of facilities at the D.J. Jacobetti Home for Veterans.	Federal	8,516,300	1,800,000
	Restricted	5,157,300	0
	GF/GP	\$10,013,600	(\$900,000)
2. IT User Service Rate Change		Gross	\$1,407,000
Includes \$105,000 GF/GP to reflect adjusted DTMB IT service charges, which now include user fees in addition to desktop fees, which has raised service costs to the department due to an exceptionally high number of users.	Federal	579,000	0
	Restricted	419,400	0
	GF/GP	\$408,600	\$105,000
3. Selfridge Air Base	FTE	203.0	12.0
Includes \$400,000 GF/GP and 12.0 FTE positions required to receive federal match funding of 75%, or \$1.2 million federal, for personnel and maintenance at Selfridge Air National Guard Base. Authorization of federal funds is already available for this line.	Gross	\$36,411,300	\$400,000
	Federal	31,002,800	0
	Restricted	1,567,800	0
	GF/GP	\$3,840,700	\$400,000
4. Military Retirement Transfer from DTMB to DMVA	Gross	NA	\$5,244,800
Transfers \$5.2 million GF/GP from DTMB to the department for military retirement payment obligations.	GF/GP	NA	\$5,244,800
5. Military Retirement Payment Reduction	Gross	NA	(\$4,244,800)
Decreases retirement payment obligations by \$4.2 million GF/GP based on updated actuarial assumptions following a lump-sum payment of \$35.8 million appropriated in 2018 PA 618 to reduce the unfunded actuarial accrued liability for pensions.	GF/GP	NA	(\$4,244,800)

MILITARY AND VETERANS AFFAIRS

		FY 2018-19 Year-to-Date (as of 3/5/18)	FY 2019-20 Enacted Change
<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>			
6. Land and Acquisitions Increase	Gross	\$2,900,000	\$400,000
Increases authorization for land acquisitions and appraisals by \$400,000 in state restricted funding should land become available.	Restricted	2,900,000	400,000
	GF/GP	\$0	\$0
7. Youth ChalleNge Academy SAF Shift	FTE	50.0	0.0
Replaces \$1.6 million of funding from the School Aid Fund (SAF) for the at-risk youth education and job placement program with \$1.6 million GF/GP to align use of SAF funding with more traditional K-12 education spending.	Gross	\$6,023,000	\$0
	Federal	2,970,300	0
	Local	1,545,400	(1,557,800)
	Private	90,000	0
	GF/GP	\$1,417,300	\$1,557,800
8. County Veterans Services Targeted Grants	Gross	\$200,000	(\$200,000)
Eliminates \$200,000 GF/GP for grants to counties for targeted outreach to veterans who may not be connected to Veterans Service Organizations and for software costs for claims management.	GF/GP	\$200,000	(\$200,000)
9. Federal and State Restricted Alignment with Available Revenues	Gross	NA	\$5,527,800
Authorizes \$5.5 million Gross to align restricted and federal funding authorizations with available revenues. Authorizations include \$3.0 million federal for the Headquarters and Armories line, \$1.5 million federal for the Michigan Youth ChalleNge Academy line, \$1.0 million federal for the Military Training Sites and Support Facilities line, and \$27,800 state restricted for the Grand Rapids Home for Veterans. The increase recognizes available funds previously appropriated through contingency fund transfers.	Federal	NA	5,500,000
	Restricted	NA	27,800
	GF/GP	NA	\$0
10. Removal of One-Time Appropriations	Gross	\$5,875,000	(\$4,875,000)
Eliminates \$5.9 million GF/GP of one-time funding appropriated in FY 2018-19. These items are \$600,000 for an outreach program to connect Vietnam Era veterans with USDVA benefits, \$275,000 for an in-room video monitoring pilot program at the Grand Rapids Home for Veterans, \$500,000 for maintenance costs at Camp Grayling, and \$2.5 million for the National Guard Tuition Assistance Fund. Retains \$1.0 million for armory sustainment, restoration, and modernization and appropriates it as ongoing funding.	GF/GP	\$5,875,000	(\$4,875,000)
11. Armory Sustainment, Restoration, and Modernization	Gross	\$1,000,000	\$65,100
Includes \$65,100 for armory maintenance projects for sustainment, restoration, and modernization as one-time funding.	GF/GP	\$1,000,000	\$65,100
12. FTE Transfers from Grand Rapids Home for Veterans	FTE	NA	0.0
Transfers 22.5 FTE positions to the D.J. Jacobetti Home for Veterans and 3.0 FTE positions to the Veterans Facility Authority from the Grand Rapids Home for Veterans to align FTE positions with department operations for a net change of 0.0 FTE positions. The Grand Rapids Home for Veterans has excess FTE position authorization because of decreasing residents and staffing needs at the home.	Gross	NA	\$0
	GF/GP	NA	\$0
13. County Veteran Service Fund – VETOED	Gross	\$4,200,000	(\$4,200,000)
Governor vetoed \$4.0 million GF/GP provided by the legislature for grants to counties for veteran services, which include advocacy, advice, and assistance with obtaining eligible benefits, for a net reduction of \$4.2 million GF/GP.	GF/GP	\$4,200,000	(\$4,200,000)
14. Buddy-to-Buddy Veterans Program Placeholder – VETOED	Gross	\$0	\$0
Governor vetoed \$250,000 GF/GP added by the legislature for the volunteer peer-to-peer program, developed in partnership with the Michigan Army National Guard, that offers support and resources for Michigan service members and veterans.	GF/GP	\$0	\$0

MILITARY AND VETERANS AFFAIRS

<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>		<u>FY 2018-19 Year-to-Date (as of 3/5/18)</u>	<u>FY 2019-20 Enacted Change</u>
15. Veterans Benefits Eligibility Study – VETOED	Gross	NA	\$0
Governor vetoed \$250,000 GF/GP added by the legislature for a study on developing a program to assess the number of veterans receiving Medicaid benefits who are eligible to receive USDVA benefits.	GF/GP	NA	\$0
16. National Guard Uniform Update – VETOED	Gross	NA	\$0
Governor vetoed \$50,000 GF/GP added by the legislature for the fielding and issuing of aircrew combat uniforms with the updated operational camouflage pattern to replace the discontinued camouflage pattern uniforms.	GF/GP	NA	\$0
17. Military Cemetery Feasibility Study – VETOED	Gross	NA	(\$2,500)
Governor vetoed \$2,500 GF/GP from the MVAA Administration line, for a feasibility study related to assessing the need and cost of establishing a veterans cemetery in the Upper Peninsula as required by the legislature.	GF/GP	NA	(\$2,500)
18. Economic Adjustments	Gross	NA	\$1,305,400
Reflects increased costs of \$1.3 million Gross (\$384,700 GF/GP) for negotiated salary and wage increases (2.0% ongoing, 2.0% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	Federal	NA	707,000
	Local	NA	12,400
	Restricted	NA	201,300
	GF/GP	NA	\$384,700

Major Boilerplate Changes from FY 2018-19

Sec. 210. Contingency Funding – REVISED

Contains authorization for up to \$12.0 million in federal, \$3.0 million in state restricted, \$500,000 in local, and \$100,000 in private contingency funds; authorizes expenditures of the funds only after legislative transfer to specific line items. Revised by appropriating up to \$8.6 million in federal, \$1.1 million in state restricted, \$250,000 in local, and \$100,000 in private contingency funds, which are non-GF/GP revenues that become available during the year.

Sec. 215. Disciplinary Action Against State Employees – RETAINED (UNENFORCEABLE)

Prohibits departments from taking disciplinary action against employees for communicating with legislators or their staff. *(Signing letter states section is unenforceable.)*

Sec. 216. Quarterly Reporting on Achieving Requirements – REVISED

Requires the department to provide quarterly reports on the status of work projects, its financial status, evidence of efficiencies, corrective action plans for requirements not achieved, the department's performance against metrics stated in the act, and employment levels. Revises by requiring biannual reports and retaining the requirement to report the number of active employees by job classification and program.

Sec. 301. Unclassified Positions – REVISED (UNENFORCEABLE)

Lists titles of unclassified positions currently in the department; requires the department to notify the subcommittees prior to submitting requests for additional unclassified positions or requests for substantive changes to the duties of existing unclassified positions. Revises by eliminating the list of authorized position titles. *(Signing letter states subsection 2, relating to notifying the subcommittees prior to submitting requests for additional unclassified positions, is unenforceable.)*

Sec. 307. National Guard Tuition Assistance Program – REVISED

Requires DMVA to establish and maintain a tuition assistance program for members of the Michigan National Guard; states the program's objectives and performance metrics. Revises performance metric by establishing a goal of 55%, or the current graduation rate of students at four-year universities in Michigan, whichever is higher, of National Guard members having received a credential or who are still enrolled in the Tuition Assistance Program after their initial term of enlistment. Revises by requiring a report on program participation, the average amount of financial assistance received, total funds spent, unmet tuition needs, denied applications, educational institutions no longer eligible, and barriers to successful utilization of funds.

MILITARY AND VETERANS AFFAIRS

Major Boilerplate Changes from FY 2018-19

Sec. 402(15). Grand Rapids Home for Veterans (GRHV) and D.J. Jacobetti Home for Veterans (DJJHV) Service and Care Requirements – REVISED

Requires the GRHV and DJJHV to meet applicable standards of care as provided under listed federal and state legal authorities; specifies standards around issues concerning psychiatric care, the monitoring of comprehensive care plans, supply inventory, pharmaceutical inventory, controls over donated goods and money, and the personal funds of residents. Revises by requiring funds of residents who have left the home to be released within 15 calendar days after leaving the home instead of 3 business days and requiring a full accounting of a resident's funds to be sent to a representative of that resident within 30 calendar days of the resident member's death instead of 10 business days.

Sec. 402(20). Grand Rapids Home for Veterans (GRHV) and D.J. Jacobetti Home for Veterans (DJJHV) Service and Care Requirements – REVISED

Requires the department to report the status of Centers for Medicare and Medicaid Services (CMS) certification. Revises by requiring the report to be submitted quarterly.

Sec. 402(21). GRHV Video Monitoring Pilot Project – DELETED

Permits funds appropriated for Grand Rapids Home for Veterans Video Monitoring Pilot Project to be expended for an in-room safety monitoring program at GRHV; states the purpose of the project is to determine if a video monitoring system can improve safety at GRHV; permits MVAA to contract with a third party to develop the program; requires MVAA to provide a report regarding the feasibility of the pilot project with input from industry experts and recommendations from MVAA prior to expending appropriated funds.

Sec. 403. DJJHV CMS Certification – DELETED

Requires the department to pursue CMS certification for DJJHV; requires CMS certification completion by June 1, 2018; requires standards of care to improve with CMS certification.

Sec. 404. GRHV and DJJHV CMS Certification Reporting – REVISED (UNENFORCEABLE)

Requires the department to report to the legislature quarterly regarding improvements in full-spectrum health care resulting from facility upgrades to obtain CMS certification. Revises by requiring the current quality of care of all health care services to meet or exceed the standards required for CMS certification. (*Signing letter states section is unenforceable.*)

Sec. 406(1). MVAA Outreach Services – REVISED

Requires MVAA to provide outreach services to veterans, communicate information on available VA benefits, process requests for military discharge documents, digitize military medical and discharge documents, and assist in processing claims for VA benefits; requires quarterly reports on MVAA's performance against the performance outcomes, measures, and objectives stated in its strategic plan developed under 2013 PA 9; requires a report by April 1 providing an estimate on the state's homeless veterans population. Revises to require the agency to provide the percentage of Michigan veterans contacted, with a goal of 90% of veterans contacted, and to report upon outreach findings to the subcommittees; eliminates subsection (5) pertaining to targeted grants to counties.

Sec. 406(2). Regional Service Coordination – REVISED (UNENFORCEABLE)

Requires the MVAA to provide for the regional coordination of services, including benefit counseling, state health and human service programs, workforce and economic development programs, and community-based programs; allows service officers to include mental health care referral services; requires the MVAA to work with the Department of Health and Human Services and the Department of Corrections in coordinating benefits and services to eligible veterans; requires training on processing veterans benefits due to military sexual trauma, post-traumatic stress disorder, depression, anxiety, substance abuse, and other mental health issues. Revises by stating that regional coordinators may be selected through a staff augmentation contract with VSOs or with a Michigan-based non-profit. (*Signing letter states subsection 2(a), relating to selection of regional coordinators through a staff augmentation contract, is unenforceable.*)

Sec. 407. Grants to Veterans Service Organizations – REVISED

Requires MVAA to provide grants to veterans service organizations (VSOs) in a manner that is consistent with MVAA performance goals and objectives; requires quarterly reports from grantees on claims and services provided; requires grant recipients to meet performance metrics, including a goal that 40% of VSO-filed claims for VA benefits be considered fully developed by the VA; specifies the basic parameters of the grant agreement, including regional service delivery, payment of a fixed hourly rate of \$34.00 per hour, the provision of service hours based upon appropriations and the fixed hourly rate, including in state correctional facilities; and requires quarterly reports on claims activities. Revises reporting requirements to require grantees of VSO grants to submit information on claims submitted by the grantees to the USDVA.

Major Boilerplate Changes from FY 2018-19

Sec. 409. *Interagency Agreement with Department of Health and Human Services (DHHS) – NEW (UNENFORCEABLE)*

Requires the department to enter into a cooperative agreement with DHHS to identify veteran Medicaid recipients who may be eligible for other benefits; requires an annual report of the number of veterans identified and referred for additional benefits under the agreement. (*Signing letter states section is unenforceable.*)

Sec. 410. *County Veterans Service Fund – NEW (VETOED)*

Requires funds appropriated for the County Veteran Service Fund to be deposited into the County Veteran Service Fund created in 2018 PA 210 and stipulates that funds are available for expenditure to support county veterans' services grants.

Sec. 411. *Veterans Cemetery – NEW (VETOED)*

Requires the MVAA to conduct a needs, feasibility, and cost assessment of establishing and maintaining a new veterans cemetery in the Upper Peninsula; requires the assessment to consider the availability of federal funds for its determinations; requires MVAA to report the findings of its assessment by not later than the end of the fiscal year.

Sec. 601. *Buddy-To-Buddy Program – NEW (VETOED)*

Directs one-time funding to be used to train volunteer veterans to provide outreach and support for other service members and veterans in dealing with challenges related to finances, securing benefits, legal issues, education, and health, family, and emotional concerns.

Sec. 602. *Vietnam Era Veterans Outreach – DELETED*

Requires funds appropriated for Vietnam Veterans Outreach to be used by MVAA for outreach to Vietnam veterans and their families to inform them about and connect them with eligible VA benefits; requires coordination among specified veteran organizations for outreach activities; requires an advertising campaign to reach 70% of the targeted audience four times each; requires the project to increase subscriptions to MVAA Vietnam Quarterly newsletter; requires MVAA to assess the efficacy of the program by annually comparing benchmarks specified in this section and provide quarterly reports on the effectiveness of the program; authorizes unexpended and unencumbered funds to not lapse and to carry forward to the next fiscal year.

Sec. 602. *Aircrew Uniform Camouflage Update – NEW (VETOED)*

Directs one-time funding to be used for the fielding and issuing of aircrew combat uniforms with the updated operational camouflage pattern to replace the discontinued camouflage pattern uniforms.

Sec. 603. *Veterans Benefits Eligibility Study – NEW (VETOED)*

Directs funding to be used for a study on the frequency of Medicaid recipients who are eligible for federal VA healthcare benefits, but who have not taken steps to receive those benefits, and creating and evaluating a program that will identify the number of veterans who are eligible but who do not apply for benefits. The study is to include recommendations to the department on effective strategies for identifying such veterans and facilitating their exploration and use of benefits.

Sec. 701. *Anticipated Appropriations – DELETED*

Expresses legislative intent to provide the same appropriations for FY 2019-20 as provided in FY 2018-19, except for where adjustments are made for caseload and related costs, federal fund match rates, economic factors, and available revenue.

Sec. 702. *MVAA Outreach – DELETED*

Requires MVAA to provide quarterly reports on the percentage of Michigan veterans contacted through its outreach activities, with a goal of contacting 100% of Michigan veterans.

Sec. 703. *MVAA Claims Services – DELETED*

Requires that 50% of MVAA-filed claims for VA benefits be fully developed.

NATURAL RESOURCES

**DEPARTMENT OF NATURAL RESOURCES
Summary of FY 2019-20 Enacted with Vetoes and Ad Board Transfers
Public Act 59 of 2019 (House Bill 4241)**

Analyst: Austin Scott

	FY 2018-19 YTD as of 3/5/19	FY 2019-20 Executive	FY 2019-20 House	FY 2019-20 Senate	FY 2019-20 Conference	FY 2019-20 Enacted	Difference: Enacted From FY 2018-19 YTD	
							Amount	%
IDG/IDT	\$232,200	\$232,200	\$232,200	\$232,200	\$232,200	\$197,200	(\$35,000)	(15.1)
Federal	85,339,700	86,011,600	86,008,800	86,011,600	75,501,200	75,501,200	(9,838,500)	(11.5)
Local	0	0	0	0	0	0	0	--
Private	12,431,400	7,431,600	7,431,600	7,431,600	7,431,600	7,431,600	(4,999,800)	(40.2)
Restricted	309,185,800	329,545,300	306,642,400	308,172,500	309,567,700	308,570,400	(615,400)	(0.2)
GF/GP	77,241,800	51,224,000	47,002,100	48,524,200	46,985,000	46,985,000	(30,256,800)	(39.2)
Gross	\$484,430,900	\$474,444,700	\$447,317,100	\$450,372,100	\$439,717,700	\$438,685,400	(\$45,745,500)	(9.4)
FTEs	2,340.3	2,366.1	2,342.3	2,363.1	2,340.1	2,340.1	(0.2)	0.0

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Appropriation figures do not include supplemental appropriations in 2019 PA 154 (see Appendix II).

Overview

The Department of Natural Resources (DNR) manages Michigan's natural and cultural resources through conservation and protection. State parks, wildlife, fisheries, forests, and minerals management are all administered by the DNR.

Major Budget Changes from FY 2018-19 YTD Appropriations

1. Chronic Wasting Disease – Wildlife Management

Increases the Wildlife Management appropriation by \$2.3 million GF/GP for Chronic Wasting Disease research costs (\$2.0 million one-time) and increased laboratory costs associated with the rising number of deer tested (\$300,000 ongoing).

FTE	221.5	0.0
Gross	\$44,917,900	\$2,300,000
Federal	25,164,900	0
Private	315,700	0
Restricted	14,986,600	0
GF/GP	\$4,450,700	\$2,300,000

2. Parks and Recreation Division

Adds \$1.6 million in restricted funding to the Parks and Recreation Division to support the following programs: Forest Recreation and Trails (\$1.2 million and 6.1 FTE positions), Recreational Boating (\$218,500 and 0.9 FTE positions), and State Parks (\$200,000 and 11.8 FTE positions).

FTE	NA	18.8
Gross	NA	\$1,613,100
Restricted	NA	1,613,100
GF/GP	NA	\$0

3. Forest Resources Division – Forest Development Fund Revenue

Increases the Forest Development Fund appropriation by \$2.1 million to support the following programs: Forest Management and Timber Market Development (\$1.4 million and 2.0 FTE positions), Wildfire Protection (\$689,300), and the Michigan Registered Forester Program (\$30,000), which was transferred from Licensing and Regulatory Affairs by 2018 PA 116. A decrease of \$574,300 GF/GP is exceeded by the \$689,300 restricted funding increase for Wildfire Protection.

FTE	NA	2.0
Gross	NA	\$1,560,000
Restricted	NA	2,134,300
GF/GP	NA	(\$574,300)

4. Michigan Historical Center

Adds \$850,000 in federal funding, reduces \$94,500 GF/GP, and authorizes 2.0 additional FTE positions to the Michigan Historical Center, which includes the Michigan Historical Museum System, State Archives, and Mann House in Concord.

FTE	54.5	2.0
Gross	\$6,134,900	\$755,500
Federal	150,000	850,000
Private	396,200	0
Restricted	829,600	0
GF/GP	\$4,759,100	(\$94,500)

NATURAL RESOURCES

<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
5. Recreation Passport Revenue	Gross	NA	\$350,000
Authorizes an additional \$350,000 in Recreation Passport revenue for Recreation Passport Local Grants (\$325,000), as well as Marketing and Outreach (\$25,000).	Restricted	NA	350,000
	GF/GP	NA	\$0
6. Off-road Vehicle Safety Training Grants	Gross	\$29,200	\$30,800
Adds \$30,800 from the ORV Safety Education Fund for grants to public school districts for off-road vehicle safety education courses.	Restricted	29,200	30,800
	GF/GP	\$0	\$0
7. Non-motorized Trail Development and Maintenance Grants	Gross	\$350,000	(\$150,000)
Reduces funding for grants to develop and maintain non-motorized trails by \$150,000 GF/GP.	GF/GP	\$350,000	(\$150,000)
8. Cormorant Population Mitigation Program	Gross	\$150,000	(\$150,000)
Eliminates funding for the cormorant population mitigation program, which supports activities related to controlling the cormorant population.	GF/GP	\$150,000	(\$150,000)
9. Wildlife Management Fund Shift – AD BOARD TRANSFER	FTE	221.5	0.0
Shifts \$300,000 in spending authorization from GF/GP to the Forest Development Fund (\$200,000) and Turkey Permit Fees (\$100,000). Ad Board transferred \$299,800 GF/GP from the wildlife and fisheries health study and deer habitat improvement initiative (below) to wildlife management program.	Gross	\$44,917,900	\$299,800
	Federal	25,164,900	0
	Private	315,700	0
	Restricted	14,986,600	300,000
	GF/GP	\$4,450,700	(\$200)
10. Wildlife and Fisheries Health Study – AD BOARD TRANSFER	Gross	\$115,000	(\$114,900)
Adds \$85,000 in one-time GF/GP for a study to investigate the effect of PFAS contamination on Michigan’s wildlife and fisheries populations. Ad Board transferred study funding to the wildlife management program, leaving a \$100 placeholder.	GF/GP	\$115,000	(\$114,900)
11. Deer Habitat Improvement Initiative – AD BOARD TRANSFER	Gross	\$200,000	\$100
Adds \$100,000 GF/GP to the Deer Habitat Improvement Initiative, which provides grants to projects that improve the habitat for deer. Ad Board transferred funding increase to the wildlife management program, leaving a \$100 increase.	Restricted	200,000	0
	GF/GP	\$0	\$100
12. Marketing and Outreach	Gross	\$13,978,700	(\$150,000)
Reduces \$150,000 GF/GP for departmental marketing and outreach programs.	Federal	1,507,100	0
	Restricted	12,047,600	0
	GF/GP	\$424,000	(\$150,000)
13. Wildfire Protection Fund Shift	FTE	114.0	0.0
Shifts \$629,500 million in spending authorization from GF/GP to the Forest Development Fund.	Gross	\$14,028,600	\$0
	Federal	1,357,500	0
	Restricted	5,530,200	629,500
	GF/GP	\$7,140,900	(\$629,500)
14. Michigan Conservation Corps	Gross	\$1,000,000	(\$1,000,000)
Eliminates funding for the Michigan Conservation Corps. This statewide summer employment program for at-risk youth and returning veterans allows partner organizations to hire individuals for work that is approved or managed by DNR employees.	GF/GP	\$1,000,000	(\$1,000,000)
15. IDG from Forest Development Fund to MDARD – VETOED	Gross	NA	\$0
Governor vetoed an interdepartmental grant of \$997,300 from the Forest Development Fund to the Department of Agriculture and Rural Development to support the Qualified Forest Program.	Restricted	NA	0
	GF/GP	NA	\$0

NATURAL RESOURCES

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>			
16. Departmental Reorganization – EGLE			
Recognizes the creation of the Department of Environment, Great Lakes, and Energy (EGLE) by transferring the Office of Great Lakes from DNR to EGLE.	FTE	NA	(23.0)
	Gross	NA	(\$12,057,000)
	Federal	NA	(10,510,400)
	Restricted	NA	(531,600)
	GF/GP	NA	(\$1,015,000)
17. Finance and Operations – Lake Level Assessments – PARTIALLY VETOED			
Governor vetoed boilerplate section 1202 which earmarks \$35,000 from the finance and operations appropriation to reimburse qualifying costs related to lake level assessments.	FTE	105.5	0.0
	Gross	\$16,802,500	(\$35,000)
	IDG	232,200	(35,000)
	Federal	346,100	0
	Restricted	15,234,000	0
	GF/GP	\$990,200	\$0
18. Removal of FY 2018-19 Capital Outlay Projects and One-Time Funding			
Eliminates \$42.1 million Gross (\$29.3 million GF/GP): \$2.5 million for FY 2018-19 capital outlay projects that require no additional appropriation and \$39.6 million for one-time projects included in the FY 2018-19 budget.	Gross	NA	(\$42,106,000)
	Federal	NA	(643,000)
	Private	NA	(5,000,000)
	Restricted	NA	(7,193,000)
	GF/GP	NA	(\$29,270,000)
19. Technical Adjustments			
Removes \$605,200 in restricted funding to align spending authorization with available restricted revenues.	Gross	NA	(\$605,200)
	Restricted	NA	(605,200)
	GF/GP	NA	\$0
20. Economic Adjustments			
Reflects increased costs of \$3.7 million Gross (\$591,500 GF/GP) for negotiated salary and wage increases (2.0% ongoing, 2.0% lump sum), actuarially required retirement contributions, worker’s compensation, building occupancy charges, and other economic adjustments.	Gross	NA	\$3,713,300
	Federal	NA	464,900
	Private	NA	200
	Restricted	NA	2,656,700
	GF/GP	NA	\$591,500

Major Boilerplate Changes from FY 2018-19

Sec. 210. Contingency Fund Transfer Authority – REVISED

Provides authority for contingency fund transfers: up to \$3.0 million federal, \$10.0 million restricted, \$100,000 local, and \$1.0 million private; transfers must be approved by both the House and Senate Appropriations Committees. Revised to eliminate federal, local, and private authority and lowers restricted authority to \$5.0 million.

Sec. 220. Disciplinary Action Against State Employees – RETAINED (UNENFORCEABLE)

Prohibits DNR from disciplining state employees for communicating with members of the legislature and their staffs. (Signing letter states section is unenforceable.)

Sec. 221. Contracts and Grants for Local Governments, Colleges and Universities, Nonprofits – NEW

Authorizes DNR to contract with or provide grants to local governments, institutions of higher education, or nonprofits.

Sec. 503. Invasive Species Order Enforcement – DELETED

Requires report on efforts taken to enforce the Natural Resources Commission’s invasive species order concerning raising feral swine in Michigan.

Sec. 506. USDA Wildlife Services Deer Harvesting – NEW

Encourages the United States Department of Agriculture Wildlife Services to harvest all deer during targeted removal required under the Enhanced Wildlife Biosecurity Program.

Sec. 602. Water Control Structure Certification – RETAINED (UNENFORCEABLE)

Directs Fisheries Division not to interfere with the certification process for dams and other water control structures. (Signing letter states section is unenforceable.)

Major Boilerplate Changes from FY 2018-19

Sec. 603. Cormorant Management – DELETED

Requires annual report on use of cormorant management funding; requires DNR to submit funding to the USDA to pay for increased taking of cormorants and their nests; requires any retained or additional funds for cormorant control to be used for program.

Sec. 603. Fish Hatcheries Report – NEW

Requires annual report on fish hatcheries by March 31.

Sec. 651. Buffalo Reef – DELETED

Authorizes unexpended funds appropriated for Buffalo Reef to be considered work project appropriations and carried forward until the projects have been completed. The projects will be accomplished using state resources, contracts, and/or grants and have a tentative completion date of September 30, 2023.

Sec. 652. Dam Management Grant Program – DELETED

Authorizes unexpended funds appropriated for the Dam Management Grant Program to be considered work project appropriations and carried forward until the projects have been completed. The projects will be accomplished using state resources, contracts, and/or grants and have a tentative completion date of September 30, 2023.

Sec. 653. Leland – Good Harbor Reef Improvements – DELETED

Authorizes unexpended funds appropriated for Leland – Good Harbor Reef Improvements to be considered work project appropriations and carried forward until the projects have been completed. The projects will be accomplished using state resources, contracts, and/or grants and have a tentative completion date of September 30, 2023.

Sec. 654. Michigan Infrastructure Fund – DELETED

Requires the \$8.0 million GF/GP appropriated for Michigan Infrastructure Fund to be deposited into the Michigan Infrastructure Fund for FY 2018-19.

Sec. 655. Grand River Dredging – DELETED

Requires funds appropriated for Grand River Dredging to be used for dredging to facilitate recreational boating traffic in the Grand River between the Fulton Street Bridge in Kent County and the Bass River inlet in Ottawa County, in accordance with DTMB's feasibility study. Funds will be expended pending satisfactory sediment tests and required permits. Authorizes unexpended funds to be considered work project appropriations and carried forward until the projects have been completed. This project will be accomplished by issuing requests for proposals and using contracts and has a tentative completion date of September 30, 2022.

Sec. 656. Pheasant Hunting Initiative – DELETED

Requires \$180,000 appropriation to be distributed for purchase of pheasants to release on state game areas to improve hunting opportunity and to recruit, retain, and reactivate small game hunters; requires DNR to evaluate program for possible renewal in the future; designates appropriation as a work project appropriation.

Sec. 1002. Silver Lake Law Enforcement Reimbursement – DELETED

Appropriates \$35,000 in off-road vehicle trail improvement grant funding for reimbursing local units of government for costs related to seasonal law enforcement at Silver Lake.

Sec. 1002. Water Trail Grants – NEW

Directs the department to collaborate with the Waterways Commission to develop a plan to incorporate grants for state-designated water trails as a part of the Waterways Grant Application Program.

Sec. 1201. Swimmer's Itch Pilot Program – DELETED

Appropriates \$250,000 to be distributed to a Michigan-based nonprofit organization for swimmer's itch mitigation and research and requires a progress report.

Sec. 1202. Lake Level Assessment Reimbursements – REVISED (VETOED)

Governor vetoed an earmark from the finance and operations appropriation to reimburse qualifying costs related to lake level assessments. Earmark was revised to specify \$35,000 for reimbursements.

Sec. 1203. Wildlife Management (One-Time) – NEW

Authorizes unexpended funds appropriated for Wildlife Management (one-time) to be considered work project appropriations and carried forward until the projects have been completed. The projects will be accomplished using state resources, contracts, and/or grants and have a tentative completion date of September 30, 2022.

Sec. 1203. Long Lake Boat Launch – DELETED

Requires DNR to use funds appropriated to develop a boat launch at Long Lake in Alpena County.

NATURAL RESOURCES

Major Boilerplate Changes from FY 2018-19

Sec. 1204. Grindstone Harbor Development Grant – DELETED

Requires DNR to use funds appropriated for planning and development costs at Grindstone Harbor in Huron County.

Sec. 1205. Dam Management Grant Program (One-Time) – DELETED

Requires DNR to use funds appropriated for the Dam Management Grant Program to remove a dam in the City of Grand Rapids and designates the appropriation as work project appropriations.

Sec. 1207. Wayne County Soil Mapping Program – DELETED

Requires appropriation for the cooperative resource program (one-time) to fund the Wayne County soil mapping program.

<u>FY 2018-19 Supplemental Appropriation (PA 56)</u>		<u>FY 2018-19 YTD (as of 3/5/19)</u>	<u>FY 2018-19 Supplemental Change</u>
1. Off-road Vehicle Trail Improvement Fund Revenue Increase	Gross	NA	\$3,000,000
Includes \$3.0 million from the ORV Trail Improvement Fund for capital projects across Michigan’s ORV trail system. Projects include erosion mitigation, infrastructure repair, and trail maintenance (\$1.4 million); grants to maintain existing ORV facilities, develop new facilities, and restore natural resources damaged by ORV use (\$764,500); DNR law enforcement (\$716,800); Finance and Operations (\$44,300); Executive Direction (\$36,000); and Marketing and Outreach (\$13,400).	Restricted	NA	3,000,000
	GF/GP	NA	\$0
2. Federal Recreational Trails Program	Gross	\$3,900,000	\$1,900,000
Includes \$1.9 million in federal funding to align spending authority with available revenue. The federal program helps states develop and maintain recreational trails. There are over twenty trail projects in Michigan that would benefit from this funding.	Federal	3,900,000	1,900,000
	GF/GP	\$0	\$0
3. Snowmobile Trail Improvement Fund Revenue Increase	Gross	NA	\$6,000,000
Includes \$6.0 million from the Snowmobile Trail Improvement Fund for grants to replace snowmobile trail groomers, maintain existing groomers, and support trail maintenance by local sponsors (\$3.7 million) and for capital projects across Michigan’s snowmobile trail system, including erosion mitigation, infrastructure repair, and trail maintenance (\$2.3 million).	Restricted	NA	6,000,000
	GF/GP	NA	\$0
4. State Parks Repair and Maintenance – Capital Outlay	Gross	\$23,500,000	\$8,500,000
Authorizes \$8.0 million of Park Improvement Fund revenue and \$500,000 of Recreation Passport Fees revenue to be used for demolition, maintenance, repair, renovation, and small-scale construction projects at various state parks and recreation areas.	Restricted	22,000,000	8,500,000
	GF/GP	\$1,500,000	\$0
5. Shooting Range Improvements – Capital Outlay	Gross	NA	\$1,700,000
Authorizes \$1.7 million in federal funding for shooting range enhancement projects, focused on addressing safety and conflict, as well as improved shooting opportunities, in Allegan, Lapeer, and Marquette Counties. Funds are available from a federal excise tax on the sale of firearms and ammunition.	Federal	NA	1,700,000
	GF/GP	NA	\$0

SCHOOL AID

Summary of FY 2019-20 Enacted with Vetoes and Ad Board Transfers

Public Act 58 of 2019 (House Bill 4242)

Analysts: Samuel Christensen and Jacqueline Mullen

	FY 2018-19 YTD as of 3/5/19	FY 2019-20 Executive	FY 2019-20 House	FY 2019-20 Senate	FY 2019-20 Conference	FY 2019-20 Enacted	Difference: Enacted From FY 2018-19 YTD Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	1,745,943,500	1,749,578,500	1,749,578,500	1,749,578,500	1,749,578,500	1,749,578,500	3,635,000	0.2
Local	0	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	0	--
Restricted	13,010,725,300	13,576,660,400	13,250,196,300	13,222,579,400	13,410,765,100	13,294,915,100	284,189,800	2.2
GF/GP	87,920,000	45,000,000	48,000,000	268,000,000	75,000,000	62,270,000	(25,650,000)	(29.2)
Gross	\$14,844,588,800	\$15,371,238,900	\$15,047,774,800	\$15,240,157,900	\$15,235,343,600	\$15,106,763,600	\$262,174,800	1.8

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Appropriation figures do not include supplemental appropriations in 2019 PA 154 (see Appendix II).

Overview

The School Aid budget makes appropriations to the state's 539 local school districts, 297 public school academies (PSAs), and 56 intermediate school districts (ISDs) for operations and certain categorical programs. It also appropriates funds to the Michigan Department of Education (MDE), Center for Educational Performance and Information (CEPI), Workforce Development Agency, and other entities to implement certain grants and other programs related to K-12 education.

<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>	FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
<p>1. Foundation Allowance (Secs. 22a and 22b) Includes \$304.0 million to provide increases ranging from \$120 to \$240 per pupil using the 2x formula. Increases the minimum foundation allowance from \$7,871 to \$8,111 (3.0%), and the state maximum guaranteed foundation allowance from \$8,409 to \$8,529 (1.4%).</p>	<p>Gross \$9,431,000,000 Restricted 9,397,152,200 GF/GP \$33,847,800</p>	<p>\$304,000,000 306,480,500 (\$2,480,500)</p>
<p>2. Public School Academies Foundation Allowance (Secs. 22a and 22b) – VETOED Governor vetoed foundation allowance increase for public school academies (PSAs), maintaining PSA foundation allowances at \$7,871.</p>	<p>Gross NA Restricted NA GF/GP NA</p>	<p>(\$35,000,000) (35,000,000) \$0</p>
<p>3. Special Education Cost Reimbursement (Sec. 51f) – NEW Includes \$60.2 million in School Aid Fund (SAF) to increase reimbursements for districts' and ISDs' special education costs by approximately 2.0 percentage points. Currently, districts and ISDs are reimbursed for a portion of total approved special education costs and total approved special education transportation costs as mandated by the Durant court case.</p>	<p>Gross \$0 Restricted 0 GF/GP \$0</p>	<p>\$60,207,000 60,207,000 \$0</p>
<p>4. At-Risk Pupil Support (Sec. 31a) Increases by \$5.0 million SAF to a total of \$522.0 million. Reduces the hold harmless provision from \$18.0 million SAF to \$12.0 million due to declining enrollment. (See Major Boilerplate Changes for Sec. 31a below.)</p>	<p>Gross \$517,000,000 Restricted 517,000,000 GF/GP \$0</p>	<p>\$5,000,000 5,000,000 \$0</p>

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Major Budget Changes from FY 2018-19 YTD Appropriations		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change	
5. CTE Incentive Payments (Sec. 61d) – PARTIALLY VETOED		Gross	\$5,000,000	\$0
Increases by \$5.0 million TIF in one-time funds to a total of \$10.0 million Gross (\$5.0 million SAF and \$5.0 million TIF), and revises payments from \$25 to \$50 per pupil for pupils in grades 9 to 12 enrolled in career and technical education (CTE) programs and from an additional \$25 to an additional \$50 per pupil for those pupils in CTE programs identified as “critical skills” programs. The Governor vetoed \$5.0 million TIF.		Restricted	5,000,000	0
		GF/GP	\$0	\$0
6. CTE Equipment Upgrades (Sec. 61c) – VETOED		Gross	\$2,500,000	(\$2,500,000)
Increases funding by \$13.5 million to a total of \$16.0 million, revises fund source to TIF, and provides the following allocations: \$11.0 million to career education planning districts (CEPDs) for equipment grants where at least 50% of the CEPD is located in an ISD that does not levy a CTE millage; \$4.0 million for competitive equipment grants to ISDs that operate a CTE program; and \$1.0 million for STEM equipment grants to districts and ISDs for grades K-8. Provides prioritization to CEPDs and ISDs that partner with a private industry or CTE-related organization through direct or in-kind donations. Adds that funding is for FY 2019-20 only. The Governor vetoed this section.		Restricted	0	0
		GF/GP	\$2,500,000	(\$2,500,000)
7. Great Start Readiness Program (GSRP) (Sec. 32d)		Gross	\$244,900,000	\$5,050,000
Increases by \$5.0 million SAF for GSRP formula funding and increases by \$50,000 GF/GP for the provider of the longitudinal GSRP study to conduct a comparative analysis of the relationship between GSRP programs and performance on the kindergarten readiness assessment funded under Sec. 104 (see item #56).		Restricted	244,600,000	5,000,000
		GF/GP	\$300,000	\$50,000
8. Early Literacy Teacher Coaches (Sec. 35a(4))		Gross	\$7,000,000	\$14,000,000
Increases by \$14.0 million SAF to a total of \$21.0 million to increase the number of literacy coaches from 93 to 280. Requires a district or ISD expending funds through Sec. 35a(4) on professional development (PD) to select a PD program from a list provided by MDE based on the results from a request for proposal (RFP) process. The initial list must be published by December 1, 2019. Additionally, requires that if an ISD receiving funding for literacy coaches uses an assessment tool that screens for signs of dyslexia, the ISD must use the results from that assessment tool to identify pupils who demonstrate signs of dyslexia.		Restricted	7,000,000	14,000,000
		GF/GP	\$0	\$0
9. Summer School Literacy Intervention Grants (Sec. 35a(11)) – VETOED		Gross	\$0	\$0
Provides \$15.0 million SAF for a one-time summer school reading grant program. Each eligible district is provided a grant based on the number of third grade pupils determined not proficient in the English language arts (ELA) portion of the 2019 M-STEP. Districts must spend the funds over three fiscal years for summer reading programs that prioritize 3 rd grade pupils not proficient in the ELA portion of the M-STEP, and may extend the program to any student in grades K-2 who is not reading at grade level. The Governor vetoed this section.		Restricted	0	0
		GF/GP	\$0	\$0
10. Secure Schools Program and School Safety Grants (Sec. 97) – VETOED		Gross	\$0	\$0
Provides \$10.0 million in one-time funds (\$5.2 million SAF and \$4.8 million GF/GP) for the following: 1) Up to \$3.8 million GF/GP that MDE and the Michigan State Police (MSP) may (rather than must) award for the implementation of a statewide secure schools program and phone application; and 2) \$6.2 million and the remaining balance from the grant in 1) for grants to public or nonpublic schools, districts, and ISDs to purchase technology, upgrade hardening measures, or conduct school building safety assessments. The Governor vetoed this section.		Restricted	0	0
		GF/GP	\$0	\$0

SCHOOL AID**Major Budget Changes from FY 2018-19 YTD Appropriations**

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
11. Michigan Job Bank (Sec. 97a) – VETOED	Gross	\$0	\$0
Provides \$1.5 million TIF in one-time funds for MDE, in consultation with an association representing school administrators, to develop and maintain a job bank. MDE may enter into a contract, develop it in-house, work with the Department of Technology, Management, and Budget (DTMB), or use any combination of these methods to complete the project. The Governor vetoed this section.	Restricted	0	0
	GF/GP	\$0	\$0
12. Flint Declaration of Emergency (Sec. 11s)	Gross	\$3,230,100	\$4,845,000
Increases by \$4.8 million SAF to a total of \$8.1 million, including a \$200,000 reduction in the allocation for school nurses, classroom aides, and school social workers; a \$4.0 million allocation for early intervention services for children between 3-5 years of age; a \$1.0 million allocation to enroll children in GSRP regardless of household eligibility requirements; and a \$45,000 increase for the allocation for nutritional services. Replaces \$3.2 million GF/GP with a corresponding amount of SAF. Maintains \$100 placeholder from the Drinking Water Declaration of Emergency Reserve Fund to provide for future legislative transfers, as needed. Reduces state restricted contingency fund authorization from \$15.0 million to \$5.0 million.	Restricted	100	8,075,000
	GF/GP	\$3,230,000	(\$3,230,000)
13. Partnership Model Districts (Sec. 21h)	Gross	\$7,000,000	(\$1,000,000)
Reduces by \$1.0 million SAF to a total of \$6.0 million to assist eligible districts in a partnership agreement with MDE to improve student achievement.	Restricted	7,000,000	(1,000,000)
	GF/GP	\$0	\$0
14. Small, Isolated Districts (Sec. 22d) – VETOED	Gross	\$6,000,000	(\$6,000,000)
Increases by \$1.0 million SAF to a total of \$7.0 million. Maintains \$1.0 million for small, geographically isolated districts, and includes \$6.0 million (an increase of \$1.0 million) to expand the per-pupil funding formula for districts with 7.7 or fewer pupils per square mile to the following 3-tiered system: districts that have fewer than 8.0 pupils per square mile receive 100% funding, districts with at least 8.0 but fewer than 9.0 pupils per square mile receive 75% funding, and districts with at least 9.0 but fewer than 10.0 pupils per square mile receive 50% funding. The Governor vetoed this section.	Restricted	6,000,000	(6,000,000)
	GF/GP	\$0	\$0
15. High School Per Pupil Bonus (Sec. 22n)	Gross	\$11,000,000	(\$11,000,000)
Eliminates \$11.0 million SAF for \$25 per pupil payments for high school students to reflect higher costs.	Restricted	11,000,000	(11,000,000)
	GF/GP	\$0	\$0
16. Youth ChalleNGe Program (Sec. 24c)	Gross	\$1,625,400	(\$1,625,400)
Transfers the Youth ChalleNGe program, a boot camp program for at-risk youth, to the Department of Military and Veterans Affairs.	Restricted	1,625,400	(1,625,400)
	GF/GP	\$0	\$0
17. Strict Discipline Academy Membership (Sec. 25f) – VETOED	Gross	\$1,600,000	(\$1,600,000)
Maintains current year appropriation for payments to strict discipline academies based on total added costs of educating pupils. The Governor vetoed this section.	Restricted	1,600,000	(1,600,000)
	GF/GP	\$0	\$0
18. Dropout Recovery Programs (Sec. 25g) – VETOED	Gross	\$750,000	(\$750,000)
Maintains current-year appropriation to districts for the cost of dropout recovery programs. The Governor vetoed this section.	Restricted	750,000	(750,000)
	GF/GP	\$0	\$0
19. Promise Zone Funding (Sec. 26c)	Gross	\$3,000,000	\$5,400,000
Increases by \$5.4 million SAF to a total of \$8.4 million for districts and ISDs with an approved Promise Zone development plan. A majority of the increase is due to two new zones coming online: City of Detroit (\$3.3 million) and Mason County (\$745,000).	Restricted	3,000,000	5,400,000
	GF/GP	\$0	\$0

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		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>			
20. School Based Health Centers (Sec. 31a(7))			
	Gross	\$6,057,300	\$1,942,700
Increases by \$1.9 million SAF to a total of \$8.0 million for school-based health centers that provide primary care services for children and adolescents up to age 21.	Restricted	6,057,300	1,942,700
	GF/GP	\$0	\$0
21. Year-Round (Balanced Calendar) (Sec. 31b) – VETOED			
	Gross	\$750,000	(\$750,000)
Maintains current-year appropriation for grants to districts that qualify for community eligibility for free and reduced lunch and are implementing for the first time a year-round instructional calendar, but reduces the maximum grant per district from \$750,000 to \$250,000. Revises fund source to TIF, and adds that funding is for FY 2019-20 only. The Governor vetoed this section.	Restricted	750,000	(750,000)
	GF/GP	\$0	\$0
22. Local Produce in School Meals (Sec. 31j) – VETOED			
	Gross	\$575,000	(\$575,000)
Increases by \$1.4 million GF/GP for a total of \$2.0 million GF/GP to expand a program that supports districts in the purchase of locally grown fruits and vegetables for use in school lunches to include child care centers as eligible recipients and remove the current geographic restriction of 5 prosperity regions. Revises from requiring MDE to work with prosperity region offices to requiring MDE to work directly with the districts and sponsors of child care centers. Revises to permit districts or sponsors to retain up to 10% funding for administration and distribute some or all of that 10% to project partners as appropriate. The Governor vetoed this section.	Restricted	0	0
	GF/GP	\$575,000	(\$575,000)
23. School Mental Health and Support Services (Sec. 31n)			
	Gross	\$31,300,000	\$0
Maintains appropriation of \$31.3 million and revises restricted fund source from School Mental Health and Support Services Fund to SAF. Eliminates \$8.0 million for the train the trainer pilot program, but increases the allocation for behavioral health providers in schools from \$5.0 million to \$6.5 million and increases the allocation for ISD mental health and support services from \$16.5 million to \$23.0 million.	Restricted	30,000,000	0
	GF/GP	\$1,300,000	\$0
24. Early Literacy – Added Instructional Time (Sec. 35a(5))			
	Gross	\$19,900,000	\$0
Maintains appropriation of \$19.9 million SAF and revises to require a district or ISD expending funds through Sec. 35a(5) on professional development (PD) to select a PD program from a list provided by MDE based on the results from an RFP process. The initial list must be published by December 1, 2019.	Restricted	19,900,000	0
	GF/GP	\$0	\$0
25. Early Literacy – Michigan Education Corps (Sec. 35a(7)) – VETOED			
	Gross	\$3,000,000	(\$3,000,000)
Maintains appropriation of \$3.0 million for the Michigan Education Corps but revises fund source to TIF and adds that funding is for FY 2019-20 only. The Governor vetoed this section.	Restricted	0	0
	GF/GP	\$3,000,000	(\$3,000,000)
26. Early Literacy – Literacy Training for Principals (Sec. 35a(9)) – VETOED			
	Gross	\$0	\$0
Includes \$300,000 SAF to Gogebic-Ontonagon ISD, in partnership with an association, for providing literacy training, modeling, coaching, and feedback for principals using pre-K and K-3 essential instructional practices in literacy created by the General Education Leadership Network as the framework for all training. The Governor vetoed this section.	Restricted	0	0
	GF/GP	\$0	\$0

SCHOOL AID**Major Budget Changes from FY 2018-19 YTD Appropriations**

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
27. Dyslexia Center (Sec. 35b) – VETOED	Gross	\$250,000	(\$250,000)
Increases by \$100,000 GF/GP to a total of \$350,000 for the Children's Choice Initiative to create a multisensory structured language education pilot program to improve reading proficiency rates. Adds that funding is for FY 2019-20 only. The Governor vetoed this section.	Restricted	0	0
	GF/GP	\$250,000	(\$250,000)
28. Multisensory Education (Sec. 35c) – VETOED	Gross	\$0	\$0
Includes \$300,000 SAF in one-time funding for a pilot program to use a multisensory structured reading instruction professional development program to improve reading proficiency rates. The Governor vetoed this section.	Restricted	0	0
	GF/GP	\$0	\$0
29. Social-Emotional Learning Pilot (Sec. 35d) – VETOED	Gross	\$0	\$0
Includes \$500,000 GF/GP in one-time funding to implement a social-emotional learning pilot program in at least 5 districts. Allows MDE to withhold up to 5% of funds for administration of this pilot. The Governor vetoed this section.	Restricted	0	0
	GF/GP	\$0	\$0
30. English Language Learner Grants (Sec. 41) – PARTIALLY VETOED	Gross	\$6,000,000	\$7,000,000
Increases by \$10.0 million to \$16.0 million (\$13.0 million SAF and \$3.0 million TIF) for ongoing and one-time grants to districts and PSAs for English language learners. Provides \$13.0 million SAF to increase and expand grants to districts for students based on WIDA scores as follows: increases the reimbursement from \$620 to \$900 for students who score between 1.0 and 1.9; increases the reimbursement from \$410 to \$620 for students who score between 2.0 to 2.9; and expands to include \$100 for students who score between 3.0 and 3.9. Additionally, allocates \$3.0 million TIF for a one-time payment to districts and PSAs for capital improvements in support of programming and instruction for English language learners. Payments would be in the same proportion as payments made for the WIDA score grants in this section. The Governor vetoed \$3.0 million TIF for one-time payments for capital improvements.	Restricted	6,000,000	7,000,000
	GF/GP	\$0	\$0
31. Special Education (Secs. 51a, 51c, 51d, 53a, 54, and 56)	Gross	\$1,414,696,100	\$62,300,000
Revises to reflect updated consensus estimates. Deletes \$500,000 allocation to reimburse ISDs under 51a(16) but retains requirements of that section.	Federal	431,000,000	0
	Restricted	983,196,100	62,300,000
	GF/GP	\$500,000	\$0
32. Special Education Task Force: Early On (Sec. 54d)	Gross	\$5,000,000	\$2,150,000
Increases by \$2.2 million SAF to a total of \$7.2 million for grants to ISDs to provide Early On services pilot programs.	Restricted	5,000,000	2,150,000
	GF/GP	\$0	\$0
33. PLAY Project – Autism Intervention (Sec. 54e) – VETOED	Gross	\$0	\$0
Includes \$350,000 GF/GP in one-time funding for a pilot program to train at least 60 Early On providers in the components of evidence-based, parent-implemented models of intervention for the treatment of autism. Requires MDE to conduct a survey of ISDs in the pilot program to measure the impact of the program and report the findings from the survey to the legislature. Allows MDE to use up to 10% of the allocation for administration and management of the pilot. The Governor vetoed this section.	Restricted	0	0
	GF/GP	\$0	\$0
34. Conductive Learning (Sec. 55) – VETOED	Gross	\$250,000	(\$250,000)
Maintains appropriation of \$250,000 GF/GP to the Conductive Learning Center at Aquinas College to support ongoing operations and adds that funding is for FY 2019-20 only. The Governor vetoed this section.	Restricted	0	0
	GF/GP	\$250,000	(\$250,000)

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<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
35. Career and Technical Education (CTE) (Sec. 61a)		Gross	\$36,611,300
Increases by \$1.0 million SAF for a total of \$37.7 million for added costs for CTE programs.		Restricted	1,000,000
		GF/GP	\$0
36. CTE Restaurant Curriculum (Sec. 61a(4)) – VETOED		Gross	(\$100,000)
Maintains current-year appropriation level, but revises fund source to TIF for providing the ProStart curriculum to CTE programs in restaurant management and culinary arts. The Governor vetoed this section.		Restricted	0
		GF/GP	(\$100,000)
37. CTE Early/Middle Colleges (Sec. 61b) – PARTIALLY VETOED		Gross	\$0
Adds \$2.0 million TIF for FY 2019-20 only for a total of \$10.0 million Gross (\$8.0 million SAF and \$2.0 million TIF). Increases by \$2.0 million the allocation for grants to ISDs or consortia of ISDs for the development or expansion of early middle college programs and revises the cap on grants from \$50,000 to \$150,000. The Governor vetoed \$2.0 million TIF.		Restricted	0
		GF/GP	\$0
38. Pipeline 2 Promise (Sec. 61f) – VETOED		Gross	(\$200,000)
Maintains appropriation of \$200,000 but revises fund source from SAF to TIF for a grant to Mott Community College for a retention and completion program designed to create a seamless educational and career pathway support structure. Adds that funding is for FY 2019-20 only. The Governor vetoed this section.		Restricted	(200,000)
		GF/GP	\$0
39. Information Technology Education (Sec. 64d) – VETOED		Gross	(\$2,300,000)
Maintains current-year appropriation, but revises fund source from GF/GP to TIF for a grant to provide information technology education opportunities to students attending districts, ISDs, PSAs, CTE programs, and community colleges. Intended to be third of 3 years of funding based on original intent. The Governor vetoed this section.		Restricted	0
		GF/GP	(\$2,300,000)
40. Detroit Area Pre-College Engineering Program (Sec. 65)		Gross	\$0
Maintains current-year appropriation for the Detroit Pre-College Engineering Program.		Restricted	0
		GF/GP	\$0
41. Career Exploration Pilot (Sec. 67a) – VETOED		Gross	\$0
Includes \$80,000 GF/GP for FY 2019-20 only for a career exploration pilot program that must be made available to districts and ISDs during the 2019-2020 school year. The Governor vetoed this section.		Restricted	0
		GF/GP	\$0
42. MITES Grant (Sec. 67b) – VETOED		Gross	\$0
Includes \$50,000 GF/GP for FY 2019-20 only for a grant to the Michigan Industrial Technology Education Society (MITES) to provide industrial and technological education and workforce preparation for students and professional development opportunities and support for teachers. The Governor vetoed this section.		Restricted	0
		GF/GP	\$0
43. ISD General Operations Support (Sec. 81)		Gross	\$685,000
Increases by \$685,000 SAF to increase each ISD's allocation by 1.0%.		Restricted	685,000
		GF/GP	\$0
44. Statewide Evaluation Tool (Sec. 95b) – VETOED		Gross	(\$2,500,000)
Maintains appropriation of \$2.5 million GF/GP but provides intent language that funding continues into FY 2020-21 only if the statewide evaluation tool is adopted by at least 50% of districts as determined by a district participation report conducted by MDE by March 1, 2020. The Governor vetoed this section.		Restricted	0
		GF/GP	(\$2,500,000)

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Major Budget Changes from FY 2018-19 YTD Appropriations		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
45. Michigan Virtual University (Sec. 98) – PARTIALLY VETOED		Gross	\$7,387,500
Maintains current-year appropriation, but revises total fund sources from \$7.4 million GF/GP to \$6.3 million GF/GP and \$1.1 million TIF. Specifies that only \$6.3 million is ongoing funding. The Governor vetoed \$1.1 million TIF.	Restricted	0	(\$1,075,000)
	GF/GP	\$7,387,500	0
46. FIRST Robotics (Sec. 99h) – PARTIALLY VETOED		Gross	\$4,800,000
Increases by \$200,000 SAF to a total of \$4.7 million for grants to districts and ISDs and includes VEX as an eligible robotics program. Maintains \$300,000 GF/GP for nonpublic schools and work project language. The Governor vetoed \$300,000 GF/GP for nonpublic schools.	Restricted	4,500,000	(\$100,000)
	GF/GP	\$300,000	200,000
47. MiSTEM Network (Sec. 99s)		Gross	\$11,434,300
Maintains state funding of \$7.6 million SAF and \$300,000 GF/GP, but reflects a reduction in authorized federal funds from \$3.5 million to \$235,000. Permits MiSTEM Network to receive private funds. Adds 1 ex-officio member to the MiSTEM Advisory Council.	Federal	3,500,000	(\$3,265,000)
	Restricted	7,634,300	0
	GF/GP	\$300,000	\$0
48. Online Algebra Tool (Sec. 99t) – VETOED		Gross	\$1,500,000
Maintains appropriation of \$1.5 million for a statewide online algebra tool, but revises fund source to TIF and states funding is for FY 2019-20 only. The Governor vetoed this section.	Restricted	0	(\$1,500,000)
	GF/GP	\$1,500,000	0
49. Imagine Learning (Sec. 99u) – VETOED		Gross	\$3,000,000
Maintains appropriation of \$3.0 million for an online mathematics tool, an early Spanish language learning tool, and a literacy instruction tool, but revises fund source to TIF and states funding is for FY 2019-20 only. Expands all 3 learning tool grants to be made available to 1 or more vendors as selected by MDE through a competitive proposal process. The Governor vetoed this section.	Restricted	0	(\$3,000,000)
	GF/GP	\$3,000,000	0
50. Dana Center (Sec. 99v) – VETOED		Gross	\$25,000
Maintains appropriation of \$25,000 for a provider that develops and scales effective innovations to create seamless transitions through K-14, but revises fund source to TIF and states funding is for FY 2019-20 only. The Governor vetoed this section.	Restricted	0	(\$25,000)
	GF/GP	\$25,000	0
51. Fitness Foundation (Sec. 99w) – VETOED		Gross	\$500,000
Maintains appropriation of \$500,000 for the Michigan Fitness Foundation to work with MDE to invest in a physical education curriculum, but revises fund source to \$250,000 GF/GP (ongoing) and \$250,000 TIF (for FY 2019-20 only). The Governor vetoed this section.	Restricted	0	(\$500,000)
	GF/GP	\$500,000	0
52. Teach for America (Sec. 99x) – VETOED		Gross	\$300,000
Increases appropriation by \$500,000 GF/GP to a total of \$800,000 for Teach for America to host a summer training institute in Detroit, recruit teachers into a master teacher fellowship, and retain a committed alumni community. Specifies that only \$400,000 is ongoing after FY 2019-20. The Governor vetoed this section.	Restricted	0	(\$300,000)
	GF/GP	\$300,000	0
53. Square One (Sec. 99z) – VETOED		Gross	\$0
Includes \$300,000 TIF for FY 2019-20 only for a program (Square One) that provides STEM professional development and workshops and enables high school students to design a variety of complex vehicles. The Governor vetoed this section.	Restricted	0	\$0
	GF/GP	\$0	\$0

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		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>			
54. Best Buddies (Sec. 99bb) – VETOED	Gross	\$0	\$0
Includes \$250,000 GF/GP for FY 2019-20 only for a nonprofit organization (Best Buddies) that creates opportunities for people with intellectual and developmental disabilities at schools, colleges, and universities in Michigan. The Governor vetoed this section.	Restricted	0	0
	GF/GP	\$0	\$0
55. Financial Data Analysis Tools (Sec. 102d) – VETOED	Gross	\$1,500,000	(\$1,500,000)
Maintains appropriation of \$1.5 million SAF to reimburse districts and ISDs for up to 50% of the cost of licensing school data analytical tools, but revises to provide reimbursements as follows: 1) 100% of the costs for districts, ISDs, and PSAs to which at least one of the following applies: they are required to submit a deficit elimination plan or enhanced deficit elimination plan, they are required to submit periodic financial status reports, they are declared to be under potential fiscal stress, they are subject to oversight pursuant to 2012 PA 436, or they have signed a partnership agreement with MDE and are not receiving reimbursement for a school data analytic tool under Sec. 21h; and 2) if funds remain after reimbursing entities noted above at 100%, 50% of the costs for other districts, ISDs, and PSAs. The Governor vetoed this section.	Restricted	1,500,000	(1,500,000)
	GF/GP	\$0	\$0
56. Education Assessments (Sec. 104)	Gross	\$38,759,400	(\$500,000)
Reduces SAF appropriation by \$500,000. Eliminates the Kindergarten Readiness Assessment (\$1.5 million in Sec. 104(4)) and the Kindergarten Entry Assessment (\$1.5 million in Sec. 104(5)) and instead provides \$2.5 million for the Michigan kindergarten entry observation (KEO) tool. Requires a comparative analysis of the program.	Federal	6,250,000	0
	Restricted	32,509,400	(500,000)
	GF/GP	\$0	\$0
57. District Assessments (Sec. 104d) – VETOED	Gross	\$9,200,000	(\$9,200,000)
Maintains appropriation of \$9.2 million SAF but revises eligible assessments to include diagnostic tools, universal screening tools, or benchmark assessments. Adds requirement that MDE evaluate and approve assessments that meet the requirements under this section. Revises the time period districts are required to use the same assessment from 3 years to 1 year. The Governor vetoed this section.	Restricted	9,200,000	(9,200,000)
	GF/GP	\$0	\$0
58. MPSERS (Secs. 147a, 147b, 147c, and 147e)	Gross	\$1,258,439,000	\$87,101,000
Increases total state support for K-12 MPSERS costs by \$87.1 million to a total of \$1.4 billion with the following changes:	Restricted	1,257,691,000	87,266,000
<ul style="list-style-type: none"> Increases by \$83.9 million Gross (\$35,000 GF/GP) to a total of \$172.1 million Gross (\$83,000 GF/GP) for reimbursements for employer normal cost increases resulting from a reduced assumed rate of return (AROR) from 7.5% to 7.05% due to a dedicated gains policy (Sec. 147a(2)). Reduces the state share of the unfunded actuarial accrued liability (UAAL) by \$1.8 million Gross (\$200,000 GF/GP) to a total of \$1.0 billion (Sec. 147c). Increases by \$5.0 million to a total of \$42.6 million Gross (\$40.7 million SAF and \$1.9 million MPSERS Retirement Obligation Reform Reserve Fund) for the larger defined contribution for employers and the higher hybrid plan normal costs required under 2017 PA 92 (Sec. 147e). 	GF/GP	\$748,000	(\$165,000)
59. Nonpublic School Reimbursement (Sec. 152b) – VETOED	Gross	\$250,000	(\$250,000)
Maintains appropriation of \$250,000 GF/GP to reimburse nonpublic schools for the costs of state statutory or administrative rule requirements related to the health, safety, and welfare of students. The Governor vetoed this section.	Restricted	0	0
	GF/GP	\$250,000	(\$250,000)

SCHOOL AID

<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
60. Eliminated Categorical Grants	Gross	\$6,195,000	(\$6,195,000)
Reduces by \$6.2 million Gross (\$1.0 million GF/GP) by eliminating 10 categorical programs, including the following:	Restricted	5,195,000	(5,195,000)
	GF/GP	\$1,000,000	(\$1,000,000)
<ul style="list-style-type: none">• Sec. 25h–Dropout Prevention Grant (\$100,000 SAF)• Sec. 32q–Early Learning Collaborative Partnership (\$175,000 SAF)• Sec. 35a(8)–Early Literacy – Summer Reading Program (\$500,000 GF/GP)• Sec. 61a(5)–CTE Counselors (\$1.0 million SAF)• Sec. 61g–Energy Tech and Cybersecurity Jobs (\$50,000 SAF)• Sec. 61h–Virtual Reality Skilled Trades (\$1.2 million SAF)• Sec. 64b–Dual Enrollment Incentive Payments (\$1.8 million SAF)• Sec. 74a–School Bus Safety Program (\$810,000 SAF)• Sec. 99y–STEM and Entrepreneurship (\$60,000 SAF)• Sec. 104f–Digital Learning Preparation (\$500,000 GF/GP)			
61. Other Major Cost Adjustments	Gross	\$692,105,100	\$42,036,000
Revises the following to reflect updated cost estimates:	Federal	523,200,000	14,000,000
<ul style="list-style-type: none">• Sec. 11j–Reduces School Bond Redemption Fund by \$14.5 million SAF to \$111.0 million SAF.• Sec. 11m–Increases cash flow borrowing by \$42.0 million SAF to \$66.0 million.• Sec. 26a–Increases renaissance zone reimbursements by \$300,000 SAF to \$15.3 million.• Sec. 26b–Increases Payment in Lieu of Taxes (PILT) reimbursements by \$236,000 SAF to \$4.6 million.• Sec. 31d–Increases school lunch federal costs by \$14.0 million to \$537.2 million.	Restricted	168,905,100	28,036,000
	GF/GP	\$0	\$0
62. Economic Adjustments	Gross	NA	\$118,500
Reflects increased costs of \$118,500 Gross (\$100,500 GF/GP) for negotiated salary and wage increases (2.0% ongoing, 2.0% lump sum), actuarially required retirement contributions, worker’s compensation, building occupancy charges, and other economic adjustments.	Restricted	NA	18,000
	GF/GP	NA	\$100,500

Major Boilerplate Changes from FY 2018-19

Sec. 6. Pupil Membership Definitions – REVISED

Deletes prohibition on counting a pupil in membership if that pupil is charged tuition and lived out-of-state in the prior year.

Sec. 8b(3). District Codes for Cyber Schools – REVISED

Revises as follows: If a cyber school is authorized by an ISD, it is assigned to that ISD; if a cyber school is authorized by a district, it is assigned to that district’s ISD; if a cyber school is authorized by a community college or university, it is assigned to the ISD in which the school’s administrative office is located.

Sec. 15. State Aid Allocation Adjustments – REVISED

Revises the period of time MDE may spread deductions resulting from an audit from 9 to 4 years, but allows districts currently undergoing an extended adjustment to use the original adjustment period. Adds requirement that if MDE bases an adjustment under this section on a finding that a district or ISD employed an educator in violation of certification requirements, MDE shall prorate the adjustment according to the period of noncompliance.

Sec. 18. Spending, Financial Reporting, and Audit Requirements – DELETED

Deletes requirement that MDE submit an itemized list of School Aid allocations to any association or consortium of associations in the preceding year.

Sec. 22b. Foundation Discretionary Payment – REVISED

Revises the list of requirements that a district must meet to receive its full foundation allowance to require that a district that offers kindergarten comply with Sec. 104(4) (the Kindergarten Assessment).

SCHOOL AID

Major Boilerplate Changes from FY 2018-19

Sec. 22p. Partnership District Discretionary Payment – REVISED

Strikes requirement that reconstitution include replacement of at least 25% of faculty and staff, and adds the following requirements: measurable outcomes be based on district needs as identified under Sec. 21h and comprehensive review of data as part of reconstitution be in compliance with Sec. 21h.

Sec. 25e. Pupil Count Transfer Process – REVISED

Strikes legislative intent that CEPI determine the number of pupils who, between the October 2018 count day and the February 2019 supplemental count day, moved into the state and enrolled in a district or ISD, or moved out of the state after being counted in membership.

Sec. 28. Weighted Allocations – Total – NEW

Details School Aid Act sections that provide a weighted foundation allocation or an additional payment of some type to recognize differentiated instructional costs in 2019-20. The following sections are included: Sec. 22d (vetoed), Sec. 31a, Sec. 41 (partially vetoed), Sec. 51c, Sec. 51f, Sec. 61a, and Sec. 61d (vetoed).

Sec. 31a. At-Risk Pupil Support – REVISED

Adds that a district or PSA in its second year of the Community Eligibility Program (CEP) may use, for one year only, the identified student percentage reported for CEP status to determine the number of economically disadvantaged pupils.

Requires school security funded under this section to align with the district's needs assessment and multi-tiered system of supports (MTSS) model.

Requires schoolwide reforms funded under this section to consist of Tier I, evidence-based practices, defined as research-based instruction and classroom interventions that are available to all learners and effectively meet the needs of most students.

Revises from allowing 5% of funds to allowing 7.5% of funds to go toward implementing a coaching model that supports MTSS or to provide professional development related to implementing MTSS or implementing MCL 380.1280f (3rd grade reading legislation).

Deletes requirement that districts expend a proportion of funds on tutoring or other methods of improving proficiency if at least 50% of at-risk pupils in the applicable grade are not proficient in or do not achieve at least one year's growth in English language arts by the end of 3rd grade or math by the end of 8th grade, or are not career- and college-ready by the end of 11th grade.

Sec. 32p. Early Childhood Block Grants – REVISED

Adds requirement that ISDs show that positive parenting practices were improved, that there was improved family economic self-sufficiency, and that community resources were utilized.

Sec. 101. Eligibility to Receive State Aid – REVISED

Revises to require that, in addition to district superintendents submitting to CEPI and the ISD superintendent the number of pupils enrolled and in regular daily attendance for the current school year by the fifth Wednesday after a count day, they also include the number of students who pay tuition.

Revises to allow a district to count up to 38 hours of professional development for teachers as hours of instruction, which was prohibited after FY 2014-15, unless a collective bargaining agreement specified otherwise. Adds that qualifying professional development may be counted as a day of pupil instruction if it exceeds 5 hours in a single day. Adds that 8 hours of qualifying professional development counted as hours of pupil instruction under this section must be recommended by a district-wide professional development advisory committee, which must be appointed by the district's school board and include teaching and non-teaching staff, parents, and administrators.

Revises definition of "qualifying professional development" to professional development that meets all of the following: (a) is aligned to school or district improvement plan; (b) is linked to criteria in the evaluation tool developed or adopted by the district; (c) has been approved by MDE as counting for continuing education clock hours; (d) does not exceed a combined total of 10 hours before the first scheduled day of school and after the last scheduled day of school; (e) does not exceed 10 hours in a single month; and (f) has at least 75% of teachers scheduled to participate in the professional development in attendance.

Sec. 160. Labor Day Waiver Hearing – REVISED

Strikes requirement that MDE participate in a pre-Labor Day start waiver hearing for a district or ISD.

Major Boilerplate Changes from FY 2018-19

Sec. 166. Disciplinary Policy for Abortion Referral – REVISED

Adds that a disciplinary policy for abortion referral does not apply to a pupil's parent or legal guardian. Removes requirement that a disciplinary policy provide penalties for violations of MCL 380.1507. Removes financial penalty of \$100,000 for a district or ISD that does not adopt a disciplinary policy by October 1, 2019.

Sec. 166a. Requirements Related to Sex Education – REVISED

Adds compliance with Sec. 166 to the requirements a district or ISD providing reproductive health or other sex education instruction must meet in order to avoid forfeiture of an amount equal to 1% of the district's or ISD's state school aid allocation.

<u>Supplemental Recommendations for FY 2018-19 Appropriations</u>		<u>FY 2018-19 Recommendation</u>
1. Cash Flow Borrowing (Sec. 11m)	Gross	\$33,000,000
Increases by \$33.0 million SAF to a total of \$57.0 million to reflect updated cost estimates for the interest costs of inter-fund borrowing between the School Aid Fund and the General Fund to balance the timing of revenue collections and required state aid payments.	Restricted	33,000,000
	GF/GP	\$0
2. Foundation Allowances (Secs. 22a and 22b)	Gross	(\$84,000,000)
Reduces by \$84.0 million SAF to a total of \$9.3 billion to reflect May consensus cost estimates for pupil membership counts and taxable values.	Restricted	(84,000,000)
	GF/GP	\$0
3. Renaissance Zone Reimbursements (Sec. 26a)	Gross	(\$1,000,000)
Reduces reimbursement payments by \$1.0 million SAF to a total of \$14.0 million. Estimated reimbursement payments required by statute have decreased due to recent personal property tax reform.	Restricted	(1,000,000)
	GF/GP	\$0
4. Payment in Lieu of Taxes (PILT) Reimbursement (Sec. 26b)	Gross	\$15,000
Increases reimbursement payments by \$15,000 SAF to a total of \$4.4 million.	Restricted	15,000
	GF/GP	\$0
5. Promise Zone Funding (Sec. 26c)	Gross	\$400,000
Increases by \$400,000 SAF to a total of \$3.4 million for required funds for districts and ISDs with approved Promise Zone development plans for the purposes of the local Promise Zone Authority.	Restricted	400,000
	GF/GP	\$0
6. Special Education (Secs. 51a, 51c, 51d, 53a, 54, and 56)	Gross	\$25,800,000
Increases by a total of \$25.8 million SAF to reflect revised consensus cost estimates based on actual FY 2017-18 year-end special education costs data. Total estimated special education costs for FY 2018-19 are \$1.4 billion.	Restricted	25,800,000
	GF/GP	\$0
7. School Bus Driver Safety Program (Sec. 74a)	Gross	\$0
Revises the school bus driver safety program to be implemented in this section from Alert, Lockdown, Inform, Counter, Evacuate (ALICE) for school buses to proactive response training for school bus drivers.	Restricted	0
	GF/GP	\$0
8. MPSERS (Sec. 147e)	Gross	(\$7,600,000)
Reduces MPSERS transition costs by \$7.6 million to a total of \$30.0 million and funds fully with SAF.	Restricted	(7,600,000)
	GF/GP	\$0

SCHOOL AID LINE ITEM SUMMARY



Sec.		FY 2018-19			FY 2019-20		FY 2019-20	
		FY 19 PA 586 of 2018	Change from YTD	FY 19 PA 58 of 2019	Change from FY 19 YTD	Enrolled FY 20	Vetoed	Enacted FY 20 PA 58 of 2019
11j	School Bond Redemption Fund	\$125,500,000		\$125,500,000	(\$14,500,000)	\$111,000,000		\$111,000,000
11m	Cash Flow Borrowing Costs	\$24,000,000	\$33,000,000	\$57,000,000	\$42,000,000	\$66,000,000		\$66,000,000
11s	Flint Declaration of Emergency	\$3,230,100		\$3,230,100	\$4,845,000	\$8,075,100		\$8,075,100
20f	Categorical Offset Payments	\$18,000,000		\$18,000,000		\$18,000,000		\$18,000,000
21h	Partnership Model Districts	\$7,000,000		\$7,000,000	(\$1,000,000)	\$6,000,000		\$6,000,000
22a	Foundations: Proposal A Obligation Payment	\$5,107,000,000	(\$50,000,000)	\$5,057,000,000	(\$164,000,000)	\$4,943,000,000		\$4,943,000,000
22b	Foundations: Discretionary Payment - Partially Vetoed	\$4,324,000,000	(\$34,000,000)	\$4,290,000,000	\$232,000,000	\$4,556,000,000	(\$35,000,000)	\$4,521,000,000
22d	Isolated District Funding - Vetoed	\$6,000,000		\$6,000,000	\$1,000,000	\$7,000,000	(\$7,000,000)	\$0
22m	Technology Regional Data Hubs	\$2,200,000		\$2,200,000		\$2,200,000		\$2,200,000
22n	High School Per Pupil Bonus	\$11,000,000		\$11,000,000	(\$11,000,000)	\$0		\$0
24	Court-Placed Pupils	\$7,150,000		\$7,150,000		\$7,150,000		\$7,150,000
24a	Juvenile Detention Facility Programs	\$1,355,700		\$1,355,700		\$1,355,700		\$1,355,700
24c	Youth Challenge Program	\$1,625,400		\$1,625,400	(\$1,625,400)	\$0		\$0
25f	Strict Discipline Academy - Vetoed	\$1,600,000		\$1,600,000		\$1,600,000	(\$1,600,000)	\$0
25g	Dropout Recovery Programs - Vetoed	\$750,000		\$750,000		\$750,000	(\$750,000)	\$0
25h	Jobs for Michigan Grads	\$100,000		\$100,000	(\$100,000)	\$0		\$0
26a	Renaissance Zone Reimbursement	\$15,000,000	(\$1,000,000)	\$14,000,000	\$300,000	\$15,300,000		\$15,300,000
26b	PILT Reimbursement	\$4,405,100	\$15,000	\$4,420,100	\$236,000	\$4,641,100		\$4,641,100
26c	Promise Zone Funding	\$3,000,000	\$400,000	\$3,400,000	\$5,400,000	\$8,400,000		\$8,400,000
31a	At-Risk Pupil Support	\$499,000,000		\$499,000,000	\$11,000,000	\$510,000,000		\$510,000,000
31a(7)	School Based Health Centers	\$6,057,300		\$6,057,300	\$1,942,700	\$8,000,000		\$8,000,000
31a(8)	Hearing and Vision Screening	\$5,150,000		\$5,150,000		\$5,150,000		\$5,150,000
31a(17)	At-Risk Pupil Hold Harmless	\$18,000,000		\$18,000,000	(\$6,000,000)	\$12,000,000		\$12,000,000
31b	Year-Round Instruction Grants - Vetoed	\$750,000		\$750,000		\$750,000	(\$750,000)	\$0
31d	State School Lunch Programs	\$23,144,000		\$23,144,000		\$23,144,000		\$23,144,000
31d	Federal School Lunch Programs	\$523,200,000		\$523,200,000	\$14,000,000	\$537,200,000		\$537,200,000
31f	School Breakfast Program	\$4,500,000		\$4,500,000		\$4,500,000		\$4,500,000
31j	Local Produce in School Meals - Vetoed	\$575,000		\$575,000	\$1,425,000	\$2,000,000	(\$2,000,000)	\$0
31n	School Mental Health and Support Services	\$31,300,000		\$31,300,000		\$31,300,000		\$31,300,000
32d	Great Start Readiness Program	\$244,900,000		\$244,900,000	\$5,050,000	\$249,950,000		\$249,950,000
32p	Early Childhood Block Grants	\$13,400,000		\$13,400,000		\$13,400,000		\$13,400,000
32q	Early Learning Cooperative	\$175,000		\$175,000	(\$175,000)	\$0		\$0
35a(4)	Early Literacy Teacher Coaches	\$7,000,000		\$7,000,000	\$14,000,000	\$21,000,000		\$21,000,000
35a(5)	Early Literacy Added Instructional Time	\$19,900,000		\$19,900,000		\$19,900,000		\$19,900,000
35a(7)	Early Literacy - Michigan Education Corps - Vetoed	\$3,000,000		\$3,000,000		\$3,000,000	(\$3,000,000)	\$0
35a(8)	Summer Reading Project	\$500,000		\$500,000	(\$500,000)	\$0		\$0
35a(8)	Literacy Essentials	\$1,000,000		\$1,000,000		\$1,000,000		\$1,000,000
35a(9)	Literacy Essentials - Principal Training - Vetoed	\$0		\$0	\$300,000	\$300,000	(\$300,000)	\$0
35a(11)	Summer School Literacy Intervention Grants - Vetoed	\$0		\$0	\$15,000,000	\$15,000,000	(\$15,000,000)	\$0
35b	District and Dyslexia Center Collaboration Grant - Vetoed	\$250,000		\$250,000	\$100,000	\$350,000	(\$350,000)	\$0
35c	Multisensory education - Vetoed	\$0		\$0	\$300,000	\$300,000	(\$300,000)	\$0
35d	Social-Emotional Learning Pilot - Vetoed	\$0		\$0	\$500,000	\$500,000	(\$500,000)	\$0
39a(1)	Federal NCLB/ESSA Grant Funds	\$730,600,000		\$730,600,000	(\$5,000,000)	\$725,600,000		\$725,600,000
39a(2)	Other Federal Funding	\$51,200,000		\$51,200,000	(\$2,100,000)	\$49,100,000		\$49,100,000
41	English Language Learner Grants - Partially Vetoed	\$6,000,000		\$6,000,000	\$10,000,000	\$16,000,000	(\$3,000,000)	\$13,000,000
51a(1)	Special Education - Federal Reimbursement	\$370,000,000		\$370,000,000		\$370,000,000		\$370,000,000
51a(2)	Special Ed ISD Foundation and Costs	\$273,100,000	\$13,700,000	\$286,800,000	\$24,700,000	\$297,800,000		\$297,800,000
51a(3)	Special Ed ISD Hold Harmless Payment	\$1,300,000	(\$100,000)	\$1,200,000	(\$300,000)	\$1,000,000		\$1,000,000
51a(6)	Special Ed Admin Rules Changes	\$2,200,000		\$2,200,000		\$2,200,000		\$2,200,000
51a(11)	Special Ed Foundations for Non Sec. 52 to ISDs	\$3,400,000	(\$300,000)	\$3,100,000	(\$500,000)	\$2,900,000		\$2,900,000
51a(16)	Special Ed ISD Compliance Reimbursement	\$500,000		\$500,000	(\$500,000)	\$0		\$0
51c	Special Ed Headlee Obligation (Durant)	\$651,000,000	\$12,500,000	\$663,500,000	\$38,100,000	\$689,100,000		\$689,100,000
51d	Special Education - Other Federal Grants	\$61,000,000		\$61,000,000		\$61,000,000		\$61,000,000
51f	Special Education Cost Reimbursement - NEW	\$0		\$0	\$60,207,000	\$60,207,000		\$60,207,000
53a	Special Ed for Court Placed Pupils	\$10,500,000		\$10,500,000		\$10,500,000		\$10,500,000
54	Special Ed Michigan School Blind/Deaf	\$1,688,000		\$1,688,000		\$1,688,000		\$1,688,000
54b	Special Education Task Force Reforms (MiBLSI)	\$1,600,000		\$1,600,000		\$1,600,000		\$1,600,000
54d	Spec. Ed. Task Force - Early On	\$5,000,000		\$5,000,000	\$2,150,000	\$7,150,000		\$7,150,000
54e	PLAY Project - Autism Intervention - Vetoed	\$0		\$0	\$350,000	\$350,000	(\$350,000)	\$0
55	Conductive Learning Study - Vetoed	\$250,000		\$250,000		\$250,000	(\$250,000)	\$0
56	Special Ed ISD Millage Equalization	\$40,008,100		\$40,008,100		\$40,008,100		\$40,008,100
61a	Career & Tech Ed Programs - Partially Vetoed	\$37,711,300		\$37,711,300		\$37,711,300	(\$100,000)	\$37,611,300
61b	Career & Tech Ed Early/Middle College - Partially Vetoed	\$8,000,000		\$8,000,000	\$2,000,000	\$10,000,000	(\$2,000,000)	\$8,000,000
61c	Career & Tech Ed Equipment - Vetoed	\$2,500,000		\$2,500,000	\$13,500,000	\$16,000,000	(\$16,000,000)	\$0
61d	CTE Incentive Payment - Partially Vetoed	\$5,000,000		\$5,000,000	\$5,000,000	\$10,000,000	(\$5,000,000)	\$5,000,000
61f	Pipeline 2 Promise - Vetoed	\$200,000		\$200,000		\$200,000	(\$200,000)	\$0

SCHOOL AID LINE ITEM SUMMARY



Sec.		FY 2018-19			FY 2019-20		FY 2019-20	
		FY 19 PA 586 of 2018	Change from YTD	FY 19 PA 58 of 2019	Change from FY 19 YTD	Enrolled FY 20	Vetoed	Enacted FY 20 PA 58 of 2019
61g	Energy Technology and Cybersecurity Jobs	\$50,000		\$50,000	(\$50,000)	\$0		\$0
61h	Virtual Skilled Trades	\$1,200,000		\$1,200,000	(\$1,200,000)	\$0		\$0
62	SD Career & Tech Ed Millage Equalization	\$9,190,000		\$9,190,000		\$9,190,000		\$9,190,000
64b	Dual Enrollment Incentive Payments	\$1,750,000		\$1,750,000	(\$1,750,000)	\$0		\$0
64d	Information Technology Certifications - Vetoed	\$2,300,000		\$2,300,000		\$2,300,000	(\$2,300,000)	\$0
65	Detroit PreCollege Engineering	\$400,000		\$400,000		\$400,000		\$400,000
67	Career and College Readiness Tools	\$3,000,000		\$3,000,000		\$3,000,000		\$3,000,000
67a	District Career Exploration Pilot - Vetoed	\$0		\$0	\$80,000	\$80,000	(\$80,000)	\$0
67b	MITES - Vetoed	\$0		\$0	\$50,000	\$50,000	(\$50,000)	\$0
74	School Bus Driver Safety Instruction	\$2,025,000		\$2,025,000		\$2,025,000		\$2,025,000
74	School Bus Inspections	\$1,729,900		\$1,729,900	\$18,000	\$1,747,900		\$1,747,900
74a	School Bus Safety Program	\$810,000		\$810,000	(\$810,000)	\$0		\$0
81	SD General Operations Support	\$68,453,000		\$68,453,000	\$685,000	\$69,138,000		\$69,138,000
94	AP/IB Incentive Program	\$1,000,000		\$1,000,000		\$1,000,000		\$1,000,000
94a	Center for Educational Performance and Information	\$16,356,700		\$16,356,700	\$100,500	\$16,457,200		\$16,457,200
94a	Center for Educational Performance and Info - Federal	\$193,500		\$193,500		\$193,500		\$193,500
95b	Statewide Evaluation Tool - Vetoed	\$2,500,000		\$2,500,000		\$2,500,000	(\$2,500,000)	\$0
97	Secure Schools/School Safety Grants - Vetoed	\$0		\$0	\$10,000,000	\$10,000,000	(\$10,000,000)	\$0
97a	Michigan Job Bank - Vetoed	\$0		\$0	\$1,500,000	\$1,500,000	(\$1,500,000)	\$0
98	Michigan Virtual University - Partially Vetoed	\$7,387,500		\$7,387,500		\$7,387,500	(\$1,075,000)	\$6,312,500
99h	FIRST Robotics - Partially Vetoed	\$4,800,000		\$4,800,000	\$200,000	\$5,000,000	(\$300,000)	\$4,700,000
99s(2)(3)	MiSTEM Council and Grants	\$3,050,000		\$3,050,000		\$3,050,000		\$3,050,000
99s(4)	MiSTEM Grants - Math and Science Centers - Federal	\$3,500,000		\$3,500,000	(\$3,265,000)	\$235,000		\$235,000
99s(4)(6)	MiSTEM Centers Transition	\$4,584,300		\$4,584,300		\$4,584,300		\$4,584,300
99s(11)	MiSTEM Executive Director	\$300,000		\$300,000		\$300,000		\$300,000
99t	Online Algebra Tool - Vetoed	\$1,500,000		\$1,500,000		\$1,500,000	(\$1,500,000)	\$0
99u	Imagine Learning - Vetoed	\$3,000,000		\$3,000,000		\$3,000,000	(\$3,000,000)	\$0
99v	Dana Center - Vetoed	\$25,000		\$25,000		\$25,000	(\$25,000)	\$0
99w	Fitness Foundation - Vetoed	\$500,000		\$500,000		\$500,000	(\$500,000)	\$0
99x	Teach for America - Vetoed	\$300,000		\$300,000	\$500,000	\$800,000	(\$800,000)	\$0
99y	STEM and Entrepreneurship	\$60,000		\$60,000	(\$60,000)	\$0		\$0
99z	Square One - Vetoed	\$0		\$0	\$300,000	\$300,000	(\$300,000)	\$0
99bb	Best Buddies - Vetoed	\$0		\$0	\$250,000	\$250,000	(\$250,000)	\$0
102d	Financial Data Analysis Tools - Vetoed	\$1,500,000		\$1,500,000		\$1,500,000	(\$1,500,000)	\$0
104	Education Assessments - State	\$32,509,400		\$32,509,400	(\$500,000)	\$32,009,400		\$32,009,400
104	Education Assessments - Federal	\$6,250,000		\$6,250,000		\$6,250,000		\$6,250,000
104d	District Assessments/Tools - Vetoed	\$9,200,000		\$9,200,000		\$9,200,000	(\$9,200,000)	\$0
104f	Digital Learning Prep	\$500,000		\$500,000	(\$500,000)	\$0		\$0
107	Adult Education	\$30,500,000		\$30,500,000		\$30,500,000		\$30,500,000
147a(1)	MPSERS Cost Offset	\$100,000,000		\$100,000,000		\$100,000,000		\$100,000,000
147a(2)	MPSERS Normal Cost Offset	\$88,139,000		\$88,139,000	\$83,930,000	\$172,069,000		\$172,069,000
147c	MPSERS State Share of Unfunded Liability Payments	\$1,032,700,000		\$1,032,700,000	(\$1,800,000)	\$1,030,900,000		\$1,030,900,000
147e	MPSERS SB 401 Added Costs	\$37,600,000	(\$7,600,000)	\$30,000,000	\$4,971,000	\$42,571,000		\$42,571,000
152a	Adair - Database Payment	\$38,000,500		\$38,000,500		\$38,000,500		\$38,000,500
152b	Nonpublic School Reimbursement - Vetoed	\$250,000		\$250,000		\$250,000	(\$250,000)	\$0
TOTAL APPROPRIATIONS		\$14,844,588,800	(\$33,385,000)	\$14,811,203,800	\$390,754,800	\$15,235,343,600	(\$128,580,000)	\$15,106,763,600

REVENUE BY SOURCE								
Federal Aid	\$1,745,943,500	\$0	\$1,745,943,500	\$3,635,000	\$1,749,578,500	\$0	\$1,749,578,500	
School Aid Fund	\$12,876,825,200	(\$31,685,000)	\$12,845,140,200	\$416,639,800	\$13,293,465,000	(\$75,850,000)	\$13,217,615,000	
MPSERS retirement obligation reform Reserve Fund	\$31,900,000	(\$1,900,000)	\$30,000,000	(\$30,000,000)	\$1,900,000	\$0	\$1,900,000	
Community District Trust Fund/Other Restricted Fund	\$72,000,100	\$200,000	\$72,200,100	\$3,400,000	\$75,400,100	\$0	\$75,400,100	
School Mental Health and Support Services Fund	\$30,000,000	\$0	\$30,000,000	(\$30,000,000)	\$0	\$0	\$0	
Marshall Plan - Talent Investment Fund	\$0	\$0	\$0	\$40,000,000	\$40,000,000	(\$40,000,000)	\$0	
General Fund/General Purpose	\$87,920,000	\$0	\$87,920,000	(\$12,920,000)	\$75,000,000	(\$12,730,000)	\$62,270,000	
TOTAL REVENUE	\$14,844,588,800	(\$33,385,000)	\$14,811,203,800	\$390,754,800	\$15,235,343,600	(\$128,580,000)	\$15,106,763,600	

DEPARTMENT OF STATE POLICE
Summary of FY 2019-20 Enacted with Vetoes and Ad Board Transfers
Public Act 53 of 2019 (Senate Bill 147)

Analyst: Marcus Coffin

	FY 2018-19 YTD as of 3/5/19	FY 2019-20 Executive	FY 2019-20 House	FY 2019-20 Senate	FY 2019-20 Conference	FY 2019-20 Enacted	Difference: Enacted From FY 2018-19 YTD	
							Amount	%
IDG/IDT	\$24,748,300	\$24,933,900	\$24,933,900	\$24,933,900	\$24,933,900	\$24,933,900	\$185,600	0.7
Federal	100,648,800	75,728,500	75,486,100	75,728,500	75,728,500	75,728,500	(24,920,300)	(24.8)
Local	5,146,800	4,766,200	4,540,200	4,766,200	4,766,200	4,766,200	(380,600)	(7.4)
Private	115,000	35,000	35,000	35,000	35,000	35,000	(80,000)	(69.6)
Restricted	154,103,700	144,658,200	144,105,900	144,658,200	147,158,200	135,429,400	(18,674,300)	(12.1)
GF/GP	493,173,800	468,507,200	454,542,800	471,466,400	476,321,700	473,701,700	(19,472,100)	(3.9)
Gross	\$777,936,400	\$718,629,000	\$703,643,900	\$721,588,200	\$728,943,500	\$714,594,700	(\$63,341,700)	(8.1)
FTEs	3,521.0	3,544.0	3,519.0	3,582.0	3,583.0	3,582.0	61.0	1.7

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Appropriation figures do not include supplemental appropriations in 2019 PA 154 (see Appendix II).

Overview

The Michigan Department of State Police (MSP) is this state's primary law enforcement and emergency response authority. The department is responsible for criminal law enforcement and investigation, traffic and motor carrier safety, and homeland security. The department is also responsible for the administration and implementation of various state programs, technologies, and specialized services intended to enhance the capabilities and coordination of federal, state, and local law enforcement agencies, the criminal justice system, and the entire public safety community.

Major Budget Changes from FY 2018-19 YTD Appropriations

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
1. Medical Marihuana Reduction	FTE	NA	(32.0)
Reduces restricted funding by \$9.0 million (from the Marihuana Regulatory Fund) across five line items to align funding with anticipated fund revenues, and includes a reduction of 32.0 FTE positions to align staffing levels with actual departmental activities.	Gross	NA	(\$8,988,700)
	Restricted	NA	(8,988,700)
	GF/GP	NA	\$0
2. FY 2019-20 Trooper Recruit School	FTE	NA	50.0
Includes \$8.6 million GF/GP (\$3.9 million ongoing, \$4.7 million one-time) and authorization for 50.0 FTE positions to support various costs associated with the FY 2019-20 Trooper Recruit School, which is anticipated to graduate 50 new troopers and to begin in January 2020. Costs include salaries, training materials, patrol cars, and trooper outfitting.	Gross	NA	\$8,644,900
	GF/GP	NA	\$8,644,900
3. FY 2018-19 Trooper Recruit School Annualization	Gross	NA	\$8,098,300
Includes \$8.1 million GF/GP to support various departmental expenses incurred for 75 troopers that are expected to graduate from Trooper Recruit School during FY 2018-19. Costs include fleet leasing, equipment, IT support, and salaries and benefits.	GF/GP	NA	\$8,098,300
4. Additional FY 2019-20 Trooper Recruit School – AD BOARD TRANSFER	FTE	NA	36.0
Includes \$5.4 million GF/GP and authorization for 36.0 FTE positions for the additional FY 2019-20 trooper recruit school. Ad Board transferred \$2.1 million GF/GP from the Trooper School one-time line item to the Forensic Science line item.	Gross	NA	\$3,338,700
	GF/GP	NA	\$3,338,700

<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>		<u>FY 2018-19 Year-to-Date (as of 3/5/19)</u>	<u>FY 2019-20 Enacted Change</u>
5. Recreational Marihuana Implementation			
	FTE	NA	9.0
Includes \$3.0 million in restricted funding from the Marihuana Regulation Fund and authorization for 9.0 FTE positions for the department's implementation of investigative activities pertaining to recreational marihuana.	Gross	NA	\$3,000,000
	Restricted	NA	3,000,000
	GF/GP	NA	\$0
6. In-Car Video Streaming Network – AD BOARD TRANSFER			
	Gross	NA	\$2,766,500
Includes \$766,600 GF/GP to support hardware and service costs (including hosting and data storage) for the streaming of video footage from MSP patrol vehicles. Ad Board transferred approximately \$2.0 million GF/GP from the First Responder Communications Network line item to the In-Car Camera Video Streaming Network line item.	GF/GP	NA	\$2,766,500
7. Forensic Science – AD BOARD TRANSFER			
	FTE	269.0	0.0
Ad Board transferred \$2.1 million GF/GP from the Trooper School one-time line item to the Forensic Science line item.	Gross	\$44,859,600	\$2,068,200
	Federal	4,123,300	0
	Restricted	10,631,800	0
	GF/GP	\$30,104,500	\$2,068,200
8. Patrol Vehicle Fleet Reduction			
	Gross	NA	(\$2,000,000)
Reduces funding by \$2.0 million GF/GP to reflect cost savings resulting from a patrol vehicle fleet reduction of approximately 275 vehicles.	GF/GP	NA	(\$2,000,000)
9. Secondary Road Patrol Funding – VETOED			
	FTE	1.0	(1.0)
Governor vetoed \$13.1 million Gross (\$2.0 million GF/GP) from the Secondary Road Patrol Program line item.	Gross	\$13,072,200	(\$13,074,300)
	Restricted	11,072,200	(11,074,300)
	GF/GP	\$2,000,000	(\$2,000,000)
10. Medical Marihuana Excise Fund Removal			
	Gross	\$1,815,000	(\$1,815,000)
Removes \$1.8 million in restricted funding from the Medical Marihuana Excise Fund for the Investigative Services and Standards and Training/Justice Training Grants line items. This reflects the elimination of the 3% excise tax on medical marihuana provisioning center sales due to the passage of 2018 Initiated Law 1.	Restricted	1,815,000	(1,815,000)
	GF/GP	\$0	\$0
11. Sexual Assault Prevention and Education Initiative			
	Gross	NA	\$1,321,000
Includes \$1.3 million GF/GP for the Sexual Assault Prevention and Education Initiative, which has been operating under the Department of Health and Human Services budget. The program will provide grants to a variety of public and non-public high schools and post-secondary institutions to address campus sexual assault issues.	GF/GP	NA	\$1,321,000
12. Special Operations Reduction			
	FTE	67.0	(4.0)
Includes a reduction of \$677,600 GF/GP and 4.0 FTE positions to reflect cost savings realized through reductions of executive security details.	Gross	\$13,261,300	(\$677,600)
	Private	15,000	0
	Restricted	1,196,200	0
	GF/GP	\$12,050,100	(\$677,600)
13. Training Only To Local Units – VETOED			
	Gross	\$654,500	(\$654,500)
Governor vetoed \$654,500 Gross (\$0 GF/GP) for the Training Only to Local Units line item, which supports the development of training curricula by the Michigan Commission on Law Enforcement Standards and partial reimbursement of local law enforcement agencies for costs associated with training employed officer candidates.	Restricted	654,500	(654,500)
	GF/GP	\$0	\$0

STATE POLICE

<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
14. Credit Card Fee Authorization Increase	Gross	NA	\$578,700
Includes \$578,700 Gross (\$4,200 GF/GP) to support fees paid by the department for processing credit card transactions. The increased authorization covers increases in the fees charged by credit card providers, as well as fees anticipated to arise from online transactions for concealed pistol license renewal.	IDG	NA	2,800
	Federal	NA	1,500
	Local	NA	1,200
	Restricted	NA	569,000
	GF/GP	NA	\$4,200
15. Automated Biometrics Identification System Increase	Gross	NA	\$510,200
Includes \$510,200 GF/GP for cost increases related to ABIS, which is the successor system to the Automated Fingerprint Identification System.	GF/GP	NA	\$510,200
16. Office of School Safety	FTE	NA	3.0
Includes \$500,000 GF/GP and authorization for 3.0 FTE positions to establish an Office of School Safety within MSP, in accordance with 2018 PA 435.	Gross	NA	\$500,000
	GF/GP	NA	\$500,000
17. Operating Materials and Supplies Reduction	Gross	NA	(\$450,000)
Reduces eight line items by a total of \$450,000 GF/GP to reflect cost savings on miscellaneous office materials and supplies.	GF/GP	NA	(\$450,000)
18. Breath Alcohol Program Increase	Gross	NA	\$300,100
Includes \$300,100 GF/GP for the Breath Alcohol Program. The GF/GP funding will offset reduced restricted funding revenues resulting from lower revenues to the Drunk Driving Prevention and Training Fund.	GF/GP	NA	\$300,100
19. Administrative Vehicle Fleet Reduction	Gross	NA	(\$300,000)
Reduces funding by \$300,000 GF/GP to reflect cost savings resulting from an administrative vehicle fleet reduction of approximately 50 vehicles.	GF/GP	NA	(\$300,000)
20. Ammunition Costs Increase	Gross	NA	\$258,600
Includes \$258,600 GF/GP for cost increases for ammunition that the department purchases.	GF/GP	NA	\$258,600
21. Grants and Community Services Reduction	Gross	\$16,752,600	(\$255,400)
Reduces funding by \$255,400 GF/GP to reflect cost savings that have been achieved by consolidating responsibilities within the Grants and Community Services Division.	Federal	6,248,600	0
	Private	100,000	0
	Restricted	9,276,500	0
	GF/GP	\$1,127,500	(\$255,400)
22. Accounting Service Center Increase	Gross	\$1,081,200	\$179,100
Includes \$179,100 GF/GP to support increased Accounting Service Center costs that are charged to the department by DTMB.	IDG	13,400	0
	Restricted	201,800	0
	GF/GP	\$866,000	\$179,100
23. eWarrant System Increase	Gross	NA	\$130,000
Includes \$130,000 GF/GP for hosting and maintenance charges associated with the eWarrant system, which is a statewide information exchange system that provides a streamlined warrant process for law enforcement agencies, prosecutors, and court officials.	GF/GP	NA	\$130,000
24. Combined Strategic Support Module Increase	Gross	NA	\$123,000
Includes \$123,000 GF/GP for licensing and server costs related to the Combined Strategic Support Module, which supports automated in-vehicle location systems, real-time data feeds for digitally fenced high-crime and high-traffic-accident areas, and augmented visualization technology for direct video streaming between department aircraft and ground troopers.	GF/GP	NA	\$123,000

STATE POLICE

<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
25. Discretionary Overtime Reduction	Gross	NA	(\$100,000)
Reduces funding by \$100,000 GF/GP to reflect cost savings resulting from reductions to budgeted overtime in 8 line items (Post Operations is held harmless in this reduction).	GF/GP	NA	(\$100,000)
26. Emergency Management and Homeland Security Training Center Reduction	Gross	NA	(\$29,600)
Reduces funding by \$29,600 GF/GP, since restricted funding from training fees is anticipated to be sufficient to cover training center expenses.	GF/GP	NA	(\$29,600)
27. Civil Air Patrol – VETOED	Gross	\$20,000	(\$20,000)
Governor vetoed \$20,000 GF/GP for the Civil Air Patrol line item, which has historically been used to cover civil air patrol costs (namely fuel and flight time) for support activities provided by the Civil Air Patrol to the department.	GF/GP	\$20,000	(\$20,000)
28. First Responder Communication Network – AD BOARD TRANSFER	Gross	NA	\$100
Includes \$2.0 million GF/GP for the first responder communication network, which will provide first responders with access to a designated broadband network for communication and collaboration. Ad Board transferred approximately \$2.0 million GF/GP from the First Responder Communications Network line item to the In-Car Camera Video Streaming Network line item.	GF/GP	NA	\$100
29. Secure Cities Partnership Funding Restructure	FTE	30.0	0.0
Replaces \$2.5 million GF/GP in the Secure Cities Partnership line item with \$2.5 million in restricted funding from the State Services Fee Fund.	Gross	\$7,861,300	\$0
	Restricted	0	2,500,000
	GF/GP	\$7,861,300	(\$2,500,000)
30. Removal of FY 2018-19 One-Time Appropriations – PARTIALLY VETOED	Gross	\$8,476,400	(\$8,476,400)
Removes the following FY 2018-19 one-time appropriations:	GF/GP	\$8,476,400	(\$8,476,400)
<ul style="list-style-type: none"> • OK2SAY Information Technology Upgrade (\$100 GF/GP) • FY 2018-19 Trooper Recruit School (\$7.8 million GF/GP) Governor vetoed \$725,000 GF/GP for Michigan International Speedway Traffic Control.			
31. Technical Adjustments	Gross	NA	(\$61,720,500)
Removes FY 2018-19 supplemental appropriations and appropriations authorized by boilerplate; aligns authorizations with expected revenues for federal, local, private, and restricted fund sources; and provides for several internal net-zero transfers, including restructuring of State 9-1-1 Administration and Commercial Vehicle Enforcement funding, Michigan Commission on Law Enforcement Standards rent transfer, and Missing Persons Unit and Canine Unit personnel transfers.	Federal	NA	(25,268,900)
	Local	NA	(404,600)
	Private	NA	(80,000)
	Restricted	NA	(2,841,000)
	GF/GP	NA	(\$33,126,000)
32. Economic Adjustments	Gross	NA	\$3,402,900
Reflects increased costs of \$3.4 million (\$2.2 million GF/GP) for negotiated salary and wage increases (2.0% ongoing, 2.0% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	NA	182,800
	Federal	NA	347,100
	Local	NA	22,800
	Restricted	NA	630,200
	GF/GP	NA	\$2,220,000

STATE POLICE

Major Boilerplate Changes from FY 2018-19

Sec. 210. Contingency Funding – REVISED

Authorizes federal, state restricted, local, and private contingency funding; authorizes expenditure of funds after legislative transfer to specific line items. Revises to decrease federal contingency authorization to \$2.0 million, increase state restricted contingency authorization to \$4.0 million, and eliminate local and private contingency authorizations.

Sec. 216. Communication with the Legislature – RETAINED (UNENFORCEABLE)

Prohibits the department from taking disciplinary action against employees for communicating with legislators or their staff. *(Signing letter states section is unenforceable.)*

Sec. 217. Quarterly Reporting on Achieving Requirements – REVISED

Requires the department to provide quarterly reports on its performance metrics, status of work projects, and financial status. Revises to a biannual rather than quarterly reporting cycle.

Sec. 224. Authorization to Expend Private Donations – REVISED

Appropriates money donated to MSP for purposes designated by the donor. Revises to allow for the donation of nonmonetary gifts, as well as monetary gifts.

Sec. 226. Protection of Personal Data – NEW (UNENFORCEABLE)

Includes new language stating legislative intent that the department take necessary steps to protect the data and privacy of citizens who are not the focus of a department investigation. *(Signing letter states section is unenforceable.)*

Sec. 227. FY 2019-20 Attrition School – NEW

Requires the department to utilize attrition savings to conduct an attrition school in FY 2019-20 that will graduate at least 70 new troopers.

Sec. 228. Traffic Ticket Issuance and Performance Evaluation – NEW (UNENFORCEABLE)

Stipulates that law enforcement and motor carrier officers are not required to issue a predetermined number of citations for traffic infractions and that issuance of a predetermined number of traffic citations shall not be included in an officer's performance evaluation. *(Signing letter states section is unenforceable.)*

Sec. 301. Capitol and Secondary Complex Security – DELETED

Requires the department to maintain adequate levels of staffing and resources for providing security services at the state Capitol Building and surrounding buildings; requires a minimum of 35,000 patrols at state-owned and leased facilities.

Sec. 407. School Safety Report – REVISED

Requires the department to submit a report detailing school safety grants, incidents of school violence or threats, OK2SAY-based incidents and activities, and recommendations for school safety measures. Revises to reference the Office of School Safety and to specify a biannual reporting basis.

Sec. 601. General Law Enforcement and Traffic Safety – REVISED (PARTIALLY UNENFORCEABLE)

Subsection (1) authorizes MSP troopers to respond to criminal or emergency situations and to make every effort to protect residents; subsection (2) requires MSP to maintain staff and resources to enhance traffic safety and dedicate a minimum of 455,200 hours to statewide patrol, a minimum of 40,000 within distressed cities, and a minimum of 2,000 within Belle Isle; subsection (3) requires MSP to maintain a 93% compliance rate for reporting registered sex offenders; and subsection (4) requires the submission of a report on the Secure Cities Partnership. Revises to delete requirement for 2,000 patrol hours within Belle Isle and to require 7,000 residence checks of registered sex offenders rather than a 93% compliance rate. *(Signing letter states that subsections 2 and 3 are unenforceable.)*

Sec. 602. Criminal Investigations – RETAINED (PARTIALLY UNENFORCEABLE)

Subsection (1) requires MSP to identify and apprehend criminals through investigations; subsection (2) requires maintenance of resources to achieve a specified number of investigation hours; subsection (3) requires maintenance of resources to meet or exceed a case clearance rate of 62%; subsection (4) requires MSP to provide four training opportunities to local law enforcement partners related to gambling or opioids; and subsection (5) requires MSP to increase opioid-related investigations by 20% and work toward enhancing drug-interdiction efforts. *(Signing letter states that subsections 2, 3, 4, and 5 are unenforceable.)*

Sec. 603. Tobacco Tax Fraud Investigations – RETAINED (PARTIALLY UNENFORCEABLE)

Subsection (1) requires MSP to provide prevention and suppression of organized untaxed tobacco smuggling; subsection (2) requires submission of a report pertaining to tobacco tax enforcement activities and expenditures; and subsection (3) requires a minimum of 16,600 hours be dedicated to tobacco tax enforcement. *(Signing letter states that subsection 3 is unenforceable.)*

Major Boilerplate Changes from FY 2018-19

Sec. 604. Fire Investigations – RETAINED (PARTIALLY UNENFORCEABLE)

Subsection (1) requires MSP to provide fire investigation training and assistance and subsection (2) requires MSP to maintain readiness to respond to at least the number of fire investigation services requests received in FY 2010-11 and to be available for call out 100% of the time. *(Signing letter states that subsection 2 is unenforceable.)*

Sec. 701. Special Operations – RETAINED (PARTIALLY UNENFORCEABLE)

Subsection (1) requires MSP to operate the Michigan Intelligence Operations Center for Homeland Security (MIOC); subsection (2) requires MSP to provide timely and accurate information regarding threats reported to or discovered by the MIOC and how to report suspicious activity; subsection (3) requires resources to support the cyber section and stipulates caseload goals; and subsection (4) stipulates staffing goals for digital forensic analysis. *(Signing letter states that subsections 3 and 4 are unenforceable.)*

Sec. 702. Specialized Support Teams – REVISED (PARTIALLY UNENFORCEABLE)

Requires the department to maintain specialized support teams for statewide availability and to prepare a report regarding best practices in law enforcement for issues related to drones. Revises to eliminate the best-practices report on drones and to incorporate requirements of former Sec. 301, including that the department provide security services for select state facilities and conduct 35,000 property inspections of state-owned and leased facilities. *(Signing letter states that subsections 2-7 and a portion of subsection 8, all detailing staffing requirements, are unenforceable.)*

Sec. 703. Commercial Vehicle Enforcement and Regulation – REVISED (PARTIALLY UNENFORCEABLE)

Requires MSP to maintain commercial vehicle and enforcement activities; to meet inspection goals consistent with the federal motor carrier safety assistance program; and to inspect school buses; and stipulates that revenues collected under the Motor Carrier Act do not lapse to the General Fund at the end of the fiscal year. Revises to create a commercial vehicle enforcement operations reserve fund to fund commercial vehicle enforcement line items. *(Signing letter states that language regarding a commercial vehicle enforcement operations reserve fund are unenforceable.)*

Sec. 704. Emergency Management and Homeland Security – RETAINED (PARTIALLY UNENFORCEABLE)

Specifies the department’s role in coordinating emergency preparedness and response efforts. *(Signing letter states that subsections pertaining to expenditures from the Disaster and Emergency Contingency Fund and expenditures under a declaration of a state of emergency are unenforceable.)*

Sec. 706. Secondary Road Patrol Program – REVISED (VETOED)

Requires the department to provide funding to county sheriffs’ departments to patrol secondary roads; stipulates sheriffs’ duties under the Secondary Road Patrol program; and requires the department to provide an annual report on secondary road patrol activities. Revises reporting requirements to delete current-year language and instead require a report from the Office of Highway Safety Planning and the State Court Administrator detailing justice system assessment collections.

Sec. 801. Sexual Assault Prevention and Education Initiative – NEW

Includes language regarding the expenditure of funds appropriated for the sexual assault prevention and education initiative and allows unawarded funds to be used to support other initiatives and programs through the Office of School Safety.

Sec. 1001. FY 2019-20 Appropriation – REVISED

Expresses legislative intent that FY 2019-20 appropriations are anticipated to be the same as FY 2018-19 appropriations and adjusted for changes in caseloads, federal fund match rates, economic factors, and available revenue. Revises to update fiscal years.

<u>FY 2018-19 Supplemental Appropriation (PA 56)</u>	FY 2018-19 YTD (as of 3/5/19)	FY 2018-19 Supplemental Change
1. Active Violence Response Training	Gross	NA
Includes \$1.9 million GF/GP for the Michigan Commission on Law Enforcement Standards to develop and implement an active violence training curriculum in accordance with 2018 PA 552. Law requires existing licensed law enforcement officers and individuals seeking law enforcement officer licensure to complete active violence response training developed by MCOLES.	GF/GP	\$1,927,600

STATE POLICE

FY 2018-19 Supplemental Boilerplate Changes (PA 56)

Sec. 601. Active Violence Response Training

Authorizes unexpended funds appropriated for active violence response training to be considered a work project appropriation and carried forward. Funding supports training law enforcement personnel on responses to active violence situations. Project would be accomplished by utilizing state employees or contracts with service providers, or both. Project is estimated to cost \$1.9 million, with a tentative completion date of September 30, 2023.

DEPARTMENT OF TRANSPORTATION

Summary of FY 2019-20 Enacted with Vetoes and Ad Board Transfers

Public Act 66 of 2019 (Senate Bill 149)

Analyst: William E. Hamilton

	FY 2018-19 YTD as of 3/5/19	FY 2019-20 Executive	FY 2019-20 House	FY 2019-20 Senate	FY 2019-20 Conference	FY 2019-20 Enacted	Difference: Enacted From FY 2018-19 YTD Amount	%
IDG/IDT	\$4,092,500	\$3,974,300	\$3,974,300	\$3,974,300	\$3,974,300	\$3,974,300	(\$118,200)	(2.9)
Federal	1,318,271,700	1,341,650,100	1,341,650,100	1,341,650,100	1,352,350,100	1,352,350,100	34,078,400	2.6
Local	50,532,000	51,032,000	50,532,000	51,032,000	51,032,000	51,032,000	500,000	1.0
Private	900,000	900,000	900,000	900,000	900,000	900,000	0	0.0
Restricted	3,283,293,700	4,380,735,600	4,011,681,900	3,601,210,800	3,578,323,800	3,578,151,600	294,857,900	9.0
GF/GP	356,790,900	0	0	132,000,000	400,000,000	25,000,000	(331,790,900)	(93.0)
Gross	\$5,013,880,800	\$5,778,292,000	\$5,408,738,300	\$5,130,767,200	\$5,386,580,200	\$5,011,408,000	(\$2,472,800)	(0.0)
FTEs	2,824.3	2,824.3	2,824.3	2,824.3	2,824.3	2,824.3	0.0	0.0

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Appropriation figures do not include supplemental appropriations in 2019 PA 154 (see Appendix II).

Overview

The state transportation budget supports state and local highway programs, public transportation programs, aeronautics programs, and administration of the Michigan Department of Transportation (MDOT). Historically, two-thirds of the revenue in this budget has come from state restricted revenue, with approximately one-third from federal sources. Most of the state-restricted revenue in this budget is constitutionally restricted – from motor fuel taxes and vehicle registration taxes – and is first credited to the Michigan Transportation Fund (MTF) and then distributed in accordance with 1951 PA 51 (Act 51) to other state transportation funds and programs, including the State Trunkline Fund (STF), the Comprehensive Transportation Fund (CTF), and local road agencies (county road commissions and cities/villages). Revenue from aviation fuel and registration taxes, as well as a portion of Airport Parking Tax revenue, is credited to the State Aeronautics Fund for aeronautics programs.

Major Budget Changes from FY 2018-19 YTD Appropriations

1. Transportation Revenue Assumptions – PARTIAL VETO/AD BOARD TRANSFER

Enrolled bill did not recognize additional revenue from the proposed increases in motor fuel taxes, and did not recognize proposed changes to current Act 51 distribution formulas. The bill assumed that \$468.0 million in Income Tax revenue would be distributed to the MTF for subsequent distribution to the STF and to local road agencies, as provided in 2018 PA 588. The bill also included \$400.0 million in GF/GP revenue for road and bridge programs and projects, subject to distribution per new boilerplate Section 280.

Governor vetoed \$375.0 million of the \$400.0 million GF/GP included in the enrolled bill. Ad Board transferred remaining \$25.0 million to other appropriation line items.

2. State Trunkline Road and Bridge Construction

Includes over \$1,329.6 million for the Capital State Trunkline Construction/Preservation program, an increase of \$62.8 million. Increases in state restricted STF revenue would be offset, in part, by \$21.9 million decrease in available federal funds. STF revenue includes the state share of \$468.0 million in income tax revenue.

	FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
Gross	NA	[See Item #s 2, 3 and 4, below]
GF/GP	NA	[See Item #s 2, 3 and 4, below]
Gross	\$1,266,763,500	\$62,841,100
Federal	808,607,700	(21,913,200)
Local	30,003,500	0
Restricted	428,152,300	84,754,300
GF/GP	\$0	\$0

TRANSPORTATION

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
<u>Major Budget Changes from FY 2018-19 YTD Appropriations</u>			
3. MTF to Local Road Agencies			
Includes over \$1,735.2 million MTF for distribution to local road agencies, an increase of \$172.4 million. The MTF revenue distribution includes the local road agency share of \$468.0 million in income tax revenue.	Gross	\$1,562,857,800	\$172,389,900
	Restricted	1,562,857,800	172,389,900
	GF/GP	\$0	\$0
4. General Fund for Road and Bridge Projects and Programs – PARTIAL VETO /AD BOARD TRANSFER			
Enrolled bill includes \$400.0 million GF/GP in a new appropriation unit, Fixing Michigan Roads, for distribution to road projects and programs in accordance with boilerplate Section 280. FY 2018-19 budget included \$300.0 million GF/GP for distribution to the STF and local road agencies in accordance with Act 51 formula.	Gross	\$300,000,000	(\$299,999,900)
	GF/GP	\$300,000,000	(\$299,999,900)
Governor vetoed boilerplate sections 280(a) and 280(c) which reduce \$400.0 million GF/GP appropriation by \$375.0 million, leaving a balance in the line item of \$25.0 million. Ad Board transferred all but \$100 GF/GP out of the line item: \$11,999,900 GF/GP to 1-time Rail Grade Separation Project (Item #23), and \$13.0 million GF/GP to Transit Capital (Item #13).			
5. Debt Service			
Includes \$213.9 million for debt service, a reduction of \$5.5 million from current year, reflecting debt service schedules. The \$5.5 million reduction is the net effect of increases in debt service on bonds secured with federal revenue and bonds secured with state restricted revenue. [Total outstanding transportation-related debt at September 30, 2018, was \$1.3 billion.]	Gross	\$219,437,100	(\$5,539,600)
	Federal	35,863,400	45,291,600
	Restricted	183,573,700	(50,831,200)
	GF/GP	\$0	\$0
6. Support Services by Other State Departments			
Includes \$48.1 million for Interdepartmental Grants (IDGs) that authorize the reimbursement of other state departments from restricted transportation funds for services provided to those transportation funds. Specific IDGs include \$20.0 million MTF for Department of State vehicle registration tax collection program, \$2.8 million MTF for Department of Treasury motor fuel tax collection program, and \$11.9 million STF for Michigan State Police Commercial Vehicle Enforcement program and Criminal Justice Information Center. The budget reduces IDG funding to the Department of Attorney General by \$495,200. The net change across all IDG line items reflects economic increases and cost allocation adjustments.	Gross	\$48,394,600	(\$317,600)
	Restricted	48,394,600	(317,600)
	GF/GP	\$0	\$0
7. Information Technology			
Increases baseline support by \$3.0 million STF to reflect increased information technology costs, application modernization, and increased use of e-construction technology.	Gross	\$35,739,400	\$3,000,000
	Federal	520,500	0
	Restricted	35,218,900	3,000,000
	GF/GP	\$0	\$0
8. Road Construction Unionized Labor Study – VETOED			
Enrolled bill included \$50,000 STF for a road construction unionized labor study, defined in boilerplate Section 327. Governor vetoed funding for this line.	Gross	\$0	\$0
	Restricted	0	0
	GF/GP	\$0	\$0
9. State Trunkline Maintenance			
Includes a net increase (exclusive of economics and interdepartmental shifts) of \$65.5 million STF for the following: \$51.2 million for deferred maintenance items; \$10.0 million for inspection and capital maintenance of MDOT structures other than bridges; and \$7.4 million to offset increased maintenance material costs.	FTE	793.7	0.0
	Gross	\$339,127,800	\$65,460,000
	Restricted	339,127,800	65,460,000
	GF/GP	\$0	\$0

TRANSPORTATION

Major Budget Changes from FY 2018-19 YTD Appropriations

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
10. Transportation Economic Development Fund (TEDF)	Gross	\$43,349,000	\$909,800
Increases funding for TEDF grant program by \$909,800 reflecting an anticipated increase in available TEDF revenue. TEDF programs include \$17.1 million for Target Industries (Category A), an increase of \$454,800 as compared to the current year. The budget retains the \$3.0 million Community Service Infrastructure Fund, a new TEDF categorical program established under 2018 PA 473.	Restricted	43,349,000	909,800
	GF/GP	\$0	\$0
11. Aeronautics Services – AD BOARD TRANSFER	FTE	46.0	0.0
Enrolled bill retained funding for the Air Service grant program at \$250,000 State Aeronautics Fund. Also retained FY 2018-19 baseline funding for two Office of Aeronautics administrative and operating line items, but did include \$117,600 economic increase (see Item #25, below). Ad Board transferred \$1.8 million State Aeronautics Fund from Airfleet Operations and Maintenance to Aviation Services, which effectively rolls up the two lines into a single operating line item.	Gross	\$7,641,100	\$0
	Restricted	7,641,100	0
	GF/GP	\$0	\$0
12. Local Bus Transit – AD BOARD TRANSFER	Gross	\$220,777,900	\$6,000,000
Enrolled bill retains FY 2018-19 funding. Ad Board transferred \$6.0 million CTF from 1-time rail grade separation project (see Item #23).	Federal	28,027,900	0
	Local	2,000,000	0
	Restricted	190,750,000	6,000,000
	GF/GP	\$0	\$0
13. Transit Capital – AD BOARD TRANSFER	Gross	\$66,612,600	\$3,008,100
Enrolled bill unrolled Transit Capital line item into two line items: Transit Capital – Urban, and Transit Capital – Non-urban. Total funding for the two line items was \$10.0 million CTF less than FY 2018-19 baseline. Ad Board transferred \$13.0 million GF/GP from Fixing Michigan Road appropriation unit (Item #4) to Transit Capital – Urban.	Federal	15,300,000	0
	Local	1,250,000	0
	Restricted	50,062,600	(9,991,900)
	GF/GP	\$0	\$13,000,000
14. Service Initiatives – AD BOARD TRANSFER	Gross	\$4,589,200	\$5,999,900
Enrolled bill maintains funding at FY 2018-19 level. Ad Board transferred \$6.0 million CTF from 1-time rail grade separation project (see Item #23).	Federal	1,650,000	0
	Local	325,000	0
	Restricted	2,614,200	5,999,900
	GF/GP	\$0	\$0
15. Specialized Services	Gross	\$17,938,900	\$500,000
Provides \$500,000 CTF increase.	Federal	9,900,000	0
	Local	4,185,000	0
	Restricted	3,853,900	500,000
	GF/GP	\$0	\$0
16. Incentive Challenge Fund – VETOED	Gross	\$0	\$0
Enrolled bill includes new line item as a \$100 CTF placeholder. Governor vetoed funding for this line.	Restricted	0	0
	GF/GP	\$0	\$0
17. Rail Operations and Infrastructure – AD BOARD TRANSFER	Gross	\$80,758,000	\$4,808,700
FY 2018-19 included \$80.8 million Gross for line item that provides capital and operating support for rail passenger service in Michigan as well as rail freight and rail economic development programs. Enrolled bill unrolls into two lines: \$18.0 million CTF for Rail Passenger Service, and \$67.6 million Gross for Rail Freight, Rail Economic Development. Ad board transferred \$39.8 million (\$36.8 million CTF, and \$3.0 million Rail Freight Fund) from the Rail Freight, Rail Economic Development line item to Rail Passenger Service.	Federal	10,000,000	0
	Local	100,000	0
	Private	100,000	0
	Restricted	70,558,000	4,808,700
	GF/GP	\$0	\$0
18. Detroit/Wayne County Port Authority (DWCPA)	Gross	\$468,200	(\$50,000)
Current-year included \$50,000 GF/GP added as a one-time funding item in supplemental appropriation act, 2018 PA 618. Enacted budget includes \$418,200 CTF, \$50,000 less than current-year gross.	Restricted	418,200	0
	GF/GP	\$50,000	(\$50,000)

TRANSPORTATION

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
Major Budget Changes from FY 2018-19 YTD Appropriations			
19. Intercity Services – AD BOARD TRANSFER	Gross	\$7,360,000	\$2,099,800
Enrolled bill provides \$500,000 CTF for program that supports intercity bus service in Michigan. Ad Board transferred \$1.6 million CTF into this line; \$599,900 from Marine Passenger Services (Item #20); \$999,900 from 1-time Carbine Dock Project (Item #23).	Federal	4,500,000	0
	Local	160,000	0
	Private	800,000	0
	Restricted	1,900,000	2,099,800
	GF/GP	\$0	\$0
20. Marine Passenger Services – AD BOARD TRANSFER	Gross	\$400,000	\$500,100
Enrolled bill increases baseline support by \$1.1 million Gross (\$1.0 million CTF, and \$500,000 in local matching funds) for program that supports capital grants for marine passenger (ferry) service in Michigan. Ad Board transferred \$599,900 CTF from this line to Intercity Services (see Item #19).	Local	0	500,000
	Restricted	400,000	100
	GF/GP	\$0	\$0
21. Airport Safety, Protection, and Improvement Program	Gross	\$94,813,200	\$664,100
Increases State Aeronautics Fund support by \$664,100 for line item that recognizes Michigan’s share of the federal Airport Improvement Program, a program of capital grants to local airports.	Federal	79,000,000	0
	Local	12,508,500	0
	Restricted	3,304,700	664,100
	GF/GP	\$0	\$0
22. Detroit Metropolitan Wayne County Airport	Gross	\$5,525,000	\$325,000
Increases Qualified Airport Fund support for Detroit Metro Airport by \$325,000 to reflect revenue estimates. The Qualified Airport Fund was established through an amendment to the State Aeronautics Code, part of a 2015 aviation funding package (2015 PAs 258 through 262).	Restricted	5,525,000	325,000
	GF/GP	\$0	\$0
23. Other One-Time Items – Special Projects – VETOED/AD BOARD TRANSFER	Gross	\$56,740,900	(\$34,090,800)
FY 2018-19 budget includes \$56.7 million GF/GP for one-time special projects: \$52.0 million to help advance a federal Army Corps of Engineers project for the construction of a new lock at the Soo Locks; \$4.5 million related to the construction of a utility tunnel at the Straights of Mackinac; and \$250,000 for a rail passenger study. [A \$50,000 GF/GP one-time appropriation for the Detroit/Wayne County Port Authority is recognized in Item #18, above.]	Federal	0	10,700,000
	Restricted	0	200
	GF/GP	\$56,740,900	(\$44,791,000)

Enrolled bill includes \$23.7 million for the following one-time projects: \$100 placeholder for a time Rail Freight economic development line item; \$1.0 million CTF for the demolition of the Carbide Dock – part of the Soo Locks project; and \$22.7 million (\$12.0 million CTF, \$10.0 million federal) for a rail grade separation project. Governor vetoed the \$100 CTF placeholder for a 1-time Rail Freight Economic Development line item. Ad Board transferred \$12.0 million CTF from the 1-time rail grade separation project (transferred to the Local Bus Transit (Item #12), and Service Initiatives (Item #14) line items). Ad Board also transferred \$12.0 million GF/GP from the Fixing Michigan Roads appropriation unit (Item #4) to the 1-time rail grade separation project. Ad Board also transferred \$999,900 CTF from the 1-time Carbine Dock Project (leaving \$100 in the line) to the Intercity Services line (Item #19).

After the Governor’s vetoes and Ad Board transfers, only two one-time items remained: \$22.7 million for a rail grade separation project in Woodhaven (\$10.7 million federal and \$12.0 million GF/GP), defined in boilerplate Section 1003, and \$100 CTF placeholder for the Carbide Dock Project.

Major Budget Changes from FY 2018-19 YTD Appropriations

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
24. Vetoed Reporting Requirements	Gross	NA	(\$122,000)
Governor vetoed several boilerplate reporting requirements; the estimated cost of those reporting requirements was \$122,000 STF. The specific vetoed sections are described below.	Restricted	NA	(122,000)
	GF/GP	NA	\$0
25. Economic Adjustments	Gross	NA	\$6,057,600
The column to the right represents Executive budget calculation of increased costs for negotiated salary and wage increases (2.0% ongoing, 2.0% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments, totaling of \$6.1 million Gross (\$0 GF/GP). Enacted budget does not fund economic increases for Aeronautics Services (\$117,600 State Aeronautics Fund); or Passenger Transportation Services (\$89,700 CTF).	IDG	NA	50,500
	Federal	NA	837,500
	Restricted	NA	5,169,600
	GF/GP	NA	\$0

Major Boilerplate Changes from FY 2018-19

Sec. 209. Report on GF/GP Lapses – RETAINED (UNENFORCEABLE)

Current law requires the state budget office to prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the prior fiscal year. *(Signing letter states section is unenforceable.)*

Sec. 210. Contingency Fund Transfers – REVISED

Section provides for contingency fund transfers in accordance with the Management and Budget Act. Revises to include \$40.0 million federal; \$5.0 million state restricted; and \$1.0 million each, local and private.

Sec. 215. Communication With the Legislature – REVISED (UNENFORCEABLE)

Prohibits a department from taking disciplinary action against state employees for communicating with a legislator or legislative staff; also prohibits a department from requiring that state employees report communication with a legislator or legislative staff. *(Signing letter states section is unenforceable.)*

Sec. 280. Distribution of \$400.0 Million GF/GP – NEW (PARTIAL VETO)

Directs the distribution of the \$400.0 million GF/GP appropriation in Part 1, Fixing Michigan Roads, (Item #4, above).

Section 280(a) directs that \$132.0 million GF/GP of the \$400.0 million be used for road and bridge construction and distributed as follows: \$51.6 million to county road commissioners, \$28.8 million to cities and villages, and \$51.6 million to MDOT for state trunkline road and bridge construction and maintenance.

Section 280(c) directs the distribution of \$243.0 million GF/GP of the \$400.0 million. This section first earmarks funding for four specific bridge projects: Miller road bridge in the city of Dearborn, Wayne County; West Spring Lake Road (Smith's Bridge) in Ferrysburg, Ottawa County; South River Road Bridge, Harrison Township, Macomb County; a bridge over the Red Cedar River, between Platt Street and River Street, in the city of Lansing, Ingham County. The estimated cost of these four bridges is \$67.5 million. The amount remaining (of the \$243.0 million), after construction or reconstruction of the four bridges, was to be distributed to county road commissions, cities and villages, and MDOT in accordance with Act 51 formula.

Governor vetoed boilerplate sections 280(a) and 280(c) which reduces spending authority by \$375.0 million, leaving a balance in the line item of \$25.0 million. The use of this \$25.0 million was prescribed by Section 280(b) which directed that not more than \$25.0 million GF/GP of the \$400.0 million be used on a one-time basis for the local bridge program. However, the State Administrative Board subsequently transferred the remaining \$25.0 million to other appropriation line items.

Sec. 301. Permit Fees/Bridge Tolls – REVISED (UNENFORCEABLE)

Subsection 1 authorizes the department to establish and collect permit fees. Subsection 2 provides a public hearing process for raising bridge tolls. Enacted budget revises Subsection 2 to provide for public participation requirements through electronic means. *(Signing letter states that subsection 2 is unenforceable.)*

TRANSPORTATION

Major Boilerplate Changes from FY 2018-19

Sec. 305. Lease of Space in Public Transportation Property – RETAINED (UNENFORCEABLE)

Subsection 1 authorizes rental of department-owned public transportation properties at competitive market rates; requires that revenue from tenants be placed in an account to maintain/improve property. Subsection 2 currently requires the department to charge public transit agencies and intercity bus carriers equal rates per square foot for leasing space in state-owned intermodal facilities. *(Signing letter states that subsection 2 is unenforceable.)*

Sec. 306. Use of Transportation Funds by Other Departments – RETAINED (UNENFORCEABLE)

Provides for reports by other state departments on the use of transportation funds by those departments to support tax and fee collection, law enforcement, and other program services. Subsection 3 directs the Auditor General to use a risk-based approach in developing audit program for the use of transportation funds. *(Signing letter states subsection 3 is unenforceable.)*

Sec. 308. Real Estate Property Report – NEW (VETOED)

Includes new reporting requirement on all real estate owned or held by the department. Governor vetoed this reporting requirement which reduces spending authority in Design and Engineering Services/Business Services by \$50,000 STF, the estimated cost of producing the report.

Sec. 309. Employee Accountability Systems Report – NEW (VETOED)

Includes new reporting requirement for employee accountability systems. Governor vetoed this reporting requirement reduces spending authority in Finance, Contracts, and Support Services by \$10,000 STF, the estimated cost of producing the report.

Sec. 311. Highest Rent Operations Report – NEW (VETOED)

Includes new section that requires the department to research options for moving three highest rent operations to an area within an enterprise zone; provides for report. Governor vetoed this reporting requirement which reduces spending authority in Finance, Contracts, and Support Services by \$2,000 STF, the estimated cost of the research activity and related report.

Sec. 320. Payment Detail Reporting – NEW (VETOED)

Includes new section that requires all payments to local road agencies and transit agencies be accompanied by statements of specific payable and receivable information. Governor vetoed this reporting requirement which reduces spending authority in Finance, Contracts, and Support Services by \$50,000 STF, the estimated cost of the research activity and related report.

Sec. 323. Department-Owned Rail Property Sale RFP – NEW

Includes new section that requires the department to develop a solicitation for proposals for the sale of a state-owned rail line between Grayling and Gaylord; includes stipulation that rail line be maintained as operational rail line.

Sec. 324. State-Owned Airport Sale RFP – NEW

Includes new section that requires the department to develop a solicitation for proposals for the sale of two state-owned airports, the Romeo State Airport, and Price's Airport in Linden Michigan. [The department currently owns four airports.]

Sec. 327. Procurement Requirements – NEW (VETOED)

Includes new section to define a new road construction unionized labor study line item. Governor vetoed this boilerplate section and the related part 1 appropriation line item totaling \$50,000 STF.

Sec. 328. FOIA Reporting – NEW (VETOED)

Includes new section that establishes new reporting requirement with respect to Freedom of Information Act requests. Governor vetoed this reporting requirement which reduces spending authority in Design and Engineering Services/Business Service by \$10,000 STF, the estimated cost of producing the report.

Sec. 353. Prompt Payment – RETAINED (UNENFORCEABLE)

Section directs department to review contractor payment process; references Special Provision 109.10. *(Signing letter states section is unenforceable.)*

Sec. 381. E-Verify Legal Status of Contractors/Subcontractors – RETAINED (UNENFORCEABLE)

Requires the department to use the E-Verify system to verify legal status of contractors and subcontractor new hires. Provides reporting requirement. *(Signing letter states section is unenforceable.)*

Sec. 382. Finalize Local Agency Cost Sharing Agreements – RETAINED (UNENFORCEABLE)

Requires the department to submit final bill to the local agency within two years of final payment to construction contractor. *(Signing letter states section is unenforceable.)*

Major Boilerplate Changes from FY 2018-19

Sec. 385. Gordie Howe Bridge Report – REVISED

Revises reporting requirement to provide for monthly reports.

Sec. 386. Toll Credits – REVISED (UNENFORCEABLE)

Provides for a report on the department's use of toll credits as a method in financing federal-aid highway projects. New subsection 2 establishes priority order in use of toll credits. *(Signing letter states subsection 2 is unenforceable.)*

Sec. 403. Priority of Federal Transit Grants – RETAINED (UNENFORCEABLE)

Establishes priority for federal Section 5310 transit grants. *(Signing letter states section is unenforceable.)*

Sec. 606. Project on I-94/Between M-60 and Sargent Road in Jackson County – DELETED

Deletes legislative intent language with respect to project.

Sec. 613. Report on Engineering Costs – REVISED

Requires report on engineering costs, including breakout of department and consultant costs, and engineering costs as a percentage of construction costs. Includes additional requirement that report include the name of the contract engineering firm or firms.

Sec. 661. Alternative Design and Material Study Group – NEW

Includes new section directing the department to establish a new stakeholder group to review submission of innovative construction material and design specifications.

Sec. 670. Rehabilitation of Winter Maintenance Trucks – DELETED

Deletes section that directs the department to investigate costs of refurbishing winter maintenance trucks.

Sec. 712. Rail Passenger Service RFP – NEW

Requires the department to develop a solicitation for proposals for operation of daily round-trip rail passenger service between Grand Rapids and Chicago. This service, the Pere Marquette, is currently operated by Amtrak under contract with the department.

Sec. 719. Transit Elderly and Medical Transport Cost per Rider – NEW

Indicates legislative intent that each "subsidized elderly and medical transit system in a county with a population of 100,000 or more" determine estimated cost per rider; also indicates legislative intent that "each system" issue a request for proposals from ride-sharing companies for 100% of the system's anticipated service.

Sec. 750. Rail Economic Development – DELETED

Deletes section that directs department to spend not less than \$2.5 million CTF from Rail Freight Economic Development line for rail freight economic development.

Sec. 751. State Rail Segment Earmark – DELETED

Deletes \$2.0 million earmark for upgrades to a segment of state-owned rail line between Walton Junction and Traverse City.

Sec. 752. Notice of Rail Grant and Loan Programs – REVISED (UNENFORCEABLE)

Requires department to meet with representatives of rail industry trade association to provide information on rail grant and loan programs. Revised to an annual meeting requirement. *(Signing letter states section is unenforceable.)*

Sec. 753. Marine Passenger Service – NEW

Prescribes use of the Marine Passenger Services appropriation to direct that 60% must be spent on eligible entities servicing multiple destinations, with remaining funds to be spent on eligible entities servicing a single destination.

Sec. 804. MDOT-Owned Airplanes – REVISED (UNENFORCEABLE)

Prohibits the department from spending Airfleet Operations and Maintenance appropriations if the department owns a Cessna 206 airplane; establishes new reporting requirement on staffing requirements associated with airplanes. *(Signing letter states subsection (1), which requires the sale of a specific aircraft, is unenforceable.)*

Sec. 805. State Airplanes – NEW (UNENFORCEABLE)

Includes new section that directs the department to take all steps necessary to sell any aircraft with fewer than 50 flight hours logged. *(Signing letter states section is unenforceable.)*

Sec. 806. State Aeronautics Code – NEW

Includes new section that requires the department to review website for consistency with state Aeronautics Code.

TRANSPORTATION

Major Boilerplate Changes from FY 2018-19

Sec. 1002. Soo Locks/Carbide Dock Project Earmark – NEW (AD BOARD TRANSFER)

Indicates that the one-time CTF appropriation Carbide Dock/Soo Locks be used for the demolition of the Carbide Dock, part of the Soo Locks project. Note that this appropriation was the subject of a State Administrative Board transfer, described in Item #23 above.

Sec. 1003. Rail Grade Crossing Project Earmark (Woodhaven) – NEW (AD BOARD TRANSFER)

Defines a \$22.7 million appropriation earmark for a specific rail grade crossing project. The population citations in this section reference the city of Woodhaven in Wayne County. This appropriation is the subject of State Administrative Board transfers, described in Item #23 above, that effectively replaces \$12.0 million CTF with \$12.0 million GF/GP.

FY 2019-20 Appropriations

APPENDICES

- I. Summary of Vetoes:
2019 PA 52 through 2019 PA 67**
- II. Supplemental Appropriations:
2019 PA 154, SB 152**
- III. Supplemental Appropriations:
2019 PA 162, SB 154**

APPENDIX I

FY 2019-20 APPROPRIATIONS
Summary of Vetoes: Public Acts 52 through 67 of 2019

HFA Director: Mary All Cleary
Associate Director: Robin R. Risko

SUMMARY OF FY 2019-20 APPROPRIATION VETOES

Budget Area		FY 2019-20	FY 2019-20	% Change
		Appropriations	Vetoes	
Agriculture and Rural Development	Gross	\$112,637,600	(\$4,700,000)	(4.2)
	GF/GP	\$57,200,000	(\$4,700,000)	(8.2)
Attorney General	Gross	\$105,982,800	\$0	0.0
	GF/GP	\$41,736,300	\$0	0.0
Civil Rights	Gross	\$16,388,300	\$0	0.0
	GF/GP	\$13,195,700	\$0	0.0
Community Colleges	Gross	\$414,719,000	\$0	0.0
	GF/GP	\$0	\$0	--
Corrections	Gross	\$2,026,123,400	(\$14,814,600)	(0.7)
	GF/GP	\$1,944,000,000	(\$8,914,600)	(0.5)
Education	Gross	\$419,794,500	(\$10,800)	(0.0)
	GF/GP	\$87,212,000	\$0	0.0
Environment, Great Lakes, and Energy	Gross	\$616,140,800	(\$16,475,000)	(2.7)
	GF/GP	\$168,577,400	(\$15,000,000)	(8.9)
Executive Office	Gross	\$7,114,300	\$0	0.0
	GF/GP	\$7,114,300	\$0	0.0
Health and Human Services	Gross	\$26,452,349,600	(\$233,942,000)	(0.9)
	GF/GP	\$4,758,928,300	(\$79,290,700)	(1.7)
Higher Education	Gross	\$1,685,545,000	(\$38,171,500)	(2.3)
	GF/GP	\$1,208,099,300	(\$4,075,900)	(0.3)
Insurance and Financial Services	Gross	\$68,889,800	(\$75,000)	(0.1)
	GF/GP	\$150,000	\$0	0.0
Judiciary	Gross	\$311,062,100	(\$348,600)	(0.1)
	GF/GP	\$201,392,200	(\$348,600)	(0.2)
Labor and Economic Opportunity	Gross	\$1,096,994,000	(\$84,760,900)	(7.7)
	GF/GP	\$121,383,000	(\$23,588,800)	(19.4)
Legislature	Gross	\$201,425,900	\$0	0.0
	GF/GP	\$188,366,300	\$0	0.0
Licensing and Regulatory Affairs	Gross	\$566,294,000	\$0	0.0
	GF/GP	\$124,030,700	\$0	0.0
Military and Veterans Affairs	Gross	\$204,617,600	(\$4,552,500)	(2.2)
	GF/GP	\$73,800,000	(\$4,552,500)	(6.2)
Natural Resources	Gross	\$439,717,700	(\$1,032,300)	(0.2)
	GF/GP	\$46,985,000	\$0	0.0
School Aid	Gross	\$15,235,343,600	(\$128,580,000)	(0.8)
	GF/GP	\$75,000,000	(\$12,730,000)	(17.0)
State	Gross	\$250,393,000	\$0	0.0
	GF/GP	\$13,451,200	\$0	0.0
State Police	Gross	\$728,943,500	(\$14,348,800)	(2.0)
	GF/GP	\$476,321,700	(\$2,620,000)	(0.6)
Technology, Management, and Budget	Gross	\$1,527,057,100	(\$750,300)	(0.0)
	GF/GP	\$450,480,800	(\$300)	(0.0)
Transportation	Gross	\$5,386,580,200	(\$375,172,200)	(7.0)
	GF/GP	\$400,000,000	(\$375,000,000)	(93.8)
Treasury	Gross	\$2,051,876,500	(\$29,351,600)	(1.4)
	GF/GP	\$212,476,800	(\$23,991,200)	(11.3)
TOTAL	Gross	\$59,925,990,300	(\$947,086,100)	(1.6)
	GF/GP	\$10,669,901,000	(\$554,812,600)	(5.2)

*Veto of FY 2018-19 DHHS supplemental item, Beaumont Health Earmark (\$8.4M Gross, \$3.0M GF/GP) not included in table.

**Appropriation
Change**

FY 2019-20 Vetoed Appropriation Items

AGRICULTURE AND RURAL DEVELOPMENT

<p>1. Conservation Districts Pilot Project (One-Time) Funding for development of a conservation district natural resources assessment model for purposes of assisting the department and conservation districts in creating a standardized report that would provide a description of each conservation district in the state, identify the top 5 natural resources needs for each conservation district, and provide a business plan on how each conservation district would implement programs and services necessary to meet the top 5 needs.</p>	<p>Gross (\$200,000) GF/GP (\$200,000)</p>
<p>2. Farm Stress Program (One-Time) Funding to respond to the mental stress and fatigue of Michigan farmers and agricultural producers and their families through utilizing existing services that offer behavioral health specialists in the agriculture industry.</p>	<p>Gross (\$500,000) GF/GP (\$500,000)</p>
<p>3. Michigan Animal Agriculture Alliance Funding for a Michigan State University animal industry research grant program.</p>	<p>Gross (\$3,000,000) GF/GP (\$3,000,000)</p>
<p>4. County Fairs, Shows and Exhibition Grant Reduction Funding for grants to county fairs, shows, and expositions.</p>	<p>Gross (\$1,000,000) GF/GP (\$1,000,000)</p>

CORRECTIONS

<p>5. County Jail Reimbursement Program Payments to counties for housing, in local jails, eligible felons who otherwise may have been sentenced to prison.</p>	<p>Gross (\$14,814,600) Restricted (5,900,000) GF/GP (\$8,914,600)</p>
<p>6. Repurposing of Unexpended Work Project Appropriations Boilerplate appropriations totaling \$15.4 million for the following: training new custody staff (\$7.4 million); replacing electronic tethers (\$4.6 million); Substance Abuse Parole Certain Sanction Program (\$1.0 million); PTSD training and wellness support for department employees (\$950,000); demolition of the former Deerfield Correctional Facility (\$750,000); replacing corrections officers' training binders with electronic equipment (\$500,000); and requalifying corrections officers in handgun training (\$200,000).</p>	<p>Gross \$0 GF/GP \$0</p>

EDUCATION

<p>7. Labor Day Start Report Funding for a report on the impact on student outcomes of starting school before Labor Day compared to starting school after Labor Day.</p>	<p>Gross (\$10,800) Federal (10,800) GF/GP \$0</p>
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ENVIRONMENT, GREAT LAKES, & ENERGY

<p>8. Surface Water - Grants to Watershed Councils Funding from the Surface Water program for grants to watershed councils for education, administration, and conservation.</p>	<p>Gross (\$675,000) Restricted (675,000) GF/GP \$0</p>
<p>9. Central Support Services - Funds for Environmental Rules Review Committee Funding for the Environmental Rules Review Committee to contract with consultants to assist with business matters before the committee.</p>	<p>Gross (\$150,000) Restricted (150,000) GF/GP \$0</p>
<p>10. Surface Water - Cooperative Lakes Monitoring Program Funding from the Surface Water program to support the Cooperative Lakes Monitoring Program.</p>	<p>Gross (\$150,000) Restricted (150,000) GF/GP \$0</p>
<p>11. Renewing Michigan's Environment - Michigan Geological Survey Funding from the Renewing Michigan's Environment program for the Michigan Geological Survey.</p>	<p>Gross (\$500,000) Restricted (500,000) GF/GP \$0</p>
<p>12. PFAS and Emerging Contaminants - Grants to Municipal Airports Funding from the PFAS and Emerging Contaminants appropriation for grants to municipal airports for PFAS monitoring and testing.</p>	<p>Gross (\$15,000,000) GF/GP (\$15,000,000)</p>

APPENDIX I

<u>FY 2019-20 Vetoed Appropriation Items</u>		<u>Appropriation Change</u>
HEALTH AND HUMAN SERVICES		
13. School Success Partnership Program	Gross	(\$525,000)
Funding for the Northeast Michigan Community Service Agency for the School Success Partnership Program.	Federal	(525,000)
	GF/GP	\$0
14. Adoptive Family Support Network Contract	Gross	(\$250,000)
Funding for the Adoptive Family Support Network for the Parent-to-Parent mentoring program.	GF/GP	(\$250,000)
15. SSI Advocacy Legal Services Grant	Gross	(\$175,000)
Funding for the Legal Services Association of Michigan for legal services they provide to clients receiving Supplemental Security Income.	GF/GP	(\$175,000)
16. Michigan CARES Hotline	Gross	(\$2,000,000)
Funding for the Michigan CARES hotline behavioral health program.	GF/GP	(\$2,000,000)
17. Real Alternatives	Gross	(\$700,000)
Funding for the alternative pregnancy and parenting program.	Federal	(700,000)
	GF/GP	\$0
18. Pediatric Traumatic Brain Injury Project	Gross	(\$1,500,000)
Funding for pediatric traumatic brain injury treatment support software.	GF/GP	(\$1,500,000)
19. Private Agency Rate Increase for Family Preservation Programs	Gross	(\$2,075,000)
Funding for a 5.5% increase to private agency rates for family preservation program services.	Federal	(1,075,000)
	GF/GP	(\$1,000,000)
20. Island Clinics	Gross	(\$675,000)
Funding for 4 primary health care island clinics.	GF/GP	(\$675,000)
21. Oral Health Assessment Grant	Gross	(\$2,000,000)
Funding for a new oral health assessment program for children entering public school kindergarten who do not have dental insurance.	GF/GP	(\$2,000,000)
22. Medicaid Managed Care Independent Pharmacy Dispensing Fee Increase	Gross	(\$7,597,200)
Funding to require Medicaid managed care organizations to only contract with pharmacy benefit managers that reimburse independent pharmacies at ingredient and dispensing fees comparable to Medicaid fee-for-service.	Federal	(5,697,200)
	GF/GP	(\$1,900,000)
23. County Child Care Fund Indirect Costs	Gross	(\$4,211,400)
Funding for the indirect cost allotment payments from the Child Care Fund to counties.	GF/GP	(\$4,211,400)
24. Andy's Angel Program - Opioid Transitional Housing and Services Grant (One-Time)	Gross	(\$750,000)
Funding for the Andy's Angels program for costs of treatment programs for individuals suffering from addiction and their families.	GF/GP	(\$750,000)
25. Asian American Health and Wellness Initiative (One-Time)	Gross	(\$150,000)
Funding for the West Michigan Asian American Association for a health care services pilot program to serve the Asian American population.	GF/GP	(\$150,000)
26. Autism Navigator (One-Time)	Gross	(\$1,025,000)
Funding for the autism navigator program that provides online resources and a free call center to guide families through issues related to diagnosis, treatment, support, education, and/or health care for individuals with autism.	GF/GP	(\$1,025,000)
27. Autism Train the Trainer Grant (One-Time)	Gross	(\$100,000)
Funding for training school employees on principles and practices of applied behavior analysis (ABA) therapy.	GF/GP	(\$100,000)
28. Child and Adolescent Health Centers Statewide (One-Time)	Gross	(\$1,000,000)
Funding for expansion of school-based child and adolescent health centers in underserved areas for behavioral and physical health services.	GF/GP	(\$1,000,000)
29. Mosaic Counseling - Children's Behavioral Health Counseling Services (One-Time)	Gross	(\$100,000)
Funding for Mosaic Counseling Services to provide children's behavioral health counseling services to children in uninsured or underinsured households.	GF/GP	(\$100,000)

**Appropriation
Change**

FY 2019-20 Vetoed Appropriation Items

<p>30. Co-Responder Crisis Services Pilot (One-Time) Funding for Hegira Health in Wayne County to train first responders in the management of behavioral mental health crises situations.</p>	<p>Gross (\$60,000) GF/GP (\$60,000)</p>
<p>31. Employment First (One-Time) Funding for training individuals with disabilities so they can be properly matched for jobs and assisted with technology and reasonable accommodations so they can earn fair wages in fully integrated settings.</p>	<p>Gross (\$500,000) GF/GP (\$500,000)</p>
<p>32. Kids' Food Basket (One-Time) Funding for the Kids' Food Basket organization to provide meals to children from low-income families.</p>	<p>Gross (\$250,000) GF/GP (\$250,000)</p>
<p>33. Project ECHO Opioid Intervention (One-Time) Funding for the Michigan Center for Rural Health for the Northern Michigan Opioid Response Consortium.</p>	<p>Gross (\$40,000) GF/GP (\$40,000)</p>
<p>34. Refugee Assistance (One-Time) Funding for Chaldean American Ladies of Charity to assist low-income refugee families.</p>	<p>Gross (\$175,000) GF/GP (\$175,000)</p>
<p>35. Runaway and Homeless Youth Services Program (One-Time) Funding for runaway and homeless youth programs.</p>	<p>Gross (\$800,000) Federal (500,000) GF/GP (\$300,000)</p>
<p>36. SUD Community and School Outreach (One-Time) - SAFE Substance Abuse Coalition Funding for the SAFE Substance Abuse Coalition, which is committed to ending the cycle of drug addiction, particularly through public education and advocacy.</p>	<p>Gross (\$100,000) GF/GP (\$100,000)</p>
<p>37. Team CARES (One-Time) Funding for Team CARES primary and dental care.</p>	<p>Gross (\$150,000) GF/GP (\$150,000)</p>
<p>38. Wrap-around Services For Out of School Time (One-Time) Funding to Boys and Girls Club for wrap-around services for out-of-school time.</p>	<p>Gross (\$600,000) GF/GP (\$600,000)</p>
<p>39. University of Detroit Mercy Dental Clinics (One-Time) Funding for University of Detroit Mercy dental clinics.</p>	<p>Gross (\$1,000,000) GF/GP (\$1,000,000)</p>
<p>40. Portage Senior Center Grant - Healthy Seniors Grant (One-Time) Funding for senior services and programs at a senior center in the city of Portage.</p>	<p>Gross (\$1,000,000) GF/GP (\$1,000,000)</p>
<p>41. Legal Assistance - Allegan County Legal Assistance Center (One-Time) Funding for the Allegan County Legal Assistance Center to support free civil law legal services for low-income individuals.</p>	<p>Gross (\$60,000) GF/GP (\$60,000)</p>
<p>42. Senior Citizen Program Grants (One-Time) Funding for senior citizen center health programs.</p>	<p>Gross (\$500,000) GF/GP (\$500,000)</p>
<p>43. MI Dementia Care & Support Program - Alzheimer's Association of MI (One-Time) Funding for the Alzheimer's Disease program in 10 counties.</p>	<p>Gross (\$400,000) GF/GP (\$400,000)</p>
<p>44. Sec. 298 Medicaid Behavioral Health Integration Administration Funding for implementation costs of behavioral health pilot projects and demonstration model. Funding was added to support a project facilitator, project evaluators, actuarial rate setting, contractual services, and staffing.</p>	<p>Gross (\$3,088,200) Federal (2,088,200) GF/GP (\$1,000,000)</p>
<p>45. Information Technology Investment Board and Contract Requirement Funding for the information technology investment board and contract requirement.</p>	<p>Gross (\$1,000,000) Federal (500,000) GF/GP (\$500,000)</p>
<p>46. Medicaid Nursing Facility Current Asset Value Increase Funding to change the capital asset value limit for Class I nursing facilities from a total average to a rolling 15-year average of new construction.</p>	<p>Gross (\$4,862,600) Federal (3,115,000) GF/GP (\$1,747,600)</p>
<p>47. State Opioid Response Grant for Recovery High School Funding for recovery high schools.</p>	<p>Gross (\$600,000) Federal (600,000) GF/GP \$0</p>

APPENDIX I

<u>FY 2019-20 Vetoed Appropriation Items</u>		<u>Appropriation Change</u>
48. State Opioid Response Grant for Recovery Community Organization Funding for recovery community organizations.	Gross Federal GF/GP	(\$600,000) (600,000) \$0
49. St. Mary's SUD Program Funding for a substance use disorder pilot program with inpatient beds dedicated to stabilizing patients, specialized trauma therapists, and peer supports.	Gross GF/GP	(\$500,000) (\$500,000)
50. Kent County SUD Program Funding for a substance use disorder pilot program with inpatient beds dedicated to stabilizing patients, specialized trauma therapists, and peer supports.	Gross GF/GP	(\$500,000) (\$500,000)
51. MiDocs Graduate Medical Education Consortium Funding to create new primary care residency slots in underserved communities with medical education loan repayments contingent on 2-year commitments post-residency to practice in underserved communities.	Gross Federal Restricted GF/GP	(\$17,500,000) (8,750,000) (5,000,000) (\$3,750,000)
52. Hospital GF Payments - Rural Obstetrician Pool Lump-sum payments to rural hospitals based on the hospital's volume of obstetrical and newborn care.	Gross GF/GP	(\$7,995,200) (\$7,995,200)
53. Hospital GF Payments - Rural and Sole Community Hospital Pool Rural access payments to rural hospitals for services to low-income rural residents.	Gross Federal GF/GP	(\$16,625,400) (2,720,600) (\$13,904,800)
54. Medicaid Hospital Outpatient Rate Increases \$95.2 million Gross (\$14.3 million GF/GP) for 7% rate increase for all outpatient hospitals and \$34.3 million Gross (\$5.1 million GF/GP) for rate increase for critical access outpatient hospitals.	Gross Federal Restricted GF/GP	(\$129,446,000) (93,887,500) (16,173,100) (\$19,385,400)
55. Medicaid Pediatric Psychiatric Rate Increase Funding to increase pediatric psychiatric practitioner rates by 15%.	Gross Federal GF/GP	(\$10,743,600) (6,882,300) (\$3,861,300)
56. Medicaid Neonatologist Rate Increase Funding to increase Medicaid neonatal rates to 95% of Medicare reimbursement.	Gross Federal GF/GP	(\$5,217,000) (3,342,000) (\$1,875,000)
57. Medicaid Private Duty Nursing Rate Increase Funding to increase Medicaid private duty nursing rates by 15%.	Gross Federal GF/GP	(\$3,895,400) (2,495,400) (\$1,400,000)
58. Michigan Dental Registry Funding for the Michigan Dental Registry.	Gross GF/GP	(\$700,000) (\$700,000)
59. Cloud-Based IT Services Funding for a cloud-based analytics platform.	Gross GF/GP	(\$200,000) (\$200,000)
HIGHER EDUCATION		
60. Michigan Tuition Grants Funding for need-based tuition assistance for students at Michigan independent (i.e., private, non-profit) colleges and universities.	Gross Federal GF/GP	(\$38,021,500) (34,095,600) (\$3,925,900)
61. Pregnant and Parenting Student Services Funding for grants to universities for operating pregnant and parenting student services offices.	Gross GF/GP	(\$150,000) (\$150,000)
INSURANCE AND FINANCIAL SERVICES		
62. Insurance Marketplace Feasibility Study Funding to conduct a study on the feasibility of an auto insurance marketplace where consumers could compare offerings from different insurers.	Gross Restricted GF/GP	(\$25,000) (25,000) \$0
63. Anti-Fraud Unit Cost Savings Report Funding for a report on cost savings that the anti-fraud unit achieves in the 2019-20 fiscal year.	Gross Restricted GF/GP	(\$25,000) (25,000) \$0

FY 2019-20 Vetoed Appropriation Items

**Appropriation
Change**

64. Marijuana Banking Materials

Funding for issuance of an examination manual and letter of guidance to state-chartered financial institutions that offer services to businesses in the marijuana industry.

Gross	(\$25,000)
Restricted	(25,000)
GF/GP	\$0

JUDICIARY

65. Expansion of Problem Solving Courts (One-Time)

Funding to expand the number of problem solving courts (i.e., Drug Treatment, Mental Health, and Veterans Courts) and to increase the number of problem solving court participants.

Gross	(\$348,600)
GF/GP	(\$348,600)

LABOR AND ECONOMIC OPPORTUNITY

66. Pure Michigan

Funding to promote Michigan as a travel destination through television and radio advertising campaigns, primarily outside of the state. Of the total, up to \$500,000 was dedicated to provide any necessary gap financing for the 2020 Council of State Governments conference in Detroit.

Gross	(\$37,500,000)
Restricted	(31,000,000)
GF/GP	(\$6,500,000)

67. Going Pro

Funding for addressing job and talent mismatches and enabling employers to design training programs for potential employees. Of the total, \$750,000 was dedicated to assist adults over the age of 23 in obtaining high school diplomas and placement in career training programs.

Gross	(\$37,260,900)
Restricted	(30,172,100)
GF/GP	(\$7,088,800)

68. Rural Jobs and Capital Investment Fund

Funding to make grants, loans, or other types of economic assistance to rural jobs and capital investment funds in Michigan.

Gross	(\$10,000,000)
GF/GP	(\$10,000,000)

MILITARY AND VETERANS AFFAIRS

69. County Veteran Services Fund

Funding for grants to counties for veteran services to include advocacy, advice, and assistance with obtaining benefits.

Gross	(\$4,000,000)
GF/GP	(\$4,000,000)

70. Veterans Benefit Eligibility Study (One-Time)

Funding for a study on veterans benefit eligibility.

Gross	(\$250,000)
GF/GP	(\$250,000)

71. Buddy-to-Buddy Program (One-Time)

Funding for a volunteer peer-to-peer program that offers support and resources for Michigan service members and veterans.

Gross	(\$250,000)
GF/GP	(\$250,000)

72. National Guard Uniforms (One-Time)

Funding for the fielding and issuing of aircrew combat uniforms, made with updated operational camouflage patterned material, to replace discontinued camouflage patterned uniforms.

Gross	(\$50,000)
GF/GP	(\$50,000)

73. Military Cemetery Feasibility Study

Funding for a feasibility study related to assessing the need for and cost of establishing a veterans cemetery in the Upper Peninsula.

Gross	(\$2,500)
GF/GP	(\$2,500)

NATURAL RESOURCES

74. IDG from Forest Development Fund to MDARD

Funding from the Forest Development Fund to be granted to the Department of Agriculture and Rural Development to support the Qualified Forest Program.

Gross	(\$997,300)
Restricted	(997,300)
GF/GP	\$0

75. Finance and Operations - Lake Level Assessments

Funding to reimburse qualifying costs related to lake level assessments.

Gross	(\$35,000)
IDG	(35,000)
GF/GP	\$0

SCHOOL AID

76. Small, Isolated Districts (Sec. 22d)

Funding for small, isolated districts (\$1.0 million) and for districts with 10 or fewer pupils per square mile (\$6.0 million).

Gross	(\$7,000,000)
Restricted	(7,000,000)
GF/GP	\$0

APPENDIX I

<u>FY 2019-20 Vetoed Appropriation Items</u>		<u>Appropriation Change</u>
77. Career and Technical Education Equipment (Sec. 61c)	Gross	(\$16,000,000)
Funding for Career and Technical Education (CTE) equipment grants: \$11.0 million for career education planning districts (CEPDs) for equipment grants under the existing eligibility requirement; \$4.0 million for competitive equipment grants to intermediate school districts (ISDs) that operate a CTE program; and \$1.0 million for STEM equipment grants to districts and ISDs for grades K-8.	Restricted	(16,000,000)
	GF/GP	\$0
78. Public School Academies Foundation Allowance Increase (Secs. 22a and 22b)	Gross	(\$35,000,000)
Funding for public school academies (PSAs) to receive a per-pupil increase of \$240.	Restricted	(35,000,000)
	GF/GP	\$0
79. Year-Round Instruction Grants (Sec. 31b)	Gross	(\$750,000)
Funding for grants to districts that qualify for community eligibility for free and reduced lunch and to districts that are implementing a year-round instructional calendar for the first time.	Restricted	(750,000)
	GF/GP	\$0
80. Local Produce in School Meals (Sec. 31j)	Gross	(\$2,000,000)
Funding to support districts and child care centers with the purchase of locally grown fruits and vegetables for use in school lunches.	GF/GP	(\$2,000,000)
81. Early Literacy - Michigan Education Corps (Sec. 35a(7))	Gross	(\$3,000,000)
Funding for the Michigan Education Corps to provide literacy and math interventions.	Restricted	(3,000,000)
	GF/GP	\$0
82. Literacy Essentials - Principal Training (Sec. 35a(9))	Gross	(\$300,000)
Funding to provide literacy training, modeling, coaching, and feedback for principals using pre-K and K-3 essential instructional practices in literacy.	Restricted	(300,000)
	GF/GP	\$0
83. CTE Programs - Culinary Arts Education (Sec. 61a(4))	Gross	(\$100,000)
Funding to provide the ProStart curriculum to CTE programs in restaurant management and culinary arts.	Restricted	(100,000)
	GF/GP	\$0
84. Information Technology Certifications (Sec. 64d)	Gross	(\$2,300,000)
Funding for a grant to provide information technology education opportunities to students attending districts, ISDs, PSAs, CTE programs, and community colleges.	Restricted	(2,300,000)
	GF/GP	\$0
85. Secure Schools/School Safety Grants (Sec. 97)	Gross	(\$10,000,000)
Funding for school safety grants. Up to \$3.8 million GF/GP to be awarded for implementation of a statewide secure schools program and phone application, and \$6.2 million to be awarded to public or nonpublic schools, districts, and ISDs to purchase technology, upgrade hardening measures, or conduct school building safety assessments.	Restricted	(5,200,000)
	GF/GP	(\$4,800,000)
86. Michigan Job Bank (Sec. 97a)	Gross	(\$1,500,000)
Funding for the Michigan Department of Education (MDE) to develop and maintain a job bank.	Restricted	(1,500,000)
	GF/GP	\$0
87. Online Algebra Tool (Algebra Nation) (Sec. 99t)	Gross	(\$1,500,000)
Funding for a statewide online algebra tool.	Restricted	(1,500,000)
	GF/GP	\$0
88. Imagine Learning - Math Tool (Sec. 99u(1))	Gross	(\$1,500,000)
Funding for a statewide online mathematics tool.	Restricted	(1,500,000)
	GF/GP	\$0
89. Imagine Learning - Spanish Tool (Sec. 99u(3))	Gross	(\$500,000)
Funding for a statewide online early Spanish language learning tool.	Restricted	(500,000)
	GF/GP	\$0
90. Imagine Learning - Literacy Tool (Sec. 99u(4))	Gross	(\$1,000,000)
Funding for a statewide literacy instruction tool.	Restricted	(1,000,000)
	GF/GP	\$0
91. Dana Center (Sec. 99v)	Gross	(\$25,000)
Funding for a provider that develops and scales effective innovations to create seamless transitions through K-14.	Restricted	(25,000)
	GF/GP	\$0

<u>FY 2019-20 Vetoed Appropriation Items</u>		<u>Appropriation Change</u>
92. Fitness Foundation (Sec. 99w)	Gross	(\$500,000)
Funding for the Michigan Fitness Foundation to work with MDE to invest in a physical education curriculum.	Restricted	(250,000)
	GF/GP	(\$250,000)
93. Square One (Sec. 99z)	Gross	(\$300,000)
Funding for a STEM program (Square One) that provides professional development and workshops and enables high school students to design a variety of complex vehicles.	Restricted	(300,000)
	GF/GP	\$0
94. Strict Discipline Academies (Sec. 25f)	Gross	(\$1,600,000)
Funding for payments to strict discipline academies based on total added costs of educating pupils.	Restricted	(1,600,000)
	GF/GP	\$0
95. Dropout Recovery Programs (Sec. 25g)	Gross	(\$750,000)
Funding to districts for the cost of dropout recovery programs.	Restricted	(750,000)
	GF/GP	\$0
96. Dyslexia Center (Sec. 35b)	Gross	(\$350,000)
Funding for the Children’s Choice Initiative to create a multisensory structured language education pilot program to improve reading proficiency rates.	GF/GP	(\$350,000)
97. Multisensory Education (Sec. 35c)	Gross	(\$300,000)
Funding for a pilot program to use a multisensory structured reading instruction professional development program to improve reading proficiency rates.	Restricted	(300,000)
	GF/GP	\$0
98. Social-Emotional Learning Pilot (Sec. 35d)	Gross	(\$500,000)
Funding to implement a social-emotional learning pilot program in at least 5 districts.	GF/GP	(\$500,000)
99. Summer School Literacy Intervention Grants (Sec. 35a(11))	Gross	(\$15,000,000)
Funding for a one-time summer school reading grant program. Grants would be provided to eligible districts based on the number of third grade pupils determined not proficient in the English language arts (ELA) portion of the 2019 M-STEP.	Restricted	(15,000,000)
	GF/GP	\$0
100. PLAY Project - Autism Interventions (Sec. 54e)	Gross	(\$350,000)
Funding to train at least 60 Early On providers in the components of evidence-based, parent-implemented models of intervention for the treatment of autism.	GF/GP	(\$350,000)
101. Conductive Learning (Sec. 55)	Gross	(\$250,000)
Funding for the Conductive Learning Center at Aquinas College to support ongoing operations.	GF/GP	(\$250,000)
102. Career Exploration Pilot (Sec. 67a)	Gross	(\$80,000)
Funding for a career exploration pilot program for districts and ISDs.	GF/GP	(\$80,000)
103. Michigan Industrial Technology Education Society (MITES) Grant (Sec. 67b)	Gross	(\$50,000)
Funding for a grant to MITES to provide industrial and technological education and workforce preparation for students and professional development opportunities and support for teachers.	GF/GP	(\$50,000)
104. Statewide Evaluation Tool (Sec. 95b)	Gross	(\$2,500,000)
Funding for a model value-added growth and projection analytics system.	GF/GP	(\$2,500,000)
105. Best Buddies (Sec. 99bb)	Gross	(\$250,000)
Funding for a nonprofit organization, Best Buddies, which creates opportunities for people with intellectual and developmental disabilities at schools, colleges, and universities in Michigan.	GF/GP	(\$250,000)
106. Financial Data Analysis Tools (Sec. 102d)	Gross	(\$1,500,000)
Funding to reimburse districts and ISDs for the cost of licensing school data analytical tools.	Restricted	(1,500,000)
	GF/GP	\$0
107. District Assessments (Sec. 104d)	Gross	(\$9,200,000)
Funding for district reimbursements related to the purchase of diagnostic tools, universal screening tools, or benchmark assessments.	Restricted	(9,200,000)
	GF/GP	\$0
108. Nonpublic School Reimbursement (Sec. 152b)	Gross	(\$250,000)
Funding to reimburse nonpublic schools for the costs of state statutory or administrative rule requirements related to the health, safety, and welfare of students.	GF/GP	(\$250,000)

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<u>FY 2019-20 Vetoed Appropriation Items</u>		<u>Appropriation Change</u>
109. Pipeline 2 Promise (Sec. 61f)	Gross	(\$200,000)
Funding for a grant to Mott Community College for a retention and completion program.	Restricted	(200,000)
	GF/GP	\$0
110. Teach for America (Sec. 99x)	Gross	(\$800,000)
Funding for Teach for America to host a summer training institute in Detroit, recruit teachers into a master fellowship, and retain a committed alumni community.	GF/GP	(\$800,000)
111. CTE Early/Middle Colleges (Sec. 61b)	Gross	(\$2,000,000)
Funding for CTE early middle colleges or dual enrollment programs.	Restricted	(2,000,000)
	GF/GP	\$0
112. CTE Incentive Payments (Sec. 61d)	Gross	(\$5,000,000)
Funding for per-pupil payments for pupils in grades 9-12 enrolled in CTE programs.	Restricted	(5,000,000)
	GF/GP	\$0
113. English Language Learner Grants (Sec. 41(7))	Gross	(\$3,000,000)
Funding for one-time payments to districts and PSAs for capital improvements in support of English language learners.	Restricted	(3,000,000)
	GF/GP	\$0
114. Michigan Virtual University (Sec. 98)	Gross	(\$1,075,000)
Talent Investment Fund for the Michigan Virtual University.	Restricted	(1,075,000)
	GF/GP	\$0
115. FIRST Robotics (Sec. 99h)	Gross	(\$300,000)
Funding for nonpublic schools to participate in K-12 competitive robotics or Science Olympiad programs.	GF/GP	(\$300,000)
STATE POLICE		
116. Secondary Road Patrol Program	Gross	(\$13,074,300)
Funding for grants to county sheriff's departments for providing services on primary county roads and local roads outside the boundaries of cities and villages, and services on any portion of any other highway or road within the boundaries of a county park.	Restricted	(11,074,300)
	GF/GP	(\$2,000,000)
117. Training Grants to Local Law Enforcement Agencies	Gross	(\$654,500)
Funding for the development of training curricula by the Michigan Commission on Law Enforcement Standards and for partial reimbursement to local law enforcement agencies for costs associated with training employed officer candidates.	Restricted	(654,500)
	GF/GP	\$0
118. Michigan International Speedway Traffic Control (One-Time)	Gross	(\$600,000)
Funding for the department to provide traffic control at events taking place at the Michigan International Speedway.	GF/GP	(\$600,000)
119. Civil Air Patrol	Gross	(\$20,000)
Funding to cover civil air patrol costs (i.e., fuel, flight time) for support activities provided by the Civil Air Patrol to the department.	GF/GP	(\$20,000)
TECHNOLOGY, MANAGEMENT, AND BUDGET		
120. Capital Outlay Planning Authorization - Saginaw Valley State University, Brown Hall Renovation (total cost \$19.75M; state share \$12.0M)	Gross	(\$100)
Funding for Capital Outlay planning authorization for renovation of Brown Hall at Saginaw Valley State University.	GF/GP	(\$100)
121. Capital Outlay Planning Authorization - DHHS, Northern Satellite Psychiatric Facility (total cost TBD)	Gross	(\$100)
Funding for Capital Outlay planning authorization for the Department of Health and Human Services' Northern Satellite Psychiatric Facility.	GF/GP	(\$100)
122. Capital Outlay Construction Authorization/Cost Adjustment - State Capitol Restoration/ Infrastructure Upgrade Project (total cost increase \$15M, from \$110M to \$125M)	Gross	\$0
Funding necessary for addition of approximately 54,000 sq. ft. of space, to be called Heritage Hall and placed below ground.	GF/GP	\$0

FY 2019-20 Vetoed Appropriation Items

**Appropriation
Change**

123. Demolition of the Former Deerfield Correctional Facility	Gross	(\$750,000)
Funding to work with the Department of Corrections on awarding a contract to the best value bidder for demolition of the former Deerfield Correctional Facility.	IDG	(750,000)
	GF/GP	\$0
124. Regional Prosperity Grants - \$100 Placeholder	Gross	(\$100)
\$100 placeholder for grant funding for designated economic regions to encourage private, public, and non-profit partners to collaborate on developing economic visions and efforts to achieve them.	GF/GP	(\$100)
TRANSPORTATION		
125. Road Construction Unionized Labor Study	Gross	(\$50,000)
Funding for a study on the number of union labor hours and nonunion labor hours used on state road construction projects.	Restricted	(50,000)
	GF/GP	\$0
126. Incentive Challenge Fund - \$100 Placeholder	Gross	(\$100)
\$100 placeholder for incentive fund for transit service providers that provide 5-year plans meeting specific criteria.	Restricted	(100)
	GF/GP	\$0
127. Rail Freight Economic Development (One-Time) - \$100 Placeholder	Gross	(\$100)
\$100 placeholder for funding for rail freight economic development.	Restricted	(100)
	GF/GP	\$0
128. Real Estate Holdings Report	Gross	(\$50,000)
Funding for a report on all real estate owned or held by the department.	Restricted	(50,000)
	GF/GP	\$0
129. Relocation of Highest Rent Operations Research and Report	Gross	(\$2,000)
Funding to research options for moving the three highest rent operations to an area within an enterprise zone.	Restricted	(2,000)
	GF/GP	\$0
130. FOIA Compliance Report	Gross	(\$10,000)
Funding for a report on FOIA compliance, including the number of FOIA requests, the cost and number of staff hours, responses to requests, and information relating to appeal or contested cases.	Restricted	(10,000)
	GF/GP	\$0
131. Employee Accountability Systems Report	Gross	(\$10,000)
Funding for a report on employee accountability systems.	Restricted	(10,000)
	GF/GP	\$0
132. Payment Information/Reporting	Gross	(\$50,000)
Funding for a report on specific payable and receivable information on payments to local road and transit agencies.	Restricted	(50,000)
	GF/GP	\$0
133. General Fund Fixing Roads and Bridges - MDOT and Local Road Agencies	Gross	(\$132,000,000)
Funding for road and bridge construction: \$51.6 million to county road commissions, \$28.8 million to cities and villages, and \$51.6 to the department.	GF/GP	(\$132,000,000)
134. General Fund Fixing Roads and Bridges - Local Bridge Projects	Gross	(\$243,000,000)
Funding for the following bridge projects: bridge between Service Drive and Rotunda Drive owned by Wayne County; bridge between 168th Avenue and Landing Drive owned by the city of Ferrysburg; bridge east of Lakeshore Drive owned by Macomb County; and bridge over the Red Cedar River between Platt Street and River Street in the city of Lansing.	GF/GP	(\$243,000,000)
TREASURY		
135. Commercial Forest Reserve - Payments in Lieu of Taxes	Gross	(\$3,368,100)
Payments of a specific tax to county treasurers on each acre of land enrolled in the Commercial Forest Incentive Program.	GF/GP	(\$3,368,100)
136. Purchased Lands - Payments in Lieu of Taxes	Gross	(\$8,677,900)
Payments in lieu of taxes to local units of government on certain lands owned by the state and controlled by DNR.	Private	(27,500)
	Restricted	(5,332,900)
	GF/GP	(\$3,317,500)

APPENDIX I

<u>FY 2019-20 Vetoed Appropriation Items</u>		<u>Appropriation Change</u>
137. <i>Swamp and Tax Reverted Lands - Payments in Lieu of Taxes</i>	Gross	(\$15,305,600)
Payments of a specific tax to counties, townships, and schools on tax-reverted recreation and forest lands under control and supervision of DNR.	GF/GP	(\$15,305,600)
138. <i>Property Tax Assessor Training</i>	Gross	(\$1,000,000)
Funding for property tax assessor training and certification, including development of training materials and approval of courses of instruction.	GF/GP	(\$1,000,000)
139. <i>Municipal Cost Sharing Grants - Lansing Security Camera Upgrades at Michigan Capitol Building</i>	Gross	(\$500,000)
Funding for security camera upgrades around the Capitol Building.	GF/GP	(\$500,000)
140. <i>Municipal Cost Sharing Grants - Reimbursement to Lansing for Costs Associated with Large Special Events at Michigan Capitol Building</i>	Gross	(\$500,000)
Reimbursement to the city of Lansing for costs associated with large special events at the Capitol Building.	GF/GP	(\$500,000)

FY 2019-20 SUPPLEMENTAL APPROPRIATIONS
Summary: Public Act 154 of 2019
Senate Bill 152 As Enacted

Supplemental Coordinator: Robin R. Risko

FY 2019-20 APPROPRIATIONS SUMMARY

Budget Area		FY 2019-20 Year-to-Date Appropriations	FY 2019-20 Supplemental Change	% Change
Agriculture and Rural Development	Gross	\$107,937,600	\$3,479,900	3.2
	GF/GP	\$52,500,000	\$3,479,900	6.6
Corrections	Gross	\$2,011,308,800	\$30,952,500	1.5
	GF/GP	\$1,935,085,400	\$45,052,500	2.3
Environment, Great Lakes, and Energy	Gross	\$599,665,800	\$15,000,000	2.5
	GF/GP	\$153,577,400	\$15,000,000	9.8
Health and Human Services	Gross	\$26,218,407,600	\$301,472,100	1.1
	GF/GP	\$4,679,637,600	\$115,131,000	2.5
Insurance and Financial Services	Gross	\$68,814,800	\$3,248,000	4.7
	GF/GP	\$150,000	\$0	0.0
Judiciary	Gross	\$310,713,500	\$400,000	0.1
	GF/GP	\$201,043,600	\$400,000	0.2
Labor and Economic Opportunity	Gross	\$1,012,233,100	\$5,999,900	0.6
	GF/GP	\$97,794,200	\$5,999,900	6.1
Licensing and Regulatory Affairs	Gross	\$566,294,000	\$600,000	0.1
	GF/GP	\$124,030,700	\$600,000	0.5
Military and Veterans Affairs	Gross	\$200,065,100	\$4,000,000	2.0
	GF/GP	\$69,247,500	\$4,000,000	5.8
State Police	Gross	\$714,594,700	\$13,728,800	1.9
	GF/GP	\$473,701,700	\$2,000,000	0.4
Technology, Management, and Budget - Operations	Gross	\$1,279,736,200	\$43,093,700	3.4
	GF/GP	\$203,909,900	\$43,093,700	21.1
Transportation	Gross	\$5,011,408,000	\$10,000,000	0.2
	GF/GP	\$25,000,000	\$0	0.0
Treasury - Operations	Gross	\$562,715,300	\$27,351,600	4.9
	GF/GP	\$84,150,600	\$21,991,200	26.1
TOTAL	Gross	\$38,663,894,500	\$459,326,500	1.2
	GF/GP	\$8,099,828,600	\$256,748,200	3.2

Overview

Senate Bill 152 (H-2) contains supplemental appropriation adjustments to restore a number of vetoed items and funding transferred by the State Administrative Board for multiple budget areas for FY 2019-20. In sum, FY 2019-20 adjustments would authorize an additional 17.0 FTE positions, increase Gross appropriations by \$459.3 million and increase GF/GP appropriations by \$256.7 million.

Appropriation and boilerplate priorities are identified in this document.

FY 2019-20 Supplemental Appropriation Items

**Appropriation
Change**

AGRICULTURE AND RURAL DEVELOPMENT

1. Emergency Management

Restores \$182,600 GF/GP for environmental contamination response activities.

Gross **\$182,600**
GF/GP **\$182,600**

APPENDIX II

<u>FY 2019-20 Supplemental Appropriation Items</u>	<u>Appropriation Change</u>
<p>2. Animal Disease Prevention Restores \$400,000 GF/GP for animal disease prevention and response services.</p>	<p>Gross \$400,000 GF/GP \$400,000</p>
<p>3. Pesticide and Plant Pest Management Fund Source Adjustment Restores \$1.3 million GF/GP that was reduced in the enacted budget and replaced with restricted funds.</p>	<p>Gross \$1,300,000 GF/GP \$1,300,000</p>
<p>4. Environmental Stewardship – MAEAP Restores \$300,000 GF/GP to support agriculture pollution prevention programs including groundwater and freshwater protection programs, and technical assistance in implementing conservation grants under federal farm bills.</p>	<p>Gross \$300,000 GF/GP \$300,000</p>
<p>5. Qualified Forest Program Restores \$797,300 GF/GP that was reduced in the enacted budget and replaced with restricted funds.</p>	<p>Gross \$797,300 GF/GP \$797,300</p>
<p>6. Farm Stress Program – One-Time Restores a one-time appropriation of \$500,000 GF/GP for responding to the mental stress and fatigue of farmers and producers and their families through services that offer behavioral health specialists in the agriculture industry.</p>	<p>Gross \$500,000 GF/GP \$500,000</p>
CORRECTIONS	
<p>7. Restore Savings from Historical Lapses Restores \$800,000 in GF/GP savings taken from the following line items based on a history of year-end lapses:</p> <ul style="list-style-type: none"> • Unclassified Positions (\$200,000) • Community Corrections Plans and Services (\$400,000) • Transportation (\$200,000). 	<p>Gross \$800,000 GF/GP \$800,000</p>
<p>8. Restore Savings from Administrative Efficiencies Restores \$1.8 million in GF/GP savings taken from the Budget and Operations Administration line item and anticipated to be achieved through administrative efficiencies.</p>	<p>Gross \$1,780,700 GF/GP \$1,780,700</p>
<p>9. County Jail Reimbursement Program Restores \$14.8 million Gross (\$8.9 million GF/GP) for the County Jail Reimbursement Program, which reimburses counties for housing eligible felons, who otherwise may have been sentenced to prison, in county jails.</p>	<p>Gross \$14,814,600 Restricted 5,900,000 GF/GP \$8,914,600</p>
<p>10. Program and Special Equipment Fund Source Adjustment Restores \$20.0 million of the \$24.0 million GF/GP that was reduced from the Education/Skilled Trades/Career Readiness line item, and reduces the use of state restricted Program and Special Equipment Fund (SEF) revenue for the line item by a like amount.</p>	<p>Gross \$0 Restricted (20,000,000) GF/GP \$20,000,000</p>
<p>11. Funding Reductions Reduces the following line items by a total of \$4.2 million GF/GP:</p> <ul style="list-style-type: none"> • Offender Success Services (\$500,000) • Residential Probation Diversions (\$1.0 million) • Hepatitis C Treatment (\$2.7 million). 	<p>Gross (\$4,200,000) GF/GP (\$4,200,000)</p>
<p>12. Restore Savings from Corizon Contract Costs Includes an additional \$2.7 million GF/GP to fully cover costs of required inflationary adjustments. The contract requires an annual increase in the base per prisoner per month cost for physical and mental health care services, including pharmaceuticals.</p>	<p>Gross \$2,723,300 GF/GP \$2,723,300</p>
<p>13. Funding for Replacing Electronic Tether Replacement – One-Time Includes a one-time appropriation of \$4.6 million GF/GP for the department to purchase 6,619 GPS devices. The department’s current contract utilizes Verizon’s 3G network, which will be deactivated by December 31, 2020. Deactivation will force the department to switch to LTE or 4G devices in order to maintain coverage for electronic tether units.</p>	<p>Gross \$4,567,100 GF/GP \$4,567,100</p>

FY 2019-20 Supplemental Appropriation Items

**Appropriation
Change**

<p>14. Funding for Training New Custody Staff – One-Time Includes a one-time appropriation of \$10.5 million GF/GP to train additional corrections officers to meet projected attrition needs. Funding supports salary and payroll costs of new officers while they participate in training, as well as costs for uniforms, training materials, certifications, food, travel, and lodging. (Travel and lodging are paid during training if participants live away from the facilities to which they are assigned.)</p>	<p>Gross \$10,466,800 GF/GP \$10,466,800</p>
ENVIRONMENT, GREAT LAKES, AND ENERGY	
<p>15. PFAS and Emerging Contaminants – One-Time Restores a one-time appropriation of \$15.0 million GF/GP for PFAS monitoring and testing. At least \$4.0 million would be allocated for grants to municipal airports for costs related to PFAS monitoring and additional testing of wells.</p>	<p>Gross \$15,000,000 GF/GP \$15,000,000</p>
HEALTH AND HUMAN SERVICES	
<p>16. Child Care Fund Indirect Cost Allotment Includes \$3.5 million GF/GP to partially restore funding transferred from the Child Care Fund line item into a new line item for indirect cost allotment payments from the Child Care Fund to counties.</p>	<p>Gross \$3,500,000 GF/GP \$3,500,000</p>
<p>17. Family Preservation Programs Restores \$2.9 million GF/GP for expansion of the Foster Care Supportive Visitation program to all 83 counties and for the new Parent-Child Visit Assistance program. The programs help children who are in foster care, due to abuse and neglect, reunify with their parents.</p>	<p>Gross \$2,901,200 GF/GP \$2,901,200</p>
<p>18. West Michigan Partnership for Children Consortium Includes a net \$0 reappropriation of foster care payment funding in order to include boilerplate that allocates \$2.0 to the West Michigan Partnership for Children Consortium. (Sec. 452)</p>	<p>Gross \$0 GF/GP \$0</p>
<p>19. Multicultural Integration Funding Restores \$8.1 million GF/GP to support payments to contractors and subcontractors for various services they provide to multicultural populations and groups.</p>	<p>Gross \$8,084,600 GF/GP \$8,084,600</p>
<p>20. Recovery High Schools Restores \$600,000 GF/GP for grants to recovery high schools as part of the new state opioid response grant.</p>	<p>Gross \$600,000 GF/GP \$600,000</p>
<p>21. Recovery Community Organizations Restores \$600,000 GF/GP for grants to recovery community organizations as part of the new state opioid response grant.</p>	<p>Gross \$600,000 GF/GP \$600,000</p>
<p>22. St. Mary's/Conference of Western Wayne Restores \$500,000 GF/GP for a substance use disorder pilot program with inpatient beds dedicated to stabilizing patients, specialized trauma therapists, and peer supports.</p>	<p>Gross \$500,000 GF/GP \$500,000</p>
<p>23. Island Primary Health Care Access and Clinics Restores \$675,000 GF/GP for health care clinics and access to care on Beaver, Mackinac, Drummond, and Bois Blanc Islands.</p>	<p>Gross \$675,000 GF/GP \$675,000</p>
<p>24. Healthy Homes and Lead Abatement Includes \$4.5 million GF/GP for the Healthy Homes line item to support public health initiatives related to the revised lead and copper rules including education and outreach, drinking water investigations in communities with lead level exceedances, and distribution of water filters.</p>	<p>Gross \$4,500,000 GF/GP \$4,500,000</p>
<p>25. Healthy Michigan Plan Administration Includes \$3.9 million GF/GP for administrative costs and employment and training-related services and support related to the Healthy Michigan Plan work requirements set to begin January 1, 2020.</p>	<p>Gross \$3,900,000 GF/GP \$3,900,000</p>

APPENDIX II

<u>FY 2019-20 Supplemental Appropriation Items</u>		<u>Appropriation Change</u>
26. Critical Access Hospitals – Outpatient Rate Increase	Gross	\$34,265,100
Restores \$34.3 million Gross (\$5.1 million GF/GP) to support an increase in outpatient Medicaid rates for services provided at critical access hospitals.	Federal	24,880,200
	Restricted	4,285,800
	GF/GP	\$5,099,100
27. Pediatric Psychiatric Services – Rate Increase	Gross	\$10,743,600
Restores \$10.7 million Gross (\$3.9 million GF/GP) to support a 15% rate increase for practitioner rates in psychiatric diagnostic procedures through Medicaid fee-for-service and health plans for services provided to beneficiaries under the age of 21.	Federal	6,882,300
	GF/GP	\$3,861,300
28. Neonatology – Rate Increase	Gross	\$5,217,000
Restores \$5.2 million Gross (\$1.9 million GF/GP) to support Medicaid reimbursement rates for neonatal services at 95% of the Medicare rate.	Federal	3,342,000
	GF/GP	\$1,875,000
29. MiDocs Consortium	Gross	\$17,500,000
Restores \$17.5 million Gross (\$3.8 million GF/GP) for creating new primary care residency slots in underserved communities in one of the following specialties: family medicine, general internal medicine, general pediatrics, general OB-GYN, psychiatry, or general surgery. Medical education loan repayments would be contingent on 2-year commitments post-residency to practice in underserved communities.	Federal	8,750,000
	Restricted	5,000,000
	GF/GP	\$3,750,000
30. Hospital Payments – Rural Obstetrician Pool	Gross	\$7,995,200
Restores \$8.0 million GF/GP to support lump-sum payments to non-critical access hospitals that qualify for rural hospital access payments to provide obstetrical and newborn care.	GF/GP	\$7,995,200
31. Non-Critical Access Hospitals –Rural Access Pool	Gross	\$16,625,400
Restores \$16.6 million Gross (\$13.9 million GF/GP) to support rural access payments to non-critical access hospitals that provide services to low-income rural residents.	Federal	2,720,600
	GF/GP	\$13,904,800
32. Autism Navigator – One-Time	Gross	\$1,025,000
Restores a one-time appropriation of \$1.0 million GF/GP for the autism navigator program that provides online resources and a free call center to guide families through issues related to diagnosis, treatment, support, education, and/or health care for individuals with autism.	GF/GP	\$1,025,000
33. Autism Train the Trainer – One-Time	Gross	\$100,000
Restores a one-time appropriation of \$100,000 GF/GP to support a pilot project in Walled Lake School District to train school employees on applied behavioral analysis.	GF/GP	\$100,000
34. Federal Health Insurance Fee – One-Time	Gross	\$180,500,000
Restores a one-time appropriation of \$180.5 million Gross (\$50.0 million GF/GP) under the assumption that the federal Affordable Care Act (ACA) health insurer fee moratorium will expire.	Federal	130,480,200
	GF/GP	\$50,019,800
35. Healthy Communities Grant – One-Time	Gross	\$300,000
Restores a one-time appropriation of \$300,000 GF/GP for Leaders Advancing and Helping Communities for community healthy living, obesity prevention, and substance abuse prevention programs.	GF/GP	\$300,000
36. Andy's Angels Program - Opioid Transitional Housing and Services Grant – One-Time	Gross	\$750,000
Restores a one-time appropriation of \$750,000 GF/GP for the Andy's Angels program to support costs of treatment programs for individuals suffering from addiction and for their families.	GF/GP	\$750,000
37. Project ECHO – One-Time	Gross	\$40,000
Restores a one-time appropriation of \$40,000 GF/GP to provide grant funding to the Project ECHO opioid intervention program.	GF/GP	\$40,000

<u>FY 2019-20 Supplemental Appropriation Items</u>	<u>Appropriation Change</u>	
38. Senior Citizen Center Grants – One-Time	Gross	\$500,000
Restores a one-time appropriation of \$500,000 GF/GP for senior citizen center health programs.	GF/GP	\$500,000
39. Senior Community Services – One-Time	Gross	\$400,000
Restores a one-time appropriation of \$400,000 GF/GP for Alzheimer's disease services and dementia care and support programs in 10 counties.	GF/GP	\$400,000
40. Suicide Prevention Commission – One-Time	Gross	\$250,000
Includes a one-time appropriation of \$250,000 GF/GP for the Suicide Prevention Commission established under Senate Bill 228 of the 100 th Legislature. The Commission would work with state departments and nonprofit organizations on researching causes and underlying factors of suicide. The Commission would be charged with preparing a report for the legislature that includes recommendations for reducing risk factors.	GF/GP	\$250,000
41. No-Fault Auto Insurance Reform	FTE	12.0
Includes \$3.2 million in restricted funding from the Insurance Bureau Fund and authorization for 12.0 FTE positions to implement statutorily-required changes to no-fault insurance under 2019 PA 21 and 2019 PA 22. Funding would be used to administer premium rate reductions, utilization reviews, required reporting, and to complete necessary information technology modifications. Specifically, funds would support staff salaries and benefits, administrative costs, and actuarial and medical consulting contractual costs.	Gross	\$3,248,000
	Restricted	3,248,000
	GF/GP	\$0
42. FTE Position Authorization	FTE	4.0
Includes authorization for 4.0 FTE positions in the Insurance Evaluation line item to properly administer new statutory responsibilities under 2018 PA 421, 2018 PA 520, and 2018 PA 690. Responsibilities include reviewing annual corporate governance disclosure filings, overseeing licensees' data security programs, and reviewing domestic stock insurer plans of division.	Gross	\$0
	GF/GP	\$0
JUDICIARY		
43. Expansion of Problem Solving Courts – One-Time	Gross	\$400,000
Includes a one-time appropriation of \$400,000 GF/GP to expand the number of problem solving courts (i.e., Drug Treatment, Mental Health, and Veterans Courts) and to increase the number of problem solving court participants.	GF/GP	\$400,000
LABOR AND ECONOMIC OPPORTUNITY		
44. Michigan Special Grants	Gross	\$2,000,000
Includes \$2.0 million GF/GP to provide the following grants:	GF/GP	\$2,000,000
<ul style="list-style-type: none"> • Focus: HOPE (\$1.0 million) • Alpena Community College – Van Lare Hall upgrades (\$500,000) • Belleville seawall repairs (\$250,000) • Saginaw County Community Corrections (\$250,000). 		
45. At-Risk Youth Grants	Gross	\$3,749,900
Restores \$3.7 million GF/GP for the Jobs for Michigan Graduates program.	GF/GP	\$3,749,900
46. Blight Removal Grants	Gross	\$250,000
Restores \$250,000 GF/GP for blight elimination grants for rural blight elimination projects located in counties with populations under 50,000, with priority given to communities with the greatest population loss since 2000. Grants would be capped at \$50,000.	GF/GP	\$250,000
LICENSING AND REGULATION		
47. Urban Search and Rescue	Gross	\$600,000
Includes \$600,000 GF/GP for the Urban Search and Rescue Task Force for supervision and control of essential functions at incidents where technical rescue expertise and equipment are required for effective rescue operations.	GF/GP	\$600,000

APPENDIX II

FY 2019-20 Supplemental Appropriation Items **Appropriation Change**

MILITARY AND VETERANS AFFAIRS

48. County Veteran Service Fund **Gross \$4,000,000**
Restores \$4.0 million GF/GP for grants to eligible counties for veteran services to include advocacy, advice, and assistance with obtaining eligible veterans benefits. **GF/GP \$4,000,000**

STATE POLICE

49. Training Only to Locals **Gross \$654,500**
Restores \$654,500 in restricted funding from the Secondary Road Patrol and Training Fund for the Training Only to Local Units line item, which supports the development of police training curricula and partial reimbursements to local law enforcement agencies for costs associated with training employed officer candidates. **Restricted 654,500**
GF/GP \$0

50. Secondary Road Patrol Program **FTE 1.0**
Restores \$13.1 million Gross (\$2.0 million GF/GP) and authorization for 1.0 FTE position for the Secondary Road Patrol grant program. Funding is used by county sheriff's departments to provide services on primary county roads and local roads outside the boundaries of cities and villages, and to provide services on any portion of roads within the boundaries of county parks. **Gross \$13,074,300**
Restricted 11,074,300
GF/GP \$2,000,000

51. Commercial Vehicle Enforcement **Gross \$0**
Includes a net \$0 reappropriation of the current Commercial Vehicle Enforcement district and School Bus Inspection line items in order to consolidate those nine line items into a single line item titled "Commercial Vehicle Enforcement," as has been done in previous budgets. **GF/GP \$0**

TECHNOLOGY, MANAGEMENT, AND BUDGET

52. Information Technology Investment Fund **Gross \$15,000,000**
Includes an additional \$15.0 million GF/GP to support information technology projects aimed at modernizing and replacing legacy computer information systems across state departments, for a total of \$35.0 million in FY 2019-20 for projects in the ITIF project portfolio. **GF/GP \$15,000,000**

53. Michigan Public Safety Communications System (MPSCS) **Gross \$7,993,700**
Includes \$8.0 million GF/GP (\$3.0 million ongoing; \$4.9 million one-time) for software upgrades, increased coverage, and radio tower site maintenance for the MPSCS interoperable communications network used by state, federal, local, private, and tribal security officers and first responders across the state. **GF/GP \$7,993,700**

54. Enterprisewide Maintenance of State Facilities **Gross \$8,100,000**
Includes \$8.1 million GF/GP for various general maintenance and demolition projects at state-owned facilities across the state. **GF/GP \$8,100,000**

55. 2020 Census – One-Time **Gross \$10,000,000**
Includes a one-time appropriation of \$10.0 million GF/GP for census-related activities to achieve a fair and accurate count in the 2020 census. **GF/GP \$10,000,000**

56. Implementation of 2018 Ballot Proposal 2 – One-Time **Gross \$2,000,000**
Includes a one-time appropriation of \$2.0 million GF/GP to develop and implement a commission selection and application process and educate the public about the opportunity to serve. Ballot Proposal 2 of 2018 established the Independent Citizens Redistricting Commission. Funding would support hardware, software, and staff costs. **GF/GP \$2,000,000**

TRANSPORTATION

57. Service Initiatives **Gross (\$3,000,000)**
Reduces Comprehensive Transportation Fund (CTF) support by \$3.0 million. After this reduction, CTF funding in the line item would be \$5.6 million, which is a \$3.0 million increase over current year. **Restricted (3,000,000)**
GF/GP \$0

<u>FY 2019-20 Supplemental Appropriation Items</u>	<u>Appropriation Change</u>								
58. Transit Capital - Urban									
Includes \$13.0 million from the CTF to match federal transit grants on behalf of local transit agencies.	<table border="0" style="width: 100%;"> <tr> <td style="width: 100px;">Gross</td> <td style="text-align: right;">\$13,000,000</td> </tr> <tr> <td>Restricted</td> <td style="text-align: right;">13,000,000</td> </tr> <tr> <td>GF/GP</td> <td style="text-align: right;">\$0</td> </tr> </table>	Gross	\$13,000,000	Restricted	13,000,000	GF/GP	\$0		
Gross	\$13,000,000								
Restricted	13,000,000								
GF/GP	\$0								
TREASURY									
59. Commercial Forest Reserve - Payments in Lieu of Taxes									
Restores \$3.4 million GF/GP used for payments of a specific tax to county treasurers on each acre of land enrolled in the Commercial Forest Incentive Program.	<table border="0" style="width: 100%;"> <tr> <td style="width: 100px;">Gross</td> <td style="text-align: right;">\$3,368,100</td> </tr> <tr> <td>GF/GP</td> <td style="text-align: right;">\$3,368,100</td> </tr> </table>	Gross	\$3,368,100	GF/GP	\$3,368,100				
Gross	\$3,368,100								
GF/GP	\$3,368,100								
60. Purchased Lands - Payments in Lieu of Taxes									
Restores \$8.7 million Gross (\$3.3 million GF/GP) used for payments in lieu of taxes to local units of government on certain lands owned by the state and controlled by DNR.	<table border="0" style="width: 100%;"> <tr> <td style="width: 100px;">Gross</td> <td style="text-align: right;">\$8,677,900</td> </tr> <tr> <td>Private</td> <td style="text-align: right;">27,500</td> </tr> <tr> <td>Restricted</td> <td style="text-align: right;">5,332,900</td> </tr> <tr> <td>GF/GP</td> <td style="text-align: right;">\$3,317,500</td> </tr> </table>	Gross	\$8,677,900	Private	27,500	Restricted	5,332,900	GF/GP	\$3,317,500
Gross	\$8,677,900								
Private	27,500								
Restricted	5,332,900								
GF/GP	\$3,317,500								
61. Swamp and Tax Reverted Lands - Payments in Lieu of Taxes									
Restores \$15.3 million GF/GP used for payments of a specific tax to counties, townships, and schools on tax-reverted recreation and forestlands under control and supervision of DNR.	<table border="0" style="width: 100%;"> <tr> <td style="width: 100px;">Gross</td> <td style="text-align: right;">\$15,305,600</td> </tr> <tr> <td>GF/GP</td> <td style="text-align: right;">\$15,305,600</td> </tr> </table>	Gross	\$15,305,600	GF/GP	\$15,305,600				
Gross	\$15,305,600								
GF/GP	\$15,305,600								

FY 2019-20 Supplemental Boilerplate Items

AGRICULTURE AND RURAL DEVELOPMENT

Sec. 301. Environmental Stewardship - MAEAP

Requires \$300,000 appropriation to be used to support agriculture pollution prevention programs, including groundwater and freshwater protection programs, and technical assistance in implementing conservation grants under federal farm bills.

Sec. 302. Farm Stress Program

Requires \$500,000 appropriation to be used for responding to the mental stress and fatigue of farmers and producers and their families through services that offer behavioral health specialists in the agriculture industry.

CORRECTIONS

Sec. 351. County Jail Reimbursement Program

Requires the department to administer the County Jail Reimbursement Program, which offers counties per diem payments for housing certain offenders in jail; specifies reimbursement criteria and rates; requires counties receiving funding to report on annual average jail capacity and annual average jail occupancy; specifies statistical and financial information required to be reported by the department.

ENVIRONMENT, GREAT LAKES, AND ENERGY

Sec. 401. PFAS and Emerging Contaminants

Requires the department to allocate at least \$4.0 million GF/GP for grants to municipal airports for costs of monitoring and additional testing of wells related to PFAS testing results; requires a report detailing activities funded by the appropriation, including a list of grant recipients and grant amounts.

HEALTH AND HUMAN SERVICES

Sec. 451. Child Care Fund – Indirect Cost Allotment Payments

Requires the department to allocate \$3.5 million to counties and tribal governments and distribute these payments in the same proportion as indirect cost allotments are provided to counties in section 117a of the Social Welfare Act.

Sec. 452. West Michigan Partnership for Children Consortium

Requires the department to allocate \$2.0 million to the West Michigan Partnership for Children Consortium for administrative costs of a prospective payment system as part of a state-administered performance-based child welfare system.

APPENDIX II

FY 2019-20 Supplemental Boilerplate Items

Sec. 453. Recovery High Schools

Requires the department to allocate \$600,000 in grants to high schools specifically designated for students recovering from substance use disorders; limits grant funding to \$150,000 per awardee.

Sec. 454. Recovery Community Organizations

Requires the department to allocate \$600,000 to create a competitive grant for recovery community organizations to offer or expand recovery support center services for individuals seeking long-term substance use disorder recovery; limits grants to \$150,000 per awardee; establishes goals and intended outcomes of the grant program.

Sec. 455. St. Mary's/Conference of Western Wayne

Requires the department to allocate \$500,000 for a substance use disorder detoxification pilot project administered by a 9-1-1 service district in conjunction with a substance use and case management provider; requires the hospital wing to have at least 10 beds dedicated to stabilizing patients by providing specialized trauma therapists and peer supports.

Sec. 456. Island Primary Health Care Access and Clinics

Requires the department to allocate \$675,000 for Beaver, Mackinac, Drummond, and Bois Blanc Island primary health care access and clinics.

Sec. 457. Critical Access Hospitals – Rate Increase

Requires the department to increase outpatient Medicaid rates for services provided at critical access hospitals.

Sec. 458. Pediatric Psychiatric Services – Rate Increase

Requires the department to increase practitioner rates paid for current procedural terminology codes in psychiatric diagnostic procedures by 15% for services provided to Medicaid beneficiaries under the age of 21.

Sec. 459. Neonatology – Rate Increase

Requires the department to provide Medicaid reimbursement rates for neonatology services at 95% of Medicare rates; details the current procedural terminology codes that are eligible for the increased reimbursement rate.

Sec. 460. Non-Critical Access Hospitals – Rural Obstetrics Services

Requires the department to make lump-sum payments to rural, non-critical access hospitals for obstetric and newborn services.

Sec. 461. Non-Critical Access Hospitals

Requires the department to award rural access payments to non-critical access hospitals that provide services to low-income residents of rural areas; provides for the distribution formula.

Sec. 462. MiDocs Consortium

Requires the department to allocate \$17.5 million for creating new primary care residency slots in underserved communities in one of the following specialties: family medicine, general internal medicine, general pediatrics, general OB-GYN, psychiatry, or general surgery; requires medical education loan repayments to be contingent on 2-year commitments post-residency to practice in underserved communities; designates unexpended and unencumbered funding as a work project appropriation.

Sec. 463. Autism Navigator Program

Requires the department to require contractors to comply with performance-related metrics to maintain eligibility for funding; specifies organizational metrics and performance metrics for the program; requires each contractor to provide an annual report.

Sec. 464. Autism Train the Trainer

Requires the department to allocate \$100,000 to implement a pilot project to train school employees in the Walled Lake School District on the principles and practices of applied behavior analysis and research-based intervention strategies; establishes outcomes and performance measures; requires a report.

Sec. 465. Healthy Communities Grant

Requires the department to allocate \$300,000 for a one-time grant to Leaders Advancing and Helping Communities for community healthy living, obesity prevention, and substance abuse prevention programs.

Sec. 466. Andy's Angels Program - Opioid Transitional Housing and Services Grant

Requires the department to allocate \$750,000 to the Andy's Angels program to support costs of treatment programs for individuals suffering from addiction and for their families.

FY 2019-20 Supplemental Boilerplate Items

Sec. 467. Project ECHO

Requires the department to allocate \$40,000 in grant funding to the Northern Michigan Opioid Response Consortium.

Sec. 468. Senior Citizen Center Health Program Grants

Requires the department to allocate \$500,000 for a grant program for health-related senior programs at multipurpose senior citizen centers; limits grant awards to \$5,000 per program.

Sec. 469. Senior Citizen Alzheimer's Disease Program

Requires the department to allocate \$400,000 for Alzheimer's disease services for carrying out a dementia care and support program in ten counties; requires a report.

Sec. 470. Suicide Prevention Commission

Requires the department to allocate \$250,000 to support costs of furnishing clerking services, meeting support, and commissioner reimbursement activities of the Suicide Prevention Commission established under Senate Bill 228 of the 100th Legislature; designates unexpended and unencumbered funding as a work project appropriation.

JUDICIARY

Sec. 501. Veterans Court Participants' Compliance with Mental Health Treatment

Requires SCAO to create a pilot program that investigates the effectiveness of saliva testing to determine compliance with prescribed mental health medications and other treatments; authorizes \$20,000 to be used to cover the costs of saliva testing.

LABOR AND ECONOMIC OPPORTUNITY

Sec. 551. Michigan Special Grants

Requires the department to allocate \$1.0 million to Focus:HOPE, \$500,000 to Alpena Community College for upgrades to Van Lare Hall, \$250,000 for Belleville seawall repairs, and \$250,000 to Saginaw County for community corrections programs and services.

Sec. 552. Blight Elimination Grants

Requires the department to allocate \$250,000 for blight removal projects located in counties with populations under 50,000, with priority given to communities with the greatest population loss since 2000 and caps grants at \$50,000.

MILITARY AND VETERANS AFFAIRS

Sec. 601. County Veterans Service Fund

Requires the \$4.0 million appropriated for the County Veteran Service Fund to be deposited into the County Veteran Service Fund; requires funding to be used to support county veterans' services grants.

STATE POLICE

Sec. 651. Secondary Road Patrol Program

Requires the department to provide funding to county sheriffs' departments to patrol secondary roads; stipulates sheriffs' duties under the Secondary Road Patrol program; requires a report from the Office of Highway Safety Planning and the State Court Administrator detailing justice system assessment collections.

TECHNOLOGY, MANAGEMENT, AND BUDGET

Sec. 701. Proposal 2 Implementation

Prohibits funding for proposal 2 implementation from being used for costs related to ongoing or future litigation, legal costs, court judgments, settlements, arbitration awards, attorney fees, or other litigation costs pertaining to creation, implementation, and activities of the Independent Citizens Redistricting Commission.

APPENDIX III

FY 2019-20 SUPPLEMENTAL APPROPRIATIONS

Summary: Public Act 162 of 2019

Senate Bill 154 As Enacted

Analysts: Samuel Christensen, Jacqueline Mullen, and Perry Zielak

FY 2019-20 APPROPRIATIONS SUMMARY

Budget Area		FY 2019-20 Year-to-Date Appropriations	FY 2019-20 Supplemental Change	% Change
School Aid	Gross	\$15,106,763,600	\$70,500,000	0.5
	Restricted	13,294,915,100	70,150,000	0.5
	GF/GP	\$62,270,000	\$350,000	0.6
Higher Education	Gross	\$1,647,373,500	\$44,021,500	2.7
	Restricted	349,419,300	0	0.0
	GF/GP	\$1,204,023,400	\$3,925,900	0.3
TOTAL	Gross	\$16,754,137,100	\$114,521,500	0.7
	Restricted	13,644,334,400	70,150,000	0.5
	GF/GP	\$1,266,293,400	\$4,275,900	0.3

FY 2019-20 Supplemental Appropriation Items

**Appropriation
Change**

SCHOOL AID

1. Public School Academies (PSAs) Foundation Allowance Increase (Secs. 22a and 22b)	Gross	\$35,000,000
Restores \$35.0 million SAF to provide PSAs with an increase of \$240 per pupil. The PSA foundation allowance would increase from \$7,871 to \$8,111 (3.0%).	Restricted	35,000,000
	GF/GP	\$0
2. Small, Isolated Districts (Sec. 22d)	Gross	\$7,000,000
Restores \$7.0 million SAF for the following allocations: \$1.0 million for small, geographically isolated districts; and \$6.0 million for districts with 10.0 or fewer pupils per square mile.	Restricted	7,000,000
	GF/GP	\$0
3. Strict Discipline Academy Membership (Sec. 25f)	Gross	\$1,600,000
Restores \$1.6 million SAF for payments to strict discipline academies based on total added costs of education pupils.	Restricted	1,600,000
	GF/GP	\$0
4. Dropout Recovery Programs (Sec. 25g)	Gross	\$750,000
Restores \$750,000 SAF to districts for the cost of dropout recovery programs.	Restricted	750,000
	GF/GP	\$0
5. Early Literacy Teacher Coaches (Sec. 35a(4))	Gross	\$10,500,000
Increases by \$10.5 million SAF to a total of \$31.5 million SAF. Maintains the approximate number of literacy coaches at 280, but removes the 50% matching funds requirement and increases state funding per coach from \$75,000 to \$112,500.	Restricted	10,500,000
	GF/GP	\$0
6. Summer School Literacy Intervention Grants (Sec. 35a(9)) – NEW	Gross	\$5,000,000
Includes \$5.0 million SAF for grants for a summer school reading program. Districts must apply by January 15, 2020. Each eligible district would be provided a grant based on the number of third grade pupils determined not proficient in the English language arts (ELA) portion of the 2019 M-STEP. Districts would be required to prioritize 3rd grade pupils not proficient in the ELA portion of the M-STEP, and could extend the program to any student in grades K-2 who is not reading at grade level.	Restricted	5,000,000
	GF/GP	\$0
7. Multisensory Education (Sec. 35c) – NEW	Gross	\$300,000
Provides \$300,000 SAF for Livonia Public Schools to partner with a multisensory structured reading instruction professional development program to improve reading proficiency rates.	Restricted	300,000
	GF/GP	\$0

FY 2019-20 Supplemental Appropriation Items

**Appropriation
Change**

8. PLAY Project – Autism Intervention (Sec. 54e) – NEW

Restores \$350,000 GF/GP for a pilot program to train at least 60 Early On providers in the components of evidence-based, parent-implemented models of intervention for the treatment of autism. Requires the Department of Education (MDE) to conduct a survey of ISDs in the pilot program to measure the impact of the program and to report the findings from the survey to the legislature. Authorizes MDE to use up to 10% of the allocation for administration and management of the pilot.

Gross	\$350,000
Restricted	0
GF/GP	\$350,000

9. School Safety Grants (Sec. 97) – NEW

Includes \$10.0 million SAF for grants to public schools, districts, and ISDs to purchase technology, upgrade hardening measures, or conduct school building safety assessments.

Gross	\$10,000,000
Restricted	10,000,000
GF/GP	\$0

HIGHER EDUCATION

10. Tuition Grant Program

Restores \$38.0 million Gross (\$3.9 million GF/GP) for the Tuition Grant program and increases individual award amount from \$2,400 to \$2,800. The Tuition Grant program provides need-based tuition assistance to students at Michigan independent (i.e., private, non-profit) colleges and universities.

Gross	\$38,021,500
Federal	34,095,600
GF/GP	\$3,925,900

11. Michigan Competitive Scholarships

Increases funding by \$6.0 million of federal Temporary Assistance for Needy Families (TANF) funding to address anticipated program funding shortfalls. The scholarships are awarded to students with a qualifying SAT score and demonstrated financial need.

Gross	\$6,000,000
Federal	6,000,000
GF/GP	\$0

FY 2019-20 Supplemental Boilerplate Items

SCHOOL AID

Sec. 31a. At-Risk Pupil Support – REVISED

Adds that a hold harmless or out-of-formula district must also have been hold harmless or out-of-formula for the immediately preceding fiscal year in order to receive a reduced allocation of 30% of the amount for which it would otherwise be eligible (currently, every hold harmless or out-of-formula district receives the reduced allocation).

Adds a definition for “identified student percentage,” which is used in determining the number of economically disadvantaged pupils for a district or PSA in its second year of the Community Eligibility Program.

HIGHER EDUCATION

Sec. 251. Michigan Competitive Scholarship Program – REVISED

Provides for distribution of funds appropriated for State Competitive Scholarships; specifies maximum grant amount of at least \$1,000, unless insufficient funds are available, in which case a report is required. Specifies actual award amount of \$1,000. Removes work project language for lapsed program funds.

Sec. 252. Tuition Grant Program – REVISED

Provides for distribution of funds appropriated for Tuition Grants; specifies maximum grant amount of at least \$2,400, unless insufficient funds are available, in which case a report is required. Increases the institutional cap to \$4.8 million and increases individual actual award amount to \$2,800. Removes work project language for lapsed program funds.



Mary Ann Cleary, Director
 Kevin Koorstra, Deputy Director

Agriculture and Rural Development	William E. Hamilton
Capital Outlay	Perry Zielak
Community Colleges	Perry Zielak
Corrections	Robin R. Risko
Education (Department)	Samuel Christensen
Environment, Great Lakes and Energy	Austin Scott
General Government:	
Attorney General/Civil Rights/State (Department)/	
Technology, Management, and Budget	Michael Clossen
Executive Office/Legislature/Legislative Auditor General/Lottery/	
Michigan Strategic Fund/Talent and Economic Development/Treasury	Benjamin Gielczyk
Health and Human Services:	
Child Welfare, Child Support, Community Services	Viola Bay Wild
Medicaid, Physical and Behavioral Health	Kevin Koorstra
Public Assistance, Field Operations, Medicaid-backup	Kent Dell
Public Health and Aging	Susan Frey
Higher Education	Perry Zielak
Insurance and Financial Services	Marcus Coffin
Judiciary	Robin R. Risko
Licensing and Regulatory Affairs	Marcus Coffin
Military and Veterans Affairs	Michael Clossen
Natural Resources	Austin Scott
Natural Resources Trust Fund	Austin Scott
School Aid	Samuel Christensen; Jacqueline Mullen
State Police	Marcus Coffin
Transportation	William E. Hamilton
Unemployment Insurance	Marcus Coffin
Economic/Revenue Forecasting	Jim Stansell
Local Finance/Revenue Sharing/Tax Analysis	Jim Stansell; Benjamin Gielczyk
Legislative Analysis	Rick Yuille
	Edith Best; Jenny McInerney; Emily Smith; Sue Stutzky
Fiscal Oversight, Audit, and Litigation	Mary Ann Cleary
Retirement	Benjamin Gielczyk
Supplemental Coordinator	Robin R. Risko
Transfer Coordinator	Viola Bay Wild
Administrative Assistant/Publications	Kathryn Bateson
Budget Assistant/HFA Internet	Tumai Burreis
Front Office Coordinator	Tabbatha Birmingham



P.O. Box 30014 ■ Lansing, MI 48909-7514
(517) 373-8080
www.house.mi.gov/hfa