



Senate Fiscal Agency
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Senate Bill 608 (Substitute S-3)
Sponsor: Senator Roger Kahn, M.D.
Committee: Appropriations

Date Completed: 2-19-14

CONTENT

The bill would provide supplemental appropriations for fiscal year (FY) 2013-14. The bill includes negative Adjusted Gross appropriations of \$176.4 million and General Fund/General Purpose (GF/GP) appropriations of \$262.2 million, primarily to reflect the technical adjustments (\$455.4 million negative Adjusted Gross, \$73.3 million positive GF/GP) in the Departments of Community Health and Corrections related to the delay in the expansion of Medicaid. In addition, the bill contains \$27.0 million of GF/GP appropriations recommended by the State Budget Office (SBO) for various departments. Also recommended by the Governor and included in the bill is a \$26.4 million GF/GP reduction to recognize savings from the refinancing of State Building Authority bonds. In addition, there are \$188.3 million of legislatively initiated GF/GP appropriations for various departments, but these do include \$114.5 million in the Department of Community Health to offset the shortfall in Health Insurance Claims Assessment revenue. [Table 1](#) summarizes the appropriations in the bill.

Table 1

FY 2013-14 Supplemental Appropriations				
Department/Program	Adjusted Gross	Federal	Restricted & Private	GF/GP
Community Health	(\$388,887,800)	(\$489,589,700)	(\$113,291,000)	\$213,992,900
Corrections	14,671,800	0	0	14,671,800
Education	16,086,000	5,286,000	0	10,800,000
Environmental Quality	50,000	0	0	50,000
Human Services	30,612,300	20,475,200	2,937,100	7,200,000
Judiciary	1,400,000	650,000	0	750,000
Licensing & Reg. Affairs	0	0	0	0
Military & Vets Affairs	17,560,000	0	0	17,560,000
Natural Resources	6,460,000	1,500,000	410,000	4,550,000
State	617,000	0	0	617,000
State Police	7,660,000	3,350,000	2,000,000	2,310,000
Tech., Man., Budget	(26,699,100)	0	(699,100)	(26,000,000)
Transportation	118,328,900	9,383,100	102,345,800	6,600,000
Treasury-Operations	13,699,100	0	12,199,100	1,500,000
Treasury-Strategic Fund	12,091,000	0	4,501,000	7,590,000
Total	(\$176,350,800)	(\$448,945,400)	\$10,402,900	\$262,191,700

FISCAL IMPACT

The bill would decrease FY 2013-14 Adjusted Gross State appropriations by \$176.4 million and increase GF/GP appropriations by \$262.2 million. The bill also appropriates \$102.0 million of the \$115.0 million available in the Roads and Risks Reserve Fund (RRRF), for winter road maintenance (\$100.0 million) and for municipal aid to mitigate the damage due to the December 2013 ice storm (\$2.0 million). The bill includes funding for 15 budget areas. [Table 2](#) summarizes the details of those appropriations.

BOILERPLATE LANGUAGE SECTIONS

Sec. 201. General. Records amount of total State spending and payments to local units of government.

Sec. 202. General. Subjects appropriations and expenditures in the bill to the provisions of the Management and Budget Act.

Sec. 301. Community Health. Requires the Department to make a disproportionate share payment of \$19,989,600 for continued support to a hospital that is dedicated to infant mortality prevention and is a National Institutes of Health perinatology research branch designee (Harper/Hutzel Hospital).

Sec. 302. Community Health. Requires the Department to report by April 1, 2014, on the estimated amount of funding necessary for community mental health services programs that continue the identical level of services to non-Medicaid-eligible individuals that was provided before the implementation of Public Act 107 of 2013 (Medicaid reform).

Sec. 303. Community Health. Prohibits the expenditure of any funds from medical services administration for outreach or education for the Healthy Michigan Plan.

Sec. 351. Education. Allocates the \$5.1 million appropriated for "dissolved school district costs" for reimbursements to receiving school districts, or the respective intermediate school district, for costs associated with the transfer of property from a dissolved school district to a receiving school district; defines terms; and creates a work project appropriation.

Sec. 352. Education. Allocates the \$3.9 million appropriated for "information technology education" for a public-private partnership with a single provider; establishes criteria for the partnership and for the competitive request for proposals process; and creates a work project appropriation.

Sec. 353. Education. Allocates the \$1.8 million appropriated for a "health and nutrition education software platform" for a contract with a single provider to provide secure personal user health and nutrition data for all public K-12 pupils; establishes criteria for the platform and for the competitive request for proposals process; and creates a work project appropriation.

Sec. 401. Human Services. Requires the Department to allocate \$250,000 for a three-year contract to establish a pilot program with a Detroit-based nonprofit agency to serve 25 youths who are aging out of the foster care system, and to provide a report on the progress of the pilot project by September 30, 2014.

Sec. 402. Human Services. Requires the Department to allocate \$750,000 for college scholarships for youths who were in foster care because of abuse and neglect, and to distribute the scholarships through the Fostering Futures Scholarship that is part of the Michigan Education Trust.

Sec. 403. Human Services. Requires the Department to pay 100% of the administrative rate for all new cases referred to providers of foster care services during FY 2013-14.

Sec. 404. Human Services. Requires the Department, on a one-time basis only, to allocate \$200,000 from the adoption support services line item to the adoptive family support network (also known as the parent-to-parent program) to provide guidance and community connections to adoptive parents and children.

Sec. 405. Human Services. Requires the allocation of \$7.0 million from the Federal Low-Income Home Energy Assistance Program for deliverable fuels assistance payments.

Sec. 406. Human Services. Provides parameters for the use of deliverable fuels crisis assistance payments.

Sec. 501. Licensing and Regulatory Affairs. Provides parameters for the Department's administration of grants under the Michigan Medical Marihuana Act.

Sec. 551. Military and Veterans Affairs. Requires the appropriation for the Michigan Veterans Affairs Agency to be used for the expansion of the veterans' service delivery initiative and to increase direct advocacy for veterans in the State.

Sec. 601. Natural Resources. Authorizes an accounting adjustment to close out the FY 2006-07 work project for a Trenton, Michigan, city marina.

Sec. 651. State Police. Establishes the Federal FirstNET appropriation of \$3,350,000 as a work project.

Sec. 652. State Police. Allocates \$2.0 million from support services to municipalities to mitigate tree-related damage and debris due to the ice storm of December 22 and 23, 2013.

Sec. 701. Transportation. Requires the Department to allocate \$3.0 million to expand a project to enhance rail grade crossing safety systems and to use a Michigan-based company as the traffic control system manufacturer.

Sec. 702. Transportation. Requires the funds appropriated for special winter road maintenance to be distributed to the State Trunkline Fund, county road commissions, and cities and villages, in the same percentages described in Public Act 51 of 1951, and requires distribution to each entity in amounts proportional to the current year amounts distributed from the State Trunkline Fund.

Secs. 801, 802, and 803. Treasury. Transfer existing State Building Authority boilerplate language from the Department of Technology, Management, and Budget to reflect the transfer of the Authority to the Treasury Department.

Sec. 804. Treasury-Strategic Fund. Requires the \$340,000 appropriation for precollege engineering to be allocated to the Detroit Precollege Program in Engineering and Sciences, which received an appropriation under Public Act 156 of 2005.

Sec. 805. Treasury-Operations. Reappropriates up to \$3,885,800 from unspent and unencumbered funds in accounts appropriated for tax plan implementation, for tax processing and Treasury operations information technology services.

Sec. 806. Treasury-Strategic Fund. Conditions appropriations for blight elimination and the home affordable refinance program upon action by the State Budget Director to lapse the work project originally established for the home affordable refinance program.

Sec. 807. Treasury-Strategic Fund. Creates a work project appropriation for the blight elimination and home affordable refinance programs funded under this bill; requires that funds support individuals and communities impacted by the foreclosure crisis; and directs all amounts financed by the Homeowner Protection Fund that have not been spent by September 30, 2016, be expended for blight elimination activities overseen by the Michigan State Housing Authority.

Enacting Section 1. State Building Authority. Repeals Sections 840, 841, and 843 of the FY 2013-14 General Government budget (Public Act 59 of 2013, Article VIII) to reflect the transfer of the Authority from the Department of Technology, Management, and Budget to the Department of Treasury.

Enacting Section 2. Foster Care. Repeals Sections 522 and 589 of the FY 2013-14 Department of Human Services budget (Public Act 59 of 2013, Article X) to reflect the changes contained in this bill for youth-in-transition programs and foster care private agency administrative rates, in Sections 401 and 403, respectively.

Enacting Section 3. Michigan Medical Marihuana Act. Repeals Section 728 of the FY 2013-14 Department of Licensing and Regulatory Affairs budget (Public Act 59 of 2013, Article XIII) to reflect the new administrative language contained in this bill in Section 501.

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Table 2

Senate Bill 608 (S-3): FY 2013-14 Supplemental Recommendations

Department/Program	Governor's Recommendation		Senate Recommendation	
	Adj. Gross	GF/GP	Adj. Gross	GF/GP
Capital Outlay				
Construction authorizations for SVSU, Kalamazoo Valley, Macomb, Muskegon, Southwestern @ \$100.....	\$500	\$500	\$0	\$0
Cotton correctional facility conversion planning grant	100,000	100,000	0	0
Total Capital Outlay	\$100,500	\$100,500	\$0	\$0
Community Health				
Medicaid expansion adjustments	(\$455,377,400)	\$65,260,300	(\$455,377,400)	\$65,260,300
Medicaid base adjustments	(256,945,300)	22,425,200	0	0
HICA revenue shortfall	0	0	0	114,500,000
Outpatient uncompensated DSH pool increase	19,000,000	0	19,000,000	0
Community mental health funding increase	0	8,018,000	25,000,000	25,000,000
Infant mortality research and treatment center	0	0	19,989,600	6,732,600
Hospice services	0	0	2,500,000	2,500,000
Total Community Health	(\$693,322,700)	\$95,703,500	(\$398,887,800)	\$213,992,900
Corrections				
Medicaid expansion adjustments	\$8,070,700	\$8,070,700	\$8,070,700	\$8,070,700
Adjust substance abuse funds re Medicaid expansion	6,601,100	6,601,100	6,601,100	6,601,100
Total Corrections	\$14,671,800	\$14,671,800	\$14,671,800	\$14,671,800
Education				
Early childhood program enhancements.....	\$5,286,000	\$0	\$5,286,000	\$0
Grants for school districts' dissolution costs.....	0	0	5,100,000	5,100,000
Public/private partnerships for IT education issues	0	0	3,900,000	3,900,000
Health/nutrition education software platform contract.....	0	0	1,800,000	1,800,000
Total Education	\$5,286,000	\$0	\$16,086,000	\$10,800,000
Environmental Quality				
Beach/water quality monitoring program	\$0	\$0	\$50,000	\$50,000
Total Environmental Quality	\$0	\$0	\$50,000	\$50,000
Executive				
Office for New Americans	\$170,000	\$170,000	\$0	\$0
Total Executive	\$170,000	\$170,000	\$0	\$0
Human Services				
Low-income home energy assistance program	\$22,912,300	\$0	\$22,912,300	\$0
Deliverable fuels crisis assistance	0	0	4,000,000	4,000,000
Foster care child placing agency administrative rate	2,500,000	2,500,000	2,500,000	2,500,000

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Department/Program	Governor's Recommendation		Senate Recommendation	
	Adj. Gross	GF/GP	Adj. Gross	GF/GP
Human Services (continued)				
Fostering futures scholarships (\$600,000 TANF)	0	0	0	0
Disability determination services staff increase	500,000	0	500,000	0
Michigan Community Services Commission	350,000	350,000	0	0
Youth-in-transition pilot program	0	0	250,000	250,000
Arab American Chaldean Council refugee services	0	0	250,000	250,000
Parent-to-parent program	200,000	0	200,000	200,000
Caseload adjustments	(422,056,200)	(19,777,000)	0	0
Total Human Services	(\$395,593,900)	(\$16,927,000)	\$30,612,300	\$7,200,000
Judiciary				
Implement Michigan Indigent Defense Commission	\$750,000	\$750,000	\$750,000	\$750,000
Federal funding for drug treatment courts	650,000	0	650,000	0
Total Judiciary	\$1,400,000	\$750,000	\$1,400,000	\$750,000
Licensing and Regulatory Affairs				
Delphi bankruptcy workers compensation	\$8,000,000	\$8,000,000	\$0	\$0
Replace tax credit with compensation supplement fund	1,000,000	1,000,000	0	0
Positive/negative appropriation for medical marijuana	0	0	yes	yes
Total Licensing and Regulatory Affairs	\$0	\$0	\$0	\$0
Military and Veterans Affairs				
Armory maintenance	\$0	\$0	\$15,800,000	\$15,800,000
Expand veterans' service delivery initiative	2,000,000	2,000,000	560,000	560,000
Grand Rapids veterans' home cooling system	1,200,000	1,200,000	1,200,000	1,200,000
Total Military and Veterans Affairs	\$3,200,000	\$3,200,000	\$17,560,000	\$17,560,000
Natural Resources				
Cascades Falls restoration/renovation project	\$0	\$0	\$2,000,000	\$2,000,000
Munising bayshore marina	1,500,000	0	1,500,000	0
Local infrastructure improvements	330,000	0	330,000	0
Fort Holmes on Mackinac Island restoration project	0	0	250,000	250,000
South Higgins State Park improvements	80,000	0	80,000	0
Kawkawlin dredging project	0	0	2,300,000	2,300,000
Total Natural Resources	\$1,910,000	\$0	\$6,460,000	\$4,550,000
State				
ExpressSOS media campaign	\$300,000	\$300,000	\$300,000	\$300,000
Electronic processing of interlock violations	200,000	200,000	200,000	200,000
Reimbursement for late filing fees per PA 277 of 2012	117,000	117,000	117,000	117,000
Total State	\$617,000	\$617,000	\$617,000	\$617,000

Senate Bill 608 (S-3): FY 2013-14 Supplemental Recommendations

Department/Program	Governor's Recommendation		Senate Recommendation	
	Adj. Gross	GF/GP	Adj. Gross	GF/GP
State Police				
FirstNET Federal grant	\$3,350,000	\$0	\$3,350,000	\$0
Match funds for Federal disaster relief for 18 counties	2,310,000	2,310,000	2,310,000	2,310,000
Municipal aid for December ice storm damage (RRRF)	0	0	2,000,000	0
Total State Police	\$5,660,000	\$2,310,000	\$7,660,000	\$2,310,000
Technology, Management, and Budget				
Enhance Michigan.gov portal.....	\$6,000,000	\$6,000,000	\$0	\$0
Construction debt service for five higher education projects.....	2,464,700	2,464,700	0	0
UAW professional development fund: \$720,000 IDG.....	yes	0	yes	0
MiResults performance metrics project	700,000	700,000	0	0
Military retirement system prefunding	400,000	400,000	400,000	400,000
Military retirement system pension cost increase	107,000	107,000	0	0
State Building Authority rent lapse.....	(26,400,000)	(26,400,000)	(26,400,000)	(26,400,000)
Transfer State Building Authority to Treasury	(699,100)	0	(699,100)	0
Total Technology, Management, and Budget.....	(\$17,427,400)	(\$16,728,300)	(\$26,699,100)	(\$26,000,000)
Transportation				
Special winter road maintenance (RRRF)	\$0	\$0	\$100,000,000	\$0
Federal TIGER grant/match for rail improvements.....	11,728,900	0	11,728,900	0
Enhance rail crossing safety.....	0	0	3,000,000	3,000,000
Regional Transportation Authority admin funds.....	2,000,000	2,000,000	2,000,000	2,000,000
West Michigan Regional Airport passenger terminal.....	0	0	1,300,000	1,300,000
Beaver Island Boat Company one-time grant.....	300,000	300,000	300,000	300,000
Total Transportation.....	\$14,028,900	\$2,300,000	\$118,328,900	\$6,600,000
Treasury-Operations				
Convention facility tax revenue distribution	11,500,000	0	11,500,000	0
Allow credit/debit cards for individual income taxes.....	0	0	1,500,000	1,500,000
Transfer of State Building Authority from DTMB	699,100	0	699,100	0
Total Treasury-Operations.....	\$12,199,100	\$0	\$13,699,100	\$1,500,000
Treasury-Strategic Fund				
Operating funds for Land Bank Fast Track Authority	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000
Public/private partnership for P20 education hub	0	0	5,500,000	5,500,000
Blight elimination (Homeowner Protection Fund).....	0	0	3,700,000	0
Home affordable refinance program (Homeowner Protection Fund).....	0	0	801,000	0
Detroit pre-college science and engineering program.....	0	0	340,000	340,000
Total Treasury-Strategic Fund	\$1,750,000	\$1,750,000	\$12,091,000	\$7,590,000
TOTAL SUPPLEMENTAL APPROPRIATIONS.....	(\$1,040,850,700)	\$92,417,500	(\$176,350,800)	\$262,191,700