

FY 2014-15 and FY 2015-16 SUPPLEMENTAL APPROPRIATIONS
Summary: House Substitute to Senate-Passed Bill
House Bill 4102 (H-2)



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FY 2014-15 APPROPRIATION SUMMARY

Budget Area		FY 2014-15 Year-to-Date Appropriations	FY 2014-15 Supplemental Change	% Change
Legislature	Gross	\$131,930,500	\$50,000	0.0
	GF/GP	127,420,700	50,000	0.0
State Police	Gross	\$649,741,900	\$7,725,000	1.2
	GF/GP	391,839,900	6,725,000	1.7
Treasury – Michigan Strategic Fund	Gross	\$1,002,779,900	\$0	0.0
	GF/GP	222,642,500	0	0.0
TOTAL (All General Omnibus Budget Areas)	Gross	\$38,379,968,600	\$7,775,000	0.0
	GF/GP	8,437,546,700	6,775,000	0.1

Overview

Supplemental requests 2015-6 and 2015-7, as recently submitted by the State Budget Office, contain total Gross appropriations of \$7.8 million (\$6.8 million GF/GP). The bulk of the requested funds are for a legal settlement agreement involving the Department of State Police. The requests also include revisions to boilerplate language in the Michigan Strategic Fund budget and new boilerplate language in the budgets for the Departments of State and Transportation. The FY 2014-15 section of House Bill 4102 (H-2) contains all of these requests.

FY 2014-15 Supplemental Appropriation Items

**Appropriation
Change**

LEGISLATURE

1. Criminal Justice Policy Commission

Provides \$50,000 GF/GP to support the Criminal Justice Policy Commission created under 2014 PA 465. Funds will cover necessary expenses of the commission and be used to reimburse commission members for reasonable, actual, and necessary expenses incurred in the performance of their duties. (SBO request 2015-6)

Gross **\$50,000**
GF/GP **\$50,000**

STATE POLICE

2. Legal Settlement Agreement

Supports a settlement agreement between the Michigan State Police and plaintiffs which extinguished all future claims related to a July 3, 2014 traffic accident in the Flint area which occurred as a State Police trooper was in pursuit of a fleeing vehicle. The accident involved a separate vehicle and resulted in the death of one passenger and injury of the driver and other passenger. The first \$1.0 million of settlement costs would be supported with the risk management fund used to self-insure the state's vehicle fleet for costs associated with no-fault requirements. The remaining \$6.7 million of costs are funded through GF/GP funds. (Revised SBO request 2015-7)

Gross **\$7,725,000**
Restricted **1,000,000**
GF/GP **\$6,725,000**

TREASURY – MICHIGAN STRATEGIC FUND

3. Michigan GED-to-School Program

Unappropriates and reappropriates \$500,000 GF/GP appropriated for the GED-to-School Program in FY 2014-15 in order to revise boilerplate provisions associated with the program. There is no net change in the funding available for the program. See boilerplate Section 501 description below. (SBO request 2015-6)

Gross **\$0**
GF/GP **\$0**

FY 2014-15 Supplemental Boilerplate Items

STATE

Sec. 301. Information Technology Services and Projects – Work Project Authorization

Authorizes work project status for unexpended and unencumbered funds from the Branch and Central Operations line of PA 191 of 2010, totaling \$6.0 million and allowing unexpended funds to be carried forward into future fiscal years. The funds are needed to address the Business Application Modernization (BAM) project and the department's legacy Information Technology system. Extenuating circumstances have impacted the vendor's ability to implement outstanding contract deliverables associated with the project. The estimated completion date is September 30, 2019. (SBO request 2015-6)

Sec. 302. Help America Vote Act (HAVA) – Work Project Authorization

Reauthorizes work project status for implementation of Michigan's plan under the federal Help America Vote Act of 2002 (HAVA), allowing unexpended funds to be carried forward into future fiscal years. Beginning in FY 2002-03, the Department of State has spent roughly \$79 million in HAVA funds to replace outdated voting equipment with optical scan voting equipment, educate voters and train election workers regarding optical scan voting equipment, service and maintain purchased optical scan voting equipment, and improve the qualified voter file. This supplemental request reauthorizes remaining HAVA funds (including state GF/GP matching funds) as a work project appropriation. The department intends to expend the bulk of the remaining HAVA funds for the replacement of optical scan voting equipment and systems acquired for local units of government with HAVA funds starting in 2003. The estimated completion date is September 30, 2019. (SBO request 2015-6)

TRANSPORTATION

Sec. 401. ARRA High Speed Rail Project– Work Project Authorization

Reauthorizes work project status for unexpended American Recovery and Reinvestment Act (ARRA) funds of \$26.7 million for high-speed intercity passenger rail. An FY 2010-11 Supplemental Appropriation Act, 2011 PA 157, appropriated a total of \$398.1 million for the acquisition of a 135.7 mile rail segment between Dearborn to Kalamazoo from the Norfolk Southern Railroad, and related track improvements intended to improve rail operating speeds on a high speed rail passenger corridor. Of the original appropriation, over \$358.9 million was provided from federal grants, including \$199.3 million from ARRA. This is a multi-year project and funding has been carried over as a work project; however, work project status will expire at the end of FY 2014-15. The expected completion date is September 30, 2017. (SBO request 2015-6)

TREASURY – MICHIGAN STRATEGIC FUND

Sec. 501. Michigan GED-to-School Program

Repeals and replaces Section 1069 in the FY 2014-15 General Government budget act. Stipulates that funds appropriated in part 1 for the program are to be used to cover the cost of the GED test free of charge to individuals meeting certain requirements. Requires Workforce Development Agency to develop procedures, provide program information, provide a full-year cost estimate, and provide a report. Revises existing section to eliminate requirement that individuals enroll in a postsecondary institution within two years of taking test. Includes new requirement that individuals score "likely to pass" on the official GED practice test. Includes new language designating FY 2014-15 funds as a work project. Existing Section 1069 is repealed by Enacting Section 2 of this bill. (SBO request 2015-6)

FY 2015-16 APPROPRIATION SUMMARY

Budget Area		FY 2015-16 Year-to-Date Appropriations	FY 2016-16 Supplemental Change	% Change
Environmental Quality	Gross	\$486,909,300	\$7,300,000	1.5
	GF/GP	34,827,700	6,300,000	18.1
Health & Human Services	Gross	\$25,056,085,500	\$1,850,100	0.0
	GF/GP	4,142,798,100	850,100	0.0
Licensing & Regulatory Affairs	Gross	\$361,580,300	\$200,000	0.1
	GF/GP	38,481,500	0	0.0
TOTAL (All General Omnibus Budget Areas)		Gross \$38,616,222,700	\$9,350,100	0.0
		GF/GP 8,464,733,500	7,150,100	0.1

Overview

Supplemental request 2016-1, as recently submitted by the State Budget Office, contain total Gross appropriations of \$9.4 million (\$7.2 million GF/GP). The appropriations all relate to the Flint water emergency. The FY 2015-16 portion of House Bill 4102 (H-2) contains those requested appropriations, as well as a \$100 placeholder item and the unappropriation and reappropriation of certain funds in the Health & Human Services budget to allow for adjustments to related boilerplate language.

FY 2015-16 Supplemental Appropriation Items

Appropriation Change

ENVIRONMENTAL QUALITY

1. City of Flint Emergency Water Service

Provides \$6.0 million Gross funding to the City of Flint emergency water services to reconnect the city's water supply to the Detroit Sewer and Water Department (DSW). This supplemental appropriation is intended to pay reconnection costs through June 30, 2016. (SBO request 2016-1)

Gross	\$6,000,000
Restricted	1,000,000
GF/GP	\$5,000,000

2. Drinking Water and Environmental Health

Adds \$300,000 GF/GP to the existing \$14.7 Gross funding for DEQ's Drinking Water and Environmental Health Program. This program provides regulatory oversight for public water supply systems including residential and non-residential water inspections, contamination investigations, drinking water pollution remediation, and public health monitoring. This supplemental appropriation also adds 2.0 FTEs to support home and school drinking water inspections through the Flint water supply reconnection process. (SBO request 2016-1)

FTEs	2.0
Gross	\$300,000
GF/GP	\$300,000

3. Laboratory Services

Adds \$1.0 million GF/GP to the existing \$6.1 million Gross funding for DEQ's laboratory services. These services include the physical, chemical, and microbiological analysis of drinking water samples. This supplemental appropriation supports the testing of water samples through the Flint water supply reconnection process. (SBO request 2016-1)

Gross	\$1,000,000
GF/GP	\$1,000,000

HEALTH AND HUMAN SERVICES

4. Local Office Emergency Services – Water Filters for Flint Residents

Increases the appropriations for the Emergency Services Local Office Allocations line item by \$1.0 million restricted funding. This program allocates funding to local DHHS offices for certain emergency services. New funding will be used to help fund the purchase of water filters for Flint residents. The Department will be working with the Genesee County Community Action Resource Department to distribute the water filters to the community. The restricted funding is appropriated from an available balance of the Department of Environmental Quality Settlement Fund. (SBO Request 2016-1)

Gross	\$1,000,000
Restricted	1,000,000
GF/GP	\$0

5. Childhood Lead Program Follow-Up

Increases childhood lead program appropriations by \$850,000 GF/GP for costs related to increased state and local services provided to residents of Flint and Genesee County. This may include screening for abnormal blood lead levels, lead hazard identification, local health department coordination of follow-up care for children identified with elevated blood lead levels and surveillance of those children, and related outreach and education. Follow-up care may include visits to a child's home for prevention activities to prevent blood lead from further elevation and intervention activities including case management for children with high blood lead levels, following a standard protocol. Note that in addition, some costs that may be incurred for these services and for blood lead testing are billable to Medicaid. (SBO request 2016-1)

Gross	\$850,000
GF/GP	\$850,000

<u>FY 2015-16 Supplemental Appropriation Items</u>		<u>Appropriation Change</u>
6. Michigan Rehabilitation Services	Gross	\$0
Unappropriates and reappropriates \$130.9 million Gross appropriated for Michigan Rehabilitation Services in FY 2015-16 in order to revise boilerplate provisions associated with the program. There is no net change in the funding available for the program. See boilerplate Section 1301 description below. (No SBO request)	GF/GP	\$0
7. Children's Services Agency – Juvenile Justice	Gross	\$0
Unappropriates and reappropriates \$400,000 GF/GP appropriated for In-Home Community Care in FY 2015-16 in order to revise boilerplate provisions associated with the program. There is no net change in the funding available for the program. See boilerplate Section 1302 description below. (No SBO request)	GF/GP	\$0
8. Rent and State Office Facilities	Gross	\$100
Provides \$100 placeholder appropriation for rent at Alger County DHHS office. (No SBO request)	GF/GP	\$100
LICENSING & REGULATORY AFFAIRS		
9. State Inspection of Plumbing Systems in Flint Educational and Health Facilities	Gross	\$200,000
Supports the statutorily-required inspection of plumbing fixtures and systems installed in educational and health facilities located within the City of Flint. Typically, these inspections are delegated to and performed by building officials employed by the City of Flint; however, this supplemental would support the performance of these inspections by employees of the Bureau of Construction Codes (BCC). The fees for these plumbing inspections are established by the BCC and deposited into the Construction Code Fund, which is the funding source authorized under this supplemental. (SBO request 2016-1)	Restricted GF/GP	200,000 \$0

FY 2015-16 Supplemental Boilerplate Items

ENVIRONMENTAL QUALITY

Sec. 1251. City of Flint Emergency Water Services

Provides that DEQ is authorized to pay up to \$6.0 million for the reconnection of the City of Flint's water supply to the Detroit Sewer and Water Department. Payments may be made after a legally executable agreement has been reached between the parties and Flint's water supply has been successfully reconnected. This funding is intended to be used through June 30, 2016. (SBO request 2016-1)

HEALTH & HUMAN SERVICES

Sec. 1301. Michigan Rehabilitation Services – Job Development and Employment-Related Services

Requires allocation of \$6.1 million funding to service authorizations with accredited, community-based rehabilitation organizations for job development and other community employment-related support services. Current-year language requires funding to service contracts with organizations; new language makes adjustment to require the service of "authorizations," not "contracts," with these organizations. This language change will ensure that DHHS will not have to issue new RFPs for these authorizations since the contracts with these organizations are already in place. Existing Section 806 is repealed by Enacting Section 1 of this bill. (No SBO request)

Sec. 1302. Juvenile Justice – In-Home Community Care Programs

Requires allocation of \$400,000 of the appropriated In-Home Community Care program funding be used to expand or create new in-home care and community-based juvenile justice services to rural counties through grant funding. Under current-year language DHHS is to expend this full amount by January 15 and a report is required by March 1st; this new language makes an adjustment to require the department to have the contracts for these services in place by January 15 and the report due by June 30. Existing Section 587 is repealed by Enacting Section 1 of this bill. (No SBO request)