

FY 2016-17 and FY 2017-18 SUPPLEMENTAL APPROPRIATIONS
Summary: As Reported by House Appropriations Committee
Senate Bill 253 (H-1)



HFA Director: Mary Ann Cleary
 Supplemental Coordinator: Robin R. Risko

FY 2016-17 APPROPRIATION SUMMARY

| Budget Area | | FY 2016-17 Year-to-Date Appropriations | FY 2016-17 Supplemental Change | % Change |
|-------------------------------|--------------|--|--------------------------------------|------------|
| Attorney General | Gross | \$105,362,100 | \$0 | 0.0 |
| | GF/GP | \$42,840,500 | \$0 | 0.0 |
| Military and Veterans Affairs | Gross | \$178,320,000 | \$2,268,800 | 1.3 |
| | GF/GP | \$59,043,600 | \$0 | 0.0 |
| Treasury | Gross | \$1,831,110,500 | \$4,327,300 | 0.2 |
| | GF/GP | \$433,340,700 | \$3,701,400 | 0.9 |
| | Gross | \$2,114,792,600 | \$6,596,100 | 0.3 |
| | GF/GP | \$535,224,800 | \$3,701,400 | 0.7 |

Overview

Senate Bill 253 (H-1) Draft 1 contains supplemental appropriation adjustments to multiple budget areas for FY 2016-17 and FY 2017-18. In sum, FY 2016-17 adjustments would increase Gross appropriations in the state budget by \$6.6 million and increase GF/GP appropriations by \$3.7 million. FY 2017-18 adjustments would increase Gross appropriations by \$55.6 million and increase GF/GP appropriations by \$13.8 million.

Appropriation and boilerplate priorities initiated by the State Budget Office and/or legislature, and included in the bill, are identified below.

| <u>FY 2016-17 Supplemental Appropriation Items</u> | <u>Appropriation Change</u> |
|---|-----------------------------|
| ATTORNEY GENERAL | |
| 1. Flint Water Declaration of Emergency Legal Costs | Gross \$0 |
| Includes a net \$0 re-appropriation of line item funding in order to include revised reporting requirements in boilerplate (Sec. 302). | Restricted 0 |
| | GF/GP \$0 |
| MILITARY AND VETERANS AFFAIRS | |
| 2. Michigan Youth ChalleNGe Academy | Gross \$268,800 |
| Includes \$268,800 in local School Aid Funds to support higher than expected education expenditures. Academy partners with Marshall Public Schools to provide high school education to cadets participating in the program. | Local 268,800 |
| | GF/GP \$0 |
| 3. National Guard Operations | Gross \$2,000,000 |
| Includes \$2.0 million provided by the Federal Emergency Management Agency to support the Michigan National Guard's Emergency Management Assistance Compact deployments in response to Hurricanes Harvey and Irma. | Federal 2,000,000 |
| | GF/GP \$0 |
| TREASURY | |
| 4. Reappropriation of Existing Information Technology Appropriations for Legacy Tax System Replacement | Gross \$4,327,300 |
| Reappropriates and repurposes \$4.3 million Gross (\$3.7 million GF/GP) of previously appropriated funding for replacement of motor fuel, tobacco tax, and customer financial legacy tax systems. Funding would be repurposed from unexpended balances of three existing work project accounts and unexpended individual income tax e-file system upgrade funding appropriated in FY 2016-17. | Restricted 625,900 |
| | GF/GP \$3,701,400 |

FY 2016-17 Supplemental Boilerplate Items

ATTORNEY GENERAL

Sec. 301. Lawsuit Settlement Proceeds Fund

Authorizes \$6.4 million of unexpended Lawsuit Settlement Proceeds Fund revenues to be carried forward for expenditure in the next fiscal year.

Sec. 302. Flint Water Declaration of Emergency Legal Costs

Authorizes expenditure of Lawsuit Settlement Proceeds Fund revenue, up to \$2.6 million, for legal costs related to Flint Water Declaration of Emergency; requires a report detailing expenditures made, itemized by case, purpose, hourly attorney rate, and department involved.

TREASURY

Sec. 401. Reappropriation of Existing Information Technology Appropriations for Legacy Tax System Replacement

Reappropriates \$4.3 million in unexpended and unencumbered funds for Treasury operations information technology services and projects. Funding would be used to support replacement of motor fuel, tobacco tax, and customer financial legacy tax systems.

Sec. 402. Motor Fuel, Tobacco Tax, and Customer Financial System Replacement

Designates reappropriated funds referred to in Section 401 above as work project appropriations. Purpose of work project is to implement a motor fuel, tobacco tax, and customer financial system replacement. Total cost of project is \$4.3 million and tentative completion date is September 30, 2019.

FY 2017-18 APPROPRIATION SUMMARY

| Budget Area | | FY 2017-18 Year-to-Date Appropriations | FY 2017-18 Supplemental Change | % Change |
|-----------------------------------|--------------|---|---|-----------------|
| Agriculture and Rural Development | Gross | \$114,448,600 | \$250,000 | 0.2 |
| | GF/GP | \$66,001,800 | \$250,000 | 0.4 |
| Attorney General | Gross | \$101,198,800 | \$0 | 0.0 |
| | GF/GP | \$40,248,600 | \$0 | 0.0 |
| Capital Outlay | Gross | \$0 | \$100 | -- |
| | GF/GP | \$0 | \$100 | -- |
| Corrections | Gross | \$2,001,919,200 | \$0 | 0.0 |
| | GF/GP | \$1,946,633,600 | \$0 | 0.0 |
| Environmental Quality | Gross | \$508,767,700 | \$1,000,000 | 0.2 |
| | GF/GP | \$47,244,000 | \$1,000,000 | 2.1 |
| Health and Human Services | Gross | \$25,444,884,600 | \$48,207,200 | 0.2 |
| | GF/GP | \$4,365,484,900 | \$6,334,500 | 0.1 |
| Natural Resources | Gross | \$408,967,300 | \$1,026,200 | 0.3 |
| | GF/GP | \$56,944,900 | \$1,026,200 | 1.8 |
| State | Gross | \$249,358,500 | \$5,000,000 | 2.0 |
| | GF/GP | \$19,139,000 | \$5,000,000 | 26.1 |
| State Police | Gross | \$694,763,900 | \$158,900 | 0.0 |
| | GF/GP | \$439,442,800 | \$158,900 | 0.0 |
| | Gross | \$29,524,308,600 | \$55,642,400 | 0.2 |
| | GF/GP | \$6,981,139,600 | \$13,769,700 | 0.2 |

FY 2017-18 Supplemental Appropriation Items

**Appropriation
Change**

AGRICULTURE AND RURAL DEVELOPMENT

1. Draft Beer Delivery Systems

Provides \$150,000 GF/GP for a new education and training program related to proper management of draft beer delivery systems. Appropriation was vetoed by the Governor in the original FY 2017-18 appropriations act, 2017 PA 107.

Gross \$150,000
GF/GP \$150,000

2. Campground Development Grant

Provides \$100,000 in one-time GF/GP funding to be allocated to Calhoun County to be used to aid in acquisition and development of property for a campground for visitors to an equestrian center located in Albion. Appropriation was vetoed by the Governor in the original FY 2017-18 appropriations act, 2017 PA 107.

Gross \$100,000
GF/GP \$100,000

ATTORNEY GENERAL

3. Flint Water Declaration of Emergency Legal Costs

Includes a net \$0 re-appropriation of line item funding in order to include revised reporting requirements in boilerplate (Sec. 1331).

Gross \$0
Restricted 0
GF/GP \$0

CAPITAL OUTLAY – CONSTRUCTION AUTHORIZATION

4. Western Michigan University – College of Aviation Renovation and Addition

Total project cost is \$20.0 million. University share is \$5.0 million; state share is \$15.0 million. Project would include renovation of 16,215 sq. ft. of existing space and addition of 51,092 sq. ft. of new space for the Western Michigan University - College of Aviation located in Battle Creek. Project would address current and future enrollment needs, energy deficiencies, space appropriateness, and safety concerns by adding classrooms, composites/paint labs, simulation center, research center, student briefing rooms, office space, and improvements in energy, life safety, and accessibility. Project was authorized for planning in 2016 PA 268.

Gross \$100
GF/GP \$100

FY 2017-18 Supplemental Appropriation Items

CORRECTIONS

5. EXIT Program

Includes a net \$0 re-appropriation of Criminal Justice Reinvestment funding in order to include revised boilerplate that allocates at least \$600,000 to EXIT program in Muskegon. Program received a 3-year grant from the state for fiscal years 2015 through 2017. Boilerplate allocation would allow program to continue. Program provides county jail inmates with programming and services to prepare them for obtaining and retaining employment (Sec. 1371).

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

ENVIRONMENTAL QUALITY

6. Vapor Intrusion Program

Includes \$1.0 million GF/GP for vapor intrusion program, bringing total program funding to 5.0 FTE positions and \$2.6 million Gross. Vapor intrusion is the migration of chemical vapors from contaminated groundwater or soil into the buildings above.

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

HEALTH AND HUMAN SERVICES

7. Housing and Support Services

Authorizes DHHS to spend an additional \$2.0 million in federal grant funding made available for housing and support services. Funding is used for contracts and grants for federal housing and rental assistance programs for individuals with mental illness, substance use disorders, and developmental disabilities, who are homeless or at risk of becoming homeless.

Gross **\$2,000,000**
Federal 2,000,000
GF/GP **\$0**

8. School Success Partnership Program

Appropriates an additional \$75,000 GF/GP for a grant to Northeast Michigan Community Service Agency to expand School Success Partnership Program, which provides services to students at risk of academic failure. Current FY 2017-18 funding is \$450,000 GF/GP. Appropriation was vetoed by the Governor in the original FY 2017-18 appropriations act, 2017 PA 107.

Gross **\$75,000**
GF/GP **\$75,000**

9. Youth In Transition

Provides \$280,000 GF/GP for Muskegon Covenant Academy, which is a charter high school for students ages 16 to 22 who have dropped out of school or are at risk of not graduating on time. Appropriation was vetoed by the Governor in the original FY 2017-18 appropriations act, 2017 PA 107.

Gross **\$280,000**
GF/GP **\$280,000**

10. Public Assistance Field Staff

Provides \$75,000 GF/GP for Pathways to Potential Program to restore amount of funding reduced through Executive veto of boilerplate section 809(2).

Gross **\$75,000**
GF/GP **\$75,000**

11. State Targeted Response (STR) to Opioid Crisis

Appropriates second half of the \$32.8 million Federal State Targeted Response to the Opioid Crisis grant. Federal funds are aimed at increasing treatment and reducing unmet need related to opioid use disorder. Michigan Opioid STR project focuses on 10 purposes that include: improving state infrastructure for persons with opioid use disorder, training, evidence-based prevention and treatment, access to psychiatric services and psychotropic medications, access to medication-assisted treatments, engagement with primary care and law enforcement, supports for prisoner reentry, use of peers in emergency departments and primary care settings, overdose education and naloxone distribution, and a statewide media campaign.

Gross **\$16,372,700**
Federal 16,372,700
GF/GP **\$0**

12. Federal Mental Health Block Grant

Authorizes DHHS to spend an additional \$2.0 million in federal Mental Health Block Grant funding. Block grant funding is used to support efforts in implementing a recovery-based system of care that focuses on resiliency, trauma-informed care, person-centered planning, peer supports, consumer-run practices, integrated whole health, and self-determination for adults with serious mental illness and children with serious emotional disturbance. A similar adjustment was made in FY 2016-17.

Gross **\$2,000,000**
Federal 2,000,000
GF/GP **\$0**

13. Genomic Opioid Research

Provides \$700,000 GF/GP to Kalamazoo Community Mental Health and Substance Abuse Services to support research on potential of genomic testing to improve opioid prescribing practices and medication-assisted treatment programs. Funding would not be distributed if state Institutional Review Board rejects proposal. Appropriation was vetoed by the Governor in the original FY 2017-18 appropriations act, 2017 PA 107.

Gross **\$700,000**
GF/GP **\$700,000**

| <u>FY 2017-18 Supplemental Appropriation Items</u> | | Appropriation Change |
|---|--|---|
| 14. Public Health Laboratory | | Gross \$1,500,000 |
| Appropriates an additional \$1.5 million in federal grant funding made available for epidemiology and laboratory capacity. Total grant funding, \$2.5 million, provides support for public health laboratory services. | | Federal 1,500,000 GF/GP \$0 |
| 15. Medicaid Information System | | Gross \$20,000,000 |
| Appropriates \$20.0 million in federal grant funding made available for the Michigan Medicaid Information System (CHAMPS). Funding would support transition/migration to a cloud-based system, which has been underway for several years. Anticipated completion date of project is 2018. | | Federal 20,000,000 GF/GP \$0 |
| 16. Direct Primary Care Pilot Program | | Gross \$0 |
| Includes a net \$0 re-appropriation of line item funding in order to include revised boilerplate. List of specific counties the direct primary care pilot program would operate is replaced with a capped statewide open enrollment for Medicaid beneficiaries (Sec. 1407). | | Federal 0 GF/GP \$0 |
| 17. Double-Up Food Bucks | | Gross \$750,000 |
| Includes \$750,000 GF/GP to provide state match for a three-year federal grant to fund Double-Up Food Bucks program, which allows food assistance recipients to receive an additional \$20 of fresh fruits and vegetables at participating farmers markets and grocery stores when they spend \$20. Funding would be used to help extend the program from seasonal to year-round in six targeted areas in the state. | | GF/GP \$750,000 |
| 18. Primary Care and Dental Health Services | | Gross \$300,000 |
| Includes \$300,000 GF/GP to support primary care clinic and dental health clinic services for indigent individuals. Appropriation was vetoed by the Governor in the original FY 2017-18 appropriations act, 2017 PA 107. | | GF/GP \$300,000 |
| 19. Audit on Submission of Sexual Assault Evidence Kits | | FTE 1.0 |
| Provides \$134,500 GF/GP and 1.0 FTE position for Michigan Domestic and Sexual Violence Prevention and Treatment Board to conduct an annual audit of the proper submission of sexual assault evidence kits. | | Gross \$134,500 GF/GP \$134,500 |
| 20. Training on Tracking System for Healthcare Providers | | Gross \$20,000 |
| Provides \$20,000 GF/GP for planning, preparation, and implementation of training for healthcare providers on existence of Uniform Statewide Sexual Assault Evidence Kit Tracking System, requirement to use the system, and statutory requirements concerning kits. | | GF/GP \$20,000 |
| 21. Sexual Assault Evidence Kit Tracking System | | Gross \$4,000,000 |
| Provides \$4.0 million GF/GP to fund a 5-year contract for development and implementation of Uniform Statewide Sexual Assault Evidence Kit Tracking System. System will be used to track submission and status of sexual assault evidence kits, allow for audit of untested kits collected before March 1, 2015 that were released by victims to law enforcement, provide secure electronic access for victims, and allow concurrent data entry with kit collection through various devices, including computers, smartphones, or scanning devices. | | GF/GP \$4,000,000 |
| NATURAL RESOURCES | | |
| 22. Bay City State Recreation Area Playscape Reconstruction | | Gross \$400,000 |
| Provides \$400,000 GF/GP for reconstruction of a playscape at Bay City State Recreation Area. Appropriation was vetoed by the Governor in the original FY 2017-18 appropriations act, 2017 PA 107. | | GF/GP \$400,000 |
| 23. Onaway State Park Pavilion Reconstruction | | Gross \$400,000 |
| Provides \$400,000 GF/GP for reconstruction of a pavilion at Onaway State Park. Appropriation was vetoed by the Governor in the original FY 2017-18 appropriations act, 2017 PA 107. | | GF/GP \$400,000 |
| 24. Snowmobile Local Grants | | Gross \$226,200 |
| Includes \$226,200 GF/GP for grants to local units of government, nonprofit incorporated snowmobile clubs, and other organizations to maintain existing snowmobile trails and expand trail system when possible. Appropriation was vetoed by the Governor in the original FY 2017-18 appropriations act, 2017 PA 107. | | GF/GP \$226,200 |

FY 2017-18 Supplemental Appropriation Items

STATE

25. Voter Equipment

Provides \$5.0 million GF/GP to support replacement of aging voting machines statewide. \$5.0 million GF/GP was previously appropriated in 2015 PA 268 and authorized as a work project for purchasing new voting machines. Appropriation is currently being held due to a court injunction ruling. Replacement of old voting machines is currently underway using state and federal funding set aside for this purpose. This appropriation would be used to continue and complete replacements and would replace the amount previously appropriated upon cancellation of the work project.

Gross **\$5,000,000**
GF/GP \$5,000,000

STATE POLICE

26. MSP Implementation of Sexual Assault Evidence Kit Tracking System

Includes \$118,900 GF/GP and 1.0 FTE position to coordinate department's implementation and ongoing operation of Uniform Statewide Sexual Assault Evidence Kit Tracking System, and to act as liaison between DHHS and local law enforcement agencies in implementing and operating the system.

FTE 1.0
Gross **\$118,900**
GF/GP \$118,900

27. Training on Tracking System for Prosecutors and Law Enforcement

Includes \$20,000 GF/GP for a one-time training seminar for prosecutors and law enforcement leadership on Uniform Statewide Sexual Assault Evidence Kit Tracking System.

Gross **\$20,000**
GF/GP \$20,000

28. MCOLES Internet-Based Training

Includes \$20,000 GF/GP for Michigan Commission on Law Enforcement Standards to support creation and ongoing distribution of webinars and other internet-based training seminars for law enforcement officers on Uniform Statewide Sexual Assault Evidence Kit Tracking System.

Gross **\$20,000**
GF/GP \$20,000

FY 2017-18 Supplemental Boilerplate Items

AGRICULTURE AND RURAL DEVELOPMENT

Sec. 1301. Draft Beer Delivery Systems

Requires department to issue a grant of \$150,000 to a third-party entity for purpose of providing education and training related to proper management of draft beer delivery systems.

Sec. 1302. Campground Development Grant

Requires department to allocate \$100,000 to Calhoun County to be used to aid in acquisition and development of property for a campground for visitors to equestrian center located in Albion.

ATTORNEY GENERAL

Sec. 1331. Flint Water Declaration of Emergency Legal Costs

Authorizes expenditure of Lawsuit Settlement Proceeds Fund revenue, up to \$2.8 million, for costs related to Flint Water Declaration of Emergency; requires quarterly reports detailing expenditures made, itemized by case, purpose, hourly attorney rate, and department involved.

CAPITAL OUTLAY

Sec. 1351. Public Purpose, Lease and Conveyance, and Annual Appropriation – Western Michigan University – College of Aviation Renovation and Addition

States that leasing of the Western Michigan University – College of Aviation from the State Building Authority (SBA) is for a public purpose under the State Building Authority Act of 1964; approves and authorizes lease and conveyance of property to the SBA and from the SBA to the state and educational institution, as applicable, executed by the Governor and Secretary of State on behalf of the state; specifies intent of legislature to annually appropriate sufficient amounts to pay rent obligations pursuant to lease.

CORRECTIONS

Sec. 1371. Muskegon Exit Program

Allocates at least \$600,000 of Criminal Justice Reinvestment appropriation to EXIT program in Muskegon to provide county jail inmates with programming and services to prepare them for obtaining and retaining employment; lists examples of eligible programs and services, to include: adult education, tutoring, manufacturing skills training, participation in a simulated work environment, mentoring, cognitive therapy groups, life skills classes, substance abuse recovery groups, fatherhood programs, classes in understanding the legal system, family literacy, health and wellness, finance management, employer presentations, and classes on job retention; suggests programming and support services begin before release and continue after release from jail.

FY 2017-18 Supplemental Boilerplate Items

HEALTH AND HUMAN SERVICES

Sec. 1401. Youth In Transition - Muskegon Covenant Academy

Requires \$280,000 to be awarded to Muskegon Covenant Academy, a charter high school for students ages 16 to 22 who have dropped out of school or are at risk of not graduating on time; specifies legislative intent that funding is intended to be second year out of 3 years of funding for the program.

Sec. 1402. School Success Partnership Program

Requires \$75,000 appropriated for School Success Partnership Program to be allocated to Northeast Michigan Community Service Agency programming by December 1, 2017.

Sec. 1406. Primary Care and Dental Health Services

Allocates \$300,000 to support primary care clinic and dental health clinic services for indigent individuals. Boilerplate and related appropriation were vetoed by the Governor in the original FY 2017-18 appropriations act, 2017 PA 107.

Sec. 1407. Direct Primary Care Pilot Program

Revises section 1913 of Article X of 2017 PA 107 by replacing the list of specific counties the direct primary care pilot program would operate with a capped statewide open enrollment for Medicaid beneficiaries; direct primary care pilot program would provide a monthly per enrollee payment to eligible direct primary care providers and would measure whether pilot program generates Medicaid savings.

Sec. 1408. Genomic Opioid Research

Provides \$700,000 to Kalamazoo Community Mental Health and Substance Abuse Services to support research on potential of genomic testing to improve opioid prescribing practices and medication-assisted treatment programs; funding would not be distributed if state Institutional Review Board rejects proposal.

Sec. 1450. Audit on Submission of Kits and Training for Healthcare Providers

Requires \$134,500 to be allocated to fund 1.0 FTE position for Michigan Domestic and Sexual Violence Prevention and Treatment Board to conduct an annual audit of the proper submission of sexual assault evidence kits; allocates \$20,000 for training for healthcare providers on Uniform Statewide Sexual Assault Evidence Kit Tracking System, requirement to use the system, and statutory requirements concerning kits; requires annual report.

Sec. 1451. Sexual Assault Evidence Kit Tracking System

Allocates \$4.0 million to contract for development and implementation of Uniform Statewide Sexual Assault Evidence Kit Tracking System; requires system to include ability to track submission and status of sexual assault evidence kits and to audit untested kits collected before March 1, 2015 that were released by victims to law enforcement, to provide secure electronic access for victims, and allow concurrent data entry with kit collection through various devices, including computers, smartphones, or scanning devices; designates funding as work project appropriations; requires report on implementation and operational status.

STATE

Sec. 1601. Voter Equipment

Establishes appropriation for statewide replacement of aging voting machines as a work project account.

STATE POLICE

Sec. 1701. MSP Implementation of Sexual Assault Evidence Kit Tracking System

Outlines duties and responsibilities of FTE position assigned to coordinate implementation and operation of Uniform Statewide Sexual Assault Evidence Kit Tracking System.

Sec. 1702. Training on Tracking System for Prosecutors and Law Enforcement Leaders

Requires the department to provide a statewide training seminar for prosecutors and law enforcement leadership on Uniform Statewide Sexual Assault Evidence Kit Tracking System.

Sec. 1703. Internet-Based Training on Tracking System for Law Enforcement Officers

Requires Michigan Commission on Law Enforcement Standards to develop and distribute internet-based training for law enforcement officers on Uniform Statewide Sexual Assault Evidence Kit Tracking System.

REPEALERS

Enabling section 1.

Repeals section 314 of Article VIII of 2016 PA 268. Section is replaced with section 302 in this bill.

Enabling section 2.

Repeals section 604 of Article V, section 314 of Article VIII, and section 1913 of Article X of 2017 PA 107. Sections are replaced with sections 1331, 1371, and 1407, respectively, in this bill.