



**Senate Fiscal Agency**  
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**BILL ANALYSIS**



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Senate Bill 253 (As passed by the Senate with amendments to Substitute H-1)  
Sponsor: Senator Dave Hildenbrand  
Senate Committee: Appropriations  
House Committee: Appropriations

Date Completed: 10-19-17

**CONTENT**

The bill would provide supplemental appropriations for fiscal year (FY) 2016-17 and FY 2017-18 for various State budget areas. The bill proposes FY 2016-17 Gross appropriations of \$6.6 million, including \$2.0 million of Federal revenue, \$894,700 of local and other State restricted revenue, and \$3.7 million GF/GP. The bill also proposes FY 2017-18 Gross appropriations of \$56.2 million and General Fund/General Purpose (GF/GP) appropriations of \$13.8 million, primarily \$2.0 million for the restoration of items vetoed by the Governor, \$4.3 million for the implementation of sexual assault evidence tracking, and \$5.0 million for voting machines. [Table 1](#) summarizes the appropriations in the bill.

**Table 1**

| <b>Budget Area</b>       | <b>Gross</b>        | <b>Federal</b>      | <b>Local/<br/>Private</b> | <b>Other State<br/>Restricted</b> | <b>GF/GP</b>        |
|--------------------------|---------------------|---------------------|---------------------------|-----------------------------------|---------------------|
| <b><u>FY 2016-17</u></b> |                     |                     |                           |                                   |                     |
| Military & Vets Affairs  | \$2,268,800         | \$2,000,000         | \$268,800                 | \$0                               | \$0                 |
| Treasury-Operations      | 4,327,300           | 0                   | 0                         | 625,900                           | 3,701,400           |
| <b>TOTAL FY 2016-17</b>  | <b>\$6,596,100</b>  | <b>\$2,000,000</b>  | <b>\$268,800</b>          | <b>\$625,900</b>                  | <b>\$3,701,400</b>  |
| <b><u>FY 2017-18</u></b> |                     |                     |                           |                                   |                     |
| Ag & Rural Development   | \$250,000           | \$0                 | \$0                       | \$0                               | \$250,000           |
| Attorney General         | 600,000             | 0                   | 0                         | 600,000                           | 0                   |
| Capital Outlay           | 100                 | 0                   | 0                         | 0                                 | 100                 |
| Environmental Quality    | 1,000,000           | 0                   | 0                         | 0                                 | 1,000,000           |
| Health & Human Services  | 48,207,200          | 41,872,700          | 0                         | 0                                 | 6,334,500           |
| Natural Resources        | 1,026,200           | 0                   | 0                         | 0                                 | 1,026,200           |
| State                    | 5,000,000           | 0                   | 0                         | 0                                 | 5,000,000           |
| State Police             | 158,900             | 0                   | 0                         | 0                                 | 158,900             |
| <b>TOTAL FY 2017-18</b>  | <b>\$56,242,400</b> | <b>\$41,872,700</b> | <b>\$0</b>                | <b>\$600,000</b>                  | <b>\$13,769,700</b> |

**FISCAL IMPACT**

The bill would restore \$2,006,200 of FY 2017-18 Gross and GF/GP State appropriations that had been part of the legislatively approved FY 2017-18 budget, but were vetoed by the Governor. In addition to the restored funds, there are new FY 2017-18 Gross appropriations of \$54.2 million: \$600,000 for the Attorney General's Flint water emergency legal costs; a \$100 construction authorization for Western Michigan University's College of Aviation renovation; \$1.0 million for the Department of Environmental Quality's vapor intrusion program; \$41.9 million of additional Federal funding for the Department of Health and Human Services (DHHS); \$750,000 for the DHHS' Statewide double-up food bucks program; \$700,000 for a genomic opioid abuse demonstration program in DHHS; \$5.0 million in the Department of State for local voting machines; and a total of \$4.3 million in the Departments of Health and Human Services (\$4.1 million) and State Police (\$0.2 million) for the implementation of sexual assault evidence tracking.

The bill would provide \$2.3 million of additional Federal and local funding for FY 2016-17 for the Department of Military and Veterans Affairs. The \$4.3 million FY 2016-17 appropriation for the Department of Treasury would not be funded from new revenue but would reallocate funds from unspent tax processing and information technology appropriations from prior fiscal years. Table 2 compares the details of the appropriations in this bill with those passed by the House.

### **FY 2016-17 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 article to the provisions of the Management and Budget Act.

**Sec. 301. Attorney General - Lawsuit Settlement Proceeds Fund.** Requires \$6.4 million of unexpended Fund revenue to carry forward into FY 2017-18.

**Sec. 302. Attorney General - Lawsuit Settlement Proceeds Fund.** Allows expenditure of funds for all expenses related to the Flint drinking water emergency; and requires a detailed report on the expenditure of the funds.

**Sec. 401. Treasury - Financial System Replacement.** Re-appropriates up to \$4,327,300 remaining in tax processing and information technology accounts, for the implementation of a motor fuel, tobacco tax, and customer services replacement system.

**Sec. 402. Treasury - Financial System Replacement.** Designates appropriation in Sec. 401 as a work project.

### **FY 2017-18 BOILERPLATE LANGUAGE SECTIONS**

**Sec. 1201. General.** Records amount of total State spending and payments to local units of government.

**Sec. 1202. General.** Subjects appropriations and expenditures in the article to the provisions of the Management and Budget Act.

**Sec. 1301. Agriculture and Rural Development - Draft Beer Delivery Systems.** Allocates \$150,000 for a grant to a third-party entity for education and training focused on growlers filled for off-premises consumption.

**Sec. 1302. Agriculture and Rural Development - Campground Development Grant.** Allocates \$100,000 for a grant to Calhoun County to aid in the acquisition and development of property for a campground for visitors to an equestrian center.

**Sec. 1331. Attorney General - Lawsuit Settlement Proceeds Fund.** Allows expenditure of funds for all expenses related to the Flint drinking water emergency, up to \$2.6 million; allows the Prosecuting Attorneys Coordinating Council to spend up to \$600,000 to upgrade its NextGen case management system; requires \$180,000 to be used for responsibilities under the Federal Bad-Faith Patent Infringement Claims Act; and requires a detailed quarterly report on the expenditure of funds for legal costs related to the Flint drinking water emergency.

**Sec. 1351. Capital Outlay - Western Michigan University.** States that the College of Aviation renovation project is for a public purpose; authorizes the lease and conveyance of the property to the State Building Authority; and states legislative intent to annually appropriate sufficient amounts to pay the rent.

**Sec. 1371. Corrections - Criminal Justice Reinvestment.** Replaces enacted language (Sec. 604 in the FY 2017-18 annual appropriation act) to specifically allocate \$600,000 for the Muskegon County jail EXIT program for incarcerated individuals.

**Sec. 1401. Health and Human Services - Youth in Transition.** Allocates \$280,000 to the Covenant Academies Foundation for housing for students ages 16 to 22 who have previously dropped out or are at risk of not graduating on time; and states legislative intent to provide a third year of funding.

**Sec. 1402. Health and Human Services - School Success Partnership Program.** Allocates \$75,000 to the Northeast Michigan Community Service Agency for programming that will take place in the Governor's prosperity region 3.

**Sec. 1406. Health and Human Services - Primary Care and Dental Health Services.** Allocates \$300,000 for clinical services for indigent individuals in the City of Detroit and Wayne County provided by TEAM Cares, a public nonprofit organization.

**Sec. 1407. Health and Human Services - Direct Primary Care Pilot Program.** Replaces enacted language (Sec. 1913 in the FY 2017-18 annual appropriation act) to reflect adjustments in program eligibility.

**Sec. 1408. Health and Human Services - Genomic Opioid Research.** Requires the release of appropriated funds to an eligible community mental health services program in Kalamazoo County; and outlines the eligibility requirements.

**Sec. 1450. Health and Human Services - Sexual Assault Evidence Tracking System.** Allocates \$154,500 to the Michigan Domestic and Sexual Violence Prevention and Treatment Board: \$134,500 for 1.0 FTE position to conduct an annual audit of submission of evidence kits and \$20,000 for health care provider training; and requires a detailed report on audit findings.

**Sec. 1451. Health and Human Services - Sexual Assault Evidence Tracking System.** Allocates \$800,000 for FY 2017-18 to contract for development and implementation of a uniform statewide sexual assault evidence kit tracking system; requires a status report; establishes a sexual assault evidence tracking fund; deposits \$3.2 million into the fund; and requires money in the fund to be appropriated as provided by law for the evidence kit tracking system.

**Sec. 1601. Department of State - Election Administration and Services.** Designates the \$5.0 million appropriation for voting machines as a work project.

**Sec. 1701. State Police - Sexual Assault Evidence Tracking System.** Allocates \$118,900 for 1.0 FTE position to coordinate the Department's implementation and utilization of the system.

**Sec. 1702. State Police - Sexual Assault Evidence Tracking System.** Allocates \$20,000 to conduct one statewide training seminar for prosecutors and law enforcement leadership and officers.

**Sec. 1703. State Police - Sexual Assault Evidence Tracking System.** Requires the Michigan Commission on Law Enforcement Standards to allocate \$20,000 to implement internet-based or regional/in-service training seminars, or a combination of that training.

**Enacting Section 1. Repealer.**

**Attorney General - Lawsuit Settlement Proceeds Fund.** Repeals Sec. 314 of Article VIII of Public Act 268 of 2016 (FY 2016-17 General Government annual appropriations), and replaces it with Sec. 302 in this bill, which adds a reporting requirement.

**Enacting Section 2. Repealers.**

**Attorney General - Lawsuit Settlement Proceeds Fund.** Repeals Sec. 314 of Article VIII of Public Act 107 of 2017 (FY 2017-18 General Government annual appropriations), and replaces it with Sec. 1331 in this bill, which recognizes the additional \$600,000 appropriated in this bill.

**Corrections - Criminal Justice Reinvestment.** Repeals Sec. 604 of Article V of Public Act 107 of 2017 (FY 2017-18 Department of Corrections annual appropriations), and replaces it with Sec. 1371 in this bill, which more specifically allocates funds.

**Health and Human Services - Direct Primary Care Pilot Program.** Repeals Sec. 1913 of Article X of Public Act 107 of 2017 (FY 2017-18 Department of Health and Human Services annual appropriations), and replaces it with Sec. 1407 in this bill, which revises parameters for the Direct Primary Care Pilot Program.

**Table 2**

| <b>FY 2016-17 Supplemental</b>   |                      |                    |                     |                    |
|--|----------------------|--------------------|---------------------|--------------------|
| <b>Department/Program</b>  | <b>Senate-Passed</b> |                    | <b>House-Passed</b> |                    |
|  | <b>Gross</b>         | <b>GF/GP</b>       | <b>Gross</b>        | <b>GF/GP</b>       |
| <b>Military and Veterans Affairs</b>   |                      |                    |                     |                    |
| Michigan national guard deployment for disaster relief (Federal)                                       | \$2,000,000          | \$0                | \$2,000,000         | \$0                |
| Michigan youth challenge academy (school district revenue)   | 268,800              | 0                  | 268,800             | 0                  |
| <b>Total Military and Veterans Affairs</b>   | <b>\$2,268,800</b>   | <b>\$0</b>         | <b>\$2,268,800</b>  | <b>\$0</b>         |
| <b>Treasury-Operations</b>   |                      |                    |                     |                    |
| Replace motor fuel/tobacco tax/customer IT systems;<br>fund from unspent tax processing and IT revenue | \$4,327,300          | \$3,701,400        | \$4,327,300         | \$3,701,400        |
| <b>Total Treasury-Operations</b>   | <b>\$4,327,300</b>   | <b>\$3,701,400</b> | <b>\$4,327,300</b>  | <b>\$3,701,400</b> |
| <b>Total FY 2016-17 Supplemental Appropriations</b>  | <b>\$6,596,100</b>   | <b>\$3,701,400</b> | <b>\$6,596,100</b>  | <b>\$3,701,400</b> |
| <b>FY 2017-18 Supplemental</b>   |                      |                    |                     |                    |
| <b>Department/Program</b>  | <b>Senate-Passed</b> |                    | <b>House-Passed</b> |                    |
|  | <b>Gross</b>         | <b>GF/GP</b>       | <b>Gross</b>        | <b>GF/GP</b>       |
| <b>Agriculture and Rural Development</b>   |                      |                    |                     |                    |
| Draft beer delivery system education/training  | \$150,000            | \$150,000          | \$150,000           | \$150,000          |
| Calhoun County campground development grant  | 100,000              | 100,000            | 100,000             | 100,000            |
| <b>Total Agriculture and Rural Development</b>   | <b>\$250,000</b>     | <b>\$250,000</b>   | <b>\$250,000</b>    | <b>\$250,000</b>   |
| <b>Attorney General</b>  |                      |                    |                     |                    |
| Flint water emergency legal costs (lawsuit settlement fund)  | \$600,000            | \$0                | \$600,000           | \$0                |
| <b>Total Attorney General</b>  | <b>\$600,000</b>     | <b>\$0</b>         | <b>\$600,000</b>    | <b>\$0</b>         |
| <b>Capital Outlay</b>  |                      |                    |                     |                    |
| WMU aviation college construction authorization  | \$100                | \$100              | \$100               | \$100              |
| <b>Total Capital Outlay</b>  | <b>\$100</b>         | <b>\$100</b>       | <b>\$100</b>        | <b>\$100</b>       |
| <b>Environmental Quality</b>   |                      |                    |                     |                    |
| Vapor intrusion program  | \$1,000,000          | \$1,000,000        | \$1,000,000         | \$1,000,000        |
| <b>Total Environmental Quality</b>   | <b>\$1,000,000</b>   | <b>\$1,000,000</b> | <b>\$1,000,000</b>  | <b>\$1,000,000</b> |

| <b>FY 2017-18 Supplemental (continued)</b>            |                      |                     |                     |                     |
|---|----------------------|---------------------|---------------------|---------------------|
| <b>Department/Program</b>                             | <b>Senate-Passed</b> |                     | <b>House-Passed</b> |                     |
|   | <b>Gross</b>         | <b>GF/GP</b>        | <b>Gross</b>        | <b>GF/GP</b>        |
| <b>Health and Human Services</b>                      |                      |                     |                     |                     |
| Medicaid information system grant (Federal)           | \$20,000,000         | \$0                 | \$20,000,000        | \$0                 |
| State targeted response to opioid crisis (Federal)    | 16,372,700           | 0                   | 16,372,700          | 0                   |
| Statewide sexual assault evidence kit tracking system | 4,000,000            | 4,000,000           | 4,000,000           | 4,000,000           |
| Housing and support services (Federal)                | 2,000,000            | 0                   | 2,000,000           | 0                   |
| Mental health block grant funds (Federal)             | 2,000,000            | 0                   | 2,000,000           | 0                   |
| Public health laboratory grant (Federal)              | 1,500,000            | 0                   | 1,500,000           | 0                   |
| Statewide double-up food bucks                        | 750,000              | 750,000             | 750,000             | 750,000             |
| Genomic opioid abuse demonstration program            | 700,000              | 700,000             | 700,000             | 700,000             |
| TEAM cares primary care and dental clinics            | 300,000              | 300,000             | 300,000             | 300,000             |
| Covenant academies foundation                         | 280,000              | 280,000             | 280,000             | 280,000             |
| Sexual assault evidence kit audit/training (1.0 FTE)  | 154,500              | 154,500             | 154,500             | 154,500             |
| Pathways to potential program veto restoration        | 75,000               | 75,000              | 75,000              | 75,000              |
| Northeast Michigan school success partnership         | 75,000               | 75,000              | 75,000              | 75,000              |
| <b>Total Health and Human Services</b>                | <b>\$48,207,200</b>  | <b>\$6,334,500</b>  | <b>\$48,207,200</b> | <b>\$6,334,500</b>  |
| <b>Natural Resources</b>                              |                      |                     |                     |                     |
| Bay City state recreation area playscape              | \$400,000            | \$400,000           | \$400,000           | \$400,000           |
| Onaway state park pavilion reconstruction             | 400,000              | 400,000             | 400,000             | 400,000             |
| Snowmobile local grants                               | 226,200              | 226,200             | 226,200             | 226,200             |
| <b>Total Natural Resources</b>                        | <b>\$1,026,200</b>   | <b>\$1,026,200</b>  | <b>\$1,026,200</b>  | <b>\$1,026,200</b>  |
| <b>State</b>  |                      |                     |                     |                     |
| Voting machines final installment                     | \$5,000,000          | \$5,000,000         | \$5,000,000         | \$5,000,000         |
| <b>Total State</b>                                    | <b>\$5,000,000</b>   | <b>\$5,000,000</b>  | <b>\$5,000,000</b>  | <b>\$5,000,000</b>  |
| <b>State Police</b>                                   |                      |                     |                     |                     |
| Implement sexual assault evidence tracking (1.0 FTE)  | \$158,900            | \$158,900           | \$158,900           | \$158,900           |
| <b>Total State Police</b>                             | <b>\$158,900</b>     | <b>\$158,900</b>    | <b>\$158,900</b>    | <b>\$158,900</b>    |
| <b>Total FY 2017-18 Supplemental Appropriations</b>   | <b>\$56,242,400</b>  | <b>\$13,769,700</b> | <b>\$56,242,400</b> | <b>\$13,769,700</b> |

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.