



Senate Fiscal Agency
P.O. Box 30036
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BILL ANALYSIS



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**Senate Bill 848 (S-1) CR-1:
FY 2018-19 General Omnibus Appropriation Bill
FY 2017-18 and FY 2018-19**

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* General Government includes FY 2018-19 appropriations for the following budget areas: Attorney General; Civil Rights; Executive; Legislature; State; Talent and Economic Development; Technology, Management, and Budget; and Treasury.

Date Completed: 6-12-18

General Omnibus Appropriation Bill Senate Bill 848 (S-1) CR-1 FY 2018-19 Appropriations		
Department/Budget Area	FY 2018-19 Gross Appropriation	FY 2018-19 GF/GP Appropriation
Agriculture and Rural Development	\$107,948,100	\$58,585,200
Attorney General	103,648,900	41,206,800
Civil Rights	16,201,100	13,022,100
Corrections	2,017,056,200	1,961,841,300
Education	400,815,000	86,183,700
Environmental Quality	447,502,600	73,746,500
Executive	6,980,100	6,980,100
Health and Human Services	24,880,165,600	4,460,087,300
Insurance and Financial Services	67,971,900	550,000
Judiciary	304,079,100	196,079,500
Legislative Auditor General	24,938,000	17,105,800
Legislature	158,112,500	153,318,200
Licensing and Regulatory Affairs	517,762,200	126,920,300
Military and Veterans Affairs	192,564,300	68,837,400
Natural Resources	438,442,800	49,081,800
State	246,662,800	18,466,300
State Police	716,459,500	459,047,800
Talent and Economic Development	1,115,295,600	141,095,800
Technology, Management, and Budget	1,347,108,600	473,789,500
Transportation	4,843,089,900	300,000,000
Treasury-Debt Service	107,080,000	107,080,000
Treasury-Operations	562,928,500	102,381,300
Treasury-Revenue Sharing	1,314,405,300	0
Total General Omnibus Appropriations.....	\$39,937,218,600	\$8,915,406,700

Education Omnibus Appropriation Bill House Bill 5579 (H-1) CR-1 FY 2018-19 Appropriations		
Department/Budget Area	FY 2018-19 Gross Appropriation	FY 2018-19 GF/GP Appropriation
Community Colleges	\$408,215,500	\$0
Higher Education.....	1,669,732,600	1,046,017,900
School Aid K-12	14,765,468,800	60,000,000
Total Education Omnibus Appropriations.....	\$16,843,416,900	\$1,106,017,900

TOTAL COMBINED OMNIBUS APPROPRIATIONS	\$56,780,635,500	\$10,021,424,600
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**General Omnibus Appropriation Bill
Senate Bill 848 (S-1) CR-1
Article XX: FY 2017-18 Supplemental Appropriations**

Department/Budget Area	FY 2017-18 Gross Appropriation	FY 2017-18 GF/GP Appropriation
Agriculture and Rural Development	\$250,000	\$250,000
Attorney General	\$1,126,200	\$1,000,000
Capital Outlay	800	800
Corrections	1,750,000	1,750,000
Education	14,603,900	0
Environmental Quality	20,070,000	18,070,000
Health and Human Services	(681,378,100)	(29,425,200)
Licensing and Regulatory Affairs	600,000	0
Military and Veterans Affairs	3,766,700	3,766,700
Natural Resources	8,450,000	6,550,000
State	12,092,400	135,400
State Police	30,000,000	30,000,000
Talent and Economic Development	23,156,100	23,156,100
Technology, Management and Budget	21,618,200	21,198,200
Transportation	30,000,000	30,000,000
Treasury-Operations	1,898,500	1,598,500
Subtotal Article XX-Budget Areas	(\$511,995,300)	\$108,050,500
Budget Stabilization Fund Appropriation	\$115,000,000	\$115,000,000
Total Article XX.....	(\$396,995,300)	\$223,050,500



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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 CONFERENCE	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	493.5	500.5	7.0	1.4
GROSS	115,078,600	107,948,100	(7,130,500)	(6.2)
Less:				
Interdepartmental Grants Received	310,300	313,900	3,600	1.2
ADJUSTED GROSS	114,768,300	107,634,200	(7,134,100)	(6.2)
Less:				
Federal Funds	11,753,900	11,775,200	21,300	0.2
Local and Private	101,600	101,800	200	0.2
TOTAL STATE SPENDING	102,912,800	95,757,200	(7,155,600)	(7.0)
Less:				
Other State Restricted Funds	36,661,000	37,172,000	511,000	1.4
GENERAL FUND/GENERAL PURPOSE	66,251,800	58,585,200	(7,666,600)	(11.6)
PAYMENTS TO LOCALS	7,450,000	6,350,000	(1,100,000)	(14.8)

*As of May 3, 2018.

FY 2017-18 Year-to-Date Gross Appropriation	\$115,078,600
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Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

- Office of Organization Innovation.** Governor, House, and Senate recommended \$307,100 GF/GP to support reclassification of two data management staff from temporary to permanent to analyze data from department information technology systems and practices. 307,100
- Laboratory Genome Sequencer.** Governor, House, and Senate recommended \$300,000 Federal to support use of Genome Sequencer in accordance with the International Organization for Standardization (ISO) standards. 300,000
- Food Bank Council.** Governor, House, and Senate recommended the elimination of a \$2.0 million GF/GP one-time grant to the Food Council of Michigan for a food-freezing project. (2,000,000)
- Wildlife Risk Management.** Governor, House, and Senate recommended the elimination of one-time funding of \$1.0 million GF/GP for a cost share program with local conservation districts to assess cattle farms and implement practices to prevent the spread of bovine tuberculosis in cattle. (1,000,000)
- Intercounty Drain Program.** Governor, House, and Senate recommended the elimination of a \$250,000 GF/GP one-time project to establish a state standard drainage infrastructure mapping tool. (250,000)
- Food Safety and Quality Assurance.** Governor, House, and Senate recommended a reduction of \$250,000 GF/GP to reflect the completion of one-time projects and a decrease in Federal food safety grants. (250,000)
- Beer Delivery Systems.** Governor, House, and Senate recommended removal of \$150,000 GF/GP FY 2017-18 funding to support training for management of draft beer delivery systems. (150,000)

- 8. **Campground Development Grant.** Governor, House, and Senate recommended the elimination of a one-time grant of \$100,000 GF/GP to provide for park enhancements associated with the Albion Equine Center. (100,000)
- 9. **Farmland and Open Space Program.** Governor, House, and Senate recommended a reduction of \$99,900 GF/GP due to a decrease in temporary staff previously funded to address backlogs in program application processing. (99,900)
- 10. **Drinking Water Declaration of Emergency.** Governor, House, and Senate recommended elimination of a one-time restricted revenue place-holder appropriation related to the Flint drinking water emergency. (100)
- 11. **Adjustment for FY 2017-18 Legislative Transfers.** (380,000)
- 12. **Technical Adjustment for Actual Funds Received.** Governor, House, and Senate recommended technical adjustment to reflect reductions in non-GF/GP funds received. (6,300)
- 13. **Unclassified Salaries.** Governor, House, and Senate recommended an increase from \$562,300 to \$573,500. 11,200
- 14. **Economic Adjustments.** Includes \$1,050,700 Gross and \$728,200 GF/GP for total economic adjustments, of which an estimated \$28,400 Gross and \$1,500 GF/GP is for legacy retirement costs (pension and retiree health). 1,050,700

Conference Agreement on Items of Difference

- 15. **Milk Safety and Quality Assurance.** Governor and Senate recommended \$780,000 GF/GP and 5.0 FTEs for dairy inspections to address the growth in state dairy production. House added 2.0 FTEs and \$300,000 over Governor and Senate. Conference concurred with Governor and Senate. 780,000
- 16. **Pesticide and Plant Pest Management.** Governor and Senate recommended a reduction of \$200,000 GF/GP to be supplanted by an equal additional amount of State Restricted Fertilizer Control Fund revenue. House reduced both Restricted and GF/GP by \$200,000. Conference concurred with Governor and Senate. 0
- 17. **Agriculture Industry Research and Development Grants.** Governor and Senate recommended the elimination of a one-time FY 2017-18 grant of \$8.4 million GF/GP, which consisted of \$2.5 million for an Animal Agriculture Initiative, \$3.2 million for Fruit and Vegetable Campus/Mobile Labs, \$1.2 million for Fruit and Vegetable Campus/Mobile Labs Workforce Development Initiative, and \$1.5 million for the Tree Fruit Commission. Senate retained the Animal Agriculture Initiative Grant of \$2.5 million GF/GP and provided \$550,000 GF/GP for a one-time appropriation for a food processing workforce development initiative. House concurred with Governor, but retained \$460,000 for Animal Agriculture Initiative. Conference included no line item for Food Processing Workforce Development, but included \$2.0 million for Animal Agriculture Initiative. (6,400,000)
- 18. **Acre Agtech Grant.** House included Economic Development Grant for \$260,000 GF/GP. Conference concurred with House. 260,000
- 19. **Food and Agriculture Investment Program.** Governor recommended the reduction of \$1,443,900 GF/GP to the grant program, leaving a proposed total FY 2018-19 appropriation of \$3.3 million GF/GP. Senate added one-time amount over the Governor's recommendation of 2.0 million GF/GP to bring total FY 2018-19 appropriation to \$5.3 million. House reduced amount by \$300,000 from FY 2017-18. Conference included a total of \$5,125,000 for FY 2018-19. 381,100
- 20. **County Fairs, Shows and Exposition Grants.** Governor recommended a reduction of \$249,300 GF/GP to the FY 2017-18 \$649,300 grant program, leaving a proposed total FY 2018-19 appropriation of \$400,000 GF/GP. Senate added \$600,000 one-time GF/GP over the Governor's recommendation for a total FY 2018-19 appropriation of \$1.0 million. House increased FY 2017-18 amount by \$19,900. Conference included total of \$1,175,000 for FY 2018-19. 525,700

- 21. **Qualified Forest Program.** Governor and Senate recommended a reduction of \$130,000 GF/GP from the program, to be offset by restricted revenue, sufficiently authorized by current appropriations. House reduced GF/GP by \$400,000 from FY 2017-18. Conference concurred with Governor and Senate, and replaced \$100,000 GF/GP with Restricted. (130,000)
- 22. **Watershed Phosphorus Removal Pilot Project.** House included grant of \$120,000 GF/GP for pilot project. Conference included funding for ODC Network-Project clarity. 120,000
- 23. **Michigan Festivals.** House included \$100 GF/GP placeholder grant for festivals. Conference did not include line item, adjusted Sec. 801 to allow for grants to festivals. 0
- 24. **Environmental Stewardship/Michigan Agriculture Environmental Assurance Program.** Governor and Senate recommended a reduction of \$100,000 GF/GP due to completion of internal projects, leaving a recommended FY 2018-19 Gross appropriation of \$10.2 million. House reduced GF/GP by additional \$100. Conference concurred with Governor and Senate. On-going: \$55,430,200; one-time: \$3,155,000 (100,000)
- 25. **FY 2018-19 One-Time Gross Appropriations.** Total of \$3,155,000 GF/GP includes \$2.0 million for Animal Agriculture Initiative, \$775,000 for County Fairs, Shows, and Exposition Grants, \$260,000 for Acre Agriculture Incubator, and \$120,000 for ODC Network Project clarity.

Total Changes	(\$7,130,500)
FY 2018-19 Conference Report Ongoing/One-Time Gross Appropriation	\$107,948,100
Amount Over/(Under) GF/GP Target:	\$0

Boilerplate Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

1. **Disciplinary Action.** Governor eliminated language-prohibiting action against an employee for communicating with legislative staff. Senate and House retained section. (Sec. 215)
2. **Department Fee Collection.** Governor, House, and Senate removed language referring to collection of lab fees related to horse racing industry, to reflect privatization of such services within the Department of Treasury's Gaming Commission. (Sec. 301)
3. **Management of Draft Beer Delivery Systems.** Governor, House, and Senate struck language providing guidelines for FY 2017-18 appropriation of \$150,000 GF/GP to provide education and training for managers of draft beer delivery systems. (Sec. 402)
4. **TB Testing Costs.** Governor eliminated this section which required that the MDARD pay for all whole herd and individual TB testing in modified accredited zones. Senate and House retained the section. (Sec. 451)
5. **Bovine TB Activity and Status Report.** Governor removed annual and quarterly report requirement of the MDARD activities and current status of bovine TB in the state. Senate and House retained the section. (Sec. 457)
6. **Whole Herd TB Testing.** Governor eliminated language prohibiting whole herds from being tested more often than every four years or not re-tested until all other county herds have been tested, except under certain circumstances. Senate and House retained the section. (Sec. 459)
7. **Wildlife Risk Mitigation.** Governor, House, and Senate struck language which provided guidelines for FY 2017-18 one-time grants of \$1.0 million for projects designed to identify and mitigate risks related to the transmission of bovine TB from wildlife to cattle. (Sec. 461)
8. **Agriculture Equine Industry Development Fund (AEID).** Governor, House, and Senate removed obsolete language referring to department costs for lab analysis for horse racing activities, now performed by contractual means under the Department of Treasury's Gaming Board. (Sec. 802)
9. **Agriculture Industry Research and Development Grants.** Governor, House, and Senate recommended elimination of language describing distribution of the FY 2017-18 one-time \$8.4 million grant program. The grant was to be spent as follows: Animal Agriculture Initiative, \$2.5 million; Fruit and Vegetable Campus/Mobile Labs, \$3.2 million; Fruit and Vegetable Campus/Mobile Labs Workforce and Development Initiative, \$1.2 million; Tree Fruit Commission, \$1.5 million. (Sec. 901)

Conference Agreement on Items of Difference

10. **Retain Reports.** Governor and Senate eliminated a requirement that all reports be kept and retained by MDARD. House included. Conference concurred with House. (Sec. 234)
11. **Food and Dairy Division Report.** Governor and Senate modified language to clarify that the report is to be based on fiscal years and that only significant enforcement actions be reported. House retained calendar year and drops "significant". Conference concurred with Governor and Senate. (Sec. 401)
12. **Food Safety Modernization Act.** Governor and Senate eliminated a FY 2017-18 boilerplate section describing the intent that the MDARD work with the FDA and agriculture producers to help implement the federal Food Safety Modernization Act. House retained section. Conference concurred with Governor and Senate. (Sec. 403)
13. **Animal Industry Division Report.** Governor and Senate modified this section to include a report on indemnification payments for livestock depredation made in the previous calendar year. House retained FY 2017-18 language. Conference concurred with Governor and Senate. (Sec. 452)
14. **Animal Indemnification.** Governor and Senate recommended striking a section that required an indemnification agreement that exceeded \$100,000 be subject to appropriation by the legislature and that no payments could be made until the legislature was notified, and specified that payments shall be made for livestock killed by a wolf, coyote or cougar. A subsection requiring a report was shifted to become a part of Sec. 452 for FY 2018-19. House retained section. Conference concurred with Governor and Senate. (Sec. 453)
15. **Aquaculture.** Governor and Senate struck a boilerplate section requiring inspection and testing of aquaculture facilities and aquaculture research. House retained section. Conference concurred with Governor and Senate. (Sec. 458)
16. **Grants to Apiaries.** House included language earmarking \$20,000 in grants fund for apiaries. Conference concurred with House. (Sec. 462)
17. **Food and Agriculture Investment Program.** Governor modified language to strike the requirement for an annual report of the program, adding language requiring projects to be accomplished by utilizing state employees or contracts with service providers, or both, removes language requiring project guidelines to be approved by the Michigan Agriculture Commission prior to an award, and adds that the total cost of the project is \$3.3 million. Senate only concurred with new work project language. House retained current year language. Conference concurred with Senate. (Sec. 701)
18. **Rural Development Fund Grant Program.** Governor and Senate struck language requiring establishment of criteria and measurable outcomes for the program. House retained section. Conference concurred with Governor and Senate. (Sec. 702)
19. **Agriculture Development Division Report.** Governor and Senate modified language by adding requirement to produce a report of the Grape and Wine Industry Council, shifting that requirement from Sec. 709 of the FY 2017-18 budget bill. House did not concur. Conference concurred with Governor and Senate, renaming Council to Michigan Craft Beverage Council. (Sec. 706)
20. **Grape and Wine Industry Council.** Governor and Senate shifted council language which required an annual report from FY 2017-18 Sec. 709 to Sec. 706 of FY 2018-19. House retained section. Conference concurred with Governor and Senate. (Sec. 709)
21. **Agriculture Equine Industry Development Fund.** Conference replaced current language with fund distribution guidelines, referencing the Horse Racing Law. (Sec. 802)
22. **Equine Regulatory Costs.** Governor and Senate eliminated a section which provided criteria to the Gaming Board for establishing equine regulatory costs. House retained language. Conference concurred with Governor and Senate. (Sec. 804)
23. **County Fairs, Shows and Exposition Grants.** Governor modified language to cite carryforward authority and stated the cost of the grants to be \$400,000. Senate retained current language and added that \$100,000 shall be used for renovations to the Tuscola County Fair Grandstand. House retained current year language. Conference concurred with Senate but earmarked \$25,000 for grand stand, \$250,000 for community center at Tuscola County Fairgrounds. (Sec. 805)

Date Completed: 6-12-18

Fiscal Analyst: Bruce Baker

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberation.



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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 CONFERENCE	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	13,803.9	13,963.2	159.3	1.2
GROSS	2,001,919,200	2,017,056,200	15,137,000	0.8
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	2,001,919,200	2,017,056,200	15,137,000	0.8
Less:				
Federal Funds	5,293,800	5,315,200	21,400	0.4
Local and Private	8,842,400	8,960,100	117,700	1.3
TOTAL STATE SPENDING	1,987,783,000	2,002,780,900	14,997,900	0.8
Less:				
Other State Restricted Funds	41,149,400	40,939,600	(209,800)	(0.5)
GENERAL FUND/GENERAL PURPOSE	1,946,633,600	1,961,841,300	15,207,700	0.8
PAYMENTS TO LOCALS	113,888,800	122,169,600	8,280,800	7.3

*As of May 3, 2018.

FY 2017-18 Year-to-Date Gross Appropriation	\$2,001,919,200
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Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

- Offender with Special Needs Contract Adjustments.** Governor increased funding for reentry costs for offenders with special needs due to increased caseloads. Senate and House concurred. 1,648,700
- Offender Success Community Partners Contract Adjustments.** Governor included increased funding for Prisoner Reentry Service contracts that were re-bid in 2017. Senate and House concurred. 1,291,400
- West Shoreline Facility Closure.** Governor included net savings from the closure of the West Shoreline Correctional Facility. Senate and House concurred. (18,924,700)
- One-Time Funding Removal.** Governor eliminated one-time funding for an officer academy in FY 2017-18. Senate and House concurred. (4,359,000)
- Other Changes.** Governor included sewer treatment rate increase at Gus Harrison Correctional Facility. Aligned restricted funding with expected revenue. Senate and House concurred. (93,700)
- Unclassified Salaries.** Governor included \$37,000 Gross and \$37,000 GF/GP for unclassified salaries. Senate and House concurred. 37,000
- Economic Adjustments.** Governor included \$25,655,100 Gross and \$25,355,800 GF/GP for total economic adjustments, which includes an estimated \$35,841,100 Gross and \$34,868,700 GF/GP is for legacy retirement costs (pension and retiree health). Senate and House concurred. 25,655,100

Conference Agreement on Items of Difference

<p>8. Prison Food Service. Governor and House increased funding by \$13,667,100, and proposed to not renew the private contract for prisoner food service and transition to State employees. Senate did not include the funding increase, but did included the FTE authorization to allow the transition to State employees. Conference increased funding by \$13,239,100.</p>	<p>13,239,100</p>
<p>9. New Custody Staff Training. Governor included \$9,227,700 for a one-time officer academy with an expected graduating class of 359 to address higher than anticipated attrition. Senate funded the academy at \$6,227,700. House funded the academy at \$8,227,700. Conference concurred with the Governor.</p>	<p>9,227,700</p>
<p>10. Higher Custody Level Programming. Governor and House included one-time (\$2.4 million) and ongoing (\$1.6 million) funding for technology and infrastructure updates to support educational and core programming for higher custody level prisoners (Level IV and V). Senate did not include. Conference included only one-time funding.</p>	<p>2,400,000</p>
<p>11. Probation Residential Services. Governor and House increased funding \$850,000 due to increased demand for probation residential services. Senate concurred and added \$2.5 million to increase reimbursement rate to vendors. Conference included \$850,000 for increased demand and \$1.5 million in increase reimbursement rates.</p>	<p>2,350,000</p>
<p>12. Enhanced Food Technology Program. Senate funded an expansion to the food technology program whereby program participants would be able to complete on-the-job training hours through work in the prison kitchens. Conference included the program.</p>	<p>2,000,000</p>
<p>13. Health Care Recruitment and Retention. Governor and House included \$3,762,400 to increase incentives and compensation for positions with high vacancy rates; primarily dentists, registered nurses, and qualified mental health professionals. Senate did not include. Conference included \$2,000,000 in funding.</p>	<p>2,000,000</p>
<p>14. Medication-Assisted Treatment Reentry Pilot Program. House increased funding for the pilot program by \$500,000. Conference included the additional funding.</p>	<p>500,000</p>
<p>15. Federally Qualified Health Centers Pilot. Governor and House eliminated the pilot program. Senate retained and expanded the program to \$750,000. Conference retained and expanded the program to \$250,000.</p>	<p>175,000</p>
<p>16. Food inspections. Senate included additional funding to conduct inspections and fix any issues in prison kitchens. Conference included funding.</p>	<p>50,000</p>
<p>17. PTSD Study. House included \$50,000 to fund a study to examine the prevalence of post-traumatic stress disorder and other psychological issues among correctional officer. Conference included funding for the study.</p>	<p>50,000</p>
<p>18. Additional Facility Closure. Senate included \$21 million in savings from the closure of a correctional facility in addition to the West Shoreline Correctional Facility. House included \$16,031,100 in savings from the closure of a second facility. Conference included \$19,201,100 in savings for a mid-year closure.</p>	<p>(19,201,100)</p>
<p>19. Future Facility and Staff Transition Costs. Governor and House eliminated funding. Senate retained funding. Conference eliminated funding.</p>	<p>(1,000,000)</p>
<p>20. Corizon Health Care Contract. Governor funded a contractual inflationary increase of \$2,458,900. Senate removed the increase and decreased the funding by \$932,400 based on updated prisoner population projections. House removed the increase and decreased funding by \$1,500,000. Conference removed the increase and reduced funding by \$858,500.</p>	<p>(858,500)</p>
<p>21. Savings from Historical Lapses. House included \$1.5 million in savings from Prosecutorial and Detainer Expenses (\$450,000), Substance Abuse Testing and Treatment (\$500,000), Housing Inmates in Federal Institutions (\$100,000), Inmate Legal Services (\$100,000), Community Corrections (\$100,000), and Field Operations (\$250,000). Conference included savings from Prosecutorial and Detainer Expenses (\$100,000), Inmate Legal Services (\$100,000), Community Corrections (\$100,000), and Field Operations (\$250,000).</p>	<p>(550,000)</p>

22. High School Online Equivalency Pilot. Governor and House eliminated the pilot program. Senate retained and expanded the program by \$1 million. Conference reduced funding from previous year.	(500,000)
23. Goodwill Flip-the-Script. Governor eliminated the program. Senate retained and expanded the program by \$1 million. House retained previous year funding. Conference retained previous year funding.	0
24. Substance Abuse Parole Certain Sanction Program. Governor eliminated the program. Senate retained and expanded the program by \$1 million. House retained previous year funding. Conference retained previous year funding.	0
25. Supervising Region Incentive Program. Governor eliminated the program. Senate retained and expanded the program by \$4 million. House retained previous year funding. Conference retained previous year funding.	0
26. County Jail Reimbursement Program. Senate increased funding by \$5,678,800 to allow sheriff's departments to be reimbursed for days that a participant was being housed in a hospital or medical facility or in a sheriff's contracted residential program. Conference did not include funding.	0
27. Criminal Justice Reinvestment. Senate reduced this line to recognize savings. The line is currently used to address shortfalls in the offenders with special needs and offender success community partners contracts. Conference did not include savings.	0
28. Inmate Religious Facilities. Senate included \$2,842,100 to ensure that all inmates have a place of worship at each facility that allows separate time for inmates of each faith and all necessary facilities and items needed for services. Conference did not include.	0
29. FY 2018-19 One-Time Gross Appropriations. Conference included \$9,227,700 GF/GP one-time for new custody staff training (item #9 above) and \$2,400,000 GF/GP one-time for higher custody level programming (item #10 above).	0
Total Changes	\$15,137,000
FY 2018-19 Conference Report Ongoing/One-Time Gross Appropriation	\$2,017,056,200
Amount Over/(Under) GF/GP Target:	\$0

Boilerplate Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

1. **Recidivism rates.** Governor changed the measurement of recidivism rates (Sec. 408). Senate and House retained the current definition. Conference retained the current definition.
2. **Updated amounts for total legacy costs.** Governor updated total legacy costs section. The pension-related costs are \$147,129,800 and the retiree health care costs are \$172,012,000. (Sec. 214). Senate and House concurred.

Conference Agreement on Items of Difference

3. **Deletions.** Governor proposed to eliminate the following sections from current-year boilerplate: 206, 216, 217, 239, 248, 308, 309, 310, 405, 406, 411, 412, 413, 417, 421, 437, 601, 602, 604(2), 611, 612, 802, 803, 812, 816, 902, 904, 905, 908, 913(2), 937, 940, 942, 943, 944, 945, 1011, 1013, and 1201. These deletions include a variety of reporting requirements, record retention requirements, statements of legislative intent, and language pertaining to health services, the Consensus Revenue Estimating Conference, Goodwill Flip-the-Script, the Supervising Region Incentive Program, a federally qualified health centers pilot, the Substance Abuse Parole Certain Sanction program, parole board policies, future facility and staff transition costs, per prisoner/per day costs, the leased beds program, an online high school pilot program, religious programming and faith-based initiatives, one-time reports, contracting requirements, and anticipated appropriations. Senate retained all sections except 902 and 945. House retained all sections except 216, 239, 248, 310, 413, 601, 604(2), 902, 905, 908, 937, 945, and 1201. Conference retained all sections except 413, 601, 902, 937, and 945.

4. **Definitions.** Governor removed eight definitions from the bill. These included acronyms that are no longer referenced in the bill, as well as the definitions of "cost per prisoner" and "offender who would likely be sentenced to imprisonment". Senate retained all definitions except for "RSAT" and updated the definition of "cost per prisoner". House retained all definitions. Conference retained all definitions.
5. **Reporting requirements.** Governor reduced the frequency of reporting for prisoner populations (Sec. 419), parole review (Sec. 422), correctional officer to prisoner ratios (Sec. 912), and Holmes Youthful Trainee status (Sec. 930). Senate retained the current reporting frequency for all, and added the number of beds in currently closed housing units by facility to the prisoner population report (Sec. 419). House retained current reporting frequency for all. Conference retained current reporting frequency for all.
6. **Enhanced food technology program.** Senate included 2 new sections to implement the enhanced food technology program (Sec. 901 and 902). Also included related sections concerning employee payment for meals (Sec. 302), food safety inspections and reporting (Sec. 903), reporting the per-meal costs for food service (Sec. 303), and collaboration with the Michigan Restaurant Association for job placement (Sec. 423). Conference removed Sec. 302 and 303, and combined reporting requirements into a new Sec. 903a.
7. **Report on state employee operation of food service.** House required MDOC to provide monthly status reports on the implementation of utilization of state employees for prison food service operations (Sec. 945). Conference did not include the section, but did incorporate relevant reporting requirements into a new Sec. 903a.
8. **PTSD study.** House included a section requiring MDOC to conduct a study of the prevalence of post-traumatic stress disorder and other psychological issues among correctional officers (Sec. 312). Conference included the section.
9. **County jail reimbursement program.** Senate modified boilerplate to allow reimbursement for days that a participant was being housed in a hospital or medical facility or in a sheriff's contracted residential program, and added new reporting requirements related to the program (Sec. 414). Conference included the modifications.
10. **Residential probation diversions.** Senate increased per diem reimbursement for residential probation diversion facilities from \$47.50 for nonaccredited facilities and \$48.50 for accredited facilities to \$55.00 for nonaccredited facilities and \$56.00 for accredited facilities (Sec. 410). Conference changed to a single per diem reimbursement for all facilities of \$52.50.
11. **Detailed report on health care expenditures.** House required reports on health care expenditures itemized for physical health care, mental health care, and pharmacy services, and sorted by care provided directly by MDOC and care provided through a third-party vendor (Sec. 802(2)). Conference included the report with modified language.
12. **Contracting for registered nurses.** Senate added a section requiring the Department to negotiate with the current health care vendor to contract for registered nurses instead of hiring them directly (Sec. 801). Conference did not include.
13. **Inmate religious facilities.** Senate included a section to implement funding for inmate religious facilities (Sec. 1010). Conference did not include.

Date Completed: 6-12-18

Fiscal Analyst: Ryan M. Bergan

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberation.



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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 CONFERENCE	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	603.5	614.5	11.0	1.8
GROSS	352,181,200	400,815,000	48,633,800	13.8
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	352,181,200	400,815,000	48,633,800	13.8
Less:				
Federal Funds	254,084,700	298,074,500	43,989,800	17.3
Local and Private	7,851,500	7,888,600	37,100	0.5
TOTAL STATE SPENDING	90,245,000	94,851,900	4,606,900	5.1
Less:				
Other State Restricted Funds	8,567,600	8,668,200	100,600	1.2
GENERAL FUND/GENERAL PURPOSE	81,677,400	86,183,700	4,506,300	5.5
PAYMENTS TO LOCALS	14,367,700	14,567,700	200,000	1.4

*As of May 3, 2018.

FY 2017-18 Year-to-Date Gross Appropriation	\$352,181,200
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Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

- 1. Early Literacy Implementation.** The **Governor/Senate/House/Senate** transferred the funding for implementation of the early literacy program from the School Aid Budget to the Department of Education budget. The GF/GP was transferred from Section 35 of the School Aid Act to School Support Services. 1,000,000
- 2. Project UNIFY Transfer.** The **Governor/Senate/House/Senate** transferred funding for Project UNIFY from the Department of Health and Human Services to the Department of Education. The funding provides grants to the Special Olympics programs. The funding is all supported by GF/GP. 500,000
- 3. Child Development and Care External Support.** The **Governor/Senate/House/Senate** made a technical adjustment increase to account for economic adjustments made in the Department of Licensing and Regulatory Affairs and the Department of Health and Human Services. The increase was supported by Federal funds. 380,700
- 4. Braille Textbook Production Expansion.** The **Governor/Senate/House/Senate** increased the Low-Incidence Outreach Program to expand production of Braille textbooks. The increase was paid for with funds from the Low-Incidence Outreach Fund. 300,000
- 5. Supplemental Removal.** The **Governor/Senate/House/Senate** removed FY 2017-18 supplemental funding for school drinking water education. (1,000,000)
- 6. Renaissance Zone Reimbursement.** The **Governor/Senate/House/Senate** decreased appropriations to account for declines in projected reimbursements. The decline is due to Personal Property Tax changes and the expiration of Renaissance Zones. (800,000)
- 7. State Restricted Fund Adjustment.** The **Governor/Senate/House/Senate** reduced appropriations to various State Restricted funds to align with current revenue projections. The reductions were not replaced with other fund sources resulting in a gross appropriation reduction. (300,200)

- 8. **Local Revenue Removal.** The **Governor/Senate/House/Senate** removed Local District Service Fee revenue from the Department, because the fund has not generated revenue in the last 10 budget cycles. The reduction was not replaced with another fund source resulting in a gross appropriation reduction. (11,700)
- 9. **Economic Adjustments.** Includes \$1,506,300 Gross and \$455,300 GF/GP for total economic adjustments, of which an estimated \$166,200 Gross and \$39,600 GF/GP is for legacy retirement costs (pension and retiree health). 1,506,300

Conference Agreement on Items of Difference

- 10. **Child Development and Care Public Assistance.** The **Senate** included \$62.3 million in Federal funds to implement a biweekly reimbursement system (\$36.5 million) and increase the income entry threshold from 130% to 150% of the FPL (\$25.8 million). This is the result of a significant increase in the Federal Child Development and Care Block Grant. The **Conference** included \$32.1 million to align appropriations with the May, 2018 CREC (\$24.6 million) and to implement a biweekly block reimbursement system (\$15.0 million). The Gross increase is all supported by Federal funds. 39,603,900
- 11. **Child Development and Care Public Assistance.** The **Senate** included \$10,650,000 in Federal funds to increase the hourly reimbursement rate of licensed empty and one-star providers by \$0.50, licensed two-star providers by \$0.25, and unlicensed tier one providers by \$0.50. The **Conference** did not include. 0
- 12. **TEACH Scholarship.** The **Senate/Conference** included \$2.5 million in Federal funds for the TEACH scholarship program. Of the total increase, \$1.5 million is to replace expiring Race-To-The-Top funding and \$1.0 million is to increase the program. Boilerplate language requires \$5.0 million in total appropriation to go towards the TEACH scholarship program. 2,500,000
- 13. **Office of Great Start Operations.** The **Senate** rolled out the TEACH scholarship and contracted services from the operations line item. The **Conference** rolled out the line items and included an additional \$603,800 in the operations line item to ensure sufficient funding for staff and operations. The increase is all supports by Federal funds. 603,800
- 14. **School Reform Office.** The **Governor/House/Conference** transferred FTEs and funding for the School Reform Office from the DTMB to finalize Executive Order 2017-5. Of the total FTEs and funding, 9.0 FTEs and \$2,853,400 GF/GP were transferred to Partnership District Support while 2.0 FTEs and \$497,600 GF/GP were transferred to State Board/Superintendent Operations. The **Senate** transferred all the FTEs and funding except \$1,000,000 GF/GP. 3,351,000
- 15. **State Aid to Libraries.** The **Senate/Conference** increased State Aid to Libraries by \$1.0 million GF/GP, which translate to a 9% increase and brings the per capita payments from \$0.36 to \$0.39. 1,000,000
- 16. **\$100 Placeholders.** The **Senate/Conference** included a \$100 placeholder line item that was supported by GF/GP. The placeholder replaces a Federal reduction in funds from the Federal Department of Health and Human Services - Centers for Disease Control and Prevention for adolescent and school health education. The placeholder was rolled out of the school support line item. 0
- 17. **FY 2018-19 One-Time Gross Appropriations.** A \$100 placeholder for the drinking water declaration of emergency line item is included in one-time appropriations.

Total Changes	\$48,633,800
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FY 2018-19 Conference Report Ongoing/One-Time Gross Appropriation	\$400,815,000
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Amount Over/(Under) GF/GP Target:	\$0
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Boilerplate Changes from FY 2017-18 Year-to-Date:Items Included by the Senate and House

1. **Sections Deleted by the Governor and Retained by the Senate/House/Conference.** The **Governor** deleted and **Senate/House/Conference** retained a number of sections throughout the budget, which include: 222 (protects employees who testify to the Legislature), 223 (retention of all reports), 227 (responding to requests from the Legislature and report due dates within 30 days), 229 (notification when entering in contracts above \$1.0 million or amendments to Federal accountability plans), 230 (nonpublic school mandate report), 302 (State Board travel expenditure cap), 325 (notification of grants received), 803 (legislative intent to keep the Library of Michigan whole), 1005 (LARA funding requirements), and retained section 1101 (Drinking Water Declaration of Emergency, CDC pilot program).
2. **New Early Literacy Implementation Section.** The **Governor/Senate/House/Conference** included a new section that was transferred from the School Aid Act that corresponds to the \$1.0 million transferred from the School Aid Act to School Support Services. The section requires that up to \$1.0 million in School Support Services be used to implement early literacy programs funded in School Aid Section 35a. (Sec. 601)
3. **Technical Modifications.** The **Governor/Senate/House/Conference** made a number of modifications that include date changes, spending changes to reflect Part 1 appropriations, legacy cost estimations, and standardized section language. (Sec. 201, 203, 212, 214, 225, 226, 407, 701, 804, 1007)

Conference Agreement on Items of Difference

4. **Deleted Sections.** The **Governor** deleted and the **Senate** and/or **House** deleted or retained a number of sections throughout the budget, which include: 1001 (child care provider report), 1021 (ACT contract renegotiations), and 1101 (Drinking Water Declaration of Emergency, CDC pilot program). The **Conference** deleted section 1001 (child care provider report) and 1021 (ACT contract renegotiations).
5. **Child Development and Care - Public Assistance.** The **Senate/House** modified a number of sections that were deleted by the **Governor**, which include: 1002 (increase the Child Development and Care hourly reimbursement rate to the Senate proposed increase), 1004 (appropriate \$5.0 million to the TEACH scholarship program), and 1009 (Implements the Child Development and Care Expansion). The **Conference** included the **House** language on section 1002 and 1009, included the **Senate** language for section 1004 and included a new section 1011 to implement the new biweekly reimbursement system.
6. **Child Development and Care Notification.** The **Senate/Conference** included a new notification requirement on Federal changes to the Child Development and Care program that must include at least the following: changes to the amount of Federal matching funds awarded to the State, the amount of additional State funds necessary to draw down total Federal matching funds, changes to the Federal block grant award amount, and changes to Federal requirements that would require the appropriation of additional dollars to implement. (Sec. 1010)
7. **Grant Awards.** The **Senate** modified grant posting and processing to include that grants must be awarded by December 1st. The **House** modified grant posting and awarding dates and included a 5% penalty on superintendent operations, unclassified salaries, school support, and field services for failure to meet those deadlines. The **Conference** modified the language to include a 2.5% penalty on superintendent operations, unclassified salaries, school support, and field services for failure to meet the deadlines specified in section 17c of the School Aid Act. (Sec. 225)
8. **Special Education Funding Modification.** The **Governor/House/Conference** modified the special education requirements to include a cap of \$100,000 for distributing informational materials to parents or guardians of students with disabilities, and removed the requirement for annual training of mediators with information of Federal and State mandated protections of students with disabilities, the Federal Individuals with Disabilities Education Act, and Michigan Administrative Rules and Codes for special education program. The **Senate** maintained the current language. (Sec. 350)
9. **Michigan School for the Deaf and Blind.** The **Senate/Conference** included a new section that requires State Administrative Law Judges to consider designating the Michigan School for the Deaf and Blind as the least restrictive environment under Federal law for a parent's child who is deaf, deaf-blind, or hard of hearing. (Sec. 409)

10. **Sexual Assault Report.** The **Senate/Conference** included a new section that requires the Department to submit the sexual assault task force recommendation report to all ISDs, schools, and charter schools. Also, the Department shall collect and report on each ISD, school district, and charter school that has implemented a policy specified in PA 593 of 2012. (Sec. 231)
11. **In-Demand Occupation Report.** The **Senate/Conference** included a new section that requires the Department to submit the annual DTMB report on in-demand occupations to all high schools at each ISD, school district, and charter school. (Sec. 232)
12. **Teacher Recruitment Program.** The **Senate/Conference** included a new section that creates a teacher recruitment program that is targeted at engaging high school students towards careers in teaching. (Sec. 233)
13. **Administrative Rules.** The **Conference** included a new section that restricts the department from promulgating new, revised, or deleted administrative rules until after a permanent superintendent is selected by the state board of education. The section does allow the department to promulgate rules through the administrative rules process that have been requested prior to enactment of the budget bill. (Sec. 234)
14. **\$100 Placeholders.** The **Senate/Conference** included a new boilerplate section related to the \$100 placeholder. Section 602 appropriates the \$100 placeholder towards replacing federal reductions from the Federal Department of Health and Human Services - Centers for Disease Control and Prevention in the Department and School Aid Act. (Sec. 602)

Date Completed: 6-12-18

Fiscal Analyst: Cory Savino

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberation.



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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 CONFERENCE	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	1,246.0	1,231.0	(15.0)	(1.2)
GROSS	551,505,200	447,502,600	(104,002,600)	(18.9)
Less:				
Interdepartmental Grants Received	3,100,500	3,143,700	43,200	1.4
ADJUSTED GROSS	548,404,700	444,358,900	(104,045,800)	(19.0)
Less:				
Federal Funds	170,042,600	160,225,400	(9,817,200)	(5.8)
Local and Private	555,300	1,061,700	506,400	91.2
TOTAL STATE SPENDING	377,806,800	283,071,800	(94,735,000)	(25.1)
Less:				
Other State Restricted Funds	314,725,300	209,325,300	(105,400,000)	(33.5)
GENERAL FUND/GENERAL PURPOSE	63,081,500	73,746,500	10,665,000	16.9
PAYMENTS TO LOCALS	4,531,000	5,701,000	1,170,000	25.8

*As of May 3, 2018.

FY 2017-18 Year-to-Date Gross Appropriation	\$551,505,200
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Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

- 1. Aquifer Dispute Resolution.** The Governor, House, and Senate included a reappropriation of lapsed funds from the Aquifer Protection Revolving Fund that was created through Public Act 305 of 2012. These funds have been used to support dispute resolutions between small and large well owners when it is believed the larger well's withdrawals are affecting the smaller well's ability to access water. Unused funds had been carried forward as a work project through FY 2016-17, but that authority has since expired. 524,000
- 2. Stormwater, Asset Management, and Wastewater (SAW) Grants and Loans.** The Governor, House, and Senate removed appropriations for these grants. The grants were capitalized with \$450.0 million in bond proceeds from the Great Lakes Protection Bond (Proposal 2 of 2002), and all available funds have been awarded. (62,000,000)
- 3. Clean Michigan Initiative (CMI) - Contaminated Sediments.** The Governor, House, and Senate removed the remaining CMI - Contaminated Sediment appropriations as these funds have all been either spent or encumbered for existing projects. (1,565,000)
- 4. Wetland Mitigation Banking.** Statute allows for up to \$10.0 million from the Great Lakes Protection Bond to be allocated to the establishment of wetland mitigation banks. So far, \$9.0 million has been appropriated for that purpose so the Governor, House, and Senate reduced this item to appropriate the remaining \$1.0 million. (2,000,000)
- 5. Volkswagen Diesel Emissions Mitigation Trust.** The Governor, House, and Senate included an appropriation to reflect private funds the DEQ has received to administer benefits to customers affected by the Volkswagen diesel emissions settlement. The settlement funds themselves will not pass through the DEQ; DEQ will act only as an administrator for the Trust. 506,600

- 6. **Office of the Great Lakes.** The Governor's Recommendation reflects Executive Order 2017-9, which transferred the Office of the Great Lakes from the Department of Environmental Quality to the DNR. 23.0 FTEs and related funding was included in the transfer. The Senate and House included this transfer. (11,743,600)
- 7. **Rent Adjustment.** The Governor, House, and Senate included additional funds to reflect increased private rent costs at certain DEQ facilities. 17,600
- 8. **Remove FY 2017-18 Supplementals and Contingency Fund Transfers.** (42,737,500)
- 9. **Remove FY 2017-18 One-Time Appropriations.** (14,900,000)
- 10. **Economic Adjustments.** Includes \$3,095,300 Gross and \$615,900 GF/GP for total economic adjustments, of which an estimated \$1,348,400 Gross and \$128,800 GF/GP is for legacy retirement costs (pension and retiree health). 3,095,300

Conference Agreement on Items of Difference

- 11. **Clean Environment Initiative.** The Governor proposed an increase in solid waste disposal fees, commonly referred to as 'tipping fees' from 12 cents per cubic yard (approximately 36 cents per ton, on average) to \$4.75 per ton. This increased fee would generate about \$79.0 million in total, an increase of about \$73.9 million over the \$5.1 million that the tipping fees currently generate for the existing solid waste management program. In total, fee revenue would be used for the following: \$45.0 million for environmental cleanup and brownfield redevelopment (20.0 new FTEs), \$15.0 million for recycling grants, \$5.0 million for water quality monitoring (3.0 new FTEs), \$5.0 million for State park infrastructure improvements, \$1.5 million for asbestos disposal oversight and landfill gas monitoring (7.0 new FTEs), \$1.5 million for materials management planning with local governments (8.0 new FTEs), and \$6.0 million would be used to continue the current solid waste management program. The Senate bill did not reflect an anticipated increase in these fees. The House included \$25.0 million in ongoing GF/GP specifically for cleanups under Part 201 of NREPA. The Conference concurred with the House, but included the funding as a one-time appropriation. 25,000,000
- 12. **Communications and Customer Service Reduction.** The House reduced this program by \$1.0 million GF/GP to fund lead remediation grants. The Senate and Conference did not include this reduction. 0
- 13. **Cleanup and Redevelopment Fund Reductions.** The House reduced Cleanup and Redevelopment Fund appropriations from the following lines to fund lead remediation grants and an increase for recycling grants: \$1.0 million from Contaminated Site Investigations, Cleanup, and Revitalization, \$2.0 million from Emergency Cleanup Actions, and \$850,000 from Federal Cleanup Project Management. The Senate did not include these reductions. The Conference included only the reduction of \$2.0 for Emergency Cleanup Actions. (2,000,000)
- 14. **Recycling Initiative.** The House provided an additional \$1.0 million from the Cleanup and Redevelopment Fund for this program, bringing the total to \$2.0 million. The Senate did not include this increase. The Conference concurred with the House, and included the increase. 1,000,000
- 15. **Lead Remediation Grants.** The House included \$3,850,000 for grants for the remediation and redevelopment of sites contaminated by lead paint (\$2,850,000 Cleanup and Redevelopment Fund, \$1.0 million GF/GP). The Senate did not include this item. The Conference included the item at a reduced level of \$2.0 million (\$1.0 million C&R Fund, \$1.0 GF/GP). 2,000,000
- 16. **Water Withdrawal Assessment Program.** The Conference included \$180,000 GF/GP for this program to cover additional costs that would be incurred under House Bill 5638. 180,000
- 17. **Michigan Geological Survey.** The Senate included ongoing GF/GP support for the Michigan Geological Survey at Western Michigan University to assist the program with mapping the geology of this state. The House did not include this item. The Conference included it, but as a one-time appropriation. 500,000

- 18. **Landfill Research, Design, and Demonstration Project.** The Senate included GF/GP funds for a grant to continue septage waste bioreactor RDDP at the Smith's Creek Landfill in St. Clair County. The project will continue to test the effect of introducing septage into the landfill on the rate of decomposition of the waste deposited there. The House did not include this item. The Conference included it as a one-time appropriation. 120,000

- 19. **Vapor Intrusion Program.** The Senate reduced this program from \$1.6 million to \$1.1 million. The program was new in FY 2017-18 and is intended to address public health concerns stemming from chemicals in soil that manage to leak into basements and building foundations. The House and Conference retained current-year funding. 0

- 20. **Oil, Gas, and Mineral Services.** The Governor and Senate included GF/GP funds for the operation of the Office of Oil, Gas, and Mineral Services. In the past the Office had been funded primarily through the Oil and Gas Regulatory Fund, which receives revenue based on the gross cash value of oil and gas produced in Michigan. Due to low prices in the last few years, the Fund has not had sufficient revenue to support the operations of the Office. In FY 2017-18 \$4.0 million GF/GP was included as a one-time measure to fund the Office. Since prices have remained low the Governor proposed retaining this GF/GP on an ongoing basis. The House retained this as a one-time appropriation. The Conference concurred with the Governor and Senate. 0

- 21. **FY 2018-19 One-Time Gross Appropriations.** \$25.0 million for environmental cleanup and remediation, \$120,000 for landfill research, design, and demonstration project, \$500,000 for Michigan geological survey, and \$100 for drinking water declaration of emergency.

Total Changes	(\$104,002,600)
FY 2018-19 Conference Report Ongoing/One-Time Gross Appropriation	\$447,502,600
Amount Over/(Under) GF/GP Target:	\$0

Boilerplate Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

- 1. **Communication with the Legislature.** The Governor removed, and House and Senate retained a prohibition against taking disciplinary action against Department employees who communicate with the Legislature. (Sec. 220)
- 2. **Rule Promulgation - Small Business Impact.** The Governor removed, and House and Senate retained a prohibition against the promulgation of rules that would have a disproportionate impact on small businesses. (Sec. 221)
- 3. **Refined Petroleum Fund (RPF) Repayment.** The Governor removed, and House and Senate retained a statement of legislative intent that the \$70.0 million transferred to the Environmental Protection Fund from the Refined Petroleum Fund in FY 2006-07 be repaid. (Sec. 305)
- 4. **CMI - Contaminated Sediments.** The Governor, House, and Senate removed work project language for this program as it has no funding remaining. (Sec. 407)
- 5. **CMI Earmark - Allied Paper Superfund Site.** The Governor, House, and Senate removed a boilerplate earmark for \$150,000 from CMI - Contaminated Sediments funds for an engineering study at the Allied Paper Superfund site. (Sec. 411)
- 6. **Aquifer Protection - Work Project.** The Governor included a new section that would allow unexpended funds for aquifer protection to be carried forward into subsequent fiscal years as a work project. The House and Senate included this section. (Sec. 412)

Conference Agreement on Items of Difference

- 7. **Fee and Fund Source Report.** The Senate included a new section requiring a number of reports on the fees charged and fund sources used by the Department. The House did not include this section. The Conference included this section. (Sec. 238)

8. **Refined Petroleum Fund - Corrective Action Reimbursement.** The Governor and Senate removed a section that allows up to \$36.0 million from the RPF to be used to reimburse owners and operators of underground storage tanks who have taken corrective actions, but who are not eligible for reimbursement under the Underground Storage Tank Authority. The House retained this section. The Conference removed this section. (Sec. 314)
9. **Groundwater Survey.** The Senate included a new section that directs the Department to conduct a survey of groundwater in Michigan, beginning with areas known to be contaminated with per- and polyfluoroalkyl substances. The House included a similar section. The Conference did not include either of these sections. (Sec. 315 of Senate bill)
10. **Lead Remediation Grants.** The House included a new section specifying that lead remediation grants be used for remediation and redevelopment of sites contaminated with lead paint. The Senate did not include this section. The Conference included it. (Sec. 315)
11. **One-Time Cleanup and Redevelopment Program Appropriation.** The Conference included a section specifying that one-time funds included for the environmental cleanup and redevelopment program be used for sites in accordance with Part 201 of NREPA. (Sec 316)
12. **Lake Erie Basin Collaborative Agreement Report.** The Senate retained and House removed a report on the status of the implementation plan for the western Lake Erie basin collaborative agreement. The Conference retained this section. (Sec. 410)
13. **Cooperative Lakes Monitoring Program (MiCorps).** The Conference included a \$150,000 earmark in the Surface Water line item to provide for funding for this program. (Sec. 413)
14. **Stormwater, Asset Management, and Wastewater (SAW) Grant Report.** The Governor and Senate removed a report containing a summary of all completed asset management plans that received a SAW grant. The section also requires a local unit of government receiving a SAW grant to make its asset management plan available to the Department upon request. The House retained this section. The Conference removed this section. (Sec. 603)
15. **Landfill Research, Design, and Development Project.** The Senate included a new section that specifies where funds for this grant program should be distributed. The House did not include this section. The Conference included it. (Sec. 801)

Date Completed: 6-12-18

Fiscal Analyst: Josh Sefton

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberation.



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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 CONFERENCE	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	8,541.7	8,734.7	193.0	2.3
GROSS	5,080,319,800	5,003,361,400	(76,958,400)	(1.5)
Less:				
Interdepartmental Grants Received	783,048,800	821,066,200	38,017,400	4.9
ADJUSTED GROSS	4,297,271,000	4,182,295,200	(114,975,800)	(2.7)
Less:				
Federal Funds	811,906,500	808,698,700	(3,207,800)	(0.4)
Local and Private	23,577,600	22,224,700	(1,352,900)	(5.7)
TOTAL STATE SPENDING	3,461,786,900	3,351,371,800	(110,415,100)	(3.2)
Less:				
Other State Restricted Funds	2,210,057,300	2,276,925,900	66,868,600	3.0
GENERAL FUND/GENERAL PURPOSE	1,251,729,600	1,074,445,900	(177,283,700)	(14.2)
PAYMENTS TO LOCALS	1,492,528,000	1,566,674,800	74,146,800	5.0

*As of May 3, 2018.

See Individual Highlight Sheet for Department Detail

Boilerplate Changes from FY 2017-18 Year-to-Date:Items Included by the Senate and House

1. **Travel Reporting.** The **Governor** removed chairperson of the relevant appropriations subcommittees from recipients of the travel report. The **Senate/House/Conference** maintained the current language. (Sec. 207)
2. **Transparency Report.** The **Governor** removed the requirement that each department update web pages quarterly. The **Senate/House/Conference** maintained the current language. (Sec. 211)
3. **Retention of Reports.** The **Governor** deleted and **Senate/House/Conference** retained the requirement that all departments and agencies retain all reports funded from appropriations in Part 1. (Sec. 216)
4. **Communications with Legislators.** The **Governor** deleted and **Senate/House/Conference** retained the prohibition of departments taking disciplinary action against employees communicating with Legislators or their staff. (Sec. 218)
5. **Policy Change Reporting Requirement.** The **Governor** deleted and **Senate/House/Conference** retained a report due April 1 that requires each department to specify policy changes made in order to implement enacted legislation. (Sec. 221)
6. **Auditor General.** The **Governor** deleted and **Senate/House/Conference** retained the requirement that departments report within six months after an audit with the implementation of any identified initiatives related to savings and efficiencies found by the Auditor General and required the auditor general to conduct another audit on any noncompliant departments and charge the corresponding department for the cost of performing another audit. (Sec. 229)
7. **Contingency Plan for Federal Reductions.** The **Governor** deleted and **Senate/House/Conference** retained the requirement that the budget director report contingency plan recommendations in the event Federal funding sources that are more than \$10.0 million are reduced by 10% or greater. (Sec. 235)
8. **Return on Taxpayer Investment.** The **Governor** deleted and **Senate/House/Conference** retained the requirement that the budget director identify new programs and enhancements with program-specific metrics and a follow-up report on the progress made on meeting those metrics for the identified programs and enhancements. (Sec. 240)
9. **Technical Modification.** The **Senate/House/Conference** made a number of technical adjustments such as revised dates, spending totals, and definitions. (Secs. 201, 203, 212, and 240)

Conference Agreement on Items of Difference

10. **Budget Stabilization Fund.** The **Governor** removed the \$150.0 million deposit into the BSF, recommended the deposit of 25% of the FY 2017-18 GF/GP book-closing unassigned ending balance, did not provide an estimate of that amount. The **Senate** concurred with the Governor's modification and added an additional subsection that requires that an additional 25% of the 2017-18 booking-closing unassigned ending balance be distributed in the following manner: 7.5% to county road repair, 7.5% to city and village road repair, 3.33% to airport improvement, 3.33% to railroad infrastructure improvement, and 3.33% to the waterway economic vitality fund for dredging around harbors. The **House/Conference** included no deposit to the BSF or that any percentage of the GF/GP book-closing unassigned ending balance be deposited to the BSF. (Sec. 210)
11. **General Fund Restrictions.** The **Governor/Senate** deleted the prohibition on departments using General Fund appropriations where Federal and Private Funds are available for the same purpose. The **House/Conference** retained the section. (Sec. 217)

Date Completed: 6-12-18

Fiscal Analyst: Cory Savino
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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberation.



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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 CONFERENCE	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	530.0	531.0	1.0	0.2
GROSS	102,798,800	103,648,900	850,100	0.8
Less:				
Interdepartmental Grants Received	30,470,300	30,386,400	(83,900)	(0.3)
ADJUSTED GROSS	72,328,500	73,262,500	934,000	1.3
Less:				
Federal Funds	9,518,000	9,628,500	110,500	1.2
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	62,810,500	63,634,000	823,500	1.3
Less:				
Other State Restricted Funds	21,561,900	22,427,200	865,300	4.0
GENERAL FUND/GENERAL PURPOSE	41,248,600	41,206,800	(41,800)	(0.1)
PAYMENTS TO LOCALS	0	0	0	0.0

*As of May 3, 2018.

FY 2017-18 Year-to-Date Gross Appropriation	\$102,798,800
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Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

- FY 2017-18 Supplemental Funding.** The Governor, Senate, and House did not include a total of \$1.6 million in supplemental funding added in FY 2017-18. Public Act 158 of 2017 provided \$600,000 in restricted funding from the Lawsuit Settlement Proceeds Fund for costs associated with Flint Water Crisis investigations and prosecutions while Public Act 82 of 2018 provided \$1.0 million for the Attorney General to investigate systemic issues with sexual misconduct at Michigan State University. (1,600,000)
- Removal of FY 2017-18 One-Time Items.** The Governor, Senate, and House did not include one-time funding for FY 2017-18 totaling \$1.3 million; \$700,000 for the Prosecuting Attorneys Coordinating Council (PACC) for costs associated with juvenile life without parole cases; and \$600,000 for the PACC to replace their NextGen case management system. (1,300,000)
- Attorney General Special Counsel for Flint Investigation.** The Governor, Senate, and House increased funding by \$600,000 in restricted funds to maintain the full \$2.6 million authorization for the expenditure of Lawsuit Settlement Proceeds Funds. These funds are used for costs associated with the special counsel and the Flint investigations. The authorization was reduced in the FY 2017-18 budget and later brought whole via a supplemental appropriation. 600,000
- Marihuana Regulatory Fund.** The Governor, Senate, and House provided funding for the first full year of operations related to the regulation of medical marihuana and marihuana dispensaries. 126,700

5. **Economic Adjustments.** Includes \$1,403,400 Gross and \$558,200 GF/GP for total economic adjustments, of which an estimated \$28,400 Gross and \$1,500 GF/GP is for legacy retirement costs (pension and retiree health). 1,403,400

Conference Agreement on Items of Difference

6. **OK2SAY Program. Senate:** Added an additional \$500,000 in GF/GP funding to enhance this program to combat bullying and promote public awareness of the program, including the availability of the OK2SAY hotline and website. **House:** Added \$2.3 million in additional funding. **Conference:** Increased funding by \$1.0 million. Total funding for this program for FY 2018-19 is \$1,470,000. 1,000,000

7. **One-Time Funding. Senate:** Added one-time funding for two items totaling \$800,000 Gross; \$100,000 GF/GP. A total of \$700,000 in restricted funding is included for the Prosecuting Attorneys Coordinating Council (PACC) for costs associated with juvenile life without parole cases and a total of \$100,000 GF/GP is included for the PACC to provide additional forensic interviewing trainings. **House:** Did not include this funding. **Conference:** Concurred with Senate. 800,000

8. **Bad-Faith Patent Infringement. House:** Removed restricted funding totaling \$180,000 for bad-faith patent infringement due to sufficient funding in a work project. **Conference:** Concurred with House. (180,000)

9. **FY 2018-19 One-Time Gross Appropriations.** The Conference Report includes two one-time items totaling \$800,000 (\$100,000 GF/GP). A total of \$700,000 in restricted funding is provided for Juvenile Life without Parole cases and a total of \$100,000 is provided to PACC for forensic trainings.

Total Changes \$850,100

FY 2018-19 Conference Report Ongoing/One-Time Gross Appropriation \$103,648,900

Amount Over/(Under) GF/GP Target: \$0

Boilerplate Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

1. **Boilerplate Structure. Governor:** Moved boilerplate from the FY 2017-18 general sections that applied to all General Government budgets to the Article for the Department of Attorney General. Changes to those items can be found in the highlight sheet for the **General Sections. Senate, House, and Conference:** Retained current law structure for the general sections.
2. **Legacy Cost Estimates.** Total legacy costs are estimated at \$17,281,300. Of the total, pension-related legacy costs are estimated at \$8,893,100 and retiree health care legacy costs are estimated at \$8,388,200 for fiscal year ending September 30, 2018. **Governor:** Provided the following Legacy Costs estimates for FY 2019: Total legacy costs estimated at \$18,049,500. Of that total, \$8,321,100 are for pension-related legacy costs and \$9,728,400 are for retiree health care legacy costs for the fiscal year ending September 30, 2019. **Senate, House, and Conference:** Concurred with Governor. (Sec. 315)

Conference Agreement on Items of Difference

3. **Drug Investigation and Prosecution Unit.** Language requires the attorney general to use funds appropriated in Part 1 to maintain a minimum of 24 drug investigations and to prosecute when sufficient evidence is obtained. **Governor:** Deleted section. **Senate:** Concurred with Governor. **House:** Retained current law. **Conference:** Concurred with Governor. (Current Law Sec. 301a)
4. **Lawsuit Proceeds for Drinking Water Contamination.** Language allows the Department to use up to \$2.0 million of lawsuit settlement proceeds to pay for costs and associated expenses related to the declaration of emergency due to drinking water contamination. **Governor:** Increased allowable use amount to \$2.6 million. **Senate:** Concurred with Governor but retains report. **House:** Concurs with Senate and deleted the allowance of funding for the Bad-Faith Patent Infringement Claims Act and capped the hourly rate for any attorneys retained at \$250. **Conference:** Concurs with House. (Sec. 314)

5. **Juvenile Life without Parole.** Language states that the \$700,000 appropriated in Part 1 is to be used for investigations, crime victim rights, prosecutions and appeals for retroactive juvenile life without parole cases. Also requires a report to be submitted by September 30. **Governor:** Deleted section. **Senate:** Retained section and added language stating that the funding will come from the Lawsuit Settlement Proceeds Fund. **House:** Revised language to limit the amount of authorized funds to be spent as work projects to \$700,000. **Conference:** Concur with Senate. (Sec. 314a)
6. **NEW. Address Confidentiality Program.** **Senate:** Added new language requiring the Attorney General to develop the address confidentiality program that allows individuals to participate if he or she is a victim of domestic violence, stalking, human trafficking, or sexual assault, or is at risk of physical harm if his or her address is disclosed. **Conference:** Concur with Senate and adds language stating that section becomes effective upon enactment of Senate Bill 655 of the 99th Legislature. (**NEW** Sec. 316a)
7. **NEW. Forensic Interviewing.** **Senate:** Added new language requiring the one-time funding provided in part 1 to be used to provide additional forensic interviewing training sessions in order to meet demand. **Conference:** Concur with Senate and adds language stating that funding is intended to fund trainings for Child Advocacy Centers and local prosecutors. (**NEW** Sec. 318)
8. **NEW. Wrongful Imprisonment Compensation Fund.** **Senate:** Added new language requiring a quarterly report listing all payments made from the fund, the known pending cases requiring a payment in the next quarter, and the fund balance at the end of each reported quarter. **Conference:** Concur with Senate and adds language requiring that the Department include the number of claims filed and the corresponding amount of the settlement. (**NEW** Sec. 319)

Date Completed: 6-12-18

Fiscal Analyst: Joe Carrasco, Jr.

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberation.



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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 CONFERENCE	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	110.0	110.0	0.0	0.0
GROSS	16,249,600	16,201,100	(48,500)	(0.3)
Less:				
Interdepartmental Grants Received	296,600	299,100	2,500	0.8
ADJUSTED GROSS	15,953,000	15,902,000	(51,000)	(0.3)
Less:				
Federal Funds	2,775,800	2,802,700	26,900	1.0
Local and Private	18,700	18,700	0	0.0
TOTAL STATE SPENDING	13,158,500	13,080,600	(77,900)	(0.6)
Less:				
Other State Restricted Funds	151,900	58,500	(93,400)	(61.5)
GENERAL FUND/GENERAL PURPOSE	13,006,600	13,022,100	15,500	0.1
PAYMENTS TO LOCALS	0	0	0	0.0

*As of May 3, 2018.

FY 2017-18 Year-to-Date Gross Appropriation	\$16,249,600
Changes from FY 2017-18 Year-to-Date:	
<u>Items Included by the Senate and House</u>	
1. Removal of FY 2017-18 One-Time Items. The Governor, Senate, and House did not include one-time funding for FY 2017-18 totaling \$150,000 for a needs assessment of the deaf, deaf/blind, and hard of hearing community.	(150,000)
2. Transfer of Deafness Fund to Department of Licensing and Regulatory Affairs. The Governor, Senate, and House transfer funding to DLARA to account for the fees actually collected by DLARA for certifying deaf interpreters.	(93,400)
3. Economic Adjustments. Includes \$194,900 Gross and \$165,500 GF/GP for total economic adjustments, of which an estimated negative \$137,600 Gross and a negative \$112,700 GF/GP is for legacy retirement costs (pension and retiree health).	194,900
Total Changes	(\$48,500)
FY 2018-19 Conference Report Ongoing/One-Time Gross Appropriation	\$16,201,100
Amount Over/(Under) GF/GP Target:	\$0

Boilerplate Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

1. **Boilerplate Structure. Governor:** Moved boilerplate from the FY 2017-18 general sections that applied to all General Government budgets to the Article for the Department of Civil Rights. Changes to those items can be found in the highlight sheet for the **General Sections. Senate, House, and Conference:** Retained current law structure for the general sections.

2. **Deaf, Deaf/Blind, and Hard of Hearing Needs Assessment.** The funds appropriated in Part 1 for deaf, deaf/blind, and hard of hearing needs assessment may be used by the Department of Civil Rights to survey the deaf, deaf/blind, and hard of hearing community in the state to identify the size of this population so as to provide services to this population of citizens including education, employment, and healthcare. **Governor:** Deletes section. **Senate, House, and Conference:** Concurred with Governor. (Current Law Sec. 406)
3. **Legacy Cost Estimates.** Total legacy costs are estimated at \$2,695,600. Of the total, pension-related legacy costs are estimated at \$1,387,200 and retiree health care legacy costs are estimated at \$1,308,400 for fiscal year ending September 30, 2018. **Governor:** Provided the following Legacy Costs estimates for FY 2019: Total legacy costs estimated at \$2,558,000. Of that total, \$1,179,300 are for pension-related legacy costs and \$1,378,700 are for retiree health care legacy costs for the fiscal year ending September 30, 2019. **Senate, House, and Conference:** Concurred with Governor. (Sec. 410)

Date Completed: 6-12-18

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			AMOUNT	PERCENT
FTE Positions	79.2	79.2	0.0	0.0
GROSS	6,848,500	6,980,100	131,600	1.9
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	6,848,500	6,980,100	131,600	1.9
Less:				
Federal Funds	0	0	0	0.0
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	6,848,500	6,980,100	131,600	1.9
Less:				
Other State Restricted Funds	0	0	0	0.0
GENERAL FUND/GENERAL PURPOSE	6,848,500	6,980,100	131,600	1.9
PAYMENTS TO LOCALS	0	0	0	0.0

*As of May 3, 2018.

FY 2017-18 Year-to-Date Gross Appropriation	\$6,848,500
Changes from FY 2017-18 Year-to-Date:	
<u>Items Included by the Senate and House</u>	
1. Executive Office Operations. The Governor, Senate, and House recommended a 2.0% overall increase for Executive Operations.	105,400
2. Unclassified Salaries. The Governor, Senate, and House increased GF/GP funding by \$26,200 for total funding of \$1,333,500 for FY 2018-19.	26,200
Total Changes	\$131,600
FY 2018-19 Conference Report Ongoing/One-Time Gross Appropriation	\$6,980,100
Amount Over/(Under) GF/GP Target:	\$0

Boilerplate Changes from FY 2017-18 Year-to-Date:

1. There is no boilerplate for the Executive Office.

Date Completed: 6-12-18

Fiscal Analyst: Joe Carrasco, Jr.



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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 CONFERENCE	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	0.0	0.0	N/A	N/A
GROSS	179,561,000	183,050,500	3,489,500	1.9
Less:				
Interdepartmental Grants Received	5,709,200	5,823,400	114,200	2.0
ADJUSTED GROSS	173,851,800	177,227,100	3,375,300	1.9
Less:				
Federal Funds	0	0	0	0.0
Local and Private	400,000	400,000	0	0.0
TOTAL STATE SPENDING	173,451,800	176,827,100	3,375,300	1.9
Less:				
Other State Restricted Funds	6,247,100	6,403,100	156,000	2.5
GENERAL FUND/GENERAL PURPOSE	167,204,700	170,424,000	3,219,300	1.9
PAYMENTS TO LOCALS	0	0	0	0.0

*As of May 3, 2018.

FY 2017-18 Year-to-Date Gross Appropriation	\$179,561,000
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Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

- 1. Removal of FY 2017-18 One-Time Items.** The Governor, Senate, and House did not include one-time funding for FY 2017-18 totaling \$3.0 million (all GF/GP) that funded the upgrade and integration of the legislative computer system (Chamber Automation System). (3,000,000)
- 2. Auditor General Adjustment.** Governor, Senate, and House recommended a 3.0% overall increase for Auditor General operations. The increase totaled \$651,800 of which \$498,200 is general fund. Funding for the Auditor General totals \$24.9 million (\$17.1 million GF/GP) for FY 2018-19. 651,800

Conference Agreement on Items of Difference

- 3. Legislative Adjustment.** The Governor, Senate, and House increased overall funding for the Legislature by a total of 3.0% (excluding one-time funds). The Senate received an increase of \$1.2 million overall while the House received an overall increase of \$1.7 million. The House and Senate Fiscal Agencies received an increase of \$96,900 each. The Legislative Council received an increase of \$449,100 while the Retirement System received an increase of \$140,100. The Binsfeld Office Building received an increase of \$240,900 while the Cora Anderson House Building received increases totaling \$353,100. Finally, the Governor included additional funding of \$226,200 for the State Capitol Historic Site line item (\$133,200 for general operations and \$93,000 for restoration, renewal and maintenance). Funding for the Legislature totals \$157.3 million (\$152.5 million GF/GP) for FY 2018-19. **Conference:** Concurred with Governor and added a total of \$600,000, split evenly between Senate and House operations line items. 5,087,700

- 4. **National Association Dues. Governor and House:** Decreased the appropriation for the dues paid to national associations of which the State is a member by nearly 50% for total funding in FY 2018-19 of \$224,000. **Senate:** Maintained current-year funding of \$454,700. **Conference:** Concurred with Senate. 0
- 5. **One-Time Funding. Governor:** Included a total of \$750,000 in one-time funding for the upgrade and integration of the legislative computer system (Chamber Automation System). **Senate:** Concurred with Governor and added a \$100 placeholder for the Criminal Justice Policy Commission. **House and Conference:** Concurred with Governor and did not include the \$100 placeholder for the Criminal Justice Policy Commission. 750,000
- 6. **Forensic Science Commission. House:** Included a \$100 placeholder for the creation of the Commission pending legislation. **Conference:** Not included. 0
- 7. **University Title IX Operations Audit. House:** Included \$750,000 to support new auditors necessary to complete university Title IX operations audits as required under the bill. **Conference:** Not included. 0
- 8. **FY 2018-19 One-Time Gross Appropriations.** The Conference Report included one item for \$750,000 for the upgrade and integration of the legislative computer system.

Total Changes	\$3,489,500
FY 2018-19 Conference Report Ongoing/One-Time Gross Appropriation	\$183,050,500
Amount Over/(Under) GF/GP Target:	\$0

Boilerplate Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

- 1. **Boilerplate Structure. Governor:** Moved boilerplate from the FY 2016-17 general sections that applied to all General Government budgets to the Article for the Legislature. Changes to those items can be found in the highlight sheet for the **General Sections. Senate, House, and Conference:** Retained current-law structure for the general sections.
- 2. **Michigan Manual.** Designates as work project appropriation for the Michigan Manual. **Governor:** Rewrites language to comply with the Management and Budget Act. Also states that the purpose of the work project will be the publication of the Michigan Manual and lists the total estimated cost at \$3.0 million and a completion date of September 30, 2023. **Senate, House, and Conference:** Concurred with Governor. (Sec. 605)
- 3. **Property Management.** Designates property management appropriation for the Legislature as work project. Specifies that the funds will be used to purchase equipment and services for building maintenance. Includes an estimated total cost of \$2.0 million and completion date of September 30, 2021. **Governor:** Rewrites language to comply with the Management and Budget Act. Also states that the purpose of the work project will be to purchase equipment and services for building maintenance and lists the total estimated cost at \$2.0 million and a completion date of September 30, 2022 **Senate, House, and Conference:** Concurred with Governor. (Sec. 606)
- 4. **Legislative Automated Data Processing.** Designates appropriations in Part 1 for automated data processing as work project appropriations. Includes estimated costs of \$2.0 million and tentative completion date of September 30, 2021 **Governor:** Rewrites language to comply with the Management and Budget Act. Also states that the purpose of the work project will be to purchase equipment, software, and services in order to support and implement data processing requirements and technology improvements and lists the total estimated cost at \$3.0 million and a completion date of September 30, 2023. **Senate, House, and Conference:** Concurred with Governor. (Sec. 607)
- 5. **Legislative System IT Upgrade.** Language states that the funds appropriated shall be used for the design, development, and implementation of a legislative computer system. Funds cannot be used without written approval from the Speaker of the House, the Senate Majority Leader, and the Legislative Council Administrator. **Governor:** Rewrites language to comply with the Management and Budget Act. Also states that the purpose of the work project will be for the continued design, development, and implementation of the legislative computer system and lists the total estimated cost at \$12.75 million and a completion date of September 30, 2023. **Senate, House, and Conference:** Concurred with Governor. (Sec. 616)

Conference Agreement on Items of Difference

6. **Legacy Cost Estimates.** Total legacy costs are estimated at \$21,252,700. Of the total, Pension-related legacy costs are estimated at \$10,936,800 and retiree health care legacy costs are estimated at \$10,315,900 for fiscal year ending September 30, 2018. **Governor:** Deletes section. **Senate:** Retained language and updated the figures as follows: Total legacy costs are estimated at \$29,587,600. Of the total, Pension-related legacy costs are estimated at \$13,640,400 and retiree health care legacy costs are estimated at \$15,947,200 for fiscal year ending September 30, 2019. **House:** Concurred with Governor. **Conference:** Concurred with Senate. (Sec. 615)
7. **NEW. Legislative Auditor General Title IX Audits.** **House:** Adds new language requiring the Auditor General to conduct an audit of the title IX operations of each public university at least once every three years. **Conference:** Did not include. (NEW Sec. 625)

Date Completed: 6-12-18

Fiscal Analyst: Joe Carrasco, Jr.

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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 CONFERENCE	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	1,586.0	1,586.0	0.0	0.0
GROSS	258,358,500	246,662,800	(11,695,700)	(4.5)
Less:				
Interdepartmental Grants Received	20,000,000	20,000,000	0	0.0
ADJUSTED GROSS	238,358,500	226,662,800	(11,695,700)	(4.9)
Less:				
Federal Funds	5,460,000	1,460,000	(4,000,000)	(73.3)
Local and Private	50,100	50,100	0	0.0
TOTAL STATE SPENDING	232,848,400	225,152,700	(7,695,700)	(3.3)
Less:				
Other State Restricted Funds	208,709,400	206,686,400	(2,023,000)	(1.0)
GENERAL FUND/GENERAL PURPOSE	24,139,000	18,466,300	(5,672,700)	(23.5)
PAYMENTS TO LOCALS	1,215,900	1,215,900	0	0.0

*As of May 3, 2018.

FY 2017-18 Year-to-Date Gross Appropriation	\$258,358,500
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Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

- 1. Removal of FY 2017-18 One-Time Appropriation.** Governor, Senate, and House removed a total of \$9.0 million Gross, \$5.0 million GF/GP. Public Act 158 of 2017 provided \$5.0 million GF/GP for voting machine replacements. Public Act 82 of 2018 provided \$4.0 million in Federal funding for HAVA grants. (9,000,000)
- 2. Driver License Contracting Costs.** Governor, Senate, and House included additional restricted funding to cover the costs of extending the current contract with the State's vendor that produces State-issued driver license and personal identification cards. 925,000
- 3. Information Technology Costs.** Governor, Senate, and House included additional restricted funding totaling \$800,000 for two items that increased IT costs. Funding of \$500,000 is provided to cover the increased IT rate increases charged to the Department by DTMB for providing IT assistance. The remaining \$300,000 will fund a project to create a disaster recovery plan for the Qualified Voter File in the event that the security of the QVF is ever breached. 800,000
- 4. Commercial Driver License Testing Kiosks.** Governor, Senate, and House included additional restricted funding for maintenance costs of the testing kiosks for commercial driver licenses located at various branch offices across the state. The kiosks were provided by the Federal government to comply with new Federal regulations, however, maintenance costs are the responsibility of the state. 500,000
- 5. Replacement of GF/GP with Restricted Funds. Governor:** General Fund/General Purpose dollars that are currently used to fund the Department are replaced with restricted funds from the Transportation Administration Collection Fund (TACF). While this has a net zero effect on the gross for the Department, this reduces overall GF/GP expenditures for the State by \$1.1 million in FY 2018-19. Senate: Concurred with Governor. 0

6. **Economic Adjustments.** Includes \$3,079,300 Gross and \$475,600 GF/GP for total economic adjustments, of which an estimated negative \$514,300 Gross and negative \$40,500 GF/GP is for legacy retirement costs (pension and retiree health). 3,079,300

Conference Agreement on Items of Difference

7. **Branch Operations. Senate:** Added additional funding of \$1.0 million in restricted funding and 100.0 FTE positions for costs associated with driver license reinstatement due to elimination of driver responsibility fees which are repealed effective October 1, 2018. **House:** Included the \$1.0 million in funding but funded with GF/GP and did not include the 100 FTES. **Conference:** Did not include funding or FTES. 0

8. **Debit and Credit Card Fee Assessments. House:** Removed the line item and the \$8.0 million authorization in restricted funds but retained the boilerplate language that allows the Department to collect and expend the fee revenue necessary to pay the fees charged by the debit and credit card companies. **Conference:** Concurred with House. (8,000,000)

Total Changes (\$11,695,700)

FY 2018-19 Conference Report Ongoing/One-Time Gross Appropriation \$246,662,800

Amount Over/(Under) GF/GP Target: \$0

Boilerplate Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

1. **Boilerplate Structure. Governor:** Moved boilerplate from the FY 2017-18 general sections that applied to all General Government budgets to the Article for the Department of State. Changes to those items can be found in the highlight sheet for the **General Sections. Senate, House, and Conference:** Retained current-law structure for the general sections.
2. **Buena Vista Branch Office.** Requires the Department to maintain a full service branch office in Buena Vista Township. **Governor:** Eliminated section. **Senate, House, and Conference:** Retained current law. (Sec. 718)
3. **Legacy Cost Estimates.** Total legacy costs are estimated at \$31,170,200. Of the total, Pension-related legacy costs are estimated at \$16,040,400 and retiree health care legacy costs are estimated at \$15,129,800 for fiscal year ending September 30, 2018. **Governor:** Provided the following Legacy Costs estimates for FY 2019: Total legacy costs estimated at \$30,655,900. Of that total, \$14,132,900 are for pension-related legacy costs and \$16,523,000 are for retiree health care legacy costs for the fiscal year ending September 30, 2019. **Senate, House, and Conference:** Concurred with Governor. (Sec. 725)

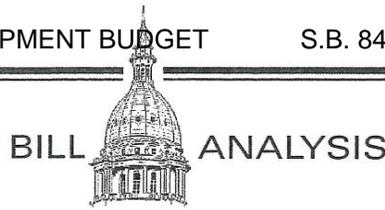
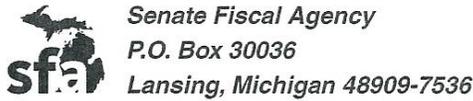
Conference Agreement on Items of Difference

4. **Business Application Modernization Project Report.** Requires a report of the total funds expended for the business application modernization project, start dates, costs, and penalties paid to the state by the contract provider. **Governor:** Eliminated section. **Senate:** Revised language to refer to the new customer and automotive records systems project (CARS) program. **House and Conference:** Concurred with Governor. (Sec. 716b)
5. **Election Oversight.** Language states that of the funds appropriated in part 1, the Office of Investigative Services may use available funds to conduct investigations of any reported irregularities in a local, state, or national election. **Senate:** Deleted language. **House:** Retained current law. **Conference:** Concurred with Senate. (Current Law Sec. 719)
6. **NEW. Voting Machines for High Schools. Senate:** Added new language requiring the Department of State to make at least one voting machine available to at least one high school in each regional prosperity region for the purpose of allowing pupils to become familiar with the voting process in a simulated voting simulation. **House:** Did not include. **Conference:** Concurred with Senate. (**NEW** Sec. 719)

7. **NEW. Sec. 720. Post-Election Audits. House:** Added new language requiring the Department of State to develop a plan to enhance post-election audit procedures to ensure machine-tabulated vote accounts are counted and reported accurately. **Senate:** Did not include. **Conference:** Concurs with House. (**NEW** Sec. 720)
8. **NEW. Expiration of Authorization for Additional FTEs. Senate:** Added new language stating that the addition of 100.0 FTE positions in the Branch Operations line item are temporary positions whose authority shall expire on March 1, 2019. **House and Conference:** Did not include. (**NEW** Sec. 720a)
9. **NEW. Plug-In Electric Vehicles. Senate:** Added new language requiring the Department of State to provide certain information regarding plug-in electric vehicles. This information shall include the number of total registrations of these vehicles in the state, the classifications as to whether fully electric or hybrid, and the zip codes of where those vehicles are located. The purpose of this data collection is in an effort to best provide DC fast charging stations across the state. **House and Conference:** Did not include. (**NEW** Sec. 723)

Date Completed: 6-12-18

Fiscal Analyst: Joe Carrasco, Jr.



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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 CONFERENCE	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	1,447.0	1,450.0	3.0	0.2
GROSS	1,179,421,800	1,115,295,600	(64,126,200)	(5.4)
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	1,179,421,800	1,115,295,600	(64,126,200)	(5.4)
Less:				
Federal Funds	762,144,800	762,645,800	501,000	0.1
Local and Private	6,120,900	6,121,700	800	0.0
TOTAL STATE SPENDING	411,156,100	346,528,100	(64,628,000)	(15.7)
Less:				
Other State Restricted Funds	206,056,700	205,432,300	(624,400)	(0.3)
GENERAL FUND/GENERAL PURPOSE	205,099,400	141,095,800	(64,003,600)	(31.2)
PAYMENTS TO LOCALS	11,300,000	31,400,000	20,100,000	177.9

*As of May 3, 2018.

FY 2017-18 Year-to-Date Gross Appropriation	\$1,179,421,800
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Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

- 1. Workforce Development Program.** The **Governor/Senate/House/Conference** increased the Workforce Development Program (WDP) due to an increase in the Federal award amount for the Employment and Training Program. The increase is supported by Federal funds. 501,000
- 2. Drinking Water Declaration of Emergency.** The **Governor/Senate/House/Conference** included a \$100 placeholder in one-time appropriations to allow for potential transfers from the Drinking Water Declaration of Emergency Fund if necessary. 100
- 3. Community College Skilled Trades Equipment Program.** The **Governor/Senate/House/Conference** changed the fund source for this \$4.6 million debt service payment from GF/GP to Penalties and Interest revenue. 0
- 4. Technical Adjustments.** The **Governor/Senate/House/Conference** reversed defined calculations and made a number of adjustments to line items that were supported by various Federal funds and the 21st Century Jobs Trust Fund, which do not allow for economic increases. (1,653,900)
- 5. Internal FTE and Appropriation Transfers.** The **Governor/Senate/House/Conference** made a number of internal transfers throughout the Department. This included transferring 12.0 FTEs and \$2.5 million in Federal funds from the UIA and WDA to the Department's Executive Direction; transferring \$2.3 million in Federal funds from WDP to WDA and Talent Investment Agency Executive Direction; and transferring \$150,000 from the MSF to the Land Bank Fast Track Authority. 0
- 6. Economic Adjustments.** Includes \$2,693,700 Gross and \$270,200 GF/GP for total economic adjustments, of which an estimated \$136,000 Gross and \$20,300 GF/GP is for legacy retirement costs (pension and retiree health). 2,693,700

Conference Agreement on Items of Difference

- 7. **Michigan Enhancement Grant.** The **Senate** continued or included new Michigan enhancement grants, which are outlined in boilerplate section 1047 and is all supported by GF/GP. The **Conference** included two grants outline in section 1047 and is all support by GF/GP. 1,350,000
- 8. **Pure Michigan.** The **Senate/Conference** included a \$1.0 million Gross and GF/GP increase to Pure Michigan. 1,000,000
- 9. **UIA Placeholder.** The **Senate** included a \$100 placeholder in the UIA to pay off the UIA debt owed from the dissolved Inkster School district. The **Conference** did not include. 100
- 10. **One-Time Appropriations Removal.** The **Governor** removed a number of FY 2017-18 one-time appropriations, which include: Arts and Culture Grants (\$1.0 million), Michigan Enhancement Grants (\$35,897,000), Protect and Grow (\$1.0 million), Special Grants (\$2.7 million), and Talent Marketing (\$5.0 million). All of these appropriations were supported by GF/GP. The **Senate** concurred with the Governor's removal of FY 2017-18 one-time appropriations except Arts and Culture Grants (\$1.0 million) and included the removal of Project Rising Tide (\$2.0 million). The **House** included Arts and Culture Grant (\$1.0 million) and Project Rising Tide (\$1.0 million). The **Conference** included \$1.0 million for Arts and Culture Grants and \$1.0 million for Project Rising Tide. (45,597,000)
- 11. **Going Pro Reduction and Fund Shift.** The **Governor** reduced the one-time appropriation portion of this program by \$5.5 million Gross and GF/GP. Also, the Governor changed the fund source for \$25.0 million of Penalties and Interest revenue to GF/GP. The **Senate** concurred with the \$5.5 million Gross and GF/GP reduction but maintained \$25.0 million as Penalties and Interest revenue. The **House** concurred with the \$5.5 million Gross and GF/GP, rolled out the At-Risk Youth Grants (\$3.0 million) and maintained \$28.4 million as Penalties and Interest Revenue. The **Conference** concurred with the \$5.5 million Gross and GF/GP, rolled out the At-Risk Youth Grants (\$3.0 million) and fund shifted \$22.0 million throughout the Talent Investment Agency. (5,500,000)
- 12. **Business Attraction and Community Revitalization.** The **Governor** reduced the program by \$5,120,100 Gross and GF/GP. Also, the Governor changed the fund source for \$2.0 million from GF/GP to the 21st Century Jobs Trust Fund. The **Senate** reduced the program by an additional \$10,237,000 Gross and GF/GP under the Governor. Total appropriations is \$100.1 million Gross for FY 2018-19. The **House** reduced the line item \$10,379,900 below the Gov, appropriating \$100.0 million Gross for FY 2018-19. The **Conference** reduced the line item \$5.0 million Gross and GF/GP below the Governor. (10,120,100)
- 13. **Community Venture Reduction.** The **Governor/Senate** reduced Gross appropriations by \$3.3 million. Of that total, \$2,993,300 was Penalties and Interest revenue and \$306,700 was GF/GP. Also, the Governor and Senate transferred 7.0 FTEs and \$1.5 million Penalties and Interest revenue to Workforce Development Administration (WDA). The **House** reduced the line item \$1.5 million below the Governor. The **Conference** reduced the line item \$1.0 million below the governor, appropriating \$4.0 million Gross and Penalties and Interest Revenue for FY 2018-19. (4,300,000)
- 14. **Entrepreneurship Eco-System.** The **Governor/Senate/Conference** reduced the program by \$1.5 million Gross and 21st Century Jobs Trust Fund dollars. Also, the Governor changed the fund source for \$500,000 of 21st Century Job Trust Fund revenue to GF/GP. The \$2.0 million in total 21st Century Jobs Trust Fund reductions were moved to the Business Attraction and Community Revitalization. Finally, the Governor moved \$2.5 million from ongoing to one-time appropriations. The **House** included an additional \$1.0 million above the Governor. (1,500,000)
- 15. **Land Bank Fast Track Authority.** The **Governor/Senate/Conference** removed \$1.0 million in ongoing appropriations to the Authority while adding 3.0 FTEs. The **House** reduced the line item \$500,000 Gross and GF/GP below the Governor. (1,000,000)

16. **FY 2018-19 One-Time Gross Appropriations.** The **Conference** include a number of one-time appropriations, which include: Arts and Culture Grants (\$1.0 million), Going Pro (10.0 million), Special Grants (\$1.35 million), Project Rising Tide (\$1.0 million), Entrepreneurship Ecosystem (\$2.5 million), and the Drinking Water Declaration of Emergency placeholder (\$100).

Total Changes	(\$64,126,100)
FY 2018-19 Conference Report Ongoing/One-Time Gross Appropriation	\$1,115,295,700
Amount Over/(Under) GF/GP Target:	\$0

Boilerplate Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

1. **Senate Deleted Sections.** The **Governor/Conference** deleted a number of sections, which include: 1038 (FRIB report), 1040 (Department's use of an accounting system), 1048 (Entrepreneurship Eco-System grant, 1051 (Talent Marketing metric requirement), 1054 (Protect and Grow metric requirement), 1055 (DTED-Grant), 1067 (Helmets to Hardhats), 1069 (Focus Hope),
2. **Section Deleted by the Governor and retained by the Senate/House/Conference.** The **Governor** deleted and **Senate/House/Conference** retained a number of sections, which include: 1010 (Jobs for Michigan Investment Fund report), 1033 (Michigan Film and Media Office activity report), 1041 (limits the amount that can be transferred to Business Attraction and Community Development to no more than 60% before April 1), 1053 (Arts and Culture Grants), 1071 (Jobs for Michigan's Graduates Program), and 1084 (Going Pro metric requirement).
3. **Date Modification.** The **Governor** changed the reporting data for a number of sections from March 15th to April 10th. The **Senate/House/Conference** maintained the current March 15th due date. (Secs. 1005, 1009, 1034, 1038, 1050, 1068, and 1079)
4. **Going Pro Administration.** The **Governor/Senate/House/Conference** expanded the language for "skilled trades training program" and "jobs created, jobs retained" for Going Pro administration. (Sec. 1065)
5. **Technical Modifications.** The **Governor/Senate/House/Conference** made a number of technical adjustments to reflect date changes, Part 1 appropriations total, legacy cost estimates, and standardized language. (Secs. 201, 981, 1011, 1032, 1040, 1043, 1044, 1050, 1053, 1076, 1084)

Conference Agreement on Items of Difference

6. **Section Deleted by the Governor and retained/modified by the Conference.** The **Governor** deleted and **Conference** retained or modified a number of sections, which include: 990 (the **Conference** maintained the current MSHDA report), 1047 (the **Conference** included two Special Grants), 1052 (Rising Tide metric requirement), 1070 (Graduation for Life grant), 1080 (Community Venture matching allowance), 1081 (Statewide System for Data Integration status report), and 1082 (Sustainable Employment Pilot status report).
7. **Michigan Strategic Fund.** The **House/Conference** rolled out the Michigan Strategic Fund reporting requirements section into three different section for statutorily required reports (Sec. 1004), boilerplate required reports (Sec. 1006), and an Michigan Economic Development Corporation budget and activity report (Sec. 1007).
8. **Broadband Bond Restriction.** The **Senate/Conference** included a new section that restricts the Department, MSF, and MSHDA from issuing or refinancing any bonds relating to broadband. (Sec. 983)
9. **Waterway Economic Vitality Fund.** The **Senate** created a new fund and program that provides grants towards the dredging of waterways around harbors for the purpose of maintaining the economic vitality of those harbors and allows remaining funds to be carried forward into a work project. The **Conference** did not include. (Sec. 1004)
10. **UIA Placeholder.** The **Senate** included a \$100 placeholder in the UIA to pay off the UIA debt owed from the dissolved Inkster School district. The **Conference** did not include(Sec. 1072)
11. **UIA Fraudulent Claim RFP.** The **Senate** included a new section that requires that the UIA issue a \$300,000 RFP for a pilot project that assists in analyzing, reviewing, and dispositioning the high-volume of fraudulent claims using cloud-based solutions. The **Conference** did not include(Sec. 1077)

12. **Going Pro Line Item Report.** The **House/Conference** included a new report that includes the expenditure of the Going Pro line items by program/grant type for the prior fiscal year and projected expenditures for the current fiscal year. (Sec. 1064)

Date Completed: 6-12-18

Fiscal Analyst: Cory Savino

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberation.



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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 CONFERENCE	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	2,937.0	3,116.0	179.0	6.1
GROSS	1,412,643,200	1,347,108,600	(65,534,600)	(4.6)
Less:				
Interdepartmental Grants Received	713,959,000	751,777,000	37,818,000	5.3
ADJUSTED GROSS	698,684,200	595,331,600	(103,352,600)	(14.8)
Less:				
Federal Funds	4,985,300	5,033,700	48,400	1.0
Local and Private	2,444,400	2,471,000	26,600	1.1
TOTAL STATE SPENDING	691,254,500	587,826,900	(103,427,600)	(15.0)
Less:				
Other State Restricted Funds	111,399,300	114,037,400	2,638,100	2.4
GENERAL FUND/GENERAL PURPOSE	579,855,200	473,789,500	(106,065,700)	(18.3)
PAYMENTS TO LOCALS	0	0	0	0.0

*As of May 3, 2018.

FY 2017-18 Year-to-Date Gross Appropriation	\$1,412,643,200
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Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

- FY 2017-18 Supplemental Funding.** Gov and Senate did not include supplemental funding added in FY 2017-18 by Public Act 201 of 2017 that allocates \$100,000 for the implementation of House Bill 4644 (a bill that establishes size and weight permit fees for motor vehicles), contingent on the bill's enactment. (100,000)
- Removal of FY 2017-18 One-Time Items.** Gov and Senate did not include one-time funding for FY 2017-18 totaling \$82.0 million (all GF/GP) and 10.0 FTEs that funded a variety of one-time items. (82,025,100)
- Procurement Improvement Plan Completion.** Gov and Senate provided Restricted funding and 6.0 FTEs to improve procurement services such as permanent supplier relationship management, contract management, and an enterprisewide professional development certification program for procurement professionals. 891,900
- Financial Services Support.** Gov and Senate increased funding and added 6.0 FTEs to alleviate the increased workload related to procurement of IT services and commodities and to reduce billing errors. 559,400
- DTMB BOC Special Maintenance.** Gov and Senate increased authorization in the Department's IDG allowance for building operating costs to accommodate increased utility costs and other building service contracts such as elevators, security guards, and janitorial services. 1,800,000
- Technical Adjustments for IT.** Gov and Senate included alignment of funding of the IDGs with department and agency actual current year appropriations and increased restricted funding by \$31.0 million and 10.0 FTEs. 31,023,400
- Professional Development Funds Adjustment.** Gov and Senate reduced the authorization for professional development funds for non-represented employees (NEREs) based on approved civil service contracts for FY 2018-19. (50,000)
- State Police Employees Retirement System Supplemental Payment.** Gov and Senate decrease funding to adjust for a decline in the number retirement beneficiaries. Supplemental payments have been made for these retirees and beneficiaries pursuant to PA 168 of 2015. (87,000)

- 9. School Reform Office Transferred to Department of Education.** Gov and Senate include the transfer of the School Reform Office to the Department of Education pursuant to Executive Order 2017-5 which transfers the funds and accompanying 11.0 FTEs for the School Reform Office from DTMB to the Department of Education where the Office now resides.

(3,353,800)
- 10. FTE Adjustment.** Gov and Senate adjusted FTE allocations by adding an additional 167 FTEs to better align with the appropriated funds and the associated positions across several lines within the Technology Services funding unit. The Department has both appropriated and unappropriated FTEs that are allocated as needed by the agency. The Department expects to exceed their appropriated FTE count related to increases in federally mandated programs, new systems, and contractor conversions and IT talent retention. There are no costs associated with this realignment.

0
- 11. Economic Adjustments.** Includes \$8,086,400 Gross and \$1,812,300 GF/GP for total economic adjustments, of which an estimated \$1,054,600 Gross and \$843,300 GF/GP is for legacy retirement costs (pension and retiree health).

8,086,400
- Conference Agreement on Items of Difference
- 12. Legislative Retirement. Conference:** Added a total of \$12.4 million GF/GP per conference target agreement for increased pension and OPEB annual required contributions.

12,400,000
- 13. Regional Prosperity Grants.** Gov increased funding by \$1.5 million for continued support of the Regional Prosperity Initiative. Funding will be used to encourage local private, public, and non-profit partners to create vibrant regional economies. **Senate and House:** Does not include this funding. **Conference:** Concurred with Gov.

1,500,000
- 14. Enterprisewide Portfolio Management Services. Gov and Senate** provided funding and 11.0 FTEs to support expenses associated with expanding the Enterprise Portfolio Management Office services across the portfolio of the information technology projects across all of State government. **House:** Did not include funding. **Conference:** Concurred with Gov.

2,010,000
- 15. SBA Rent Increase.** Gov adjusted SBA rent payments by a total of \$19.2 million GF/GP to comply with the DTMB Act which requires that SBA rent payments be made associated with projects authorized for construction. The increase in rental payments total \$37.6 million for FY 2018-19, however, \$18.4 million is available in existing authorization to cover nearly half of that expense thus only an additional \$19.2 million is needed. The adjustments are as follows: a \$5.5 million increase for community colleges; a \$2.7 million decrease for corrections; a \$5.9 million increase for state agencies; and a \$10.5 million increase for universities. Revised Gov. Rec. 2019-1 added an additional \$3,156,100 for debt service for Veterans homes. **Senate:** Concurred with Gov and added an additional \$5,250,000 GF/GP pursuant to senate target. **House:** Reduced funding by \$15.0 million from Gov. **Conference:** Maintained current-year funding for a \$0 increase for FY 2018-19.

0
- 16. National Guard Retirees. Senate:** Added new language stating that contingent on passage of Senate Bill 747 of the 99th Legislature, from the funds appropriated in Part 1 for retirement services up to \$1,600,000 shall be used to cover the costs of retirement benefits for certain eligible members as prescribed in Senate Bill 747 of the 99th Legislature. **Conference:** Provided \$6,000 as one-time funding for an ORS actuarial study.

6,000
- 17. Corrections Officers Retirement Benefits. House:** Added new language stating that contingent on passage of House Bill 5411 of the 99th Legislature, from the funds appropriated in Part 1 for retirement services for actuarial analysis shall be used to conduct an actuarial analysis to determine the costs incurred by the State Employees Retirement System as a result of implementing House Bill 5411 of the 99th Legislature. **Conference:** Provided \$4,000 as one-time funding for an ORS actuarial study.

4,000
- 18. Agency Services Rate Adjustment.** Gov includes additional funding of \$1.5 million GF/GP to provide continued support for pay per-performance incentives in an effort to retain important and talented information technology personnel. **Senate:** Reduced Gov's additional funding by \$100,000. **House:** Did not include this funding. **Conference:** Reduced Gov's funding by \$500,000 for a total appropriation of \$1.0 million.

1,000,000

<p>19. One-Time Funding. Gov included a total of \$420,100 in one-time Restricted funding for two items. A total of \$420,000 was included to continue support for the Michigan Civilian Cyber Corps (MiC3) to provide expert assistance to resolve cyber incidents when the State is under a Gov-declared State of Emergency and a \$100 placeholder was included for deposit into the fund for future use for costs associated with the Flint Water Crisis. Senate: Included two additional \$100 placeholders; one for Census related services and one for the Broadband initiative. House: Concurred with Gov. Conference: Did not include the \$420,000 in funding for the Michigan Civilian Cyber Corps but did retain Gov's \$100 for the Drinking Water Declaration of Emergency Reserve Fund and Senate's \$100 placeholder for the Broadband initiative.</p>	<p>200</p>
<p>20. IT Investment Fund (ITIF) Reduction. Gov and Senate included a General Fund reduction of \$25.0 million to the ITIF line item to adjust its funding level to account for the near completion of the SIGMA project. Due to the near completion of this project, ongoing costs will be reduced going forward. Gov also removed \$7.5 million of one-time funding for total funding of \$40.0 million for FY 2018-19. House: Reduced funding by a total of \$43.7 million. Conference: Reduced the ITIF line item by \$30.0 million and concurred with the removal of \$7.5 million in one-time funding. Total funding for FY 20108-19 is \$35.0 million.</p>	<p>(37,500,000)</p>
<p>21. Homeland/Cyber Security Reduction. Gov and Senate included a General Fund reduction of \$1.0 million to enterprise data network and backend network equipment updates. These updates can be put on hold without impacting the state's security posture. House: Reduced funding by a total of \$2.0 million. Conference: Reduced funding by a total of \$1.5 million.</p>	<p>(1,500,000)</p>
<p>22. IT Services and Projects. House: Reduced funding by \$200,000 per House target. Conference: Concurred with House.</p>	<p>(200,000)</p>
<p>23. FY 2018-19 One-Time Gross Appropriations. The Conference Report includes \$6,000 for an actuarial study for National Guard Retirees; \$4,000 for an actuarial study for Corrections Officers Retirement Benefits; and two \$100 placeholders (one for the Drinking Water Declaration of Emergency Reserve Fund and the other for the Broadband Initiative).</p>	
<p>Total Changes</p>	<p>(\$65,534,600)</p>
<p>FY 2018-19 Conference Report Ongoing/One-Time Gross Appropriation</p>	<p>\$1,347,108,600</p>
<p>Amount Over/(Under) GF/GP Target:</p>	<p>\$0</p>

Boilerplate Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

1. **Unclassified Salaries.** Requires the Department to compile a report by January 1 pertaining to the salaries of unclassified employees and gubernatorial appointees. **Gov:** Eliminated section. **Senate, House and Conference:** Retained language. (Sec. 822)
2. **DTMB Fees and Rates.** Language requires the Department to provide a report to the Legislature that identifies fee and rate schedules to be used by State departments and agencies for services. **Gov:** Eliminated section. **Senate, House and Conference:** Retains language. (Sec. 822d)
3. **Legacy Cost Estimates.** Total legacy costs are estimated at \$84,145,300. Pension-related legacy costs are estimated at \$43,301,700 and retiree health care legacy costs are estimated at \$40,843,600 for fiscal year ending September 30, 2018. **Gov:** Provided the following Legacy Costs estimates for FY 2019: Total legacy costs estimated at \$85,199,900. Of that total, \$39,278,600 are for pension-related legacy costs and \$45,921,300 are for retiree health care legacy costs for the fiscal year ending September 30, 2019. **Senate, House and Conference:** Concurred with Gov. (Sec. 822e)
4. **School Reform Office.** Language per E.O. 2015-9 provides stipulations for schools placed in a School Reform/Redesign school district as well as protecting students with individualized education programs. **Gov:** Eliminated section. **Senate, House and Conference:** Concurred with Gov. (Current Law Sec. 822i)
5. **School Reform Office Public Hearings.** Language requires the School Reform Office to hold at least one public hearing, prior to the school reform expending funds or proceeding with the dissolution of a school, in the school district that the Office is considering for placement of a CEO or dissolution of the school district. **Gov:** Eliminated section. **Senate, House and Conference:** Concurred with Gov. (Current Law Sec. 822l)

6. **Placement of all Contract Proposals on Department Website.** Language requires the Department to establish a publically accessible portal on the Department's website that displays all contract proposals for all State departments and agencies. **Gov:** Eliminated section. **Senate, House and Conference:** Retained language. (Sec. 822n)

Conference Agreement on Items of Difference

7. **NEW. National Guard Retirees. Senate:** Added new language stating that contingent on passage of Senate Bill 747 of the 99th Legislature, from the funds appropriated in Part 1 for retirement services up to \$1,600,000 shall be used to cover the costs of retirement benefits for certain eligible members as prescribed in Senate Bill 747 of the 99th Legislature. **Conference:** Does not include. (**NEW** Sec. 817)
8. **Regional Prosperity Grants.** Describes the qualification process for the Regional Prosperity Grant Program. **Gov:** Modified language to update amounts of grants and change completion and application dates to coincide with overall appropriation consistent with FY 2018-19. **Senate:** Retains current law language. **House:** Retains current law amounts authorized for grants; concurs with the inclusion of infrastructure asset management; and revises language for the provision of funding for a 0.3 FTE from "shall" to "may". **Conference:** Concurs with Gov and adds House 0.3 FTE provision. (Sec. 822f)
9. **NEW. Northern Satellite Psychiatric Facility. Conference:** Adds new language requiring the DTMB to work with the Department of Health and Human Services to identify a location for the new Northern Satellite Psychiatric Facility capital outlay project approved for planning authorization in Article II of PA 107 of 2017. (**NEW** Sec. 822o)
10. **NEW. MPSCS and Local Payments. Senate:** Added new language stating that of the funds appropriated in part 1 for the Michigan Public Safety Communications System, \$2.0 million of the funds must be used to pay off any outstanding invoices for local agencies that are dated at least three years prior to the current fiscal year. Any unpaid invoices that are less than three years old must be paid in full by the local agency before becoming eligible for payments under this section. **Conference:** Added additional language stating that any unpaid invoices dated after 9/30/2015 are not eligible for this payment and must be paid in full by the local entity before becoming eligible for payments under this section. (**NEW** Sec. 827a)
11. **NEW. Sec. 830. Enterprisewide IT Project Reporting. House:** Added language requiring a quarterly report on active and closed IT projects throughout all executive branch departments with information on the schedule, budget, cost, project changes, and project success scores for each project: revises the method for reporting. **Conference:** Concurred with House and added additional reporting requirements. (**NEW** Sec. 830)
12. **NEW. Sec. 831. ORS Actuarial Analyses. House:** Added new language stating that contingent on passage of House Bill 5411 of the 99th Legislature, funds appropriated in Part 1 for retirement services for actuarial analysis shall be used to conduct an actuarial analysis to determine the costs incurred by the state employees retirement system as a result of implementing the provisions of HB 5411 of the 99th Legislature. **Conference:** Concurs with House and adds the requirement for an additional actuarial analysis of SB 747. (**NEW** Sec. 831)
13. **NEW. Census-Related One-Time Funding. Senate:** Added new language requiring the funds provided as one-time funding for census-related services shall be provided to the Michigan Nonprofit Association to mobilize nonprofits across the state to achieve a fair and accurate count in the 2020 census. Any funds remaining at the end of the fiscal year shall be placed in a work project account to be used at such time that the actual census takes place in 2020. (**NEW** Sec. 835a)
14. **NEW. Enterprise Portfolio Management. Gov:** Added new language requiring the Department to identify specific outcomes and performance measures including: Implementing an enhanced IT project management service delivery through statewide application of best practice models; collaboration with State agencies to bring all project management/project control office contracts under the enterprise portfolio management office; and to initiate steps to improve the state unified IT environment (SUITE) compliance rating. **Senate:** Concurred with Gov. **House:** Did not include. **Conference:** Concurred with Gov. (**NEW** Sec. 840)
15. **Drinking Water Declaration of Emergency Reserve Fund.** Language creates the Drinking Water Declaration of Emergency Reserve Fund within the Department of Treasury. Language also requires the deposit of \$25.0 million into the fund in FY 2017-18, states that funds cannot be spent until appropriated by the Legislature, requires all interest earnings by the Reserve Fund to be deposited in the general fund, and states that any funds remaining in the Reserve Fund at the end of the fiscal year shall remain in the Reserve Fund and not lapse to the general fund. **Gov:** Eliminated section. **Senate:** Retained language and updates for \$100 placeholder. **House:** Did not include. **Conference:** Retains language and revises to state that any unexpended funds in the drinking water declaration of emergency reserve fund created in section 880 of Article VIII of 2017 PA 107, shall be carried forward and available for expenditure under this section pursuant to section 880(5) of Article VIII of 2017 PA 107. (Sec. 880)

Date Completed: 6-12-18

Fiscal Analyst: Joe Carrasco, Jr.

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberation.



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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 CONFERENCE	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	N/A	N/A	N/A	N/A
GROSS	107,580,000	107,080,000	(500,000)	(0.5)
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	107,580,000	107,080,000	(500,000)	(0.5)
Less:				
Federal Funds	0	0	0	0.0
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	107,580,000	107,080,000	(500,000)	(0.5)
Less:				
Other State Restricted Funds	0	0	0	0.0
GENERAL FUND/GENERAL PURPOSE	107,580,000	107,080,000	(500,000)	(0.5)
PAYMENTS TO LOCALS	0	0	0	0.0

*As of May 3, 2018.

FY 2017-18 Year-to-Date Gross Appropriation	\$107,580,000
Changes from FY 2017-18 Year-to-Date:	
<u>Conference Agreement on Items of Difference</u>	
1. Clean Michigan Initiative. The Senate/Conference reduced the line item by \$500,000.	(500,000)
Total Changes	(\$500,000)
FY 2018-19 Conference Report Ongoing/One-Time Gross Appropriation	\$107,080,000
Amount Over/(Under) GF/GP Target:	\$0

Boilerplate Changes from FY 2017-18 Year-to-Date: None

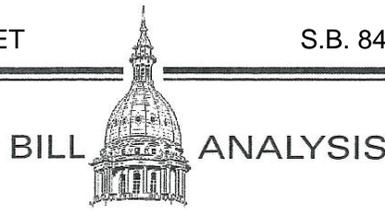
Date Completed: 6-12-18

Fiscal Analyst: Cory Savino

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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 CONFERENCE	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	1,852.5	1,862.5	10.0	0.5
GROSS	522,929,800	562,928,500	39,998,700	7.6
Less:				
Interdepartmental Grants Received	12,613,700	12,780,300	166,600	1.3
ADJUSTED GROSS	510,316,100	550,148,200	39,832,100	7.8
Less:				
Federal Funds	27,022,600	27,128,000	105,400	0.4
Local and Private	14,543,500	13,163,200	(1,380,300)	(9.5)
TOTAL STATE SPENDING	468,750,000	509,857,000	41,107,000	8.8
Less:				
Other State Restricted Funds	370,381,600	407,475,700	37,094,100	10.0
GENERAL FUND/GENERAL PURPOSE	98,368,400	102,381,300	4,012,900	4.1
PAYMENTS TO LOCALS	186,083,500	219,653,600	33,570,100	18.0

*As of May 3, 2018.

FY 2017-18 Year-to-Date Gross Appropriation	\$522,929,800
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Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

- 1. Medical Marihuana Excise Fund.** The **Governor/House/Senate/Conference** increased administration and grants appropriated from the Medical Marihuana Excise Fund to align with current revenue projections. Of the total increase, \$6,930,000 accounts for increased grants and \$227,100 accounts for increased administration. The increase is all supported by the Medical Marihuana Excise Fund. Total appropriation from the Medical Marihuana Excise Fund to the Department is \$11.8 million for FY 2018-19. 7,157,100
- 2. State Lottery Staff and Administration.** The **Governor/House/Senate/Conference** added 5.0 FTEs and funding in the Bureau of State Lottery due to increased workloads in the Bureau from continued growth in the Michigan Lottery. The increase is all supported by State lottery revenue. 637,200
- 3. MI Thrive Program Administration.** The **Governor/House/Senate/Conference** included 1.0 FTE and additional ongoing revenue to allow the Department to calculate income tax revenue generated from approved MI Thrive projects that clean up contaminated environmental sites. The funding is all supported by the Brownfield Development Fund. 214,300
- 4. Technical Adjustment.** The **Governor/House/Senate/Conference** increased accounting services \$30,000 to account for a user charge increase. The increase is supported by the IDG Accounting Service Center User Charges Fund. The **Conference** increase Investments \$200,000 from define contributions to align with the current workload of investing the pensions. 230,000

- 5. **One-Time, Supplemental, & Transfer Removal.** The **Governor/House/Senate/Conference** removed FY 2017-18 one-time appropriations, which include Treasury Operation IT Services (\$2.0 million), City Income Tax Administration (\$1.5 million), and an FY 2017-18 supplemental and transfer for the Infrastructure Council (\$1.5 million) and the Drinking Water Declaration of Emergency (\$8,999,900). Of the total removal, \$1.5 million is from the City Income Tax Local Fund, \$1.5 million is from the Michigan Infrastructure Fund, and \$11.0 million is GF/GP. (13,999,900)
 - 6. **Administration Efficiency Reduction.** The **Governor/House/Senate/Conference** reduced Gross and GF/GP appropriations to the Department Services, Supervision of the General Property Tax Law, and Tax Compliance line items due to administrative efficiencies. (750,000)
 - 7. **Restricted Fund Removal.** The **Governor/House/Senate/Conference** removed the Emergency 911 Restricted fund from the Tax and Economic Policy line item due to the sunset of authorization for the Department. The decrease was not replaced with another revenue source resulting in a gross reduction in the line item. (158,700)
 - 8. **Internal FTE and Fund Transfers.** The **Governor/House/Senate/Conference** made some internal transfers of FTEs and funds throughout the Department. This included transferring 6.0 FTEs and \$689,000 from Tax Processing, 2.0 FTEs and \$260,600 from Tax Compliance, 3.0 FTEs and \$529,700 from Accounting, and 1.0 FTE and \$223,600 from Collections to Executive Direction; transferring 11.0 FTEs and \$2,073,400 (the Revenue Sharing and Grant Division) from the Office of Revenue and Tax Analysis to the Office of Accounting Services; and Rolling the Financial Independence Team line item (9.0 FTEs and \$4,259,700) into the Supervision of the General Property Tax line item. 0
 - 9. **Economic Adjustments.** Includes \$4,880,400 Gross and \$1,180,800 GF/GP for total economic adjustments, of which an estimated \$1,013,200 Gross and \$200,100 GF/GP is for legacy retirement costs (pension and retiree health). 4,880,400
- Conference Agreement on Items of Difference
- 10. **Emergency 9-1-1 Payments.** The **Senate/Conference** increased Emergency 9-1-1 payments to align with projections from PA 51 of 2018, which increased the 9-1-1 rates and grant distributions. Total payments were increased to \$48.8 million for FY 2018-19. 21,800,000
 - 11. **Information Technology Rate Increase.** The **Governor/Senate** increased the Information Technology line item \$5.45 million GF/GP to account for a rate increase from the DTMB. The increase accounts for 10.0 FTEs and \$2.7 million for continuing mainframe legacy upgrades and \$2.8 million for cloud hosting and security upgrades. This increased total appropriation for Information Technology to \$36.7 million for FY 2018-19. The **House/Conference** reduced the line item \$450,000 Gross and GF/GP below the Gov. 5,000,000
 - 12. **Convention Facility Development Fund Distribution.** The **Senate** increased the total Convention Facility Development Fund distribution to align with current projections and split the distribution between the three distribution types, which includes: the statutory payments to Cobo Hall, the payments to counties, and the excess payments to Cobo Hall. The increase is all supported by restricted funds. Total appropriation from the Convention Facility Development Fund is \$95.6 million for FY 2018-19. The **Conference** increase the total line item to \$105,356,300 to align with current projections, did not roll out the distribution type. 14,406,300
 - 13. **OPEB/TIF Oversight.** The **Governor/House/Senate/Conference** included 4.0 FTEs and additional ongoing funding to implement the requirements of Public Act 202 of 2017 and PA 57 of 2018, which require monitoring, evaluating, and reporting on pension and retirement health benefit plans offered by 1,400 local units of government and oversight of tax increment financing in the state. The increase is all supported by GF/GP. The **Senate/Conference** included boilerplate language (Sec. 949I) requiring that the department issue an RFP for data analytics of PA 202 of 2017 and PA 57 of 2018. 731,000
 - 14. **Supervision of the General Property Tax Law.** The **Senate** reduced the line item by \$230,900 Gross and GF/GP. The **Conference** reduced the line item by \$100 for a placeholder for the Forensic Science Commission. (100)

15. Financial Data Analytical Tool Reimbursement. The Governor removed this ongoing grant program, which was all supported by GF/GP. The Senate/House/Conference maintained current funding.	0
16. Grants. The Governor/Senate removed Urban Search and Rescue (\$900,000) and Beat the Streets (\$100,000). The House/Conference Included Urban Search and Rescue (\$900,000), Beat the Streets (\$100,000), Courageous Cadets (\$50,000), and the Forensic Science Commission (\$100). The grants were all supported by GF/GP.	50,100
17. Senior Citizen Cooperative Housing. The Conference reduced the line item \$199,000 GF/GP to align with current projection for FY 2018-19.	(199,000)
18. FY 2018-19 One-Time Gross Appropriations. The Conference includes Beat the Streets (\$100,000), Courageous Cadets (\$50,000), Financial data analytic tool reimbursement (\$500,000), Urban Search and Rescue (\$900,000), and the Drinking Water Declaration of Emergency (\$100) as one-time appropriations.	
Total Changes	\$39,998,700
FY 2018-19 Conference Report Ongoing/One-Time Gross Appropriation	\$562,928,500
Amount Over/(Under) GF/GP Target:	\$0

Boilerplate Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

1. **Bond Notification.** The **Governor** deleted, and **Senate/House/Conference** retained a section that requires the department to notify the legislature when a bond is refinanced. (Sec. 902a)
2. **Transformation Brownfield Plans.** The **Governor/Senate House/Conference** added new language that requires the payment of captured tax revenue due under approved transformation Brownfield plans, in accordance with the statute. (Sec. 949k)
3. **Horse Racing.** The **Governor** modified a section that removes the ability of the Michigan gaming control board to increase or reduce the number of race dates depending on changes to the funds received from certified horsemen's organizations and the regulatory costs. The **Senate/House/Conference** maintained current language. (Sec. 978)
4. **Technical Adjustments.** The **Governor/Senate House/Conference** made technical adjustments to reflect date changes, Part 1 appropriations total, legacy cost estimates, and standardized language. (Secs. 201, 926, and 948)

Conference Agreement on Items of Difference

5. **Deleted.** The **Governor/Senate** deleted and **House/Conference** retained a section that allows for a closed-loop payment system and reporting requirements for Urban Search and Rescue. (Secs. 943 and 949g)
6. **Secondary Placement Collection Services.** The **Governor/House** deleted a section that required that the department issue an RFP for the secondary placement collections program. The **Senate/Conference** modified the section to require that the department issue an RFP for secondary placement collection services only when an RFP is issued for primary collection services. (Sec. 903(4))
7. **Personal Property Tax Audit Report.** The **Senate** modified the report to include audits of Essential Service Assessment Audits. The **Conference** modified the report to include both Personality Property Tax and Essential Service Assessment Audits in the report. (Sec. 927)
8. **Financial Data Analytic Tool Reimbursement.** The **Governor** deleted a section that outlines the reimbursement of financial data analytic tool. The **House** maintained current language. The **Senate/Conference** modified the section to allow a council of government to receive reimbursement, removed the RFP requirement, allow vendors to issue reimbursement requests, and places any remaining funds into a work project. (Sec. 936)
9. **Pension Plan Consultant.** The **Governor/Senate** modified language for pension plan consultants that removes language requiring notification that a consultant has been used and provide a rationale for why a consultant was needed and retained language that the Department must retain any reports provided by consultants and made available upon request. The **House/Conference** maintained current language. (Sec. 944)

10. **Lottery Promotion and Advertisement.** The **Governor/Senate/Conference** modified language for Lottery promotion and advertisement that removed the \$30.0 million cap but retained language that promotion and advertisement cannot exceed 1% of the prior year's gross sales. The **House** maintained current language. (Sec. 964)
11. **Restricted Fund Report.** The **Senate/Conference** included a new section that requires that the department report on all of the funds administered or controlled by the department that are not appropriated in part 1. (Sec. 902b)
12. **Feasibility Study.** The **House/Conference** included a new section that requires that the department conduct a feasibility study on requiring homeowners to file principal residence exemption documents directly with the Department of Treasury instead of through local units. (Sec. 940)
13. **OPEB and TIF Oversight.** The **Senate** included a new section that requires that the department use the \$464,000 appropriated in part 1 for OPEB oversight to issue a RFP for oversight of OPEB and TIFs to implement PA 202 of 2017 and PA 57 of 2018. The **Conference** modified the section to only include an RFP for data analytics. (Sec. 949L)
14. **Millionaire Party Oversight Report.** The **Senate/Conference** modified the due date for the Millionaire Party oversight report from April 15 to March 1. (Sec. 979)

Date Completed: 6-12-18

Fiscal Analyst: Cory Savino

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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 CONFERENCE	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	N/A	N/A	N/A	N/A
GROSS	1,293,928,600	1,314,405,300	20,476,700	1.6
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	1,293,928,600	1,314,405,300	20,476,700	1.6
Less:				
Federal Funds	0	0	0	0.0
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	1,293,928,600	1,314,405,300	20,476,700	1.6
Less:				
Other State Restricted Funds	1,285,549,400	1,314,405,300	28,855,900	2.2
GENERAL FUND/GENERAL PURPOSE	8,379,200	0	(8,379,200)	(100.0)
PAYMENTS TO LOCALS	1,293,928,600	1,314,405,300	20,476,700	1.6

*As of May 3, 2018.

FY 2017-18 Year-to-Date Gross Appropriation	\$1,293,928,600
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Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

- 1. Constitutional Revenue Sharing Year-to-Date Adjustment.** The May 2018 consensus revenue estimating conference increased the estimate for constitutional revenue sharing to \$813,801,300 for FY 2017-18, a 2.6% increase over FY 2016-17. 0
- 2. Constitutional Revenue Sharing. Governor/Senate/House:** Recommended \$832,343,800 for constitutional revenue sharing for FY 2018-19, an increase of 3.1% from the January 2018 consensus estimate for FY 2017-18. **Conference:** Based on the May 2018 consensus revenue estimates, appropriated \$835,333,800 for constitutional revenue sharing, a projected 2.6% increase over the revised estimate for FY 2017-18. This would pay an estimated \$84.78 per capita in FY 2018-19. Constitutional revenue sharing distributes 15% of sales tax revenue collected at a 4.0% rate to cities, villages, and townships on a per capita basis. 21,532,500

Conference Agreement on Items of Difference

- 3. City, Village, and Township (CVT) Revenue Sharing. Governor:** Recommended \$243,040,000 in FY 2018-19 for nonconstitutional or "statutory" payments to cities, villages, and townships, the same ongoing amount as in FY 2017-18. Governor removed \$5.8 million in one-time funding that was used for alternative per-capita payments to cities, villages, and townships. **Senate:** Retained \$5.8 million funding that was used for alternative per-capita payments to cities, villages, and townships, and moved it to ongoing funding. Also reduced minimum payment threshold to receive a payment from \$4,500 to \$1,000. **House:** Maintained \$5.8 million funding that was used for alternative per-capita payments to cities, villages, and townships, and kept it designated as one-time funding. **Conference:** Maintained \$5.8 million funding that was used for alternative per-capita payments to cities, villages, and townships, and kept it designated as one-time funding. Also reduced minimum payment threshold to receive a payment from \$4,500 to \$1,000 as one-time funding. 116,000

- 4. **Supplemental City, Village, and Township Revenue Sharing. Governor/Senate:** (100)
 Removed one-time funding (\$6,200,100) for per-capita payments for cities, villages, and townships. **House:** Reduced funding by \$3,100,100 million. **Conference:** Included \$6,200,000 one-time funding and added a requirement that funds be used to pay down debt, pension, or other post-employment benefit obligations.

- 5. **Revenue Sharing Payments to Counties. Governor/House:** 1,328,300
 Recommended a total of \$218,225,500 for revenue sharing payments to counties. This amount would be paid through two line items: \$175,006,700 for County Revenue Sharing and \$43,218,800 for the County Incentive Program. Removed \$2,179,100 for a 1% increase that was added in FY 2017-18 and recommended increases of \$259,000 for County Revenue Sharing and \$58,400 for the County Incentive Program to cover the partial-year cost of three counties (Antrim, Keweenaw, and Mackinac) that re-enter State-paid revenue sharing in 2019. **Senate:** Retained increase from FY 2017-18 and increased payments to counties another 1% (for a total increase of \$4,364,600). Also concurred with Governor to cover the partial-year cost of three counties that re-enter State-paid revenue sharing in 2019. **Conference:** Maintained FY 2017-18 funding level and increased County Revenue Sharing by \$269,900 and the County Incentive Program by \$58,400 to cover the partial-year cost of three counties that re-enter State-paid revenue sharing in 2019. Also included \$1.0 million one-time supplemental funding for counties to pay down debt, pension, or other post-employment benefit obligations.

- 6. **Financially Distressed Cities, Villages, and Townships. Governor/Senate:** (2,500,000)
 Recommended \$5.0 million in FY 2018-19 for this grant program, the same amount as in FY 2017-18. **House:** Reduced funding by \$500,000. **Conference:** Reduced funding (\$2,500,000).

- 7. **FY 2018-19 One-Time Gross Appropriations. Conference:** Designated \$13,116,000 as one-time appropriations, including \$5,916,000 from cities, villages and townships, revenue sharing (item #3 above), \$6.2 million supplemental city, village, and township revenue sharing (item #4 above), and \$1.0 million supplemental county revenue sharing (item #5 above).

Total Changes	\$20,476,700
FY 2018-19 Conference Report Ongoing/One-Time Gross Appropriation	\$1,314,405,300
Amount Over/(Under) GF/GP Target:	\$0

Boilerplate Changes from FY 2017-18 Year-to-Date:

Conference Agreement on Items of Difference

- 1. **CVT Revenue Sharing. Governor/Senate** set the amount that an eligible local government can receive at 78.51044% of FY 2009-10 statutory payments, the same as the standard payment in FY 2017-18. **Governor** removed the option for CVTs over 7,500 in population to receive payment of \$2.64659 per capita instead of the standard payment. **Senate** retained the option for CVTs over 7,500 in population to receive payment of \$2.64659 per capita instead of the standard payment and also lowered the minimum payment threshold from \$4,500 to \$1,000. (Sec. 952(1)). **House** retained the option for CVTs over 7,500 in population to receive payment of \$2.64659 per capita instead of the standard payment. **Conference** concurred with Senate. But adjusted per capita payment to accommodate new smaller local units (\$2.648299).

- 2. **County Revenue Sharing. Governor and House** recommended that payments in FY 2018-19 be 100.986% of the payments for which counties are eligible under the Glen Steil State Revenue Sharing Act; reduced from 101.986% in FY 2017-18. **Senate** recommended that payments in FY 2018-19 be 102.986% of the payments for which counties are eligible under the Glen Steil State Revenue Sharing Act. (Sec. 955). **Conference** increased payments to 102.0%.

- 3. **Financial Distressed CVTs. Governor and House** added language allowing funds to be used "to administer other projects that move the city, village, or township toward financial stability". **Senate** maintained existing language. (Sec. 956). **Conference** concurred with Governor.

4. **Supplemental CVT Revenue Sharing. Governor/Senate** removed supplemental CVT revenue sharing program. (Sec. 957). **House** maintained supplemental CVT revenue sharing program, but at a reduced per-capita rate. **Conference** maintained the program at a slightly reduced rate to accommodate 49 local units added to statutory revenue sharing and added a requirement that funds be used to pay down debt, pension, or other post-employment benefit obligations.
5. **Supplemental County Revenue Sharing.** Added language to implement a supplemental county revenue sharing program to pay down debt, pension, or other post-employment benefit obligations. Funds will be distributed in the same proportion as other county revenue sharing payments.

Date Completed: 6-12-18

Fiscal Analyst: Ryan Bergan

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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 CONFERENCE	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	15,620.5	15,621.7	1.2	0.0
GROSS	25,510,667,400	24,880,165,600	(630,501,800)	(2.5)
Less:				
Interdepartmental Grants Received	13,640,900	13,813,700	172,800	1.3
ADJUSTED GROSS	25,497,026,500	24,866,351,900	(630,674,600)	(2.5)
Less:				
Federal Funds	18,408,024,300	17,635,395,600	(772,628,200)	(4.2)
Local and Private	266,421,000	272,022,500	5,601,500	2.1
TOTAL STATE SPENDING	6,822,581,200	6,958,933,800	136,352,600	2.0
Less:				
Other State Restricted Funds	2,442,049,800	2,498,846,500	56,796,700	2.3
GENERAL FUND/GENERAL PURPOSE	4,380,531,400	4,460,087,300	79,555,900	1.8
PAYMENTS TO LOCALS	1,360,064,000	1,468,359,900	108,295,900	8.0

*As of May 3, 2018.

FY 2017-18 Year-to-Date Gross Appropriation	\$25,510,667,400
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Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

- 1. Medicaid and Related Match Rates.** Conference reflected drops in traditional Medicaid match rate to 64.45%, Title XXI match rate to 98.12%, and expansion Medicaid match rate to 93.0% effective January 1, 2019. Total cost increase \$71.5 million GF/GP. 0
- 2. Changes in Federal Grants.** Conference reflected changes in Federal grants including a \$48.2 million reduction due to expiration of Federal electronic health records funding. (30,050,400)
- 3. Medicaid Actuarial Soundness Adjustments.** Conference reflected a 2.5% increase for physical health Medicaid and a 2.0% increase for behavioral health. Net cost \$38.7 million GF/GP. 197,229,300
- 4. Adjustments to Special Medicaid Payments.** Conference included adjustments to special Medicaid payments made to hospitals and physicians to reflect maximum allowable expenditures in FY 2018-19. (12,556,800)
- 5. Food Assistance Base and Caseload.** Conference reflected a rebasing of this 100% Federal line to expected expenditure levels. (415,110,400)
- 6. Other Changes.** Other changes resulted in a slight increase in spending. 7,669,100
- 7. Economic Adjustments.** Includes \$32,777,500 Gross and \$16,728,600 GF/GP for total economic adjustments, of which an estimated \$4,261,800 Gross and 2,185,400 GF/GP is for legacy retirement costs (pension and retiree health). 32,777,500

Conference Agreement on Items of Difference

8. Other Fund Source Adjustments. Conference reflected many fund source shifts, including \$60.0 million reduction in available Health Insurance Claims Assessment revenue, \$2.0 million more tobacco settlement revenue, \$14.3 million less Healthy Michigan Fund revenue, \$38.3 million more Medicaid Benefits Trust Fund revenue, \$10.0 million in available TANF and a shift in cost allocation saving \$14.0 million in Medicaid. Total impact is a \$12.5 million GF/GP increase.	0
9. Hospital Rate Adjustor (HRA) Payment Changes. New Federal regulations forced a shift in allowable HRA payments. Conference budget reflected an increase in the hospital provider assessment used to provide a net increase in reconfigured HRA payments, with resulting State gainsharing. The rural and sole community hospital pool and the obstetrics hospital pool would no longer be eligible for Federal match. The lost match on the obstetrics pool would be replaced with \$4.0 million in GF/GP and the lost match on the rural and sole community pool would be replaced with \$6.0 million in GF/GP. Net GF/GP savings due to the gainshare would be \$10.4 million.	104,395,700
10. Healthy Michigan Plan (HMP) Base and Caseload. Conference adjusted HMP lines to reflect consensus estimated expenditures in FY 2018-19. Savings of \$27.3 million GF/GP.	(386,409,200)
11. Traditional Medicaid Base and Caseload. Conference adjusted Medicaid physical and behavioral health lines to reflect consensus estimate of the decrease in costs. Net savings of \$73.4 million GF/GP.	(311,064,000)
12. Autism Services Base and Caseload. Conference reflected a large increase in funding over the FY 2017-18 level for these services due to significant growth in demand. Net cost of \$30.5 million GF/GP.	87,390,800
13. Children's Services Base and Caseload. Conference included a net increase in funding, largely tied to a projected \$19.9 million Gross increase in the foster care line. Net increase of \$16.5 million GF/GP.	19,471,200
14. Public Assistance Programs Base and Caseload. Conference included minor caseload adjustments for cash welfare programs, including fund source adjustments. Net savings of \$12.2 million GF/GP.	(8,338,000)
15. Program Enhancements. Budget included increases of \$4.5 million for Local Public Health, \$4.75 million to combat public health threats, \$2.0 million for crime victims, \$2.0 million for Centers for Independent Living, \$5.5 million for Community Mental Health non-Medicaid services, \$1.7 million for guardian services, \$2.8 million for senior services. Budget also included \$28.1 million in increased graduate medical education payments, \$2.8 million to increase Medicaid neo-natal reimbursements, \$1.2 million to increase Adult Foster Care payments, and \$73.0 million to create a special nursing home payment pool. Total cost \$31.0 million GF/GP.	170,056,600
16. Program Reductions. Budget included reductions to autism reimbursement rates (\$34.6 million), mental health and wellness commission programming (\$9.0 million), removal of FY 2017-18 hepatitis A funding, technical adjustments to expiring funds, the elimination of gift card rewards for HMP recipients, and \$1.0 million in department merger savings. Total savings of \$31.4 million GF/GP.	(69,970,700)
17. Removal of FY 2017-18 One-Time Appropriations. Conference reflected removal of FY 2017-18 one-time appropriations, including \$21.5 million related to the Flint water crisis, \$5.7 million for a direct primary care pilot program, a \$850,000 hospital grant, and numerous smaller initiatives.	(33,664,700)
18. FY 2018-19 One-Time Gross Appropriations. Conference included \$4.6 million related to the Flint water crisis, a \$5.0 million medical resident loan repayment program, \$1.4 million for multicultural integration, \$1.0 million for autism navigators, \$1.5 million for health clinics, and other initiatives.	17,672,200
Total Changes	(\$630,501,800)
FY 2018-19 Conference Report Ongoing/One-Time Gross Appropriation	\$24,880,165,600
Amount Over/(Under) GF/GP Target:	\$0

Boilerplate Changes from FY 2017-18 Year-to-Date:Items Included by the Senate and House

1. **Legacy Costs.** Senate and House modified language to specify legacy costs for FY 2018-2019 to include \$168.4 million for pension-related costs and \$196.9 million for retiree health care costs. (Sec. 214)
2. **Spenddown Report.** Senate and House removed language requiring a report addressing the challenges of meeting spenddown requirements. (Sec. 1012)
3. **Family Planning and Pregnancy Prevention Fund Prioritization.** Senate and House included new language prohibiting funding to entities that engage in abortion related activities if a qualified entity exists in the county or health district that does not. Requires the Department to prioritize funding in counties or health districts that do not have a family planning and pregnancy prevention service provider over funding entities that engage in abortion related activities in counties or health districts that already have a qualified entity providing services. (Sec. 1305)

Conference Agreement on Items of Difference

4. **Deletions.** Conference eliminated the following sections from current year boilerplate: 291, 310, 526, 603, 651, 908, 916, 943, 1011, 1012, 1057, 1310, 1502, 1503, 1645, 1705, 1706, 1724, 1790, 1876, 1877, 1906, 1910, 1911, and 1915.
5. **Consent Education.** Senate included new language requiring the Department to work with various entities to re-draft two curriculum modules to include age-appropriate information on the importance of consent, setting and respecting personal boundaries, and the prevention of child sexual abuse. Conference modified language to make implementation contingent upon funding becoming available. (Sec. 256)
6. **SB 897 Implementation Language.** Senate included new language requiring funding for unclassified salaries and wages only be provided from two specific lines. Makes the release of funds from the unclassified salaries allocated pursuant to section 273 line item contingent upon submission and acceptance of a Federal waiver to implement SB 897. Conference removed. (Sec. 273)
7. **Healthy Michigan Plan (HMP) 48 Month Limit.** Senate included new language prohibiting coverage through the HMP plan for recipients who have been enrolled for 48 cumulative months and with income above 100% of the Federal Poverty Level. States legislative intent that completing a healthy behavior shall not be sufficient to maintain eligibility. Conference removed. (Sec. 276)
8. **Department Employee Legal Fees.** Senate included new language requiring the Department be responsible for any necessary and reasonable attorney fees incurred by private and independent legal counsel for current and former employees in defense of the Department in relation to the Flint municipal water system. Conference modified language to reflect technical corrections. (Sec. 296)
9. **Behavioral Health Integration Pilots.** Senate modified language to reflect the second year of pilot implementation, allow selected Medicaid Health Plans to contract directly with service providers within the pilot region, and states legislative intent that the pilots be designed to last 3 years. Conference modified language to reflect the second year of pilot implementation. (Sec. 298)
10. **Actuarial Sound Rates for Child Welfare Services.** Senate modified language to require the Department to conduct an actuarial study on rates paid to private child placing agencies for adoption incentive payments. Senate also made several smaller changes to reflect implementation of performance-based funding. Conference added language to fund actuarial study and an adoption placement payment rate increase. (Sec. 503)
11. **Child Care Fund Administrative/Indirect Cost Payment.** Senate included new language requiring the Department to disburse the 10% administrative/indirect payment to a county without submission of documentation to reflect requirements in MCL 400.117(a). Additionally, pest control activities conducted in a juvenile detention facility as a condition of licensure shall be considered a direct expenditure. Conference removed pest control/direct expenditure language. (Sec. 516)
12. **Title IV-E Appeals Policy.** Senate included new language requiring the Department to retain the same Title IV-E appeals policy that was in place as of September 30, 2017. Conference concurred with Senate. (Sec. 517)
13. **Adoption Caseload Calculation Definition.** Senate included new language directing the Department to exclude certain types of adoption cases from the adoption case worker ratios. Conference modified language slightly to gain approval from the Michigan Monitor Team for the ISEP. (Sec. 527)

14. **Adoption Subsidies Report.** Senate included new language requiring the Department to report on the several features of the determination of the adoption subsidies provided to adoptive parents. Conference concurred with Senate. (Sec. 534)
15. **Unpaid Case Coverage.** Senate included new language directing the formation of a workgroup to compensate private agencies for case management and services provided to children for which an administrative rate payment is not made. Additionally, the language excludes certain types of cases from a foster care worker caseload ratio until such a time as the recommendations of the workgroup are implemented. Conference removed the caseload ratio exclusion language. (Sec. 573)
16. **Able-Bodied Adult Without Dependent Waiver Rescission.** Senate included new language requiring the Department to enforce work requirement for time-limited food assistance universally. Conference concurred with Senate. (Sec. 650)
17. **Disability Determination Contracted Rates Report.** Senate included new language directing the Department to report on various information in regards to independent contractors providing disability determination services. Conference modified language to increase payments to contractors by 7%. (Sec. 890)
18. **Medicaid Autism Reimbursement Limit.** House included new language limiting reimbursement rates for Medicaid autism services to no more than 75% of Tricare rates. Conference modified language to require the establishment of a fee schedule for autism services by October 1, and reduce behavioral technician rates by 10%. (Sec. 924).
19. **Medicaid Autism Benefit Cost Containment.** Senate included new language requiring the Department to continue coverage for autism services that were covered on January 1, 2018, specifies cases in which a second opinion is needed, and requires a report on cases requiring a second opinion. Conference modified language to require the creation of a workgroup. (Sec. 959)
20. **CMHSP Program Eligibility by Category.** Senate included new language requiring each CMHSP to report on populations served by program eligibility category, and what percent of the operational budget is related to program eligibility enrollment. Conference concurred. (Sec. 1001)
21. **Direct Care Worker Wage Increase.** Senate modified language to clarify what PIHP expenses for which the funds may be utilized, removes the reporting requirement related to the expenditure of pool funds, and removes the penalty clause. Conference concurred with Senate. (Sec. 1009)
22. **Student Outreach Services Grant Program.** Senate include new language appropriating \$10.0 M in grant funding to support mental health awareness and intervention in school districts. Conference removed. (Sec. 1020)
23. **Traditional Medicaid to HMP Migration Restriction.** Senate included new language prohibiting a person from receiving coverage through the HMP if the person received traditional Medicaid in the previous fiscal year and is still eligible for coverage through traditional Medicaid. Conference modified language to state intent that this prohibition begin in FY 2019-2020. (Sec. 1696)
24. **Obstetrical and Newborn Care Lump Sum Payment.** Senate modified language to specify that \$7.0 million shall be used to provide a lump-sum payment to rural hospitals access payment qualifying hospitals providing obstetrical care. The payments shall be based on the volume of obstetrical and newborn care cases billed by qualified hospitals using the most recent available data. Conference modified language to fund the OB/GYN Pool at \$8.0 million. (Sec. 1802)
25. **Rural Hospital Funding.** Senate modified language to specify that \$19.0 million shall be used to provide payments to rural hospitals that meet criteria for services to low-income rural residents and to reference the Healthy Michigan Plan line item rather than the Health Plan Services line item in order to reflect new managed care rule distributions. Conference modified language to fund the Rural/Sole Pool at \$18.0 million. (Sec. 1866)
26. **Child Care Fund MiSACWIS Modifications.** Senate modified language to direct the Department to make the appropriate information technology modifications to MiSACWIS to meet the requirements in MCL 400.117(a). Conference concurred with House. (Sec. 1904)
27. **Flint Declaration of Emergency.** Senate modified language to direct the Department to allocate \$500,000.00 to the Children's Health Access Program, and \$335,000 to C.S. Mott Community College, and prohibiting the Department from appropriating any funds to two specified programs. House maintained current year language. Conference concurred with House. (Sec. 1905)

Date Completed: 6-12-18

Fiscal Analyst: Elynn Ackerman, Steve Angelotti, and John Maxwell

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberation.



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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 CONFERENCE	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	336.5	336.5	0.0	0.0
GROSS	66,741,400	67,971,900	1,230,500	1.8
Less:				
Interdepartmental Grants Received	707,600	713,800	6,200	0.9
ADJUSTED GROSS	66,033,800	67,258,100	1,224,300	1.9
Less:				
Federal Funds	2,014,700	2,017,300	2,600	0.1
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	64,019,100	65,240,800	1,221,700	1.9
Less:				
Other State Restricted Funds	63,869,100	64,690,800	821,700	1.3
GENERAL FUND/GENERAL PURPOSE	150,000	550,000	400,000	266.7
PAYMENTS TO LOCALS	0	0	0	0.0

*As of May 3, 2018.

FY 2017-18 Year-to-Date Gross Appropriation	\$66,741,400
Changes from FY 2017-18 Year-to-Date:	
<u>Items Included by the Senate and House</u>	
1. Economic Adjustments. Includes \$830,500 Gross and \$0 GF/GP for total economic adjustments, of which an estimated negative \$38,200 Gross and negative \$100 GF/GP is for legacy retirement costs (pension and retiree health).	830,500
2. One-Time Insurance Evaluation Enhancement. The Senate and House included additional one-time funding of \$400,000 from the Insurance Bureau Fund for the department to complete a study, with the assistance of an actuarial firm, of this state's pursuit of a state innovation waiver as available under Section 1332 of the Patient Protection and Affordable Care Act. The Conference included \$400,000 for the study, but the funding source was altered to GF/GP in place of the insurance bureau fund.	400,000
3. FY 2018-19 One-Time Gross Appropriations. \$400,000 for the Patient Protection and Affordable Care Act State Innovation Waiver Study.	
Total Changes	\$1,230,500
FY 2018-19 Conference Report Ongoing/One-Time Gross Appropriation	\$67,971,900
Amount Over/(Under) GF/GP Target:	\$0

Boilerplate Changes from FY 2017-18 Year-to-Date:Items Included by the Senate and House

1. **Definitions.** The Governor modified this section to remove the definitions for "LARA", "MBLSLA fund", and "Subcommittees". The Senate and House retained. (Sec. 203)
2. **Out-of-State Travel Report.** The Governor replaced this report with a less detailed version consistent with the report found in most other Department budget bills. The replacement version removed certain travel limitations. The Senate and House retained the original language. (Sec. 207)
3. **Communication with the Legislature.** The Governor removed a section prohibiting the Department from taking disciplinary action against employees who communicate with the Legislature. The Senate and House retained. (Sec. 218)
4. **TV or Radio Productions.** The Governor removed a section prohibiting the Department from producing radio or TV productions. The Senate and House retained. (Sec. 219)
5. **Healthy Michigan Plan - Accounting.** The Governor removed a section requiring the Department to notify the State Budget Office and fiscal agencies of any changes to the existing accounting structure for costs associated with Healthy Michigan. The Senate and House retained. (Sec. 220)
6. **Healthy Michigan Reporting.** The Governor removed a section that limited GF/GP expenditures regarding the Healthy Michigan Plan to meeting reporting requirements. The section was not applicable as the budget recommendation included no GF/GP funds. The Senate and House retained. (Sec. 221)
7. **Legislative Participation in Insurance Activities.** The bill includes language reflecting existing statute permitting the use of the Insurance Bureau fund to support legislative participation in insurance activities coordinated by insurance and legislative associations. (Sec. 222)
8. **Health Insurance Rate Filings Report.** The Governor removed a section requiring the Department to report annual rate filings to the Legislature. The Senate retained with the revision that the report is not required to contain an estimate of the percentage of the state's population that is uninsured. (Sec. 301)
9. **State Innovation Waiver Study.** The Senate and House added new language requiring the Department to use one-time funding to have an actuarial firm complete a study capable of supporting the State's pursuit of a Section 1332 state innovation waiver under the Patient Protection and Affordable Care Act. (Sec. 401)

Date Completed: 6-12-18

Fiscal Analysts: Elizabeth Raczkowski
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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 CONFERENCE	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	501.0	502.0	1.0	0.2
GROSS	300,043,000	304,079,100	4,036,100	1.3
Less:				
Interdepartmental Grants Received	1,550,600	1,551,300	700	0.0
ADJUSTED GROSS	298,492,400	302,527,800	4,035,400	1.4
Less:				
Federal Funds	6,464,100	5,987,400	(476,700)	(7.4)
Local and Private	6,924,900	7,481,400	556,500	8.0
TOTAL STATE SPENDING	285,103,400	289,059,000	3,955,600	1.4
Less:				
Other State Restricted Funds	92,529,000	92,979,500	450,500	0.5
GENERAL FUND/GENERAL PURPOSE	192,574,400	196,079,500	3,505,100	1.8
PAYMENTS TO LOCALS	147,230,400	148,614,500	1,384,100	0.9

*As of May 3, 2018.

FY 2017-18 Year-to-Date Gross Appropriation	\$300,043,000
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Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

1. **New Circuit Court Judge Positions.** The executive recommendation included funding for two new circuit court judge positions as per PAs 56 & 57 of 2014; one in Oakland County and one in Macomb County. The bulk of the additional funding came from GF/GP, the remainder (\$13,100) from the Court fee fund. The House and Senate concurred. 255,300
2. **Other Changes.** The executive recommendation included other service baseline adjustments to align spending authorization with expected revenues and increased rent for the Court of Appeals Troy office. The House and Senate concurred. 24,500
3. **GF Replacement with Court Fee Fund.** The executive recommendation included the replacement of \$500,000 of General Fund dollars with increased revenue from the Court Fee Fund in the Justices' and Judges' Compensation section. The House reduced GF/GP in the compensation section by \$600,000 and replaced it with the Court Fee fund, transferring \$100,000 GF/GP to Branchwide Appropriations to correct FY 2018-19 building occupancy charges that were mistakenly sourced to the Direct Trial Court Automation line item for space in the Cadillac Place state office building. The Conference agreed to the changes made by the House. 0
4. **Court of Claims Funding Shift.** The executive recommendation moved administration of the Court of Claims from the State Court Administrative Office line item in Section 102 to the Court of Appeals Operations line item in Section 103. The House and Senate concurred. 0
5. **One-Time Funding removals.** The executive recommendation included the removal of one-time GF/GP funding for the FY 2017-18 expansion of problem solving courts (\$219,300), and pretrial risk assessment (\$300,000). The House and Senate concurred. (519,300)
6. **Economic Adjustments.** Includes \$3,025,600 Gross and \$2,816,800 GF/GP for total economic adjustments, of which an estimated \$164,400 Gross and \$106,100 GF/GP is for legacy retirement costs (pension and retiree health). The House and Senate concurred. 3,025,600

Conference Agreement on Items of Difference

<p>7. Specialty Courts. The executive recommendation included no new spending for specialty courts. The Senate added \$154,200 of additional GF/GP. Drug Treatment Courts: an additional \$28,700 for a total of \$11,861,700. Mental Health Courts: an additional \$28,700 for a total of \$5,495,500. Veterans Courts: an additional \$96,800 for a total of \$1,033,200. The House included an additional \$1.0 million as a One-time appropriation for specialty courts. Conference agreed to a One-time increase for specialty courts at \$750,000.</p>	<p>750,000</p>
<p>8. Community Dispute Resolution. The Senate included an additional \$500,000 GF/GP above the Governor's recommendation. The House included an additional \$499,900 GF/GP, creating a \$100 placeholder for a Youthful Sex Offender Treatment Pilot. Conference agreed upon \$425,000 for Community Dispute Resolution and \$75,000 directed towards the new program.</p>	<p>425,000</p>
<p>9. Youthful Sex Offender Treatment Pilot Program. The House included a \$100 placeholder for a treatment program for qualifying individuals, ages 17 to 24, in a county with a population between 600,000 and 700,000. Conference agreed to fund the pilot with \$75,000 GF/GP shifted from the Community Dispute Resolution line.</p>	<p>75,000</p>
<p>10. Juror Compensation Staffing. The House bill included an additional 1.0 FTE which was previously authorized by Public Act 52 of 2017 and requires no additional funding. Conference agreed to the FTE increase.</p>	<p>0</p>
<p>11. Swift and Sure Reduction. The executive recommendation included a reduction to the Swift and Sure Sanctions Program. FY 2018-19 funding recommended at \$3,654,200, with \$191,800 less from the Court of appeals filing/motion fees and \$154,000 less from GF/GP. The Senate restored funding with GF/GP to the current year level (\$4,000,000). Conference agreed with Senate.</p>	<p>0</p>
<p>12. Pretrial Risk Assessment. For FY 2017-18, development of a pretrial risk assessment tool was funded with GF/GP through the State Court Administrative Office line (\$305,700) and through a one-time appropriation line (\$300,000). The FY 2017-18 one-time funding was removed by the Senate (see item #9, above). The Senate also moved the remaining funding of \$305,700 from the State Court Administrative Office line to the FY 2018-19 one-time section. Conference agreed.</p>	<p>0</p>
<p>13. FY 2018-19 One-Time Gross Appropriations. Total One-time appropriations amounting to \$1,830,700 GF/GP include \$700,000 for State compliance required by the <i>Montgomery v Louisiana</i> U.S. Supreme Court decision, \$750,000 for specialty courts as described in item 8 above, \$305,700 for the continuing development of the pretrial risk assessment tool as described in item 13 above, and \$75,000 for the Youthful sex offender treatment pilot program described in item 9 above.</p>	<p></p>
<p>Total Changes</p>	<p>\$4,036,100</p>
<p>FY 2018-19 Conference Report Ongoing/One-Time Gross Appropriation</p>	<p>\$304,079,100</p>
<p>Amount Over/(Under) GF/GP Target:</p>	<p>\$0</p>

Boilerplate Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

1. **Management and Budget Act.** The Governor removed subsection 2, which required expenditures or transfers be approved by an authorized judicial agent. The House and Senate restored the subsection. (Sec. 202)
2. **Definitions.** The Governor's recommendation removed boilerplate definitions for the following terms: "DOJ", "DOT", "HHS", "SADO", "Title IV-D", and "Title IV-E". The House and Senate restored the definitions. (Sec. 203)

3. **Legacy costs.** The Governor amended a section to update the anticipated legacy costs for FY 2018-19. The House and Senate concurred. (Sec. 214)
4. **Communications with the Legislature.** The Governor removed a section prohibiting disciplinary action against judicial employees who communicate with the legislature. The House and Senate retained the section in full. (Sec. 215)
5. **Foster Care.** The Governor removed sections that required a judge to get input from foster parents during a foster care case and explain on the record any changes to a foster care family service plan. The House and Senate retained the sections in full. (Secs. 216 & 217)
6. **Retention of Reports.** The Governor removed a section requiring the Judicial Branch to retain copies of all reports funded from appropriations in Part 1. The House and Senate retained the section in full. (Sec. 219)
7. **Judicial Data Warehouse.** The Governor amended a section regarding the public availability of data in the Judicial Data Warehouse. The House and Senate concurred. (Sec. 304)
8. **Reporting on the Parental Rights Restoration Act.** The Governor removed a section requiring the state court administrative office to report on the implementation of the Parental Rights Restoration Act, 1990 PA 211. The House and Senate retained the section in full. (Sec. 312)
9. **Assignment of State-Owned Vehicles.** The Governor amended a section to allow for the permanent assignment of state-owned vehicles to Justices of the Supreme Court. The House and Senate retained the section in full. (Sec. 317)
10. **One-Time Appropriations Removals.** The Governor removed one-time appropriation sections for Veterans courts and compliance with *Montgomery v Louisiana*. The House and Senate agreed to remove section 401, but restored section 402. (Secs. 401 & 402)
11. **Legislative Intent.** The Governor removed a section that expressed legislative intent to provide the same appropriations for FY 2018-19 as in FY 2017-18. The House and Senate retained the section and amended date references. (Sec. 1201)

Conference Agreement on Items of Difference

12. **Evaluation of DHHS and TED programs for Swift and Sure participants.** The Governor removed a section requiring the state court administrative office to evaluate DHHS and TED programs available for Swift and Sure participants and to provide guidance to courts participating in Swift and Sure. The House concurred. The Senate retained the section in full. Conference restored the section with minor changes to require the state court administrative office to identify, instead of evaluate, programs and to include identification of available programs within the Department of Corrections in addition to those in DHHS and TED. (Sec. 218)
13. **Community Dispute Resolution in Schools.** The House included a new section to make community dispute resolution services available to help reduce school suspensions and truancy. Conference agreed to include the new section. (Sec. 305)
14. **Reporting on Restitution and Court Fees.** The Governor removed a section requiring the state court administrative office to report on collected and uncollected restitution and court fees for counties. The House concurred. The Senate retained the section and amended the reporting date. Conference retained the section. (Sec. 306)
15. **Pretrial Risk Assessment Tool.** The Recommendation removed a subsection requiring the State Court Administrative Office to report on plans to pilot the Pretrial Risk Assessment Tool and its implementation timeline. The Senate retained the section in full. The House removed the subsection and made additional changes to another subsection to change the date and nature of a report on the pretrial risk assessment tool. Conference agreed to the changes made by the House. (Sec. 316)

Date Completed: 6-12-18

Fiscal Analyst: Michael Siracuse

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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 CONFERENCE	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	2,322.3	2,322.3	0.0	0.0
GROSS	434,672,000	517,762,200	83,090,200	19.1
Less:				
Interdepartmental Grants Received	47,835,100	48,414,300	579,200	1.2
ADJUSTED GROSS	386,836,900	469,347,900	82,511,000	21.3
Less:				
Federal Funds	65,020,900	65,744,400	723,500	1.1
Local and Private	361,800	211,800	(150,000)	(41.5)
TOTAL STATE SPENDING	321,454,200	403,391,700	81,937,500	25.5
Less:				
Other State Restricted Funds	277,037,600	276,471,400	(566,200)	(0.2)
GENERAL FUND/GENERAL PURPOSE	44,416,600	126,920,300	82,503,700	185.7
PAYMENTS TO LOCALS	30,625,700	105,251,900	74,626,200	243.7

*As of May 3, 2018.

FY 2017-18 Year-to-Date Gross Appropriation	\$434,672,000
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Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

- 1. Annualize First Responder Presumed Coverage Fund.** The Governor, Senate, and House included an increase to this program to reflect a full year of revenue and expenditures to and from this program, totaling about \$5.5 million. The program provides worker's compensation benefits to first responders with certain diseases that are presumed to have been caused by hazards experienced in the line of duty. The Fund is capitalized with excise tax revenue from retail medical marijuana sales. 3,465,000
- 2. Law Enforcement Grants - Liquor Licenses.** The Governor, Senate, and House included an increase in grants to local law enforcement from liquor license revenue as required in the Liquor Control Code. The Code requires that 55% of liquor license revenue go to law enforcement. Increased license revenue has rendered the current appropriation for these grants insufficient to allow for the statutorily-required payments to go out. 1,200,000
- 3. Nurse Aide Training Program.** The Governor, Senate, and House included a supplemental request for \$600,000 from the Nurse Aide Training Fund, which was created under Public Act 172 of 2017. Funds would be used to administer a new nurse aide training and registration program as directed by Public Act 172 of 2017. 600,000
- 4. Substance Use Disorder Programs.** The Governor, Senate, and House included additional Medical Marijuana Regulatory Fund revenue to fund substance use disorder programs as required under Public Act 281 of 2016 (Medical Marijuana Facilities Licensing Act). The Act requires \$500,000 from the Fund to be allocated for this purpose. 500,000

- 5. **Administrative Support for the Local Community Stabilization Authority (LCSA).** The Governor, Senate, and House removed funding for administrative support for the LCSA. Responsibility for those services was transferred to the Michigan Municipal Services Authority effective October 1, 2017. (150,000)
- 6. **Division on Deafness Fund - Transfer from Department of Civil Rights (DCR) to LARA.** The Governor, Senate, and House included \$93,400 to reflect the transfer of the DCR's responsibilities under the Deaf Persons' Interpreters Act, including the Division on Deafness Fund, from DCR to LARA in accordance with Executive Order 2017-8. 93,400
- 7. **Reduce Overstated Restricted Funds.** The Governor, Senate, and House included reductions to a number of line items and restricted fund sources to reflect available revenue. (639,300)
- 8. **Remove FY 2017-18 One-time Appropriations.** The Governor, Senate, and House removed a \$100 placeholder from the Drinking Water Declaration of Emergency Reserve Fund, and \$1.4 million GF/GP for Fire Protection Grants. (1,400,100)
- 9. **Economic Adjustments.** Includes \$4,595,000 Gross and \$577,600 GF/GP for total economic adjustments, of which an estimated \$802,600 Gross and \$157,700 GF/GP is for legacy retirement costs (pension and retiree health). 4,595,000

Conference Agreement on Items of Difference

- 10. **Michigan Indigent Defense Commission Grants.** The Governor and House included additional funds for grants to local indigent defense systems to implement the four initial minimum standards established by the Commission. \$15.3 million would come from cost recovery for partially indigent defendants, with the remaining \$46.0 million coming from GF/GP. The Senate included \$46.0 million in GF/GP funding, but eliminated the \$15.3 million state appropriation from cost recoveries. The Conference added an additional \$38.1 million to the \$46 million in GF/GP funding recommended by the Governor and House, resulting in a total of \$84.1 million in GF/GP for MIDC grants. The Conference removed \$15,299,900 in restricted funds, leaving a \$100 placeholder. 84,100,100
- 11. **Fire Protection Grants.** The Governor and House removed \$773,900 in GF/GP support for fire protection grants. The elimination of Driver Responsibility fees resulted in the removal of the remaining \$8.5 million in funding for these grants. The Senate concurred but included a \$100 placeholder for fire protection grant funding. The Conference removed all funding and did not include a placeholder. (9,273,900)
- 12. **Medical Marijuana Operation and Oversight Grants.** The Governor and House eliminated and the Senate retained \$3 million in grants to county law enforcement for operation and oversight of the Michigan Medical Marijuana Act. The Senate retained the full \$3 million in grant funding. The Conference concurred with the Senate and included \$3 million in grant funding. 0
- 13. **Transfer of Radiation Safety Section to MIOSHA.** The Governor and the Senate rolled the Radiation Safety Section funding of \$3,299,300 and 21.4 FTEs into the Michigan Occupational Health and Safety Administration line item. The House maintained the separate Radiation Safety line item. The Conference concurred with the House and maintained the separate line item. 0

Total Changes	\$83,090,200
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FY 2018-19 Conference Report Ongoing/One-Time Gross Appropriation	\$517,762,200
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Amount Over/Under GF/GP Target:	\$0
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Boilerplate Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

- 1. **Out-of-State Travel Report.** The Governor replaced this report with a less detailed version that is consistent with the report found in most other Department budget bills. The new language also removes restrictions on out-of-state travel. The Senate and House retained the previous language. (Sec. 207)

2. **Communication with the Legislature.** The Governor removed and the Senate and House retained a prohibition against taking disciplinary action against Department employees who communicate with the Legislature. (Sec. 218)
3. **TV or Radio Productions.** The Governor removed and the Senate and House retained a prohibition against the Department producing radio or TV productions. (Sec. 219)
4. **Healthy Michigan Plan Accounting Structure.** The Governor removed and the Senate and House retained a section requiring LARA and DHHS to maintain an accounting structure allowing for identification of expenditures related to the administration of the Health Michigan Plan. (Sec. 220)
5. **Regulatory Activities Report.** The Governor removed and the Senate and House retained a report providing details on licensing/regulatory activities undertaken by each agency or bureau in the Department. (Sec. 226)
6. **Employee Performance Monitoring.** The Governor removed and the Senate and House retained a section stating the intent of the Legislature that the Department establish an employee performance monitoring process in addition to what is required by the Civil Service Commission. (Sec. 227)
7. **Public Service Commission.** The Governor, Senate, and House revised a section to reflect that the Public Service Commission now administers the Low-Income Energy Assistance Grants on behalf of the Department of Health and Human Services. (Sec. 301)
8. **Direct Shipper Enforcement Fund.** The Senate and House revised a section to require that cases of out-of-state illegal wine shipping be referred to the Attorney General. The Senate and House also revised the reporting requirements contained in this section to create additional specifications to be included in the Commission's reports of illegally shipped items. (Sec. 401)
9. **Medical Marihuana Report.** The Governor retained a report for this program, but removed the specifications for the report. The Senate and House retained the previous language. (Sec. 505)
10. **Child Care Facilities License Fees.** The Governor retained language allowing the Department to assess and collect fees for the licensing and regulation of child care facilities, but removed the reporting requirement of this section. The Senate and House retained the previous language. (Sec. 509)
11. **Michigan Automated Prescription System (MAPS) Reporting Requirements.** The Governor revised to create additional reporting requirements to include the number of health facilities that have integrated the MAPS system as well as the total number of delegate users registered. The Senate and House included this item. (Sec. 510)
12. **Bureau of Services for Blind Persons (BSBP) - Identify Federal Match.** The Governor removed and the Senate and House retained a requirement that BSBP work with service organizations to identify qualified Federal match dollars. (Sec. 702)
13. **Indigent Defense Metrics.** The Governor included a new section requiring the Michigan Indigent Defense Commission to establish metrics to assess the provision of indigent defense services, and to produce a report on these metrics. The Senate and House included this item. (Sec. 803)
14. **Ethnic Affairs Commissions.** The Senate and House included a new section which requires that commission expenditures on events be directly related to the commission's mission statement. (Sec. 805)

Conference Agreement on Items of Difference

15. **Event Registration Fees.** The House included language specifying that events sponsored by the department for which registration fees are charged be related to activities under the department's purview. The Conference included this language. (Sec. 223)
16. **Fast Charging Stations Study.** The Senate included language directing the Michigan Agency for Energy to prepare a statewide assessment of the optimal siting locations for direct current fast charging stations. The Conference included the item. (Sec. 302)
17. **Liquor License Delay Mitigation.** The Governor and House removed and the Senate retained a section requiring the Michigan Liquor Control Commission to utilize funds to invest in technology to mitigate delays in license issuance related to section 503 of the Michigan Liquor Control Code. The Conference removed the item. (Sec. 401)
18. **Medical Marihuana Operation and Oversight Grants.** The Governor and House removed boilerplate pertaining to medical marihuana operation and oversight grants to county law enforcement due to the elimination of the funding for these grants. The Senate included the grant funding and retained the associated boilerplate. The Conference retained the grant funding and revised the accompanying boilerplate to prohibit use of grants for law enforcement purposes and specified that the grants be given to county agencies for education and outreach programs relating to the Michigan medical marihuana program. (Sec. 901)

19. **Distribution of Michigan Indigent Defense Commission Grants.** The Senate included a new section that specifies that MIDC grants shall not be distributed to locals until the total amount appropriated for those grants is equal to the total costs to local indigent defense systems to comply with the Michigan Indigent Defense Commission Act standards. The Conference included new language specifying that local indigent defense systems are not required to implement or maintain standards if sufficient funding is not provided through grants as described in the Act. (Sec. 904)

Date Completed: 6-12-18

Fiscal Analyst: Elizabeth Raczkowski
Josh Sefton

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberation.



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BILL ANALYSIS



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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 CONFERENCE	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	904.5	912.5	8.0	0.9
GROSS	179,504,400	192,564,300	13,059,900	7.3
Less:				
Interdepartmental Grants Received	101,800	101,800	0	0.0
ADJUSTED GROSS	179,402,600	192,462,500	13,059,900	7.3
Less:				
Federal Funds	92,334,100	98,170,200	5,836,100	6.3
Local and Private	2,168,400	2,175,400	7,000	0.3
TOTAL STATE SPENDING	84,900,100	92,116,900	7,216,800	8.5
Less:				
Other State Restricted Funds	22,332,600	23,279,500	946,900	4.2
GENERAL FUND/GENERAL PURPOSE	62,567,500	68,837,400	6,269,900	10.0
PAYMENTS TO LOCALS	142,400	2,242,400	2,100,000	1,474.7

*As of May 3, 2018.

FY 2017-18 Year-to-Date Gross Appropriation	\$179,504,400
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Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

1. **Special Maintenance - Federal.** Governor, Senate, and House recommended an increase of \$5.0 million federal for maintenance projects at various state military training facilities. 5,000,000
2. **National Guard Tuition Assistance Program.** Governor, Senate, and House recommended a \$2.5 million GF/GP increase for the program to reflect higher growth in member participation for a FY 2018-19 recommended appropriation of \$6,506,700. 2,500,000
3. **Land Acquisitions and Appraisals.** Governor, Senate, and House recommended an increase of \$900,000 restricted for land and facility acquisition for a FY 2018-19 recommended appropriation of \$2.9 million restricted. 900,000
4. **Technical Adjustment for Actual Funds Received.** Governor and Senate recommended technical adjustments to reflect reductions of \$145,000 federal. (145,000)
5. **Unclassified Salaries.** Governor and Senate recommended economic increase of \$29,400 GF/GP. 29,400
6. **Economic Adjustments.** Includes \$1,438,800 Gross and \$403,800 GF/GP for total economic adjustments, of which includes an estimated \$433,700 Gross and \$150,000 GF/GP is for legacy retirement costs. 1,438,800

Conference Agreement on Items of Difference

7. **D.J. Jacobetti Home for Veterans.** Governor and Senate recommended \$1.1 million GF/GP to support ongoing efforts to establish facility as being Medicaid certified. House did not include. Conference concurred with Governor and Senate. 1,111,700
8. **County Veteran Service Fund.** House included \$2,100,100 GF/GP to fund grants to counties. Conference included \$2.1 million. 2,100,000

9. Camp Grayling. Governor and Senate recommended \$750,000 GF/GP to assist with ongoing costs of annual Northern Strike military training exercise. House also added 8.0 FTEs. Conference concurred with House.	750,000
10. Veterans Facility Authority. Governor and Senate recommended an increase of \$500,000 GF/GP for the Veterans Facility Authority, per PA 561 of 2016, et al. which would bring FY 2018-19 appropriations to \$1.5 million GF/GP. House and Conference did not include increase.	0
11. Veterans Service Organization Grants. Senate provided a 2% GF/GP increase of \$76,700 GF/GP. Conference did not include.	0
12. Vietnam Veterans. Senate provided \$1.0 million GF/GP for one-time outreach program. Conference included \$600,000.	600,000
13. In-Room Safety Monitoring Pilot Program. Senate added \$100 placeholder for a pilot program at the Grand Rapids Home for Veterans. Conference included \$275,000 GF/GP.	275,000
14. Armory Special Maintenance. Governor recommended removal of one-time appropriation of \$2.5 million GF/GP for armory maintenance. The Senate retained \$1.0 million for maintenance for FY 2018-19. Conference concurred with Senate.	(1,500,000)
15. FY 2018-19 One-Time Gross Appropriations.	
Total Changes	\$13,059,900
FY 2018-19 Conference Report Ongoing/One-Time Gross Appropriation	\$192,564,300
Amount Over/(Under) GF/GP Target:	\$0

Boilerplate Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

1. **Contingency Funds.** Governor, Senate, and House recommended increasing the total federal funds available for contingency fund legislative transfers from \$10.0 million to \$12.0 million. (Sec. 210)
2. **Disciplinary Action.** Governor eliminated language prohibiting action against employee who communicates with Legislature. Senate and House retained section. (Sec. 215)
3. **Sale of Property.** Governor struck language requiring the department to notify the subcommittees prior to the public announcement of the intention to sell real property. Senate and House retained section. (Sec. 219)
4. **Unclassified Positions.** Governor struck language listing the titles of unclassified employees and requires notice if additional unclassified positions are created. Senate retained section. (Sec. 301)
5. **Youth ChalleNGe Academy.** Governor, Senate, and House revised language, striking language requiring resources sufficient to train 144 cadets simultaneously to train and graduate at least 114 students per cohort (228 annually) and stuck a requirement that the average grade level increase for graduates is 2 years and added language requiring that the department shall "ensure individual success through improvement of Tests of Adult Basic Education score and/or results in general equivalency diploma, alternative high school diploma, or high school credit recovery." (Sec. 303)
6. **National Guard Tuition Assistance Program.** Governor, Senate, and House revised metric requiring efforts to increase program participation to 1,100 members by the fourth year of the program to the fifth year. (Sec. 307)
7. **Michigan Veterans Affairs Agency.** Governor, Senate, and House struck language requiring a report to include a summary of activities and strategies under a community assessment and regional service delivery model. (Sec. 406)
8. **Budget Year Two Funding.** Governor struck language providing guidelines for year two appropriations. Senate and House retained section. (Sec. 701)
9. **Budget Year Two-Outreach Metric.** Governor struck language requiring the reporting of the percentage of veterans contacted, with a goal of 100% reached. Senate and House retained section. (Sec. 702)

10. **Budget Year Two-Developed Claims Metric.** Governor struck language requiring the MVAA to maintain a minimum of 50% fully developed claims as determined by the USDVA. Senate and House retained section. (Sec. 703)

Conference Agreement on Items of Difference

11. **Grand Rapids Home for Veterans.** Senate added language directing expenditure of \$100 for development of an in-room safety monitoring system. Conference modified language to include evaluation. (Sec. 402(21))
12. **Medicaid and Medicare Certification Standards for D.J. Jacobetti Home for Veterans.** Governor and Senate amended language by modifying schedule for the completion of certification from June 1, 2018 to October 1, 2018. House included and added additional requirements. Conference concurred with House. (Sec. 403)
13. **Veterans Service Organization Grants.** Governor and Senate deleted language specifying a fixed hourly payment of \$34.00 per hour. House added additional oversight and reporting. Conference concurs with House and states \$34.00 as a cap. (Sec. 407)
14. **Armory Maintenance.** Governor deleted a section relating to the expenditure of a one-time FY 2017-18 appropriation for armory maintenance. Senate retained section for FY 2018-19 expenditures. Conference concurred with Senate. (Sec. 601)
15. **Vietnam Veterans Outreach.** Conference included guidelines, metrics and reporting requirements for grant. (Sec. 602)

Date Completed: 6-12-18

Fiscal Analyst: Bruce R. Baker

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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 CONFERENCE	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	2,261.8	2,324.3	62.5	2.8
GROSS	414,292,200	438,442,800	24,150,600	5.8
Less:				
Interdepartmental Grants Received	232,200	232,200	0	0.0
ADJUSTED GROSS	414,060,000	438,210,600	24,150,600	5.8
Less:				
Federal Funds	70,095,700	81,731,600	11,635,900	16.6
Local and Private	7,446,000	7,431,400	(14,600)	(0.2)
TOTAL STATE SPENDING	336,518,300	349,047,600	12,529,300	3.7
Less:				
Other State Restricted Funds	278,547,200	299,965,800	21,418,600	7.7
GENERAL FUND/GENERAL PURPOSE	57,971,100	49,081,800	(8,889,300)	(15.3)
PAYMENTS TO LOCALS	7,154,300	9,475,200	2,320,900	32.4

*As of May 3, 2018.

FY 2017-18 Year-to-Date Gross Appropriation	\$414,292,200
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Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

- 1. State Parks Repair and Maintenance.** The Governor, House, and Senate included an additional \$10.0 million from the Park Improvement Fund and \$4.0 million from Recreation Passport Fees to support various capital outlay projects in State parks. This adjustment brings the total ongoing amount available for State park repair and maintenance to \$23.5 million. 14,000,000
- 2. Recreational Program Revenues.** The Governor, House, and Senate included additional appropriations to reflect increased revenue in several areas: \$1.75 million in additional Recreation Passport funds allocated according to statute, \$400,000 State Waterways fund for the Recreational Boating program, and \$1,925,000 Park Improvement Fund to support the operation of State parks. This increase would also support an additional 26.5 FTEs across the affected programs. 4,075,000
- 3. Off-Road Vehicle Trail Improvement Fund.** The Governor, House, and Senate included additional appropriations from this fund to reflect increased sales of ORV permits. Funds are allocated according to statute, including an additional \$950,600 for ORV trail improvement grants, and \$308,800 and 2.0 FTEs for law enforcement. The remaining \$40,600 would cover administrative costs in various parts of the department. 1,300,000
- 4. FY 2018-19 Waterways Projects.** The Governor, House, and Senate included additional funding for capital outlay projects funded from the Michigan State Waterways Fund in FY 2018-19. This includes \$541,900 for Presque Isle Marina improvements, \$643,000 for Ottawa Beach Marina improvements, and \$601,100 for Elmwood Township Marina improvements. The Governor also included an additional \$377,500 for State boating infrastructure maintenance, bringing the total for that item to \$5,952,500. 2,163,500

5. Forest Development Infrastructure. The Governor, House, and Senate included additional Forest Development Fund for various infrastructure projects to maintain and improve access to State forest lands.	3,500,000
6. Grindstone Harbor Development. The House and Senate included \$120,000 GF/GP for a grant to Port Austin Township to make improvements to Grindstone Harbor.	120,000
7. Snowmobile Trail Groomer Development. The Governor, House, and Senate included one-time funding from the Snowmobile Trail Improvement Fund for a contract to develop a state-of-the-art snowmobile trail groomer.	200,000
8. Office of the Great Lakes. The Governor's Recommendation reflects Executive Order 2017-9, which transferred the Office of the Great Lakes from the Department of Environmental Quality to the DNR. This transfer affected 23.0 FTEs and related funding. The House and Senate included this transfer.	11,801,800
9. Great Lakes Protection Fund. The Governor, House, and Senate included an increase in the Great Lakes Protection Fund appropriation for the Office of the Great Lakes to reflect available revenue in that fund.	128,900
10. State Parks Technical Adjustments. The Governor, House, and Senate included additional Park Improvement Fund appropriations to reflect increases in the costs to operate State parks. These costs primarily stem from vendor costs due to increased camping reservations (\$750,000). State park improvement bond debt service increases comprise the rest of this item.	754,700
11. Historical Marker Program. The Governor, House, and Senate included additional restricted funds to reflect receipt of this program from the Michigan History Foundation.	60,000
12. Hunter Education Program - Federal Funds. The Governor, House, and Senate included additional Federal appropriations to reflect actual revenues for the Hunter Education Program.	84,400
13. FY 2017-18 Waterways Projects. The Governor, House, and Senate removed funding for capital outlay projects funded from the Michigan State Waterways Fund in FY 2017-18. This includes \$750,000 for the East Tawas State Harbor, and \$770,500 for local boating infrastructure and maintenance. The total amount included for the latter item is about \$1.7 million.	(1,520,500)
14. Wetlands Restoration, Enhancement, and Acquisition. This item is funded using waterfowl hunt stamp revenue, and provides authority to purchase and enhance wetlands to provide habitat for various waterfowl species. The Governor, House and Senate reduced this item to \$1,000,000 to reflect available revenue.	(500,000)
15. Remove Obsolete Fund Sources. The Governor, House, and Senate removed two fund sources (Clean Michigan Initiative and Mann House Trust Fund) to reflect that these two funds are no longer anticipated to receive revenue.	(15,100)
16. Remove FY 2017-18 Supplemental and One-Time Appropriations.	(21,974,900)
17. Economic Adjustments. Includes \$3,777,800 Gross and \$542,300 GF/GP for total economic adjustments, of which an estimated \$3,406,400 Gross and \$369,500 GF/GP is for legacy retirement costs (pension and retiree health).	3,777,800
<u>Conference Agreement on Items of Difference</u>	
18. Swimmer's Itch Pilot. The Senate included \$250,000 GF/GP in one-time funds for grants to combat swimmer's itch. The House did not include this item. The Conference included it.	250,000
19. Dam Management Grant Program. The Conference included additional one-time funds for this program. Accompanying boilerplate would effectively dedicate the additional funds to the removal of a dam on the Grand River in Grand Rapids.	1,500,000
20. Wildlife Division. The Governor included an additional \$2.6 million GF/GP and 3.0 FTEs to fund lab technicians, testing and disposal costs, supplies, and other costs related to the DNR response to chronic wasting disease in Michigan. The Senate included the Governor's request and an additional \$1.0 million from the Game and Fish Protection Fund to replace that amount of GF/GP included for this purpose as a one-time appropriation in the FY 18 budget. The House and Conference concurred with the Governor, and did not include the additional funds included by the Senate.	2,600,000

21. Wildlife and Fisheries Health Study. The House included \$114,900 GF/GP for a study on the effects of perfluoroalkyl and polyfluoroalkyl substances (PFAS) on fish and wildlife. The Senate did not include this item. The Conference included \$115,000 for this item.	115,000
22. Lake Level Assessments. The Conference included GF/GP to cover the costs municipalities incur when they are required to perform a lake level assessment.	35,000
23. Long Lake Boat Launch. The Conference included GF/GP for the construction of a boat launch on Long Lake.	142,500
24. Cooperative Resource Management. The Conference included additional one-time GF/GP for this program, which would be dedicated to Wayne County soil mapping.	25,000
25. Grand River Dredging Project. The House included a \$100 GF/GP placeholder for a study on the depth of the Grand River between Grand Rapids and Lake Michigan. The Senate and Conference did not include this item.	0
26. Doane’s Landing Park Seawall. The Senate included a \$100 GF/GP placeholder for repairs to the seawall at Doane’s Landing Park in Belleville. The House and Conference did not include this item.	0
27. Conservation Officers. The Governor and Senate included additional GF/GP and 10.0 FTEs to train and hire ten new conservation officers. The House reduced this to \$750,000 and 5.0 FTEs. The Conference included \$1,050,000 and 7.0 FTEs	1,050,000
28. Mackinac Island State Park Historic Facilities. The Governor and Senate included additional GF/GP for ongoing maintenance on the historic facilities on Mackinac Island bringing the total for operations and maintenance at the park to \$1.8 million. The House reduced this increase to \$100,000. The Conference concurred with the Governor and Senate.	200,000
29. Tribal Consent Decree Negotiation. The Governor and Senate included \$240,000 ongoing and \$37,500 one-time to hire a biologist and cover Attorney General costs associated with the renegotiation of the 2000 tribal consent decree for the allocation, management, and regulation of State and Tribal fisheries. The consent decree is renegotiated every 20 years. The House reduced this by \$127,500. The Conference concurred with the Governor and Senate.	277,500
30. FY 2018-19 One-Time Gross Appropriations. \$25,000 for Wayne County soil mapping, \$1,500,000 for a Dam Management grant, \$120,000 for Grindstone Harbor, \$35,000 for lake level assessments, \$37,500 for legal services, \$142,500 for Long Lake boat launch, \$200,000 for snowmobile trail groomer pilot program, \$250,000 for swimmer’s itch, and \$115,000 for wildlife and fisheries health study.	

Total Changes	\$24,150,600
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FY 2018-19 Conference Report Ongoing/One-Time Gross Appropriation	\$438,442,800
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Amount Over/(Under) GF/GP Target:	\$0
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Boilerplate Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

1. **Invasive Species Grant Earmark.** The Governor removed, and House and Senate retained a requirement that not less than \$3.6 million appropriated for invasive species prevention and control be allocated toward grants. (Sec. 251)
2. **Michigan Historical Center - Museum Store.** The Governor, House, and Senate removed a section that exempts the museum store from certain requirements of the Management and Budget Act. (Sec. 404)
3. **Land Transaction Report.** The Governor removed, and House and Senate retained a report on all land transactions approved by the Natural Resources Commission during the prior fiscal year. (Sec. 408)

4. **Invasive Species Order - Swine.** The Governor removed, and House and Senate retained a report on efforts and expenditures related to the enforcement of the invasive species order against swine. (Sec. 503)
5. **Cervid Operation Licensing Fees.** The Governor removed, and House and Senate retained a report on the use of cervidae licensing and inspection fees as well as a requirement that those fees be used only for regulation of private cervid operations. (Sec. 504)
6. **Water Control Structure Certification.** The Governor removed, and House and Senate retained a requirement that the Department not impede the certification process for water control structures on Michigan waterways. (Sec. 602)
7. **Marine Safety Grant Report.** The Governor removed, and House and Senate retained a report on marine safety grants to county law enforcement. (Sec. 902)

Conference Agreement on Items of Difference

8. **Public Events on State-Owned Land.** The Senate included a new section requiring a report on events held on State-owned lines. The Conference did not include this section. (Sec. 221)
9. **Michigan Historical Center - Collections.** The Governor and Senate removed, and House retained a section that allows proceeds from the sale or transfer of artifacts to be used to purchase other exhibit items for the museum. The Conference removed this section. (Sec. 405)
10. **Michigan Historical Center - Fees.** The Governor and Senate removed, and House retained a section that allows the museum to charge fees for various services rendered, including admissions. The Conference removed this section. (Sec. 406)
11. **Snowmobile Law Enforcement Grants.** The Governor and House removed, and Senate retained a section directing the Department to provide snowmobile law enforcement grants to counties from appropriations for that purpose. The Conference retained this section. (Sec. 901)
12. **Silver Lake ORV Enforcement.** The House included an earmark of \$35,000 in ORV enforcement funds to be spent at Silver Lake. The Conference included this section. (Sec. 1002)
13. **Swimmer's Itch Pilot.** The Governor and House removed and Senate retained a section directing the expenditure of one-time funds for a swimmer's itch pilot program. The Conference retained this section. (Sec. 1201)
14. **Grand River Depth Study.** The House included boilerplate related to the \$100 placeholder for this item. The Conference did not include this section. (Sec. 1202)
15. **Lake Level Assessments.** The House included a section dedicating \$35,000 to cover costs related to lake level assessments. The Conference included this section and allowed these costs to be paid even if not required by a court. (Sec. 1202)
16. **Long Lake Boat Launch.** The House included language requiring funds to be used to develop a boat launch on Long Lake. The Conference included this item. (Sec. 1203)
17. **Grindstone Harbor.** The House included a section specifying that funds be used for planning and development of Grindstone Harbor. The Conference included this item. (Sec. 1204)
18. **Dam Management Grant Program.** The Conference included boilerplate specifying where the additional \$1.5 million in one-time funds for this program could be used. The specifications would effectively limit it to a dam in Grand Rapids. (Sec. 1205)
19. **PFAS Impact on Wildlife.** The House included a report on the effects of perfluoroalkyl and polyfluoroalkyl substances (PFAS) on fish and wildlife. The Conference included this item. (Sec. 1206)
20. **Wayne County Soil Mapping.** The House included a section dedicating \$25,000 to this issue. The Conference included this section. (Sec. 1207)

Date Completed: 6-12-18

Fiscal Analyst: Josh Sefton

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberation.



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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 CONFERENCE	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	3,438.0	3,518.0	80.0	2.3
GROSS	704,363,400	716,459,500	12,096,100	1.7
Less:				
Interdepartmental Grants Received	26,221,600	24,748,300	(1,473,300)	(5.6)
ADJUSTED GROSS	678,141,800	691,711,200	13,569,400	2.0
Less:				
Federal Funds	83,686,500	78,297,900	(5,388,600)	(6.4)
Local and Private	6,013,300	5,261,800	(751,500)	(12.5)
TOTAL STATE SPENDING	588,442,000	608,151,500	19,709,500	3.3
Less:				
Other State Restricted Funds	146,440,300	149,103,700	2,663,400	1.8
GENERAL FUND/GENERAL PURPOSE	442,001,700	459,047,800	17,046,100	3.9
PAYMENTS TO LOCALS	14,113,200	14,231,300	118,100	0.8

*As of May 3, 2018.

FY 2017-18 Year-to-Date Gross Appropriation	\$704,363,400
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Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

- FY 2017-18 Trooper Schools.** Governor, House, and Senate recommended annualized costs for 150 expected new trooper graduates from FY 2017-18, including \$16.8 million GF/GP for salaries and benefits and \$3.5 million GF/GP for various other expenses such as fleet leasing and equipment. 20,267,100
- FY 2018-19 Trooper Schools.** Governor, House, and Senate recommended one-time costs for FY 2018-19 trooper schools, including a new 50 trooper school (\$3.1 million GF/GP) and an attrition replacement school of 80 troopers (\$3.0 million GF/GP) to begin August, 2019. Department enlisted strength is projected to be 1,940 at the close of FY 2017-18 and at 2172 at the close of FY 2018-19. 6,070,000
- Michigan Commission on Law Enforcement Standards (MCOLES).** Governor and Senate recommended an increase of \$2.5 million restricted (per PA 281 of 2016) to provide administrative support for the commission's regulatory and grant issuing responsibilities. 2,500,000
- Medical Marijuana Regulation.** Governor, House, and Senate recommended \$2.9 million GF/GP to annualize FY 2017-18 costs of medical marijuana regulation structure created in FY 2017-18. 2,924,200
- In-Car Cameras.** Governor, House, and Senate recommended \$1.3 million GF/GP to provide lifecycle replacement of vehicle mounted in-car cameras. 1,252,500
- Lieutenants and Lab Manager Pay.** Governor, House, and Senate recommended \$0.9 million GF/GP for pay increases for State Police Lieutenants and lab managers as recommended by the State Employer and approved by the Civil Service Commission. 935,600

7. Medical Marihuana Field Sobriety Testing. Governor, House, and Senate recommended \$900,000 restricted to support the implementation of standardized field sobriety test for THC intoxication, per PA 281 of 2016.	900,000
8. Cyber Crimes Unit. Governor, House, and Senate recommended \$618,400 GF/GP and 5.0 FTEs to provide for administrative support for the Michigan Cyber Command Center.	618,400
9. Sexual Assault. Governor, House, and Senate recommended \$158,900 GF/GP and 1.0 FTE to support the implementation of the Sexual Assault Evidence Kit Tracking System as included in PA 158 of 2017.	158,900
10. Public Safety Officer Benefit Program. Governor, House, and Senate recommended \$150,000 GF/GP to increase funding for FY 2018-19 to \$301,600 GF/GP to better ensure sufficient funds are available for the \$25,000 benefit provided to survivors of public safety officers killed in action.	150,000
11. FY 2017-18 Trooper Schools. Governor, House, and Senate recommended removal of \$9.3 million GF/GP one-time appropriations for FY 2017-18 trooper schools.	(9,286,200)
12. Disaster and Emergency Contingency Fund. Governor, House, and Senate recommended removal of one-time FY 2017-18 appropriation of \$5.0 million GF/GP for the Disaster and Emergency Contingency Fund, which had a December, 2017, balance of \$4.6 million.	(5,000,000)
13. Secure Cities Initiative. Governor, House, and Senate recommended removal of one-time funding of \$1.0 million GF/GP for lifecycle replacement of equipment for the Secure Cities initiative.	(1,000,000)
14. Fair and Impartial Police Training Grants. Governor, House, and Senate recommended elimination of a one-time appropriation of \$980,000 GF/GP for police training program grants.	(980,000)
15. Forensic Science One-Time Enhancement. Governor, House, and Senate recommended removal of a one-time appropriation of \$730,000 GF/GP for forensic science enhancements.	(730,000)
16. Emergency Management/Homeland Security. Governor, House, and Senate recommended an efficiency reduction of \$392,400 GF/GP and 3.0 unfilled FTEs.	(392,400)
17. Forensic Science Overtime. Governor, House, and Senate recommended a reduction of \$274,400 GF/GP in needed overtime costs due to additional fully trained workers coming on line.	(274,400)
18. Impaired Driving Safety Commission. Governor, House, and Senate recommended elimination of appropriation of \$250,000 GF/GP due to completion of commission's work.	(250,000)
19. Law Enforcement Job Analysis Project. Governor, House, and Senate recommended elimination of \$200,000 GF/GP due to completion of project.	(200,000)
20. Technical Adjustment for Actual Funds Received. Governor, House, and Senate recommended technical adjustment to reflect reductions in \$980,000 in IDGs, \$5,675,700 Federal, \$716,000 local, \$63,100 private, and \$1,274,400 restricted.	(5,754,900)
21. FY 2017-18 Supplemental Appropriations and Transfers. Technical adjustment for FY 2017-18 supplemental appropriations of \$158,900 GF/GP, and \$2.4 million GF/GP plus a \$3,016,600 Restricted Fund transfer.	(5,575,500)
22. FY 2017-18 Boilerplate Appropriations. Technical adjustment for FY 2017-18 receive and expend appropriations from boilerplate authorization, including \$4.0 million restricted and \$24,000 Federal.	(4,024,000)
23. Unclassified Salaries. Governor, House, and Senate recommended economic increase.	11,900
24. Economic Adjustments. Includes \$4,774,900 Gross and \$3,366,900 GF/GP for total economic adjustments, which includes an estimated \$24,065,100 Gross and \$15,932,900 GF/GP is for legacy retirement costs.	4,774,900

Conference Agreement on Items of Difference

25. FY 2018-19 New Trooper School. Governor and Senate recommended on-going costs of \$3.8 GF/GP for new March, 2019, trooper school to graduate 50 troopers, which would include \$3.1 million GF/FP for salaries and benefits and \$0.7 million for other costs, including fleet leasing and equipment. House reduced by \$1,340,000, moving school to June. Conference concurred with Governor and Senate.	3,800,000
26. Addition to New Trooper School. Senate added \$637,300 GF/GP ongoing and \$3,362,700 one-time over the Governor's recommendation to add 50 new trooper positions for the August school, bringing the total to 100 for FY 2018-19. House did not include. Conference concurred with Senate, but added only 25 troopers.	2,000,000
27. OK2SAY. Senate added an additional 1.0 FTE and \$150,000 GF/GP for intelligence operations to process OK2SAY calls and \$100 placeholder for a software upgrade. House did not include. Conference included 2.0 FTEs and \$350,000.	350,000
28. Grants and Community Services. Conference added 1.0 FTE and \$150,000 GF/GP.	150,000
29. OK2SAY Information Technology Upgrade. Conference shifted \$100 to a new line item as a placeholder for programming upgrades.	0
30. School Safety Grants. House included \$25.0 million GF/GP for inclusion in a grant fund. Conference did not include.	0
31. Forensic Science TruNarc Scanning Devices. Senate Added \$175,000 GF/GP to allow for each State crime lab to have a TruNarc scanning device. House included \$740,000. Conference included \$500,000.	500,000
32. Sexual Assault Prevention and Education Initiative. Governor and Senate recommended the continuation of a FY 2017-18 one-time \$600,000 GF/GP grant program aimed at institutions of higher educations. House added \$400,000. Conference concurred with House, including a total of \$1.0 million.	400,000
33. Advanced 9-1-1. Governor and Senate recommended elimination of \$2.2 million GF/GP for a one-time grant to encourage statewide use of Advanced 9-1-1 systems. House included \$200,000. Conference concurred with Governor and Senate.	(2,200,000)
34. Michigan International Speedway. Governor recommended elimination of a one-time appropriation of \$725,000 GF/GP to provide State Police traffic control services for certain racing events at Michigan International Speedway. Senate retained the grant. House included \$400,000. Conference concurred with Senate.	0
35. Civil Air Patrol. Governor recommended removal of one-time \$20,000 GF/GP grant to Michigan Civil Air Patrol. Senate retained the grant. House did not include. Conference concurred with Senate.	0
36. FY 2018-19 One-Time Gross Appropriations. Totals \$9,476,400 GF/GP, including \$1.0 million for Sexual Assault Prevention and Education Initiative, \$725,000 for MIS Traffic Control and \$7,751,300 for trooper school costs.	
Total Changes	\$12,096,100
FY 2018-19 Conference Report Ongoing/One-Time Gross Appropriation	\$716,459,500
Amount Over/(Under) GF/GP Target:	\$0

Boilerplate Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

1. **Disciplinary Action.** Governor eliminated language prohibiting action against employee who communicates with Legislature. Senate and House retained section. (Sec. 216)

2. **Privatization Notice.** Governor struck boilerplate section requiring prior legislative notice of MSP privatization plans. Senate, and House retained section. (Sec. 220)
3. **Training and Publication.** Governor, House, and Senate recommended new boilerplate language that would allow the department to create and collect fees for printing and mailing costs for distributing publications, videos and other materials, and costs of workshops and conferences, not to exceed actual department costs. (Sec. 223)
4. **Criminal Justice Information Systems.** Governor deleted requirement to provide detailed report on concealed pistol licensing. Senate and House retained section. (Sec. 402)
5. **Sexual Assault Kit Report.** Governor, House, and Senate modified report language to change a reference from "current fiscal year" to "prior fiscal year". (Sec. 405)
6. **Secure Cities Program Report.** Governor, House, and Senate changed the due date for the report from December 1 to April 15. (Sec. 601)
7. **Special Operations.** Governor, House, and Senate recommended adjustment to a performance metric which would require the Michigan Cyber Commander Center casework to increase by 25% over the FY 207-18 level. (Sec. 701)
8. **Emergency Management and Homeland Security.** Governor recommended removing a requirement of a quarterly report on the status of infrastructure vulnerabilities in the state. Senate and House retained section. (Sec. 704)
9. **Budget Year Two Funding.** Governor struck language providing guidelines for year two appropriations. Senate and House retained section. (Sec. 1001)

Conference Agreement on Items of Difference

10. **School Safety.** House included language concerning school safety grants and inspection. Conference included requirements for reports on grants, school incidents of violence and threats, and evaluations of school safety best practices. (Sec. 407)
11. **Sexual Assault Prevention and Education Initiative.** House and Conference include amended language to expand authorized uses of grants. (Sec. 901)
12. **Advanced 9-1-1.** Governor and Senate recommended deletion of language related to one-time FY 2017-18 grant for Advanced 9-1-1. House included. Conference concurred with Governor and Senate. (Sec. 902)

Date Completed: 6-12-18

Fiscal Analyst: Bruce Baker

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberation.



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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 CONFERENCE	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	2,820.3	2,818.3	(2.0)	(0.1)
GROSS	4,524,443,000	4,843,089,900	318,646,900	7.0
Less:				
Interdepartmental Grants Received	4,039,300	4,092,500	53,200	1.3
ADJUSTED GROSS	4,520,403,700	4,838,997,400	318,593,700	7.0
Less:				
Federal Funds	1,340,301,200	1,318,271,700	(22,029,500)	(1.6)
Local and Private	50,632,000	51,432,000	800,000	1.6
TOTAL STATE SPENDING	3,129,470,500	3,469,293,700	339,823,200	10.9
Less:				
Other State Restricted Funds	2,954,470,500	3,169,293,700	214,823,200	7.3
GENERAL FUND/GENERAL PURPOSE	175,000,000	300,000,000	125,000,000	71.4
PAYMENTS TO LOCALS	1,824,418,100	2,036,860,600	212,442,500	11.6

*As of May 3, 2018.

FY 2017-18 Year-to-Date Gross Appropriation	\$4,524,443,000
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Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

- 1. One-time Funding for Roads.** Conference added an additional \$300.0 million in GF/GP for roads to be split amongst the Department (\$117.3 million), County Road Commissions (\$117.3 million), and Cities/Villages (\$65.4 million). 300,000,000
- 2. Michigan Transportation Fund Revenue Adjustments.** Governor's budget included increased funding for roads due to Road Funding Package: Dept. funds (\$56.0 million), County Road Commissions (\$77.9 million), Cities & Villages (\$43.4 million), the Transportation Economic Development Fund (\$1.2 million), and the Local Bridge Program (\$117,900). The Senate concurred. 178,969,000
- 3. Priority Maintenance.** Governor included STF increases for the maintenance of bridges (\$8.0 million), culverts (\$8.0 million), and Program development, delivery, and system operations (\$2.0 million). House and Senate concurred. 18,000,000
- 4. Highway Maintenance Adjustments.** Governor's recommendation included adjustments for increased materials costs (\$4.0 million) and maintenance of 49 new STF lane miles (\$337,600). House and Senate concurred. 4,337,600
- 5. IT Systems Upgrades.** Governor included \$2.0 million to support work station replacement and application modernization. House and Senate concurred. 2,000,000
- 6. CTF Program Investments.** Governor included \$1.2 million to support local transit agencies for Service Initiatives and \$175,000 for Transportation to Work. House & Senate concurred. 1,375,000
- 7. Technical Adjustments.** Governor included adjustments to IDGs (\$966,200) & Moveable Bridge statutory increase (\$112,400) & other minor adjustments. House & Senate concurred. 1,006,300

- 8. **Federal Funding Adjustments.** Increases in Federal funding anticipated for Federal highway funds (\$24.0 million), transportation planning (\$2.8 million), and local transit agencies (\$2.0 million); but, a large reduction for passenger & freight rail (\$50.1 million). (21,045,600)
- 9. **Debt Service Adjustments.** The Governor's recommendation included a \$9.5 million reduction in debt service payments. The House and Senate agreed. (9,502,300)
- 10. **Supplemental Reduction.** The Governor's recommendation did not include one-time supplemental funding (\$2.0 million) for asset management council for the current year (PA 201 of 2017) nor one-time supplemental funding (\$175.0 million) for roads (PA 82 of 2018). (177,000,000)
- 11. **Economic Adjustments.** The Governor's recommendation included \$5,926,400 Gross & \$0 GF/GP for total economic adjustments, of which \$3,772,900 Gross & \$0 GF/GP is for legacy retirement costs (pension and retiree health). The House & Senate agreed. 5,926,400
- 12. Conference Agreement on Items of Difference
- 13. **Transit and Rail Program Adjustments.** Governor included funding increases to: Rail Ops & Infrastructure (\$6.3 million), Transit Capital (\$7.2 million), Local Bus Operating (\$1.0 million), Detroit/Wayne County Port Authority (\$268,200). Senate concurred, and moved \$3,000,000 RFF to One-time for Ann Arbor/Traverse City Rail Project. House moved \$3.0 million from Rail Ops to Local Bus Operating, did not include additional funding for the Port Authority, and added \$100,000 for Marine Passenger Service. Conference agreed to move \$1.5 to Local Bus Operating from Rail Ops, add only \$218,000 for the Port Authority, and keep funding flat for Marine Passenger. 14,985,300
- 14. **New TEDF Category B, Community Service Infrastructure Fund.** The Senate included a new section, Category B, to assist cities & villages with populations of 10,000 or less with road resurfacing and construction. The new line was created with TEDF Category A funds, and was designated as ongoing. The House included \$1.5 million for a local grant program. Conference agreed to fund the Senate program as ongoing at \$3.0 million. 3,000,000
- 15. **FTE Reductions.** The House bill included 97 FTE cuts, including 2.0 to Unclassified, 5.0 to Finance, Contracts, & Support services, 7.0 to Transportation Planning, and 83.0 to Design & Engineering. Funding with those FTEs to move to trunkline road and bridge construction. Conference agreed to cut 2.0 FTEs from Aeronautics and move \$300,000 to Capital Outlay: Airport safety, protection, and improvement. Net zero funding. 0
- 16. **New Salt Storage Shed Project.** Senate added \$3.0 million one-time \$3.0 million from TEDF for rural salt shed storage projects. House did not include. Conference did not include. 0
- 17. **New Ann Arbor/Traverse City Rail Project.** Senate added a one-time \$3.0 million appropriation for a rail project, repairing the line from Ann Arbor to Traverse City. House did not include. Conference agreed to spend \$2.0 million through boilerplate, Sec. 751. 0
- 18. **Transportation Economic Development Fund Reduction.** The Governor's recommendation includes a permanent redirection of \$13,000,000 of Category A funding (targeted industries) to the General Fund. The Senate reduced the redirection of Category A funding to the General Fund to \$3,000,000, redirected \$7,000,000 to Category B (Distressed Community Service Fund as an ongoing new program, and redirected \$3,000,000 to the One-time section for rural salt storage sheds. The House retained all \$13.0 million of Category A funding from the previous year. Conference agreed to retain all the funding, but redirect \$3.0 million to a new line item within the TEDF: ongoing Community Service Infrastructure Fund. (3,000,000)
- 19. **Aviation Program Adjustments.** Reduced revenue from aviation fuel taxes will result in an overall decrease of funding for Airport Improvement Programs. (404,800)
- 20. **FY 2018-19 One-Time Gross Appropriations.** The conference report includes an additional \$300.0 million of GF/GP for roads. See Item #1.

Total Changes	\$318,646,900
FY 2018-19 Conference Report Ongoing/One-Time Gross Appropriation	\$4,843,089,900
Amount Over/(Under) GF/GP Target:	\$0

Boilerplate Changes from FY 2017-18 Year-to-Date:Items Included by the Senate and House

1. **Communication with the Legislature.** Governor removed a section prohibiting the Department from taking disciplinary action against employees who speak with the Legislature. House & Senate retained the section. (Sec. 215)
2. **Federal Rule Change Notification.** The Governor removed a requirement that the Department inform the legislature of proposed Federal rule changes that would require amendments to Michigan law. House & Senate retained. (Sec. 217)
3. **Remanufactured Parts.** The Governor removed a requirement that the Department prioritize the use of remanufactured parts for the maintenance of its auto fleet. The House and Senate retained the section. (Sec. 270)
4. **Commercial Space at Public Terminals.** The Governor removed a section that required space leased by the Department be rented on a competitive market rate basis. The House and Senate retained the section. (Sec. 305)
5. **State Infrastructure Bank Program.** The Governor deleted a subsection requiring an annual report on the program to the Legislature & the State Budget Office. House & Senate retained the subsection and updated the reporting dates. (Sec. 313)
6. **Rest Area Signage.** The Governor removed a section that required signage with contact information be posted for the contractor responsible for rest area maintenance. The House and Senate retained the section. (Sec. 319)
7. **Contractor Payment Process.** The Governor removed a section requiring prompt payment of contractors and Departmental review of the payment process. The House and Senate retained the section. (Sec. 353)
8. **Local Federal Aid Project Review.** The Governor removed a section requiring review of local Federal aid projects within 120 days of receipt. The House and Senate retained the section. (Sec. 357)
9. **Groundbreaking Ceremony Reimbursement Prohibition.** The Governor removed a section prohibiting reimbursement to contractors or consultants for costs associated with groundbreaking ceremonies. The House and Senate retained the section. (Sec. 375)
10. **Billboard Safety Studies.** The Governor removed a section prohibiting safety studies on the impacts of billboards on motorist safety. The House and Senate retained the section. (Sec. 376)
11. **E-Verify System Application for all Construction Contracts.** The Governor removed a section requiring the use of the E-Verify system to verify that all persons hired by a contractor are legally present and authorized to work in the United States. The House and Senate retained the section. (Sec. 381)
12. **Final Cost-Sharing.** The Governor removed a section that requires the Department to submit a final cost-sharing bill to local agencies. The House and Senate retained the section. (Sec. 382)
13. **Best Practices.** The Governor removed a section that required the Department to employ and report on best practices for transportation services in the state. The House and Senate retained the section. (Sec. 393)
14. **Funding Prioritization.** The Governor removed a section that required the Department and local agencies to prioritize funding for existing road networks. The House and Senate retained the section. (Sec. 394)
15. **Contractual Eligibility.** The Governor removed a section that required applicants for contractual services, other than construction contracts, meet eligibility requirements. The House and Senate retained the section. (Sec. 396)
16. **Replacement Buses for Rural Transit Agencies.** The Governor removed a section that required the department to include rural transit buses in its 5310 Federal grant application. The House and Senate retained the section. (Sec. 403)
17. **Large Animal Removal.** The Governor removed a section requiring the department to prioritize removal of large animal remains from State highways. The House and Senate retained the section. (Sec. 610)
18. **Contract Incentives & Disincentives.** Governor removed a section requiring the Dept. to establish & report annually on contract incentives and disincentives for the prior fiscal year. House & Senate retained the section. (Sec. 612)
19. **Alternative Road Surface Materials.** The Governor removed a section that encouraged the Department to examine the use of alternative or recycled materials for road construction. House and Senate retained the section. (Sec. 660)
20. **Winter Maintenance Truck Refurbishment.** The Governor removed a section requiring a report on any cost savings for the refurbishment of maintenance trucks. House & Senate retained the section. (Sec. 670)

21. **Railroad Abandonment Notification.** The Governor removed a section that requiring notification of a railroad company's intent to abandon a rail line. The House and Senate retained the section. (Sec. 703)
22. **Airport Improvement Programs.** The Governor modified a section to require local units of government to provide 50% of any non-federal share of an airport construction or improvement project, up from a 5% minimum. The House and Senate retained the section without the Governor's changes. (Sec. 901)

Conference Agreement on Items of Difference

23. **Gordie Howe International Bridge.** Senate amended two sections to replace "Detroit River International Crossing" with "Gordie Howe International Bridge". The House did not. Conference agreed to amend. (Secs. 384 & 385)
24. **Reporting Requirements.** Conference agreed to add several new sections regarding reporting requirements for toll credits (Sec. 386), traffic studies (Sec. 387), long-term contracts (Sec. 389), Restricted fund balances (Sec. 390), and a prohibition on motor fuel studies (Sec. 391).
25. **Work Project Balances and Federal Earmarks.** The Governor removed a section that required the Department to report annually all work project balances and all federal earmarks not expended for the preceding fiscal year. The Senate removed the section. The House retained the section. Conference removed the section. (Sec. 397)
26. **Community Service Infrastructure Fund.** The Senate added a section describing the new Category B line for Economic Development. Conference included the section. (Sec. 399)
27. **Flooding Mitigation.** The Governor amended this section to remove reference to the highway maintenance line item and to require the Department to report on flooding mitigation activities in Wayne, Oakland, and Macomb Counties. The Senate retained the section. The House concurred with the Governor. Conference agreed to retain. (Sec. 605)
28. **I-94 Reconstruction in Jackson County.** The Governor removed a section that required the department to fund a rebuilding and modernization project in Jackson County and to prepare the project for the receipt of Federal funds. The Senate retained the section. The House deleted it. Conference agreed to retain. (Sec. 606)
29. **Capital Federal Aid Construction Project Reporting.** The Governor removed a section that required the department to report on all capital Federal aid participating construction projects completed in the prior fiscal year. Senate retained the section. The House added "design life" as a reporting requirement. Conference agree with the House. (Sec. 613)
30. **Rail Operations and Infrastructure Reporting.** The Governor removed a section to require reporting on rail and infrastructure programs. The Senate retained the section. Conference agreed. (Sec. 704)
31. **Rail Freight Economic Development Spending.** The Governor removed a section that required the department to spend \$2.5 million of Comprehensive Transportation Fund on freight economic development. The Senate concurred. The House retained the section. Conference agreed to retain the section. (Sec. 750)
32. **Rail Freight Opportunities.** Conference added a new section to require the Department to meet twice annually with the rail freight industry to inform on available grant and loan programs.
33. **Department Ownership and Operation of Airports.** The Governor removed a section that encouraged the Department to find private or local entities to assume responsibility of Department airports. The Senate concurred. The House retained the section. Conference retained. (Sec. 802)
34. **Aging Aircraft.** The Governor removed a section that required the Department to issue an RFP for competitive bids to manage and sell the Department's aging aircraft fleet. The Senate concurred. The House retained and amended. Conference agreed to delete. (Sec. 803)
35. **5 or more Aircraft.** Conference included a new section limiting the Dept's fleet to four aircraft. (Sec. 804)
36. **(New) Rural Salt Storage.** The Senate added a new section for construction and maintenance projects for rural county salt storage facilities. Conference did not include the section. (Sec. 1002)
37. **(New) Ann Arbor/Traverse City Passenger Rail Line.** The Senate added a new section for the design, engineering and repair of a passenger rail line connecting Ann Arbor and Traverse City. (Sec. 1003) Conference added the section, but assigned a different boilerplate number. (Sec. 751).

Date Completed: 6-12-18

Fiscal Analyst: Michael Siracuse

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberation.



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CONTENT

The bill would provide supplemental appropriations for fiscal year (FY) 2017-18 for sixteen State budget areas. The bill proposes Gross appropriations of a negative \$512.0 million (due primarily to the reflection of May consensus revenue estimating conference caseload and cost adjustments for Medicaid) and a net positive \$108.1 million of General Fund/General Purpose (GF/GP) appropriations. All of the supplemental appropriations in the article were determined as a part of the leadership budget target agreement for FY 2018-19. Table 1 summarizes the appropriations in this article.

Table 1

Summary of Supplemental Appropriations					
Budget Area	Gross	Federal	Local/ Private	State Restricted	GF/GP
Ag. & Rur. Dev.	\$250,000	\$0	\$0	\$0	\$250,000
Attorney Gen.	1,126,200	41,200	85,000	0	1,000,000
Capital Outlay	800	0	0	0	800
Corrections	1,750,000	0	0	0	1,750,000
Education	14,603,900	14,603,900	0	0	0
DEQ	20,070,000	0	0	2,000,000	18,070,000
DHHS	(681,378,100)	(685,261,500)	1,403,700	31,904,900	(29,425,200)
LARA	600,000	0	0	600,000	0
Mil. & Vet. Aff	3,766,700	0	0	0	3,766,700
DNR	8,450,000	0	0	1,900,000	6,550,000
State	12,092,400	10,707,000	0	1,250,000	135,400
State Police	30,000,000	0	0	0	30,000,000
Tal. & Econ Dev	23,156,100	0	0	0	23,156,100
DTMB	21,618,200	0	0	420,000	21,198,200
Transportation	30,000,000	0	0	0	30,000,000
Treasury	1,898,500	0	0	300,000	1,598,500
TOTAL	(\$511,995,300)	(\$659,909,400)	\$1,488,700	\$38,374,900	\$108,050,500

FISCAL IMPACT

The bill would lower FY 2017-18 Gross State appropriations by \$512.0 million, and Federal appropriations by \$659.9 million. The bill would increase local/private appropriations by \$1.5 million, State Restricted appropriations by \$38.4 million and GF/GP appropriations by \$108.1 million. Table 2 summarizes the details of the appropriations in this article.

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. Agriculture and Rural Development. Prioritizes the order of spending from the agriculture equine industry development fund (due to loss of revenue) as (1) support of costs incurred by the Michigan Gaming Control Board, and (2) allocation of not less than \$395,000 for fairs' and licensed tracks' purses and supplements.

Sec. 302. Agriculture and Rural Development. Allocates horse racing purse funding to specific categories; and designates a work project for unexpended funds from the \$250,000 appropriated for horse racing purse funding.

Sec. 401. Attorney General. Designates a work project for unexpended funds from the \$126,200 appropriated to the prosecuting attorneys coordinating council for the design, development, and implementation of a case management computer system.

Sec. 501. Capital Outlay. States that the leases for construction projects are for a public purpose; authorizes the lease and conveyance of the properties to the State Building Authority; and states legislative intent to annually appropriate sufficient amounts to pay the rent.

Sec. 601. Environmental Quality. Requires the Department to allocate the funds appropriated for the drinking water declaration of emergency to address legal obligations related to the *Concerned Pastors for Social Action v Khouri* settlement.

Sec. 602. Environmental Quality. Designates a work project for unexpended funds from the \$20.0 million appropriated for the Flint drinking water declaration of emergency.

Sec. 701. Health and Human Services-Title IX Regional Consortium Pilot Program. Requires the Department to oversee a pilot program of independent regional centers to review and investigate reports of sexual misconduct on college and university campuses, with the goal to develop a framework of best practices for campus sexual assault.

Sec. 702. Health and Human Services-IT Services and Projects. Allocates \$150,000 to support new juvenile justice county payment processes and the implementation of technological changes to MiSACWIS; designates a work project for unexpended funds.

Sec. 703. Health and Human Services-Foster Care Payments. Maintains the \$6,000 payment made to private child placing agencies upon completion of child welfare caseworker training; allocates \$15.8 million for noncaseload spending purposes but requires allocating sufficient amounts to ensure the \$6,000 payments are made.

Sec. 704. Health and Human Services-Children's Services Administration. Requires the Department to expend up to \$25,000 to support a workgroup to update child welfare training methods.

Sec. 705. Health and Human Services-Direct Primary Care Pilot. Changes the FY 2017-18 pilot program to allow creation of managed care or fee-for-service versions of the pilot, if warranted.

Sec. 751. Insurance and Financial Services. Allows the Department to expend Insurance Bureau Fund revenue, pursuant to MCL 500.225, to support legislative participation in insurance activities coordinated by insurance and legislative associations.

Sec. 801. Natural Resources-Wildlife Management. Designates a work project for unexpended funds from the \$5.3 million appropriated for wildlife disease research.

Sec. 802. Natural Resources-Forestry. Designates a work project for unexpended funds from the \$1.9 million appropriated for enhancements to the vegetative management system.

Sec. 803. Natural Resources-Nongame Fish and Wildlife Trust Fund. Transfers \$1.0 million from State GF/GP to the Kirtland's warbler dedicated account of the Fund.

Sec. 901. Department of State-HAVA. Designates a work project for unexpended Federal Help America Vote Act funds of \$11,242,400 for election security improvements.

Sec. 902. Department of State-Branch Operations. Designates a work project for unexpended funds from the \$1.0 million appropriated for staff support for reinstatement of driver licenses, due to the elimination of driver responsibility fees.

Sec. 1001. State Police-School Safety Grant Program. Establishes parameters for the program whose purpose is to create safer school environments through equipment and technology enhancements; allocates \$10.0 million of the \$25.0 million appropriation for grants without a local match requirement, and \$15.0 million for grants with a 25% local match requirement; outlines application procedures and eligible expenditures; requires awards to be issued no later than October 31, 2018; requires the Department to report on grant activities by March 1, 2019; and designates a work project for unexpended funds.

Sec. 1101. Talent and Economic Development-Michigan Enhancement Grants. Allocates the \$21,975,000 appropriated in part 1 as follows: (1) Grand Haven State Park, \$1.9 million; (2) Oceana County trail, \$1.4 million; (3) Grand River environmental testing/dredging, \$1,150,000; (4) Grand Rapids Civic Theater, \$1.0 million; (5) North Grand River Riverfront Park, \$750,000; (6) Sloan Museum expansion, \$500,000; (7) Kids Food Basket, \$500,000; (8) Henry Ford Museum, \$500,000; (9) Branch County road project, \$500,000; (10) Arab American Museum, \$500,000; (11) Charles H. Wright Museum, \$500,000; (12) Holocaust Memorial Center, \$500,000; (13) Tuscola County trail project, \$300,000; (14) White Lake Township environmental clean-up, \$250,000; (15) Lake Superior State University community center, \$150,000; (16) North Rosedale Park community center, \$150,000; (17) Au Gres boat launch, \$100,000; (18) Saginaw River deepening project, \$100,000; (19) Kalamazoo community engagement grant, \$100,000; (20) Cristo Rey community center, \$100,000; (21) Lenawee County conservation district, \$45,000; (22) Sault Ste. Marie 350th anniversary, \$25,000; (23) Gladwin World War I monument, \$5,000; (24) Albion water and sewer project, \$500,000; (25) Albion Oaklawn behavioral and physical health clinic, \$200,000; (26) Oscoda Township water pipeline hookup, \$325,000; (27) Presque Isle rural broadband, \$100,000; (28) Arthur Leslow Community Center renovation, \$100,000; (29) Monroe Women's addiction center renovation, \$100,000; (30) River Raisin Center for the Arts, \$73,000; (31) Great Lakes Center for the Arts, \$1.0 million; (32) Bay Mills Indian Community Hospital \$1.5 million; (33) Holy Cross Services, \$1.0 million; (34) Utica Downtown Development Authority property redevelopment, \$500,000; (35) Utica Veterans Memorial Park, \$25,000; (36) Chesterfield Township Veterans Park sidewalk repair, \$50,000; (37) Seita Scholars Program, Western Michigan University, \$500,000; (38) Chaldean Community Foundation, \$500,000; (39) Jefferson Barns Community Vitality Center, \$100,000; (40) Delta County Upper Peninsula veterans hall of fame, \$500,000; (41) Macomb County Community Mental Health, \$1.0 million; (42) Glen Oaks Community College local match funding, \$1.5 million; (43) City of Plymouth and Plymouth Township VIPER 911 system and dispatch computers, \$200,000; (44) Plymouth Township new fire engine, \$400,000; (45) Northville library upgrades, \$81,000; (46) Plymouth library upgrades, \$96,000; (47) Camp Grayling veteran land improvement/Camp Grayling law enforcement building, \$75,000; (48) Grayling airport tree cutting, \$125,000; (49) MICorps - cooperative lakes monitoring program, \$150,000; and (50) Michigan Research Institute, \$250,000; subsection 51 designates work projects for any unexpended funds from the \$21,975,000 appropriated for Michigan enhancement grants.

Sec. 1151. Technology, Management, and Budget-Gubernatorial Transition Costs. Designates a work project for unexpended funds from the \$1,750,000 appropriated for the transition.

Sec. 1152. Technology, Management, and Budget-Northern Satellite Psychiatric Facility. Requires the Department to work cooperatively with the Department of Health and Human Services to identify a location for the project, and a status report.

Sec. 1153. Technology, Management, and Budget-Budget Stabilization Fund. Appropriates \$115.0 million GF/GP to the Fund.

Sec. 1201. Transportation-Community Infrastructure Investments. Allocates the \$30.0 million appropriated in part 1 for the following projects: (1) Dixie Highway, \$1,070,000; (2) Chaplin Road bridge, \$200,000; (3) Seymour Road, \$303,600; (4) Livernois Avenue, \$700,000; (5) South Boulevard, \$1,250,000; (6) Lamoreaux Road, \$1.0 million; (7) Portage Street, \$850,000; (8) Idaho Avenue, \$850,000; (9) Texas Drive, \$460,000; (10) Wellhouse Drive-Boulevard, \$55,000; (11) 8th Street Phase 2, \$300,000; (12) Beaverton Industrial Park Road, \$360,000; (13) Pleasant Lake Road bridge, \$800,000; (14) South Stony Creek Road, \$1.8 million; (15) Coleman Road, \$7.6 million; (16) Traverse Area Recreation and Transportation trails, \$2.4 million; (17) South Stony Creek Road, \$1,550,000; (18) Monroe County flood damage levee and pump repair, \$200,000; (19) General Drive between Ann Arbor Road and Joy Road, \$500,000; (20) Ford Road boulevard planning study, \$750,000; (21) US-223 access road to Adrian College, \$450,000; (22) Mound Road turnaround, \$297,200; (23) Van Dyke Avenue curb repairs, \$150,000; (24) City of Utica Summers Street repaving, \$100,000; (25) Beal City infrastructure improvements, \$3,000,000; (26) Lincoln Road improvements, \$600,000; (27) City of Portage Zylman Road improvements, \$1,800,000; (28) City of Portage Lover's Lane realignment, \$600,000; subsection 29 designates work projects for any unexpended funds from the \$30.0 million appropriated for community infrastructure investments.

Sec. 1302. Treasury-Financial Data Analytic Tool. Allocates \$500,000 for reimbursement to cities, villages, townships, counties, and regional councils of government; specifies what tool vendors must do; requires use of work project funds prior to current appropriation; outlines reimbursement procedure; designates a work project for unexpended funds; and requires a report within 30 days after all payments are made.

Enacting Section 1. Repealer. Section 802 of the FY 2017-18 Department of Agriculture and Rural Development's initial appropriation act, regarding the Agriculture Equine Industry Development Fund, is repealed, and replaced by Sec. 301 of this article.

Enacting Section 2. Repealer. Section 936 of the FY 2017-18 Department of Treasury's initial appropriation act, regarding the financial data analytic tool, is repealed, and replaced by Sec. 1302 of this article.

Enacting Section 3. Repealer. Section 1407 of an FY 2017-18 supplemental appropriation for the Department of Health and Human Services, regarding the direct primary care pilot program, is repealed, and replaced by Sec. 705 of this article.

Table 2

Senate Bill 848 (CR-1) - Article XX: FY 2017-18 Supplemental Recommendations		
Department/Program	Conference Report	
	Gross	GF/GP
Agriculture and Rural Development		
Horse racing purse funding.....	\$250,000	\$250,000
Offsetting \$671,800 appropriations to allow ag equine boilerplate change ...	<u>0</u>	<u>0</u>
Total Agriculture and Rural Development	\$250,000	\$250,000
Attorney General		
OK2SAY student safety program	\$1,000,000	\$1,000,000
Prosecuting attorneys NextGen case management system (Fed/local rev.) ..	<u>126,200</u>	<u>0</u>
Total Attorney General.....	\$1,126,200	\$1,000,000

Capital Outlay		
Alpena CC health sciences/student success construction authorization	\$100	\$100
Grand Rapids CC applied tech center renovation construction authorization ...	100	100
Lake Superior freshwater research/ed center construction authorization	100	100
Michigan State STEM teaching/learning facility construction authorization ...	100	100
Mott CC southern lakes branch center renovation construction authorization ..	100	100
North Central CC classroom renovation/expansion construction authorization ...	100	100
Wayne State STEM innovation learning center construction authorization	100	100
Washtenaw CC advanced transportation center construction authorization ..	<u>100</u>	<u>100</u>
Total Capital Outlay.....	\$800	\$800
Corrections		
Education programs: vocational village support	<u>\$1,750,000</u>	<u>\$1,750,000</u>
Total Corrections.....	\$1,750,000	\$1,750,000
Education		
Child development and care CREC caseload adjustment (Federal)	<u>\$14,603,900</u>	<u>\$0</u>
Total Education	\$14,603,900	\$0
Environmental Quality		
Flint service line replacement (\$2 million Flint reserve fund).....	\$20,000,000	\$18,000,000
Enhance online water withdrawal assessment tool.....	<u>70,000</u>	<u>70,000</u>
Total Environmental Quality.....	\$20,070,000	\$18,070,000
Health and Human Services		
PIHP rate increase for specialty behavioral health services (one-time)	\$59,800,000	\$17,053,700
Lakeshore regional entity PIHP risk sharing	6,974,000	6,974,000
Legal services.....	3,000,000	3,000,000
Public health projects	1,500,000	1,500,000
Statewide Prepaid Inpatient Health Plan (PIHP) audit.....	1,500,000	1,500,000
Title IX regional consortium college/university campuses pilot program	1,000,000	1,000,000
Univ. of Detroit dental clinics Hamtramck program	250,000	250,000
MiSACWIS support for new juvenile justice county payment process	150,000	150,000
Child welfare training methods workgroup.....	25,000	25,000
Food assistance base and caseload (Federal)	(418,506,300)	0
Consensus caseload and cost adjustments	(329,591,100)	(69,112,200)
Noncaseload and cost adjustments.....	<u>(7,479,700)</u>	<u>8,234,300</u>
Total Health and Human Services	(\$681,378,100)	(\$29,425,200)
Insurance and Financial Services		
Offsetting \$3.8m appropriations to allow insurance bureau boilerplate change ..	\$0	\$0
Total Insurance and Financial Services	\$0	\$0
Licensing and Regulatory Affairs		
Nurse aide training and registration program (nurse aide registry fund).....	<u>\$600,000</u>	<u>\$0</u>
Total Licensing and Regulatory Affairs.....	\$600,000	\$0
Military and Veterans Affairs		
National Guard tuition assistance fund	\$2,500,000	\$2,500,000
D.J. Jacobetti veterans' home Medicaid certification.....	<u>1,266,700</u>	<u>1,266,700</u>
Total Military and Veterans Affairs.....	\$3,766,700	\$3,766,700
Natural Resources		
Chronic wasting disease research/response	\$5,300,000	\$5,300,000
Replace timber sale management system (forest development fund).....	1,900,000	0
Nongame fish and wildlife trust fund.....	1,000,000	1,000,000
Invasive species programs	<u>250,000</u>	<u>250,000</u>
Total Natural Resources	\$8,450,000	\$6,550,000

State		
Federal Help America Vote election security funds (State match, \$135,400)...	\$10,842,400	\$135,400
Temporary staff for driver responsibility implementation (100 FTEs; TACF rev.) ..	1,000,000	0
Motorcycle safety education administration (motorcycle safety fund)	<u>250,000</u>	<u>0</u>
Total State	\$12,092,400	\$135,400
State Police		
School safety grants.....	\$25,000,000	\$25,000,000
Disaster and emergency contingency fund	2,500,000	2,500,000
Trooper recruitment, training, and outreach	1,000,000	1,000,000
Information technology services and projects	1,000,000	1,000,000
OK2SAY and school safety grant administration	<u>500,000</u>	<u>500,000</u>
Total State Police	\$30,000,000	\$30,000,000
Talent and Economic Development		
Michigan enhancement grants	\$21,975,000	\$21,975,000
Reappropriate unspent funds for law enf. officers memorial monument fund ..	<u>1,181,100</u>	<u>1,181,100</u>
Total Talent and Economic Development.....	\$23,156,100	\$23,156,100
Technology, Management, and Budget		
Michigan military act retirement plan.....	\$11,000,000	\$11,000,000
State building authority rent payments (debt service).....	5,448,200	5,448,200
Caro property demolition funds.....	3,000,000	3,000,000
Gubernatorial transition costs	1,750,000	1,750,000
Michigan civilian cyber corps (infrastructure fund)	<u>420,000</u>	<u>0</u>
Total Technology, Management and Budget.....	\$21,618,200	\$21,198,200
Transportation		
Community infrastructure investments	<u>\$30,000,000</u>	<u>\$30,000,000</u>
Total Transportation	\$30,000,000	\$30,000,000
Treasury-Operations		
Collect, review, and report on TIFA data per PA 57 of 2018	\$1,148,500	\$1,148,500
Monitor, evaluate, and review local OPEB plans per PA 202 of 2017	250,000	250,000
Implement driver responsibility fee changes (DRF revenue)	250,000	0
Trial court funding commission	200,000	200,000
Genesee county register of deeds water service line records (reserve fund) ...	<u>50,000</u>	<u>0</u>
Total Treasury-Operations	\$1,898,500	\$1,598,500
Total Budget Area Supplemental Appropriations.....	(\$511,995,300)	\$108,050,500
Supplemental Appropriation for Budget Stabilization Fund	\$115,000,000	\$115,000,000

Fiscal Analysts: Ellen Jeffries and Steve Angelotti

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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.