



Senate Fiscal Agency  
P.O. Box 30036  
Lansing, Michigan 48909-7536



Telephone: (517) 373-2768  
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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2018-19 YEAR-TO-DATE*	FY 2019-20 CONFERENCE	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions .....	8,734.7	8,768.7	34.0	0.4
<b>GROSS .....</b>	<b>5,316,140,500</b>	<b>5,257,231,900</b>	<b>(58,908,600)</b>	<b>(1.1)</b>
Less:				
Interdepartmental Grants Received .....	821,066,200	1,024,884,300	203,818,100	24.8
<b>ADJUSTED GROSS .....</b>	<b>4,495,074,300</b>	<b>4,232,347,600</b>	<b>(262,726,700)</b>	<b>(5.8)</b>
Less:				
Federal Funds .....	809,077,500	808,347,300	(730,200)	(0.1)
Local and Private .....	22,224,700	22,292,700	68,000	0.3
<b>TOTAL STATE SPENDING .....</b>	<b>3,663,772,100</b>	<b>3,401,707,600</b>	<b>(262,064,500)</b>	<b>(7.2)</b>
Less:				
Other State Restricted Funds .....	2,307,085,700	2,353,503,200	46,417,500	2.0
<b>GENERAL FUND/GENERAL PURPOSE .....</b>	<b>1,356,686,400</b>	<b>1,048,204,400</b>	<b>(308,482,000)</b>	<b>(22.7)</b>
<b>PAYMENTS TO LOCALS .....</b>	<b>1,581,854,700</b>	<b>1,584,302,600</b>	<b>2,447,900</b>	<b>0.2</b>

\*As of July 1, 2019.

See Individual Highlight Sheet for Department Detail

**Boilerplate Changes from FY 2018-19 Year-to-Date:**Items Included by the Senate and House

1. **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)
2. **General Fund Restrictions.** The **Governor** deleted and **Senate/House/Conference** retained the prohibition on the Departments from using General Fund appropriations where Federal and Private Funds are available for the same purpose. (Sec. 217)
3. **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)
4. **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 to implement enacted legislation. (Sec. 221)
5. **Auditor General.** The **Governor** deleted and **Senate/House/Conference** retained the requirement that departments report within six months after an audit with 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)
6. **Technical Modification.** The **Governor/Senate/House/Conference** made several technical adjustments such as revised dates, spending totals, and definitions. (Secs. 201, 203, 212, and 240)

Conference Agreement on Items of Difference

7. **Budget Stabilization Fund.** The **Governor** added a \$150.0 million deposit into the BSF, recommended the deposit of 25% of the lapsed FY 2018-19 GF/GP unassigned ending balance, did not provide an estimate of that amount. The **Senate** recommended a \$50.0 million deposit into the BSF and removed the lapse language. The **House/Conference** did not include any deposit into the BSF and removed the lapse language. (Sec. 210)
8. **Report Requirement.** The **House/Conference** included new language that requires that reports be provided within 30 days of report due dates or there will be a 5% reduction to operations in the Department, chairpersons can waive the penalty if notified 10 days prior to the due date. (Sec. 219)
9. **Work Project Language.** The **House/Conference** included new language that requires work project appropriations be used prior to new appropriations for the same expenditure. (Sec. 222)

Date Completed: 9-19-19

Fiscal Analysts: Joe Carrasco, Jr.  
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			AMOUNT	PERCENT
FTE Positions .....	531.0	537.0	6.0	1.1
<b>GROSS .....</b>	<b>104,662,700</b>	<b>105,982,800</b>	<b>1,320,100</b>	<b>1.3</b>
Less:				
Interdepartmental Grants Received .....	30,386,400	34,373,000	3,986,600	13.1
<b>ADJUSTED GROSS .....</b>	<b>74,276,300</b>	<b>71,609,800</b>	<b>(2,666,500)</b>	<b>(3.6)</b>
Less:				
Federal Funds .....	10,007,300	9,713,700	(293,600)	(2.9)
Local and Private .....	0	0	0	0.0
<b>TOTAL STATE SPENDING .....</b>	<b>64,269,000</b>	<b>61,896,100</b>	<b>(2,372,900)</b>	<b>(3.7)</b>
Less:				
Other State Restricted Funds .....	22,427,200	20,159,800	(2,267,400)	(10.1)
<b>GENERAL FUND/GENERAL PURPOSE .....</b>	<b>41,841,800</b>	<b>41,736,300</b>	<b>(105,500)</b>	<b>(0.3)</b>
<b>PAYMENTS TO LOCALS .....</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>

\*As of July 1, 2019.

	Gross	GF/GP
<b>FY 2018-19 Year-to-Date Appropriation .....</b>	<b>\$104,662,700</b>	<b>\$41,841,800</b>

#### Changes from FY 2018-19 Year-to-Date:

##### Items Included by the Senate and House

1. <b>Removal of FY 2018-19 Supplemental Funding. Governor and Senate</b> removed supplemental funding for the Prosecuting Attorneys Coordinating Council (PACC) totaling \$378,800 added via P.A. 618 of 2018 and \$635,000 added for clergy investigations via P.A. 28 of 2019.	(1,013,800)	(635,000)
2. <b>Marihuana Legal Services. Governor and Senate</b> increased IDG funding to provide legal services for marihuana regulation due to adoption of Proposal 1 in November 2018.	935,400	0
3. <b>MSHDA Legal Services. Governor and Senate</b> increased IDG funding and added 2.0 FTEs to provide adequate funding for legal staffing for MSHDA.	335,500	0
4. <b>DTMB Legal Services. Governor and Senate</b> provided additional IDG funding and added 4.0 FTEs for additional attorneys for DTMB related activities.	670,000	0
5. <b>Elimination of FY 2018-19 One-Time Items. Governor</b> removed one-time funding totaling \$800,000; \$100,000 GF/GP. Funding removed as follows: \$700,000 in Restricted lawsuit settlement funds for PACC for juvenile life without parole cases and \$100,000 in GF/GP for PACC for forensic interviewing trainings.	(800,000)	(100,000)
6. <b>Economic Adjustments.</b> Includes \$1,388,000 Gross and \$629,500 GF/GP for total economic adjustments, of which an estimated negative \$1,089,100 Gross and \$447,700 GF/GP is for legacy retirement costs (pension and retiree health).	1,388,000	629,500

Conference Agreement on Items of Difference

7. <b>Child Abuse and Neglect. Governor, Senate, and Conference</b> provided additional IDG funding and added 2.0 FTEs for attorneys for DHHS for investigations and prosecutions of child abuse and neglect cases in Wayne County.	340,000	0
8. <b>Administrative Reduction. Senate</b> removed \$4.2 million GF/GP, equal to a 10.0% GF reduction, as an administrative adjustment. Conference did not include the reduction.	0	0
9. <b>DHHS Human Services. Conference</b> removed IDG grants from DHHS totaling \$535,000 that was not included in the DHHS budget.	(535,000)	0
Total Changes .....	\$1,320,100	(\$105,500)
<b>FY 2019-20 Conference Report Appropriation .....</b>	<b>\$105,982,800</b>	<b>\$41,736,300</b>
<b>Amount Over/(Under) GF/GP Target:</b>	<b>\$0</b>	<b>\$0</b>

**Boilerplate Changes from FY 2018-19 Year-to-Date:**Items Included by the Senate and House

1. **Boilerplate Structure. Governor:** Moved boilerplate from the FY 2018-19 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:** Retained current law format.
2. **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, House, and Conference:** Concurred. (Current Law Sec. 314a)
3. **Address Confidentiality Program.** Requires 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, sexual assault, or is at risk of physical harm if his or her address is disclosed. Section becomes effective upon enactment of Senate Bill 655 of the 99th Legislature. **Governor:** SB 655 was not enacted thus section is deleted. **Senate, House, and Conference:** Concurred. (CL Sec. 316a)
4. **Forensic Interviewing.** Requires the one-time funding provided in Part 1 to be used to provide additional forensic interviewing training sessions to meet demand. Funding is intended to fund trainings for Child Advocacy Centers and local prosecutors. **Governor:** Deleted. **Senate, House, and Conference:** Concurred. (CL Sec. 318)
5. **Legacy Cost Estimates.** Total legacy costs are estimated at \$18,049,500. Of the total, pension-related legacy costs are estimated at \$8,321,100 and retiree health care legacy costs are estimated at \$9,728,400 for fiscal year ending September 30, 2019. **Governor:** Provided the following Legacy Costs estimates for FY 2020: Total legacy costs estimated at \$17,223,800. Of that total, \$8,372,900 are for pension-related legacy costs and \$8,850,900 are for retiree health care legacy costs for the fiscal year ending September 30, 2020. **Senate, House, and Conference:** Concurred. (Gov. Sec. 214, CL Sec. 315)

Conference Agreement on Items of Difference

6. **Contingency Funds. Senate:** Removed language authorizing the use of contingency funds. **House:** Retained current law. **Conference:** Reduced authorizations by 50%. (Sec. 301)
7. **Litigation Expense Reimbursement.** Language appropriated up to \$1.0 million from litigation expense reimbursements awarded to the State for specific purposes. **Senate:** Deleted. **House:** Retained at \$500,000. **Conference:** Concurred with Senate. (CL Sec. 308)
8. **NEW Reimbursements. House:** Added new language requiring the Department of Attorney General to report to the Senate and House appropriations subcommittees on corrections the total amount or reimbursements received under section 6 of 1984 PA 282, the amount paid to conduct the investigations from these reimbursements, and the amount credited to the general fund from these reimbursements. **Conference:** Concurred with House. (**NEW** Sec. 309a)

9. **NEW Lawsuit Settlements Proceeds Fund Report. House:** Added new language requiring the Attorney General's Office to submit a quarterly report to the House and Senate standing committees on appropriations, the House and Senate appropriations subcommittees on General Government, the House and Senate fiscal agencies, and the State Budget Office, on the Lawsuit Settlement Proceeds Fund. **Conference:** Concurred with House. (**NEW** Sec. 313)
10. **NEW Wrongful Imprisonment Compensation Fund. Governor:** 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. The language also requires that the Department include the number of claims filed and the corresponding amount of the settlement. **Conference:** Concurred with House. (**NEW** Sec. 319)
11. **NEW Lawsuit Settlement Notification and Lawsuit Prohibition. Senate:** Added new language requiring the Department to notify appropriations chair's and fiscal agencies of lawsuit settlements with a fiscal impact of \$5.0 million or more. Requires the Department to enforce State law and prohibits the Department from entering into a lawsuit contrary to Michigan law. **Conference:** Concurred with Senate. (**NEW** Sec. 320)
12. **NEW Attorney General Appearance. House:** Requires the Attorney General to appear before the House and Senate Appropriations Subcommittees on General Government within 14 days of filing a lawsuit against the federal government. **Conference:** Modified to 30 days and upon request by the chairs. Must provide notification when a lawsuit is filed and include the estimated cost to the Department. (**NEW** Sec. 321)

Date Completed: 9-19-19

Fiscal Analyst: Joe Carrasco, Jr.





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			AMOUNT	PERCENT
FTE Positions .....	110.0	110.0	0.0	0.0
<b>GROSS .....</b>	<b>16,201,100</b>	<b>16,388,300</b>	<b>187,200</b>	<b>1.2</b>
Less:				
Interdepartmental Grants Received .....	299,100	298,500	(600)	(0.2)
<b>ADJUSTED GROSS .....</b>	<b>15,902,000</b>	<b>16,089,800</b>	<b>187,800</b>	<b>1.2</b>
Less:				
Federal Funds .....	2,802,700	2,816,900	14,200	0.5
Local and Private .....	18,700	18,700	0	0.0
<b>TOTAL STATE SPENDING .....</b>	<b>13,080,600</b>	<b>13,254,200</b>	<b>173,600</b>	<b>1.3</b>
Less:				
Other State Restricted Funds .....	58,500	58,500	0	0.0
<b>GENERAL FUND/GENERAL PURPOSE .....</b>	<b>13,022,100</b>	<b>13,195,700</b>	<b>173,600</b>	<b>1.3</b>
<b>PAYMENTS TO LOCALS .....</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>

\*As of July 1, 2019.

	Gross	GF/GP
<b>FY 2018-19 Year-to-Date Appropriation .....</b>	<b>\$16,201,100</b>	<b>\$13,022,100</b>
<b>Changes from FY 2018-19 Year-to-Date:</b>		
<u>Items Included by the Senate and House</u>		
1. <b>Economic Adjustments.</b> Includes \$187,200 Gross and \$173,600 GF/GP for total economic adjustments, of which an estimated negative \$166,000 Gross and \$148,000 GF/GP is for legacy retirement costs (pension and retiree health).	187,200	173,600
<u>Conference Agreement on Items of Difference</u>		
2. <b>Operations Reduction.</b> Senate reduced Civil Rights Operations by 10.0% equaling a \$1.2 million GF/GP reduction. House reduced operations by \$18,500 restricted and \$368,300 GF/GP. Conference concurred with the Governor and did not reduce operations.	0	0
Total Changes .....	\$187,200	\$173,600
<b>FY 2019-20 Conference Report Appropriation .....</b>	<b>\$16,388,300</b>	<b>\$13,195,700</b>
<b>Amount Over/(Under) GF/GP Target:</b>	<b>\$0</b>	<b>\$0</b>

#### Boilerplate Changes from FY 2018-19 Year-to-Date:

##### Items Included by the Senate and House

1. **Governor:** Moved boilerplate from the FY 2018-19 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 format.

2. **Legacy Cost Estimates.** Total legacy costs are estimated at \$2,558,000. Of the total, pension-related legacy costs are estimated at \$1,179,300 and retiree health care legacy costs are estimated at \$1,378,700 for fiscal year ending September 30, 2019. **Governor:** Provided the following Legacy Costs estimates for FY 2020: Total legacy costs estimated at \$2,516,500. Of that total, \$1,223,300 are for pension-related legacy costs and \$1,293,200 are for retiree health care legacy costs for the fiscal year ending September 30, 2020. **Senate, House, and Conference:** Concurred. (CL Sec. 410)

Conference Agreement on Items of Difference

3. **Contingency Funds.** The **Senate** eliminated a section authorizing the use of contingency funds. **House:** Retained current law. **Conference:** Reduced authorizations by 50%. (Sec. 401)
4. **NEW Museum Language.** **Conference:** Added new language providing awards grants to the Arab-American Museum for \$500,000, the Charles H. Wright Museum for \$500,000, and the Holocaust Memorial Center for \$500,000 from a new line item named Museums Support. (**NEW** Sec. 411)

Date Completed: 9-20-19

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			AMOUNT	PERCENT
FTE Positions .....	79.2	79.2	0.0	0.0
<b>GROSS .....</b>	<b>6,980,100</b>	<b>7,114,300</b>	<b>134,200</b>	<b>1.9</b>
Less:				
Interdepartmental Grants Received .....	0	0	0	0.0
<b>ADJUSTED GROSS .....</b>	<b>6,980,100</b>	<b>7,114,300</b>	<b>134,200</b>	<b>1.9</b>
Less:				
Federal Funds .....	0	0	0	0.0
Local and Private .....	0	0	0	0.0
<b>TOTAL STATE SPENDING .....</b>	<b>6,980,100</b>	<b>7,114,300</b>	<b>134,200</b>	<b>1.9</b>
Less:				
Other State Restricted Funds .....	0	0	0	0.0
<b>GENERAL FUND/GENERAL PURPOSE .....</b>	<b>6,980,100</b>	<b>7,114,300</b>	<b>134,200</b>	<b>1.9</b>
<b>PAYMENTS TO LOCALS .....</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>

\*As of July 1, 2019.

	Gross	GF/GP
<b>FY 2018-19 Year-to-Date Appropriation .....</b>	<b>\$6,980,100</b>	<b>\$6,980,100</b>
<b>Changes from FY 2018-19 Year-to-Date:</b>		
<u>Conference Agreement on Items of Difference</u>		
1. <b>Executive Office Operations. Governor</b> recommended a 2.0% overall increase for Executive Operations. The <b>Senate</b> and <b>Conference</b> concurred. The <b>House</b> did not include the increase.	107,500	107,500
2. <b>Unclassified Salaries. Governor</b> increased GF/GP funding by \$26,700 for total funding of \$1,360,200 for FY 2019-20. The <b>Senate</b> and <b>Conference</b> concurred. The <b>House</b> did not include the increase.	26,700	26,700
Total Changes .....	\$134,200	\$134,200
<b>FY 2019-20 Conference Report Appropriation .....</b>	<b>\$7,114,300</b>	<b>\$7,114,300</b>
<b>Amount Over/(Under) GF/GP Target:</b>	<b>\$0</b>	<b>\$0</b>

#### Boilerplate Changes from FY 2018-19 Year-to-Date:

1. There is no boilerplate for the Executive Office.

Date Completed: 9-19-19

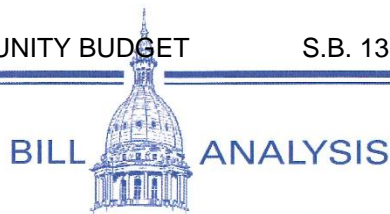
Fiscal Analyst: Joe Carrasco, Jr.

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





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			AMOUNT	PERCENT
FTE Positions .....	1,450.0	1,456.0	6.0	0.4
<b>GROSS .....</b>	<b>1,260,746,100</b>	<b>1,096,994,000</b>	<b>(163,752,100)</b>	<b>(13.0)</b>
Less:				
Interdepartmental Grants Received .....	0	0	0	0.0
<b>ADJUSTED GROSS .....</b>	<b>1,260,746,100</b>	<b>1,096,994,000</b>	<b>(163,752,100)</b>	<b>(13.0)</b>
Less:				
Federal Funds .....	762,645,800	762,145,800	(500,000)	(0.1)
Local and Private .....	6,121,700	6,128,300	6,600	0.1
<b>TOTAL STATE SPENDING .....</b>	<b>491,978,600</b>	<b>328,719,900</b>	<b>(163,258,700)</b>	<b>(33.2)</b>
Less:				
Other State Restricted Funds .....	205,432,300	207,336,900	1,904,600	0.9
<b>GENERAL FUND/GENERAL PURPOSE .....</b>	<b>286,546,300</b>	<b>121,383,000</b>	<b>(165,163,300)</b>	<b>(57.6)</b>
<b>PAYMENTS TO LOCALS .....</b>	<b>31,400,000</b>	<b>37,598,800</b>	<b>6,198,800</b>	<b>19.7</b>

\*As of July 1, 2019.

	Gross	GF/GP
<b>FY 2018-19 Year-to-Date Appropriation .....</b>	<b>\$1,260,746,100</b>	<b>\$286,546,300</b>

#### Changes from FY 2018-19 Year-to-Date:

##### Items Included by the Senate and House

- |  |               |               |
|--|---------------|---------------|
| 1. <b>Michigan State Housing Development Authority Legal Fees.</b> The <b>Governor/Senate/Conference</b> increased appropriations to reflect increased legal fees charged by the Attorney General. The increase was supported by MSHDA restricted revenue.   | 335,500       | 0             |
| 2. <b>Supplemental Appropriations Removal.</b> The <b>Governor/Senate/House/Conference</b> removed FY 2018-19 supplemental appropriations, which included: Michigan Enhancement Grants (\$113,450,500), Business Attraction and Community Revitalization (\$20.0 million), Northern Michigan Tourism and Sports fund (\$10.0 million), and GEAR-UP appropriations (\$2.0 million). | (145,450,500) | (145,450,500) |
| 3. <b>One-Time Appropriations Removal.</b> The <b>Governor/Senate/House/Conference</b> eliminated several FY 2018-19 one-time appropriations, which included: Arts and Culture grants (\$1.0 million), Entrepreneurship Eco-System (\$2.5 million), Project Rising Tide (\$1.0 million), and special grants (\$1,350,000).   | (5,850,100)   | (5,850,000)   |
| 4. <b>Defined Calculation Technical Adjustment.</b> The <b>Governor/Senate/House/Conference</b> removed economic adjustments to line items and fund sources that do not allow for economic adjustments.  | (1,747,400)   | 0             |
| 5. <b>Talent Investment Agency Federal Fund Adjustment.</b> The <b>Governor/Senate/House/Conference</b> reduced Federal fund appropriations to align with current projections.   | (485,600)     | 0             |

- |  |           |         |
|--|-----------|---------|
| 6. <b>Economic Adjustments.</b> Includes \$2,709,000 Gross and \$243,700 GF/GP for total economic adjustments, of which an estimated decrease of \$910,600 Gross and \$88,500 GF/GP is for legacy retirement costs (pension and retiree health). | 2,709,000 | 243,700 |
|--|-----------|---------|

Conference Agreement on Items of Difference

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|--|--------------|--------------|
| 7. <b>Land Bank Fund Shift.</b> The <b>Governor/Senate</b> shifted \$1.5 million from GF/GP to Land Bank Fast Track funds. The <b>House/Conference</b> shifted an additional \$1,492,400 from GF/GP to Land Bank Fast Track funds.   | 0            | (2,992,400)  |
| 8. <b>Going Pro.</b> The <b>Governor</b> eliminated Going Pro one-time appropriations, reducing the total program by \$10.0 million, and shifted \$25.9 million from Penalties and Interest revenue to GF/GP. Also, the Governor did not include FY 2018-19 supplemental changes that split Going Pro appropriations with the deposit to the Going Pro Talent Fund. The <b>Senate</b> fund shifted \$15.9 million from Penalties and Interest revenue to GF/GP. Also, the Senate appropriated all the Going Pro appropriations into the Going Pro Talent Fund. The <b>Conference</b> reduced Going Pro \$1.4 million and shifted \$6.3 million from GF/GP to Penalties and Interest revenue. | (1,409,800)  | (7,663,100)  |
| 9. <b>Pure Michigan.</b> The <b>Governor</b> reduced Pure Michigan \$5.0 million Gross (\$4.0 million 21 <sup>st</sup> Century Jobs Trust Fund dollars and \$1.0 million GF/GP). The <b>Senate</b> increased the program \$1.5 million Gross, \$2.0 million 21 <sup>st</sup> Century Jobs Trust Fund dollars, and decreased \$500,000 GF/GP. Total Gross appropriations is \$37.5 million for FY 2019-20. The <b>Conference</b> increased Pure Michigan \$1.0 million Gross and GF/GP, and shifted \$5.0 million from 21 <sup>st</sup> Century Jobs Trust Fund dollars to GF/GP.   | 1,000,000    | 6,000,000    |
| 10. <b>Business Attraction and Entrepreneurship Eco-System.</b> The <b>Senate</b> reduced the Business Attraction and Community Revitalization and Entrepreneurship eco-system line items \$2.75 million Gross, increased \$750,000 21 <sup>st</sup> Century Jobs Trust Fund dollars, and decreased \$3.5 million GF/GP. The <b>Conference</b> reduced Business Attraction and Community Revitalization \$16.0 million Gross and GF/GP. Also, the Conference designated \$10.0 million to be deposited into the Rural Jobs and Capital Investment Fund.  | (16,000,000) | (16,000,000) |
| 11. <b>Community Ventures.</b> The <b>Governor/House</b> removed this line item, which was entirely supported by penalties and interest revenue. The <b>Senate</b> maintained current appropriations. The <b>Conference</b> reduced \$3.0 million.   | (3,000,000)  | 0            |
| 12. <b>At Risk Youth Grants.</b> The <b>Governor</b> removed this line item, which was entirely supported by penalties and interest revenue. The <b>Senate</b> increased the ongoing appropriations \$1.0 million Gross and Penalties and Interest revenue. The <b>House/Conference</b> increased ongoing appropriations \$750,000 Gross and GF/GP.  | 750,000      | 750,000      |
| 13. <b>Special Grants.</b> The <b>Senate</b> included a \$100 placeholder to continue funding to the Sloan museum in Flint. The <b>Conference</b> included several special grants throughout the budget totaling \$5.8 million Gross and GF/GP.  | 5,799,000    | 5,799,000    |
| 14. <b>Michigan Film Office.</b> The <b>House/Conference</b> removed Michigan Film Promotion funds.  | (402,200)    | 0            |
| 15. <b>Michigan Works!.</b> The <b>Senate</b> unrolled the appropriations for Michigan Works! from the Workforce Development Program line item. The <b>Conference</b> did not include.   | 0            | 0            |

Total Changes .....	(\$163,752,100)	(\$165,163,300)
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<b>FY 2019-20 Conference Report Appropriation .....</b>	<b>\$1,096,994,000</b>	<b>\$121,383,000</b>
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<b>Amount Over/(Under) GF/GP Target:</b>	<b>\$0</b>	<b>\$0</b>
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**Boilerplate Changes from FY 2018-19 Year-to-Date:**Items Included by the Senate and House

1. **Governor Deleted and Senate Retained Sections.** The **Governor** deleted and **Senate/House/Conference** retained several sections, which include: 984 (SIGMA requirement), 990 (MSHDA production goal report), 1004 (MSF statutory reports), 1006 (award amendment report), 1033 (Michigan Film Office activity report), 1041 (restriction from expending more than 60% of Business Attraction and Community Revitalization funding before April 1), 1071 (Jobs for Michigan Graduates grant), 1079 (TANF requirements with DHHS)
2. **Deleted Sections.** The **Governor/Senate/House/Conference** deleted several other sections, which include: 1035(3) (One-time Arts and Culture Grant metric report), 1047 (one-time special grants), 1052 (one-time Project Rising Tide), 1081 (TIA implementation report for statewide systems for data integration), 1082 (sustainable employment pilot program report), and 1084 (one-time Going Pro metric report).
3. **Technical Changes.** The **Governor/Senate/House/Conference** made several technical modifications that include date changes, changes in Part 1 appropriations, legacy costs, name changes, and various other changes due to removing the Department of Talent and Economic Development budget from the General Government budget bill. Also, the **Senate** renumbered sections. (Sec. 201, 203, 206, 207, 210, 211, 212, 214, 980, 981, 982, 1050, & 1061)

Conference Agreement on Items of Difference

4. **Governor Deleted and Conference Retained Sections.** The **Governor** deleted and **Conference** retained several sections, which include: 1070 (Graduation Alliance grant) and 1080 (Community Ventures matching funds).
5. **Broadband.** The **Governor** deleted the restriction on MSF/MSHDA from issuing bonds related to broadband and the **Senate/Conference** modified the section to restrict appropriations from being used for broadband and from being used to issue bonds related to broadband. (Sec. 983)
6. **Contingency Fund Authorization.** The **Senate** deleted the department's contingency fund authorization language. The **Conference** reduced authorization by 50%. (Sec. 980)
7. **Pure Michigan.** The **Senate/Conference** included new language for Pure Michigan, which requires that \$500,000 be designated for last dollar use for hosting a conference for a national council that receives dues from this State, after the conference remaining funds may be used for Pure Michigan. (Sec. 953)
8. **Going Pro Talent Fund.** The **Senate** included new language that deposits all Going Pro Talent Fund appropriations into the Going Pro Talent Fund, which was created in Public Act 260 of 2018. The **Conference** modified the language to allow the department to deposit funds into the Going Pro Talent Fund. (Sec. 1067)
9. **Michigan Works!.** The **Senate** included new language that requires that \$866,000 from Michigan Works! appropriations be used towards paying off the retirement shortfall of a former Michigan Works! provider in Gogebic County. The **Conference** included this language in section 1047 with GF/GP. (Sec. 1083)
10. **Rural Jobs and Capital Investment Fund.** The **Conference** included a \$10.0 million deposited into the Rural Jobs and Capital Investment Fund from Business Attractions and Community Revitalization. (Sec. 1048)
11. **Special Grants.** The **Senate** included a \$100 placeholder to continue funding to the Sloan museum in Flint. The **House** included \$1.0 million for Van Andel, \$100 placeholder for an Arab American Museum, \$100 to the Charles H. Wright Museum, \$100 to the Holocaust Memorial Center, and \$100 to an incubations center. The **Conference** included several special grants throughout the budget, which includes: Blight elimination (\$500,000), e-record (\$166,000), Van Andel (\$1.0 million) Gogebic County (\$971,000), Centers for Employment Opportunity (\$662,000), Graduation Alliance (\$750,000), and High-School Equivalency-to-School (\$250,000). (Secs. 998, 1047, 1053, 1070, & 1072)
12. **Medicaid Work Requirement Support.** The **Conference** included language that appropriations \$10.0 million from Workforce Development Programs towards providing employment and job training to Healthy Michigan recipients. (Sec. 1069)

Date Completed: 9-24-19

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 2018-19 YEAR-TO-DATE*	FY 2019-20 CONFERENCE	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions .....	0.0	0.0	N/A	N/A
<b>GROSS .....</b>	<b>211,450,500</b>	<b>201,425,900</b>	<b>(10,024,600)</b>	<b>(4.7)</b>
Less:				
Interdepartmental Grants Received .....	5,823,400	6,068,400	245,000	4.2
<b>ADJUSTED GROSS .....</b>	<b>205,627,100</b>	<b>195,357,500</b>	<b>(10,269,600)</b>	<b>(5.0)</b>
Less:				
Federal Funds .....	0	0	0	0.0
Local and Private .....	400,000	400,000	0	0.0
<b>TOTAL STATE SPENDING .....</b>	<b>205,227,100</b>	<b>194,957,500</b>	<b>(10,269,600)</b>	<b>(5.0)</b>
Less:				
Other State Restricted Funds .....	6,403,100	6,591,200	188,100	2.9
<b>GENERAL FUND/GENERAL PURPOSE .....</b>	<b>198,824,000</b>	<b>188,366,300</b>	<b>(10,457,700)</b>	<b>(5.3)</b>
<b>PAYMENTS TO LOCALS .....</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>

\*As of July 1, 2019.

	Gross	GF/GP
<b>FY 2018-19 Year-to-Date Appropriation .....</b>	<b>\$211,450,500</b>	<b>\$198,824,000</b>

#### Changes from FY 2018-19 Year-to-Date:

##### Items Included by the Senate and House

- |   |              |              |
|---|--------------|--------------|
| 1. <b>Removal of FY 2018-19 Supplemental Funding. Governor</b> removed supplemental funding totaling \$28.4 million added via P.A. 618 of 2018. Funding included \$4.6 million to each the Senate and the House; \$1.2 million for the Legislative Council; and \$18.0 million for the Senate to purchase the Townsend parking ramp. The <b>Senate</b> concurred. | (28,400,000) | (28,400,000) |
| 2. <b>Senate Increase. Governor</b> increased funding by \$4.6 million for total FY 2019-20 funding of \$41,810,700. The <b>Senate</b> concurred.   | 4,600,000    | 4,600,000    |
| 3. <b>House Increase. Governor</b> increased funding by \$4.6 million for total FY 2019-20 funding of \$61,666,900. The <b>Senate</b> concurred.  | 4,600,000    | 4,600,000    |

##### Conference Agreement on Items of Difference

- |  |           |           |
|--|-----------|-----------|
| 4. <b>Legislative Council Increase. Governor</b> increased funding by \$1.2 million. The <b>Senate</b> included an additional \$271,600 GF/GP for a total of \$14,253,500. The <b>Conference</b> included the Senate addition and included an additional \$138,000 GF/GP for national association dues.                    | 1,679,400 | 1,679,400 |
| 5. <b>Auditor General.</b> The <b>Senate</b> included an additional \$684,400 GF/GP for Auditor General field operations. The <b>Conference</b> increased funding by \$100.  | 997,800   | 684,500   |
| 6. <b>Property Management and Capitol Historic Site.</b> The <b>Senate</b> included \$545,100 GF/GP for the Senate properties and Capitol Historic Site operations and an additional \$95,800 in Restricted funds for Capitol Historic Site restoration. The <b>House</b> and <b>Conference</b> concurred with the Senate. | 640,900   | 545,100   |



7. <b>Fiscal Agencies and Legislative Adjustments.</b> The <b>Senate</b> included an additional \$158,800 GF/GP for the Senate and House Fiscal Agencies. The <b>House</b> and <b>Conference</b> concurred with the Senate.	158,800	158,800
8. <b>Automated Data Processing.</b> The <b>Senate</b> included an additional \$107,200 GF/GP for automated data processing. The <b>House</b> and <b>Conference</b> concurred with the Senate.	107,200	107,200
9. <b>Legislative Retirement.</b> The <b>Senate</b> included an additional \$144,000 GF/GP for legislative retirement. The <b>House</b> and <b>Conference</b> concurred with the Senate.	144,000	120,000
10. <b>Legislative Council IT Redesign Funding.</b> <b>Governor</b> removed a total of \$750,000 in GF/GP of one-time funding provided for the completion of the Legislative Council IT redesign project. The <b>Senate</b> included \$765,000 GF/GP for this project as a separate line item. The <b>House</b> and <b>Conference</b> concurred with the Senate.	15,000	15,000
11. <b>Additional Senate and House Funding.</b> <b>Conference</b> included an additional \$2,069,500 GF/GP for the Senate and House.	2,069,500	2,069,500
12. <b>Independent Citizens' Redistricting Commission.</b> <b>Conference</b> included \$3.4 million GF/GP for the Independent Citizens' Redistricting Commission.	3,362,800	3,362,800
Total Changes .....	(\$10,024,600)	(\$10,457,700)
<b>FY 2019-20 Conference Report Appropriation .....</b>	<b>\$201,425,900</b>	<b>\$188,366,300</b>
<b>Amount Over/(Under) GF/GP Target:</b>	<b>\$0</b>	<b>\$0</b>

**Boilerplate Changes from FY 2018-19 Year-to-Date:**Items Included by the Senate and House

1. **Governor:** Moved boilerplate from the FY 2018-19 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 format.
2. **Legacy Cost Estimates.** 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. **Governor:** Provided the following Legacy Costs estimates for FY 2020: Total legacy costs estimated at \$24,415,800. Of that total, \$13,327,500 are for pension-related legacy costs and \$14,088,300 are for retiree health care legacy costs for the fiscal year ending September 30, 2020. **Senate, House, and Conference:** Concurred. (Sec. 615)
3. **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. 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. **Governor:** Deleted section. **Senate, House, and Conference:** Concurred. (Current Law Sec. 616)

Conference Agreement on Items of Difference

4. **NEW Redistricting Commission Report.** **House:** Requires the Legislative Redistricting Commission to submit a quarterly report on expenditures and activities. **Conference:** Concurred with House. (**NEW** Sec. 617)
5. **NEW Access to Confidential Information.** **House:** Added new language stating that it is the intent of the Legislature that the Auditor General be authorized to access and examine confidential information in the performance of its duties. **Conference:** Concurred with House. (**NEW** Sec. 625)

Date Completed: 9-19-19

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 2018-19 YEAR-TO-DATE*	FY 2019-20 CONFERENCE	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions .....	1,586.0	1,586.0	0.0	0.0
<b>GROSS .....</b>	<b>250,362,800</b>	<b>250,393,000</b>	<b>30,200</b>	<b>0.0</b>
Less:				
Interdepartmental Grants Received .....	20,000,000	20,000,000	0	0.0
<b>ADJUSTED GROSS .....</b>	<b>230,362,800</b>	<b>230,393,000</b>	<b>30,200</b>	<b>0.0</b>
Less:				
Federal Funds .....	1,460,000	1,460,000	0	0.0
Local and Private .....	50,100	50,100	0	0.0
<b>TOTAL STATE SPENDING .....</b>	<b>228,852,700</b>	<b>228,882,900</b>	<b>30,200</b>	<b>0.0</b>
Less:				
Other State Restricted Funds .....	207,886,400	215,431,700	7,545,300	3.6
<b>GENERAL FUND/GENERAL PURPOSE .....</b>	<b>20,966,300</b>	<b>13,451,200</b>	<b>(7,515,100)</b>	<b>(35.8)</b>
<b>PAYMENTS TO LOCALS .....</b>	<b>1,129,000</b>	<b>0</b>	<b>(1,129,000)</b>	<b>(100.0)</b>

\*As of July 1, 2019.

	Gross	GF/GP
<b>FY 2018-19 Year-to-Date Appropriation .....</b>	<b>\$250,362,800</b>	<b>\$20,966,300</b>

#### Changes from FY 2018-19 Year-to-Date:

##### Items Included by the Senate and House

- |   |             |             |
|---|-------------|-------------|
| 1. <b>Removal of FY 2018-19 Supplemental Funding. Governor:</b> Removed supplemental funding provided for the administration of the motorcycle safety education program via P.A. 618 of 2018 and an additional \$2.5 million was removed for funding provided via P.A. 28 of 2019. <b>Senate, House, and Conference:</b> Concurred with Governor.   | (2,900,000) | (2,500,000) |
| 2. <b>Branch Office Economics. Governor:</b> Increased funding totaling \$830,000 due to contract rate increases and general maintenance. Contract rates for janitorial, security, and telecommunications increased by a total of \$500,000 while the remaining \$330,000 is appropriated for maintenance cost increases for branch offices. <b>Senate, House, and Conference:</b> Concurred with Governor. | 830,000     | 0           |
| 3. <b>Motorcycle Safety. Governor:</b> Increased funding to create and maintain the "Look Twice Save a Life" program to increase motorcycle rider safety. <b>Senate, House, and Conference:</b> Concurred with Governor.  | 300,000     | 0           |
| 4. <b>Economic Adjustments.</b> Includes \$2,600,200 Gross and \$423,300 GF/GP for total economic adjustments, of which an estimated negative \$1,864,800 Gross and \$153,800 GF/GP is for legacy retirement costs (pension and retiree health).  | 2,600,200   | 423,300     |

Conference Agreement on Items of Difference

5. <b>Redistricting Commission. Governor:</b> Provided \$4.6 million funding for the creation of the commission as well as the compensation for commission members as required by the implementation of Proposal 2 as adopted by Michigan voters in November 2018. <b>Senate:</b> Retained funding but reduced GF/GP funding by 31.7% for Executive Operations, Property Management, Legal Services, Branch Operations, and Election Regulations by corresponding \$4,616,600. <b>House:</b> Did not include funding. <b>Conference:</b> Concurred with House.	0	0
6. <b>Removal of Legislative Transfer. Conference:</b> Removed \$800,000 in Restricted revenue provided for Branch Operations credit card fees.	(800,000)	0
7. <b>Elections Compliance. Governor:</b> Increased funding by \$200,000 to provide maintenance and support of the election system that ensure compliance core applications systems for the Bureau of Elections. <b>Senate:</b> Retained funding but reduced Legal Services by corresponding \$200,000. <b>House:</b> Did not include funding. <b>Conference:</b> Concurred with House.	0	0
8. <b>General Fund Reduction. Governor:</b> Reduced GF/GP expenditures as a budgetary savings measure and replaced funding with restricted Transportation Administration Collection Fund (TACF) dollars. <b>Senate:</b> Concurred with Governor. <b>House:</b> Fund shifted \$4.7 million. <b>Conference:</b> Reduced GF/GP expenditures by \$5.4 million.	0	(5,438,400)
Total Changes .....	\$30,200	(\$7,515,100)
<b>FY 2019-20 Conference Report Appropriation .....</b>	<b>\$250,393,000</b>	<b>\$13,451,200</b>
<b>Amount Over/(Under) GF/GP Target:</b>	<b>\$0</b>	<b>\$0</b>

**Boilerplate Changes from FY 2018-19 Year-to-Date:**Items Included by the Senate and House

1. **Governor:** Moved boilerplate from the FY 2018-19 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 format.
2. **Post-Election Audits.** Requires 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. **Governor:** Eliminated section as the recommended plan will be completed by July 2019. **Senate, House, and Conference:** Concurred with Governor. (CL Sec. 720)
3. **Legacy Cost Estimates.** Total legacy costs are estimated at \$30,655,900. Of the total, pension-related legacy costs are estimated at \$14,132,900 and retiree health care legacy costs are estimated at \$16,523,000 for fiscal year ending September 30, 2019. **Governor:** Provided the following Legacy Costs estimates for FY 2020: Total legacy costs estimated at \$29,065,400. Of that total, \$14,129,400 are for pension-related legacy costs and \$14,936,000 are for retiree health care legacy costs for the fiscal year ending September 30, 2020. **Senate, House, and Conference:** Concurred with Governor. (Sec. 725)

Conference Agreement on Items of Difference

4. **Contingency Funds.** Language authorizes contingency funds that must be appropriated via legislative transfer process. **Senate:** Eliminated section. **House:** Retained current law. **Conference:** Reduced authorizations by 50%. (Sec. 701)
5. **Buena Vista Branch Office.** Requires the Department to maintain a full service branch office in Buena Vista Township. **Governor:** Eliminated section. **Senate:** Retained section. **House and Conference:** Concurred with Governor. (Current Law Sec. 718)

6. **NEW Department Expenditures. House:** Added new language requiring the Department of State to submit a quarterly report of all department expenditures, itemized by purpose, associated with implementing changes and new procedures and purchasing equipment as a result of Article 2, Sec. 4 of the Michigan Constitution. **Conference:** Concurred with House. (**NEW** Sec. 721)

Date Completed: 9-19-19

Fiscal Analyst: Joe Carrasco, Jr.





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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2018-19 YEAR-TO-DATE*	FY 2019-20 CONFERENCE	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions .....	3,116.0	3,126.0	10.0	0.3
<b>GROSS .....</b>	<b>1,433,943,600</b>	<b>1,527,057,100</b>	<b>93,113,500</b>	<b>6.5</b>
Less:				
Interdepartmental Grants Received .....	751,777,000	951,238,800	199,461,800	26.5
<b>ADJUSTED GROSS .....</b>	<b>682,166,600</b>	<b>575,818,300</b>	<b>(106,348,300)</b>	<b>(15.6)</b>
Less:				
Federal Funds .....	5,033,700	4,968,400	(65,300)	(1.3)
Local and Private .....	2,471,000	2,452,300	(18,700)	(0.8)
<b>TOTAL STATE SPENDING .....</b>	<b>674,661,900</b>	<b>568,397,600</b>	<b>(106,264,300)</b>	<b>(15.8)</b>
Less:				
Other State Restricted Funds .....	122,117,400	117,916,800	(4,200,600)	(3.4)
<b>GENERAL FUND/GENERAL PURPOSE .....</b>	<b>552,544,500</b>	<b>450,480,800</b>	<b>(102,063,700)</b>	<b>(18.5)</b>
<b>PAYMENTS TO LOCALS .....</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>

\*As of July 1, 2019.

	Gross	GF/GP
<b>FY 2018-19 Year-to-Date Appropriation .....</b>	<b>\$1,433,943,600</b>	<b>\$552,544,500</b>

#### Changes from FY 2018-19 Year-to-Date:

##### Items Included by the Senate and House

- |   |              |              |
|---|--------------|--------------|
| 1. <b>Removal of FY 2018-19 Supplemental Funding. Governor</b> removed supplemental funding totaling \$73.1 million provided via P.A. 618 of 2018. Funding was provided for a variety of items, the three largest being: \$43.1 million for military and judicial retirement system funding; \$20.0 million for statewide broadband; and \$8.2 million for the Inkster School District debt payments. <b>Senate</b> and <b>House</b> concurred.                   | (86,835,000) | (78,255,000) |
| 2. <b>Removal of FY 2018-19 One-Time Funding. Governor</b> did not include one-time funding appropriated in FY 2018-19 for the drinking water declaration of emergency, census-related services, and Office Retirement Services actuarial analyses. <b>Senate</b> and <b>House</b> concurred.   | (10,200)     | (10,100)     |
| 3. <b>Technical Adjustments for IT. Governor</b> included alignment of funding of the IDGs with department and agency actual current year appropriations which increased restricted funding by \$191.9 million and 15.0 FTEs. Of this increase, \$179.9 million if for DHHS which includes moving \$100.0 million from their operations line item to the IT line item as well as funding for child protective services. <b>Senate</b> and <b>House</b> concurred. | 191,899,900  | 0            |
| 4. <b>Motor Vehicle Fleet Increase. Governor</b> included a \$1.5 million increase and 4.0 FTEs to align appropriations with an increase in vehicle miles traveled and an anticipated increase in fuel costs. <b>Senate</b> and <b>House</b> concurred.   | 1,500,000    | 0            |
| 5. <b>Attorney General Legal Counsel. Governor</b> recommended \$670,000 in State Restricted funds to align funding for Attorney General legal services. <b>Senate</b> and <b>House</b> concurred.  | 670,000      | 0            |

6. <b>Michigan State Police (MSP) Accounting Service Center Adjustment.</b> <b>Governor</b> included increased IDG funding from the MSP to align actual costs with the accounting service center activities on behalf of the MSP. <b>Senate</b> and <b>House</b> concurred.	374,900	0
7. <b>Professional Development Funds.</b> <b>Governor</b> included funding for professional development funds for Michigan Public Employees, SEIU Scientific and engineering unit, and AFSCME represented employees per bargaining agreements with the Office of the State Employer. <b>Senate</b> and <b>House</b> concurred.	200,000	0
8. <b>Drinking Water Declaration of Emergency Placeholder.</b> <b>Governor</b> included a placeholder for a potential drinking water declaration of emergency transfer. <b>Senate</b> and <b>House</b> concurred.	100	0
9. <b>Transfer of Military Retirement to DMVA.</b> <b>Governor</b> transferred the Military Retirement System to the Department of Military and Veterans Affairs to align obligations with the employer. <b>Senate</b> and <b>House</b> concurred.	(5,244,800)	(5,244,800)
10. <b>Revenue Alignments and Reduction of Overstated Deducts.</b> <b>Governor</b> made technical adjustments to align authorization levels to available revenues. <b>Senate</b> and <b>House</b> concurred.	(115,400)	0
11. <b>Business Support Services Fund Shift.</b> <b>Governor</b> included a net-zero gross fund shift between GF/GP and Restricted contract revenue for the business support services line item that resulted in a loss in GF/GP revenue. <b>Senate</b> and <b>House</b> concurred.	0	(138,400)
12. <b>Statewide Cost Allocation (SWCAP) Adjustments.</b> <b>Governor</b> included the annual adjustments for DTMB central functions related to the SWCAP. State Restricted and General Fund charges are adjusted annually as part of the budget development process based on the most recent SWCAP data. Changes net to a zero gross change but result in a decrease in GF/GP revenue. <b>Senate</b> and <b>House</b> concurred.	0	(131,300)
13. <b>Annual Adjustment of Indirect Charges and Fund Sources.</b> <b>Governor</b> included a net-zero gross annual adjustment of the DTMB indirect charges and fund sources based on the most recent SSWCAP data. Adjustment results in a loss in GF/GP revenue. <b>Senate</b> and <b>House</b> concurred.	0	(35,800)
14. <b>Special Maintenance Projects.</b> <b>Governor</b> included one-time funding for special maintenance projects at state-owned facilities. <b>Senate</b> , <b>House</b> , and <b>Conference</b> did not include this funding.	0	0
15. <b>Economic Adjustments.</b> Includes \$7,283,100 Gross and \$1,310,800 GF/GP for total economic adjustments, of which an estimated negative \$5,318,100 Gross and \$1,037,000 GF/GP is for legacy retirement costs (pension and retiree health).	7,283,100	1,310,800
<u>Conference Agreement on Items of Difference</u>		
16. <b>MPSCS Upgrades and Maintenance.</b> <b>Governor</b> included \$5.9 million in one-time and \$8.2 million in ongoing GF/GP for upgrades, staffing, and maintenance costs for the Michigan Public Safety Communications System. <b>Senate</b> and <b>Conference</b> removed all one-time funding and \$1.1 million in ongoing funding. <b>House</b> did not include this funding.	7,000,000	7,000,000
17. <b>IT Investment Fund (ITIF) Increase.</b> <b>Governor</b> included a General Fund increase of \$5.0 million to the ITIF line item. This line item supports state-wide IT projects. The <b>Senate</b> and <b>Conference</b> did not include the increase and removed \$15.0 million GF/GP from the ITIF line item. <b>House</b> did not include the increase and removed \$24.7 million GF/GP from the ITIF line item. <b>Conference</b> unrolled this line into four new line items by project.	(20,000,000)	(20,000,000)

18. <b>Microsoft Enterprise License Agreement. Governor, House, and Conference</b> included \$5.0 million to support a licensing agreement for the Microsoft 365 G5 product bundle for use by state agencies. <b>Senate</b> did not include this funding.	5,000,000	5,000,000
19. <b>Demolition Costs. Governor</b> included funding in the enterprise special maintenance line item for demolition costs associated with maintenance of state-owned buildings. <b>Senate</b> and <b>House</b> did not include this funding. <b>Conference</b> included the funding.	5,000,000	5,000,000
20. <b>MiLogin Support. Governor</b> included funding for additional MiLogin integrations and the continued migration of this technology to allow for a single sign-on connectivity to state-run platforms. <b>Senate</b> and <b>Conference</b> did not include this funding. <b>House</b> included \$2.5 million in funding.	0	0
21. <b>MSP Retirement System Payments. Governor</b> and <b>House</b> included \$10,000 GF/GP to support supplemental payments to the Michigan State Police Retirement System as required by PA 168 of 2015. <b>Senate</b> did not include this funding. <b>Conference</b> included.	10,000	10,000
22. <b>Regional Prosperity Grants. Governor</b> eliminated funding for the Regional Prosperity Initiative. <b>Senate</b> concurred. <b>House</b> and <b>Conference</b> included a \$100 GF/GP placeholder.	(3,999,900)	(3,999,900)
23. <b>Administrative Reductions and Adjustments. Senate</b> reduced GF/GP items for the Administrative Services, Budget and Financial Management, Business and Support Services, and the Bureau of Labor Market Information and Strategies line items. <b>House</b> made alternate reductions totaling about \$6.7 million Gross and \$1.1 million GF/GP. <b>Conference</b> made a reduction of \$719,400 GF/GP.	(5,219,400)	(5,219,400)
24. <b>Enterprise Special Maintenance. Senate</b> eliminated \$3.1 million in funding for enterprisewide special maintenance for state-owned facilities. <b>House</b> eliminated \$3.0 million of this funding. <b>Conference</b> eliminated the funding but included \$5.0 million requested by the Governor.	(2,350,000)	(3,100,000)
25. <b>Ongoing Supplemental Funding. Governor</b> and <b>Conference</b> included funding for various supplemental items including SIGMA support and CGI data capacity needs.	8,200,000	6,000,000
26. <b>Executive Revision 2020-1.</b> Governor issued Executive Revision 2020-1 transferring the Office of Regulatory Retention to LARA, reducing GF/GP by \$650,000.	(650,000)	(650,000)
27. <b>IT Reductions. House</b> reduced funding for IT services and projects by a total of \$18.4 million GF/GP. <b>Senate</b> did not include this reduction. <b>Conference</b> included a reduction of \$9.6 million GF/GP.	(9,600,000)	(9,600,000)
28. <b>Capital Outlay Projects. Conference</b> included two \$100 GF/GP placeholders for capital outlay projects.	200	200
Total Changes .....	\$93,113,500	(\$102,063,700)
<b>FY 2019-20 Conference Report Appropriation .....</b>	<b>\$1,527,057,100</b>	<b>\$450,480,800</b>
<b>Amount Over/(Under) GF/GP Target:</b>	<b>\$0</b>	<b>\$0</b>

**Boilerplate Changes from FY 2018-19 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 Department of Technology, Management, and Budget. Changes to those items can be found in the highlight sheet for the **General Sections. Senate** and **House:** Retained current structure.

2. **Unclassified Salaries Report.** Requires the Department to compile a report by January 1 pertaining to the salaries of unclassified employees and gubernatorial appointees. **Governor:** Eliminated section. **Senate** and **House:** Retained. (Sec. 822)
3. **DTMB Fees and Rates.** 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. **Governor:** Eliminated section. **Senate** and **House:** Retained. (Sec. 822d)
4. **Placement of all Contract Proposals on Department Website.** Requires the Department to establish a publicly accessible portal on the Department's website that displays all contract proposals for all State departments and agencies. **Governor:** Eliminated section. **Senate** and **House:** Retained. (Sec. 822n)
5. **School Reform Office Coordination with Department of Education.** Requires the School Reform Office to coordinate with the Department of Education to streamline State services and resources, reduce duplication, and increase efficiency. **Governor:** Eliminated section; Office was transferred to MDE as part of E.O. 2017-5. **Senate** and **House:** Retained. (Sec. 822o)
6. **Spatial Information/Technical Services.** Allows the Department to enter into agreements to supply spatial information and technical services to other departments, local units of government, and organizations. Provides for receipt and expenditure of funds relating to providing services, publications, and maps, and other products in addition to amounts appropriated in Part 1. Includes annual reporting requirement regarding receipt and expenditure of funds under this section. **Governor:** Deleted reporting requirement. **Senate** and **House:** Retained current language. (Sec. 824)
7. **MPSCS and Local Payments.** One-time language for Fiscal Year 2018-19 stating requirements for the use of funds appropriated for the Michigan Public Safety Communications System. **Governor:** Eliminated section. **Senate** and **House:** Concurred. (Sec. 827a)
8. **Report on IT Services and Projects.** Requires the Department to submit a report to the legislative appropriations subcommittees on General Government stating the total funding appropriated for IT services and projects by funding source for all principal executive departments and agencies as well as a listing of all expenditures from these amounts. **Governor:** Eliminated section. **Senate** and **House:** Retained. (Sec. 828)
9. **Report on Recommendations for IT Hardware and Software.** Requires the Department to provide a report to the appropriations subcommittees on General Government that analyzes and makes recommendations on the life cycle of IT technology hardware and software. **Governor:** Eliminated section. **Senate** and **House:** Retained. (Sec. 829)
10. **Report on IT Projects.** Requires the Enterprise Portfolio Management Office to provide a quarterly report on executive branch department and enterprise information technology projects. **Governor:** Eliminated section. **Senate** and **House:** Retained. (Sec. 830)
11. **ORS Actuarial Analyses.** One-time language stating that funds appropriated for retirement services for actuarial analysis shall be used to conduct an analysis to determine the costs incurred by the state employees retirement system as a result of implementing provisions of HB 5411 of the 99<sup>th</sup> legislature, contingent on that bill's passage. **Governor:** Eliminated section. **Senate** and **House:** Concurred. (Sec. 831)
12. **Census-Related Funds for Necessary Expenses.** States that the funds collected by the Department for supplying census-related information and technical services, estimates, and studies are appropriated for all expenses necessary to provide these services. Requires the Department to submit a report by March 1 providing the amount of revenue collected via the authorization of this section. **Governor:** Deleted reporting requirement. **Senate** and **House:** Retained current language. (Sec. 835)
13. **Census-Related One-Time Funding.** Requires the funds provided as one-time funding for census-related services be provided to the Michigan Nonprofit Association to mobilize nonprofits across the state to achieve a fair and accurate count in the 2020 census. States that any funds remaining at the end of the fiscal year are to be placed in a work project account to be used at such time that the actual census takes place. **Governor:** Eliminated section. **Senate** and **House:** Concurred. (Sec. 835a)
14. **Related Federal and State Restricted Funds for Enterprisewide IT Investments.** **Governor:** Added new language stating that in addition to the GF/GP appropriation in Part 1 enterprisewide information technology investments, related Federal and State restricted funds will be appropriated up to the amounts that will be earned based upon the initiatives undertaken with the funds in Part 1. **Senate** and **House:** Did not include. (**NEW** Sec. 837)



15. **Reports on Capital Outlay Projects.** Requires that the Department provide reports as considered necessary relative to the status of each planning or construction project financed by the state building authority. Describes details required to be included in the report. **Governor:** Eliminated section. **Senate** and **House:** Retained. (Sec. 862)

Conference Agreement on Items of Difference

16. **State Surplus Proceeds.** Allows the use of federal surplus proceeds to offset costs of surplus property program. **Governor:** Modified to allow for use of proceeds regardless of whether property sold was state or federal. **Senate** and **Conference:** Concurred. **House:** Retained current language. (Sec. 802)
17. **Related Federal and State Restricted Funds for Special Maintenance.** **Governor:** Added new language stating that in addition to the GF/GP appropriation in Part 1 for special maintenance and remodeling, related Federal and State restricted funds will be appropriated up to the amounts that will be earned based upon the initiatives undertaken with the funds in Part 1. **Senate** and **Conference:** Did not include. **House:** Included and revised to require report. (**NEW** Sec. 815)
18. **Demolition of Former Deerfield Correction Facility.** **House:** Added language appropriating \$750,000 in IDG funding for Enterprisewide Special Maintenance for State Facilities to be used for coordinating with the Department of Corrections to award a contract for the demolition of the former Deerfield Correction Facility. **Senate:** Did not include. **Conference:** Included House language. (Sec. 817)
19. **Office of Retirement Services Report.** **House** and **Conference:** Requires the Office of Retirement Services to create a report detailing OPED-related data for several retirement systems. **Senate:** Did not include. (Sec. 821)
20. **Regional Prosperity Grants.** Describes the use of funds appropriated for the regional prosperity initiative. **Governor:** Eliminated section due to removal of these grants in the Executive Recommendation. **Senate:** Concurred. **House** and **Conference:** Retained. (Sec. 822f)
21. **Carryforward of MPSCS Funds.** Requires funds appropriated for the Michigan Public Safety Communications System to be expended according to a plan approved by the State Budget Director. Requires the Department to assess reasonable fees for deposit into the fund and requires this revenue to be used for the support and maintenance of the MPSCS system. **Governor:** Added language allowing for the carryforward of funds. **Senate:** Retained current language. **House** and **Conference:** Allowed carry-forward and retained reporting requirement. (Sec. 827)
22. **IT Services Invoices.** **House:** Added language requiring the Department to submit IT services-related invoices to departments and agencies within 45 days of the end of the month in which services were provided. **Conference:** Did not include. (Sec. 831)
23. **Report on Federal Child Support Enforcement System Penalties.** Requires the Department to inform the legislative appropriations subcommittees on General Government of any potential or actual penalties assessed by the federal government for the failure of the Michigan Child Support Enforcement System to achieve certification. **Governor:** Eliminated section. **Senate:** Concurred. **House** and **Conference:** Retained. (Sec. 832)
24. **Modernization of State IT Systems and Integration.** Requires the Department to provide for the modernization of state information technology systems and integrate state system interfaces to improve customer service using funds appropriated for the Information Technology Investment Fund. **Governor** and **House:** Eliminated section. **Senate** and **Conference:** Modified to refer to "funding" instead of "increased funding." (Sec. 836)
25. **EPMO Metrics.** States that the Department shall identify specific outcomes and performance measures from the funds appropriated for enterprise portfolio management. **Governor:** Eliminated section. **Senate:** Retained current language. **House** and **Conference:** Modified, no substantive change. (Sec. 840)
26. **Heritage Hall.** **Conference:** Included language on construction of the capitol restoration/infrastructure upgrade project increased by \$15.0 million to \$125,009,400. (Sec. 881)
27. **Caro Center Replacement.** **Conference:** Includes construction of a new state psychiatric hospital with 100 bed facility for Caro Center replacement project. (Sec. 882)
28. **Northern Michigan Psychiatric Facility.** **Conference:** Construction of a new Northern Michigan satellite psychiatric facility. (Sec. 883)

Date Completed: 9-20-19

Fiscal Analyst: Elizabeth Raczkowski

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 2018-19 YEAR-TO-DATE*	FY 2019-20 CONFERENCE	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions .....	0.0	0.0	N/A	N/A
<b>GROSS .....</b>	<b>107,080,000</b>	<b>104,335,000</b>	<b>(2,745,000)</b>	<b>(2.6)</b>
Less:				
Interdepartmental Grants Received .....	0	0	0	0.0
<b>ADJUSTED GROSS .....</b>	<b>107,080,000</b>	<b>104,335,000</b>	<b>(2,745,000)</b>	<b>(2.6)</b>
Less:				
Federal Funds .....	0	0	0	0.0
Local and Private .....	0	0	0	0.0
<b>TOTAL STATE SPENDING .....</b>	<b>107,080,000</b>	<b>104,335,000</b>	<b>(2,745,000)</b>	<b>(2.6)</b>
Less:				
Other State Restricted Funds .....	0	0	0	0.0
<b>GENERAL FUND/GENERAL PURPOSE .....</b>	<b>107,080,000</b>	<b>104,335,000</b>	<b>(2,745,000)</b>	<b>(2.6)</b>
<b>PAYMENTS TO LOCALS .....</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>

\*As of July 1, 2019.

	Gross	GF/GP
<b>FY 2018-19 Year-to-Date Appropriation .....</b>	<b>\$107,080,000</b>	<b>\$107,080,000</b>
<b>Changes from FY 2018-19 Year-to-Date:</b>		
<u>Items Included by the Senate and House</u>		
1. <b>Great Lakes Water Quality Bond. Governor/Senate/House/Conference</b> increased debt service payments for this bond. Of the total, \$10.4 million is due to changes to existing debt payments and \$5.5 million is due to projected new bond issues for FY 2019-20. These would increase total debt service payments to \$38,772,000.	15,907,000	15,907,000
2. <b>Clean Michigan Initiative. Governor/Senate/House/Conference</b> reduced payments to this bond. Of the total, there is a \$16.7 million reduction for existing bond payments and a \$3.5 million increase due to projected new bond issues for FY 2019-20. These would reduce total debt service payments to \$49,027,000.	(13,224,000)	(13,224,000)
3. <b>Quality of Life Bond. Governor/Senate/House/Conference</b> reduced debt service payments to this bond due to reductions to existing bond payments. This would reduce total debt service payments to \$16,536,000.	(5,428,000)	(5,428,000)
<b>Total Changes .....</b>	<b>(\$2,745,000)</b>	<b>(\$2,745,000)</b>
<b>FY 2019-20 Conference Report Appropriation .....</b>	<b>\$104,335,000</b>	<b>\$104,335,000</b>
<b>Amount Over/(Under) GF/GP Target:</b>	<b>\$0</b>	<b>\$0</b>

Boilerplate Changes from FY 2018-19 Year-to-Date: None

Date Completed: 9-19-19

Fiscal Analyst: Cory Savino

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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2018-19 YEAR-TO-DATE*	FY 2019-20 CONFERENCE	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions .....	1,862.5	1,874.5	12.0	0.6
<b>GROSS .....</b>	<b>595,041,500</b>	<b>592,066,900</b>	<b>(2,974,600)</b>	<b>(0.5)</b>
Less:				
Interdepartmental Grants Received .....	12,780,300	12,905,600	125,300	1.0
<b>ADJUSTED GROSS .....</b>	<b>582,261,200</b>	<b>579,161,300</b>	<b>(3,099,900)</b>	<b>(0.5)</b>
Less:				
Federal Funds .....	27,128,000	27,242,500	114,500	0.4
Local and Private .....	13,163,200	13,243,300	80,100	0.6
<b>TOTAL STATE SPENDING .....</b>	<b>541,970,000</b>	<b>538,675,500</b>	<b>(3,294,500)</b>	<b>(0.6)</b>
Less:				
Other State Restricted Funds .....	413,088,700	430,533,700	17,445,000	4.2
<b>GENERAL FUND/GENERAL PURPOSE .....</b>	<b>128,881,300</b>	<b>108,141,800</b>	<b>(20,739,500)</b>	<b>(16.1)</b>
<b>PAYMENTS TO LOCALS .....</b>	<b>219,653,600</b>	<b>191,229,200</b>	<b>(28,424,400)</b>	<b>(12.9)</b>

\*As of July 1, 2019.

	Gross	GF/GP
<b>FY 2018-19 Year-to-Date Appropriation .....</b>	<b>\$595,041,500</b>	<b>\$128,881,300</b>

#### Changes from FY 2018-19 Year-to-Date:

##### Items Included by the Senate and House

- |   |              |              |
|---|--------------|--------------|
| 1. <b>Marihuana Proposal 1 Changes. Governor/Senate/House/ Conference</b> removed 3.0 FTEs and replaced the Medical Marihuana administration (\$601,400) and excise fund grants (\$10,890,000) with recreational Marihuana administration (\$3,632,200) and grants to qualify counties and cities (\$20,250,000) to account for passage of Proposal 1.        | 12,390,800   | 0            |
| 2. <b>Business Pass-Through Administration. Governor</b> included additional funding and 11.0 FTEs for ongoing administration of the proposed pass-through entity tax. <b>Senate/House/Conference</b> did not include.  | 0            | 0            |
| 3. <b>Senior Citizen Cooperative Housing. Governor/Senate/House/ Conference</b> increased appropriations to provide full funding for the inclusion of two new facilities in Ingham and Saginaw counties.  | 250,000      | 250,000      |
| 4. <b>Contingency Fund Transfer/Supplemental Removal. Governor/ Senate/House/Conference</b> removed funding from Contingency Fund Transfer 2019-1 associated with the Drinking Water Declaration of Emergency (\$5.6 million) and Supplemental appropriations from PA 618, of 2018, PA 28 of 2019, and PA 45 of 2019 totaling \$26.5 million Gross and GF/GP. | (32,113,000) | (26,500,000) |
| 5. <b>One-Time Appropriations Removal. Governor/Senate/House/ Conference</b> removed several FY 2018-19 one-time appropriations, which include: Beat the Streets (\$100,000), Courageous Cadets (\$50,000), Financial Data Analytic Tool Reimbursement (\$500,000), Urban Search and Rescue (\$900,000), and Forensic Science Commission (\$100).             | (1,550,100)  | (1,550,100)  |

<b>6. Administrative Efficiencies. Governor/Senate/House/Conference</b>	(650,000)	(650,000)
decreased appropriations due to administrative efficiencies in the following line items: Executive Direction (\$100,000), Supervision of the General Property Tax Law (\$100,000), Tax Administration (\$100,000), Tax Compliance (\$250,000), and Department Services (\$100,000).		
<b>7. Drinking Water Declaration of Emergency. Governor/Senate/House/Conference</b>	0	0
maintained the placeholder in one-time appropriations.		
<b>8. Economic Adjustments.</b> Includes \$3,297,700 Gross and \$610,600 GF/GP for total economic adjustments, of which an estimated decrease of \$1,396,300 Gross and \$312,800 GF/GP is for legacy retirement costs (pension and retiree health).	3,297,700	610,600

Conference Agreement on Items of Difference

<b>9. Wrongful Imprisonment Compensation Fund. Governor/Senate</b> included a \$10.0 million Gross and GF/GP deposit to the Wrongful Imprisonment Compensation Fund to reflect claims that may be paid out in FY 2019-20. <b>House/Conference</b> included the \$10.0 million deposit with \$5.0 million from Lawsuit Settlement Proceeds Funds and \$5.0 million from GF/GP.	10,000,000	5,000,000
<b>10. Millionaire Party Regulation. Senate/Conference</b> moved millionaire party regulation from boilerplate appropriations into line item appropriations. This results in an increase to line item appropriations, but does not increase current appropriations to millionaire party regulation.	3,000,000	0
<b>11. Municipal Cost Sharing Grants. Conference</b> included grants to the City of Lansing (\$1.0 million) for costs related to security around the State Capitol and the City of Dearborn (\$1.25) for a 911 dispatch center serving multiple localities.	2,250,000	2,250,000
<b>12. Information Technology. Governor/Senate/Conference</b> increased appropriations to information technology to reflect additional charges associated with the use of the Unisys mainframe and servers.	1,450,000	1,450,000
<b>13. Property Tax Assessor Training. Senate/Conference</b> increased the Property Tax Assessor Training line item \$1.0 million Gross and GF/GP to expand assessor training throughout the State.	1,000,000	1,000,000
<b>14. Feasibility Study. Conference</b> included new funding to conduct a feasibility study to create a student loan refinancing program.	500,000	500,000
<b>15. Michigan Finance Authority. Governor/Senate/Conference</b> increased appropriations to the Michigan Finance Authority using restricted revenue to align with increased costs from information technology legacy systems replacement and attorney general charges.	300,000	0
<b>16. Raise The Age Fund. Senate</b> included a \$100 placeholder for a deposit into the Raise The Age Fund in accordance to SB 102. <b>Conference</b> did not included	0	0
<b>17. Reduction. Senate</b> reduced Gross and GF/GP \$9.4 million throughout the Department in line items that contained both GF/GP and Delinquent Tax Collection Revenue. <b>House</b> reduced Gross \$17.9 million and GF/GP \$8.1 million throughout the budget. <b>Conference</b> reduced \$3.1 million Gross and GF/GP in the Supervision of General Property Tax line item.	(3,100,000)	(3,100,000)
<b>18. Internal FTE and Fund Transfers. Governor/Senate/House/ Conference</b> transferred numerous FTEs and funding throughout the Department that net to zero. The <b>Senate/House/Conference</b> unrolled the Supervision of the General Property Tax Law line item.	0	0

Total Changes .....	(\$2,974,600)	(\$20,739,500)
<b>FY 2019-20 Conference Report Appropriation .....</b>	<b>\$592,066,900</b>	<b>\$108,141,800</b>
<b>Amount Over/(Under) GF/GP Target:</b>	<b>\$0</b>	<b>\$0</b>

**Boilerplate Changes from FY 2018-19 Year-to-Date:**Items Included by the Senate and House

1. **Governor Deleted and Senate Retained Sections.** **Governor** deleted and **Senate/House/Conference** retained two sections related to reporting/notification requirements, which include: 902a (notification of bond refinancing) and 934 (Michigan Finance Authority report on additional appropriations).
2. **Deleted Sections.** **Governor/Senate/House/Conference** deleted several sections, which include: 940 (feasibility study on homeowners filing principal residency exemptions directly with the Department of Treasury), 943 (closed-loop payment system), 949g (Urban Search and Rescue), and 949l (request for proposals for data analytics).
3. **Technical Changes.** **Governor/Senate/House/Senate** made several technical modifications that include date changes, changes in Part 1 appropriations, and legacy costs adjustments. (Secs. 201, 926, 945, and 948)

Conference Agreement on Items of Difference

4. **Contingency Fund Authorization.** **Senate** deleted the Department's contingency fund authorization language. **Conference** reduced contingency fund authorization for Federal, Local, and Private funds by 50%. (Sec. 901)
5. **Collections Contract.** **Governor/Senate** modified by removing the language requiring that secondary placement collection services issue a separate RFP if an RFP is issued for primary collection services. **House/Conference** retained the language and allowed contracts to bid for both collection services. (Sec. 903)
6. **Write-Offs Report.** **Senate/Conference** modified the write-offs and advances report to include an explanation for each write-off or advanced that occurred in the previous fiscal year. (Sec. 917)
7. **Personal Property Tax Report.** **Governor/Senate/Conference** modified the language for the personal property tax report by changing the date from September 30 to June 30 and removed the language requiring that the Department of Treasury and the Local Community Stabilization Authority notify all municipalities that adjustments could be made to future payments based on changes in estimates. (Sec. 920)
8. **Personal Property Tax Audit Report.** **Governor/Senate** deleted and **House/Conference** retained the Personal Property Tax audit report. (Sec. 927)
9. **Financial Data Analytic Tool Reimbursement.** **Governor/House** deleted and **Senate/Conference** modified the section regarding Financial Data Analytic Tool reimbursement to apply to the work project appropriations. (Sec. 936)
10. **Property Tax Assessor Training.** **Senate/Conference** included new language on the additional appropriations to property tax assessor training to expand training by increasing accessibility and including additional in-person training throughout the State. (Sec. 907b)
11. **Raise The Age Fund.** **Senate** included language to create the "raise the age fund", deposits a \$100 placeholder to the fund, and limits expenditures to those outline in SB 102. **Conference** did not include. (Sec. 949l)
12. **Municipal Cost Sharing Grants.** **Conference** included three grants, which includes: \$500,000 to the City of Lansing for security camera upgrades around the State Capitol, \$500,000 to the City of Lansing for large events at the State Capitol, and \$1,250,000 for a 991 dispatch center in the City of Dearborn that serves multiple local units. (Sec. 949m)
13. **Student Loan Refinancing Program Feasibility Study.** **Conference** included \$500,000 for a feasibility study on the costs to operate a student loan refinance program due July 1. (Sec. 949n)
14. **Millionaire Party Regulation.** **Senate** modified boilerplate language to move boilerplate appropriations into line item appropriations. (Sec. 979)

Date Completed: 9-19-19

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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2018-19 YEAR-TO-DATE*	FY 2019-20 CONFERENCE	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions .....	0.0	0.0	N/A	N/A
<b>GROSS .....</b>	<b>1,329,672,100</b>	<b>1,355,474,600</b>	<b>25,802,500</b>	<b>1.9</b>
Less:				
Interdepartmental Grants Received .....	0	0	0	0.0
<b>ADJUSTED GROSS .....</b>	<b>1,329,672,100</b>	<b>1,355,474,600</b>	<b>25,802,500</b>	<b>1.9</b>
Less:				
Federal Funds .....	0	0	0	0.0
Local and Private .....	0	0	0	0.0
<b>TOTAL STATE SPENDING .....</b>	<b>1,329,672,100</b>	<b>1,355,474,600</b>	<b>25,802,500</b>	<b>1.9</b>
Less:				
Other State Restricted Funds .....	1,329,672,100	1,355,474,600	25,802,500	1.9
<b>GENERAL FUND/GENERAL PURPOSE .....</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
<b>PAYMENTS TO LOCALS .....</b>	<b>1,329,672,100</b>	<b>1,355,474,600</b>	<b>25,802,500</b>	<b>1.9</b>

\*As of July 1, 2019.

	Gross	GF/GP
<b>FY 2018-19 Year-to-Date Appropriation .....</b>	<b>\$1,329,672,100</b>	<b>\$0</b>

#### Changes from FY 2018-19 Year-to-Date:

##### Items Included by the Senate and House

- 1. Constitutional Revenue Sharing Year-to-Date Adjustment.** The May 2019 consensus revenue estimating conference decreased the estimate for constitutional revenue sharing to \$850,600,600 for FY 2018-19, a 4.5% increase over FY 2017-18. 0 0

##### Conference Agreement on Items of Difference

- 2. Constitutional Revenue Sharing. Governor and Senate:** Recommended \$886,539,200 for constitutional revenue sharing for FY 2019-20, an increase of 3.2% from the January 2019 consensus revenue estimate for FY 2018-19. **House:** Assumed passage of a sales tax exemption for auto fuel, which lowered the total sales tax estimate, and thus the constitutional revenue sharing estimate for FY 2019-20 to \$805,239,200, a decrease of 6.3% from the January 2019 consensus revenue estimate for FY 2018-19. **Conference:** Based on the May 2019 consensus revenue estimates, appropriated \$865,441,900 for constitutional revenue sharing, a projected 1.7% increase over the revised estimate for FY 2018-19. This would pay an estimated \$87.84 per capita in FY 2019-20. 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. 14,841,300 0

3. <b>Supplemental Constitutional Revenue Sharing. House:</b> Included \$81,300,000 to be distributed on a per capita basis to every city, village, and township. <b>Conference:</b> Did not include.	0	0
4. <b>City, Village, and Township (CVT) Revenue Sharing. Governor:</b> Recommended \$262,810,700 in FY 2019-20 for nonconstitutional or "statutory" payments to cities, villages, and townships, a 3% increase in total payments from FY 2018-19. Governor removed one-time funding for per-capita payments under CVT Revenue Sharing and Supplemental CVT Revenue Sharing and moved funding into the ongoing line. All CVTs would then receive 103% of their total statutory FY 2018-19 funding level. <b>Senate:</b> Moved all one-time funding into the ongoing CVT Revenue Sharing line, and kept payments at 100% of their total statutory FY 2018-19 funding level. <b>House/Conference:</b> Moved all one-time funding into the ongoing CVT Revenue Sharing line, and increased payments to 102.3% of their total statutory FY 2018-19 funding level.	5,868,600	0
5. <b>County Revenue Sharing and County Incentive Program. Governor:</b> Recommended \$228,058,000 for total payments to counties. This would be paid through two line items: \$184,732,800 for County Revenue Sharing and \$43,325,200 for the County Incentive Program. Governor recommended increases of \$438,600 for County Revenue Sharing and \$106,400 for the County Incentive Program to cover the first full-year cost of three counties (Antrim, Keweenaw, and Mackinac) that re-entered State-paid revenue sharing in 2019. Governor also removed one-time funding for Supplemental County Revenue Sharing and rolled funding into County Revenue Sharing. In total, all counties would receive 105.3% of full funding in FY 2019-20, up from 102.5% in FY 2018-19, a 2.7% increase. <b>Senate:</b> Recommended \$221,960,500 for total payments to counties, moved Supplemental County Revenue Sharing to County Revenue Sharing, and maintained funding at 102.5%, the same as FY 2018-19. <b>House/Conference:</b> Recommended \$226,508,100 for total payments to counties, moved Supplemental County Revenue Sharing to County Revenue Sharing, and increased funding to 104.6% of full funding, a 2.0% increase.	5,092,600	0
6. <b>Community Opportunities for Renewal. Governor:</b> Renamed the Financially Distressed Cities, Villages, or Townships, a grant program to assist cities, villages, and townships to pay for projects or services to move the local unit toward financial stability, and increased funding by \$2.5 million to \$5.0 million. Grants must be used for infrastructure and equipment repair or replacement, public safety enhancements, blight removal, or for other community revitalization projects (a broad term to include other projects that meet the goals of the program). <b>Senate:</b> Concurred with Governor on program changes, but kept funding at FY 2018-19 level of \$2.5 million. <b>House:</b> Retained existing program name and requirements and kept funding at FY 2018-19 level of \$2.5 million. <b>Conference:</b> Retained existing program name and requirements and kept funding at FY 2018-19 level of \$2.5 million.	0	0
Total Changes .....	\$25,802,500	\$0
<b>FY 2019-20 Conference Report Appropriation .....</b>	<b>\$1,355,474,600</b>	<b>\$0</b>
<b>Amount Over/(Under) GF/GP Target:</b>	<b>\$0</b>	<b>\$0</b>

**Boilerplate Changes from FY 2018-19 Year-to-Date:**Items Included by the Senate and House

1. **Supplemental Revenue Sharing. Governor/Senate/House/Conference** removed supplemental CVT revenue sharing (Sec. 957) and supplemental county revenue sharing (Sec. 958).

Conference Agreement on Items of Difference

2. **CVT Revenue Sharing. Governor** set the amount that an eligible local government can receive at 103.0% of their payment under Sec. 901(1) of PA 618 of 2018 and Sec. 957(1) of PA 207 of 2018. **Senate** set the amount that an eligible local government can receive at 100.0% of their payment under Sec. 901(1) of PA 618 of 2018 and Sec. 957(1) of PA 207 of 2018. **House/Conference** set the amount that an eligible local government can receive at 102.3% of their payment under Sec. 901(1) of PA 618 of 2018 and Sec. 957(1) of PA 207 of 2018 and specified that any increase be used to pay down pension unfunded liability. (Sec. 952).
3. **County Revenue Sharing. Governor** recommended that payments in FY 2019-20 be 105.277% of the payments for which counties are eligible under the Glen Steil State Revenue Sharing Act, increased from of 102.0% in FY 2018-19. **Senate** recommended that payments in FY 2019-20 be 102.4627% of the payments for which counties are eligible under the Glen Steil State Revenue Sharing Act. **House/Conference** recommended that payments in FY 2019-20 be 104.5619% of the payments for which counties are eligible under the Glen Steil State Revenue Sharing Act and specified that any increase be used to pay down pension unfunded liability. (Sec. 955).
4. **Community Opportunities for Renewal. Governor/Senate** replaced the Financially Distressed Cities, Villages, or Townships program with Community Opportunities for renewal, and added language to include the following as eligible projects: public safety, blight removal, and other community revitalization projects (a broad term to include other projects that meet the goals of the program). Also removed language that would allow grants to make payments to reduce unfunded accrued liability, to reduce debt obligations, for costs associated with a transition to shared services with another jurisdiction, or for other projects that move the city, village, or township toward financial stability. **House** retained existing language. **Conference** retained existing language. (Sec. 956).

Date Completed: 9-19-19

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## **CONTENT**

The supplemental would provide appropriations for fiscal year (FY) 2018-19 for various State budget areas. The supplemental includes appropriations of \$473.8 million Gross and negative \$26.1 million General Fund/General Purpose (GF/GP). Table 1 summarizes the appropriations in the supplemental.

**Table 1**

<b>Budget Area</b>	<b>Gross</b>	<b>Federal</b>	<b>Local/ Private/IDG</b>	<b>State Restricted</b>	<b>GF/GP</b>
Ag & Rural Dev.	\$1,277,000	\$0	\$0	\$0	\$1,277,000
Attorney General	1,372,500	0	1,372,500	0	0
Education	(10,000,000)	(10,254,200)	0	0	254,200
Health/Human Services	451,697,300	286,798,800	5,114,300	194,023,400	(34,239,200)
Judiciary	1,250,000	0	0	1,250,000	0
Licensing & Reg. Affairs	500,000	0	0	500,000	0
Natural Resources	21,100,000	3,600,000	0	17,500,000	0
State Police	1,927,600	0	0	0	1,927,600
Tech, Mang., & Budget	4,465,000	0	0	0	4,465,000
Treasury	250,000	0	0	0	250,000
<b>TOTAL FY 2018-19</b>	<b>\$473,839,400</b>	<b>\$280,144,600</b>	<b>\$6,486,800</b>	<b>\$213,273,400</b>	<b>(\$26,065,400)</b>

## **FISCAL IMPACT**

The bill provides appropriations of \$473.8 million Gross and negative \$26.1 million GF/GP. Most of these funding adjustments are due to consensus base and caseload adjustments in the Department of Health and Human Services and the Department of Education agreed to at the May consensus meeting among the State Budget Office and the House and Senate Fiscal Agencies. These consensus base and caseload adjustments totaled \$427.3 million Gross and a negative \$38.7 million GF/GP. Table 2 summarizes the details of the appropriations in the supplemental.

## **FY 2018-19 BOILERPLATE LANGUAGE SECTIONS-PART 2A**

**Sec. 1501. General.** Records amount of total State spending and payments to local units of government.

**Sec. 1502. General.** Subjects appropriations and expenditures in the article to the provisions of the Management and Budget Act.

**Sec. 1505. Agriculture and Rural Development -Industrial Hemp Research.** Creates a work project for the funding in the supplemental.

**Sec. 1511. Attorney General – PFAS.** Creates a work project for supplemental funding used for investigation and enforcement regarding PFAS.

**Sec. 1521. Health and Human Services – Hospital Grant.** Creates a work project expiring November 30, 2019 for a \$3.0 million grant to Beaumont Hospital that was included in the FY 2018-19 budget.

**Sec. 1531. State Police – Violence Response Training.** Creates a work project for funding in the supplemental to be used to train law enforcement personnel on responses to active violence situations.

**Sec. 1551. Repealer.** Repeals the section of boilerplate in Public Act 618 of 2018 governing the grant referenced in Sec. 1521.

**Table 2**

<b>FY 2018-19 Supplemental</b>		
<b>Department/Program</b>	<b>Gross</b>	<b>GF/GP</b>
<b>Agriculture and Rural Development</b>		
Industrial hemp research and development .....	\$1,277,000	\$1,277,000
<b>Total Agriculture and Rural Development.....</b>	<b>\$1,277,000</b>	<b>\$1,277,000</b>
<b>Attorney General</b>		
Legal services for other departments .....	\$1,372,500	\$0
<b>Total Attorney General .....</b>	<b>\$1,372,500</b>	<b>\$0</b>
<b>Education</b>		
Fix match rate for child care program .....	\$0	\$254,200
Base/caseload for child development and care .....	(10,000,000)	0
<b>Total Education .....</b>	<b>(\$10,000,000)</b>	<b>\$254,200</b>
<b>Health and Human Services</b>		
Additional State Restricted in departmentwide administration .....	\$417,400	\$0
Legal support contracts fund shift .....	0	956,300
Shift 1 FTE from comm. service commission to administration .....	0	0
Community services adjustments .....	1,650,500	60,000
Transfer \$400K from behavioral health to administration .....	0	0
Adoption support services fund shift .....	0	100,200
Adoption incentive payments grant authorization .....	4,145,500	0
Add 1.0 FTE to Child Welfare Institute .....	130,000	98,600
Federal increase for kinship navigator .....	427,700	0
Settlement monitor adjustment .....	148,300	78,400
Reflect decreased Federal authorization for Strong Families .....	(2,550,100)	0
Bay Pines and Shawono county charge back fund source .....	0	489,600
State supplementation administration shortfall .....	125,000	125,000
Increase Michigan Rehabilitation Services FTE count (29.5 FTEs) .....	0	0
Mental health block grant staff (1.5 FTEs) .....	0	0

Local revenue recapture placeholder for facilities.....	100	0
Home Help electronic mobile verification system .....	1,500,000	150,000
Increase Hurley graduate medical education funding .....	2,363,000	0
Medicaid savings due to quantity limits on opioids.....	(2,000,000)	(474,900)
Medicare premium compliance costs.....	8,018,400	2,850,500
Consensus caseload, Medicaid, child welfare, and public assistance.....	437,321,500	(38,672,900)
<b>Total Health and Human Services.....</b>	<b>\$451,697,300</b>	<b>(\$34,239,200)</b>
<b>Judiciary</b>		
Statewide expansion of judiciary e-file system .....	\$1,250,000	\$0
<b>Total Judiciary.....</b>	<b>\$1,250,000</b>	<b>\$0</b>
<b>Licensing and Regulatory Affairs</b>		
Child care licensing and regulation .....	\$500,000	\$0
<b>Total Licensing and Regulatory Affairs.....</b>	<b>\$500,000</b>	<b>\$0</b>
<b>Natural Resources</b>		
DNR trail funding .....	\$21,100,000	\$0
<b>Total Natural Resources .....</b>	<b>\$21,100,000</b>	<b>\$0</b>
<b>State Police</b>		
Active violence training curriculum .....	\$1,927,600	\$1,927,600
<b>Total State Police .....</b>	<b>\$1,927,600</b>	<b>\$1,927,600</b>
<b>Technology, Management, and Budget</b>		
Deposit of Farnum building proceeds .....	\$4,465,000	\$4,465,000
<b>Total Technology, Management, and Budget .....</b>	<b>\$4,465,000</b>	<b>\$4,465,000</b>
<b>Treasury</b>		
Senior citizens cooperative housing tax exemption .....	\$250,000	\$250,000
<b>Total Treasury.....</b>	<b>\$250,000</b>	<b>\$250,000</b>
<b>Total FY 2018-19 Budget Area Supplemental Appropriations....</b>	<b>\$473,839,400</b>	<b>(\$26,065,400)</b>

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