



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



Telephone: (517) 373-2768

Fax: (517) 373-1986

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	336.5	346.5	10.0	3.0
GROSS	67,971,900	68,889,800	917,900	1.4
Less:				
Interdepartmental Grants Received	713,800	723,100	9,300	1.3
ADJUSTED GROSS	67,258,100	68,166,700	908,600	1.4
Less:				
Federal Funds	2,017,300	1,017,600	(999,700)	(49.6)
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	65,240,800	67,149,100	1,908,300	2.9
Less:				
Other State Restricted Funds	64,690,800	66,999,100	2,308,300	3.6
GENERAL FUND/GENERAL PURPOSE	550,000	150,000	(400,000)	(72.7)
PAYMENTS TO LOCALS	0	0	0	0.0

*As of July 1, 2019.

	Gross	GF/GP
FY 2018-19 Year-to-Date Appropriation	\$67,971,900	\$550,000
Changes from FY 2018-19 Year-to-Date:		
<u>Items Included by the Senate and House</u>		
1. Anti-Fraud Unit. The Governor and Senate included \$499,300 in Restricted funds and 6.0 FTEs for the Anti-Fraud Unit created by Executive Order 2018-9. The Anti-Fraud Unit will investigate fraud and criminal activity in the insurance and financial services sectors.	499,300	0
2. Removal of One-Time Actuarial Study. The Governor and Senate removed a one-time \$400,000 GF/GP appropriation for an evaluation of the State's pursuit of a health care innovation waiver under the Patient Protection and Affordable Care Act.	(400,000)	(400,000)
3. Economic Adjustments. Includes \$818,600 Gross and \$0 GF/GP for total economic adjustments, of which an estimated negative \$575,500 Gross and \$0 GF/GP is for legacy retirement costs (pension and retiree health).	818,600	0
<u>Conference Agreement on Items of Difference</u>		
4. Fund Shift. The House reduced GF/GP funding by \$100,000 and increased authorized restricted spending from the Insurance Bureau Fund by the same amount. The Conference did not include this fund shift.	0	0
Total Changes	\$917,900	(\$400,000)
FY 2019-20 Conference Report Appropriation	\$68,889,800	\$150,000
Amount Over/(Under) GF/GP Target:	\$0	\$0

Boilerplate Changes from FY 2018-19 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 budget bills. The replacement section also removed restrictions on the circumstances for such travel. The Senate and House retained. (Sec. 207)
2. **Communication with the Legislature.** The Governor removed a prohibition against taking disciplinary action against Department employees who communicate with the Legislature. The Senate and House retained. (Sec. 216)
3. **Healthy Michigan Plan Accounting Structure.** The Governor removed a section requiring LARA and DHHS to maintain an accounting structure allowing for identification of expenditures related with the administration of the Health Michigan Plan. The Senate and House retained. (Sec. 218)
4. **Healthy Michigan Reporting.** The Governor removed a section that limited GF/GP expenditures for executive director programs to uses necessary to comply with Healthy Michigan reporting requirements. The Senate and House retained. (Sec. 219)
5. **Insurance Bureau Fund Expenditures.** The Governor removed a section noting that funds in the Insurance Bureau Fund may be expended to support legislative participation in insurance activities coordinated by insurance and legislative associations. This use is already permitted by statute. The Senate and House retained. (Sec. 220)
6. **Health Insurance Rate Filings Report.** The Governor removed a section requiring the Department to report annual rate filings to the Legislature. The Senate and House retained. (Sec. 301)
7. **Innovation Waiver Actuarial Study.** The Governor removed language specific to a one-time actuarial study of the State's pursuit of a health care innovation waiver under the Patient Protection and Affordable Care Act. The Senate and House concurred. (Sec. 401)

Conference Agreement on Items of Difference

8. **Contingency Funds.** The Senate removed language appropriating contingency funds. The House retained. Conference included reduced contingency fund authorizations. (Sec. 210)
9. **TV or Radio Productions.** The Governor removed a prohibition against the Department producing radio or TV productions. The Senate retained. The House deleted. The Conference modified to prohibit third-party vendor contracts for this purpose. (Sec. 217)
10. **Enhanced 0850 Reporting Requirements.** The House included language requiring the Department to differentiate the primary and specific claims functions of third party administrators in its 0805 report. The Conference did not include. (Sec. 304)
11. **Auto Insurance Marketplace Feasibility Study.** The House included language requiring the Department to conduct a study to determine the feasibility of an auto insurance marketplace that would allow consumers to compare rates and plans among insurance providers. The Conference included. (Sec. 304)
12. **Anti-Fraud Unit Cost Savings Report.** The House included language requiring the Department to provide a report detailing the cost savings to the State and consumers achieved through the new Anti-Fraud unit. The Conference included. (Sec. 305)
13. **Consumer Services Complaints Report.** The House included language requiring the Department to produce a report on the complains received by the Office of Consumer Services. The Conference included. (Sec. 306)
14. **Guidance on Financial Services to Marijuana Businesses.** The Conference included language requiring the Department to issue a letter of guidance and an examination manual for state-chartered financial institutions that provide services to marijuana-related businesses. (Sec. 307)

Date Completed: 9-19-19

Fiscal Analyst: Elizabeth Raczkowski

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