



Senate Fiscal Agency
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**Senate Bill 802:
FY 2020-21 General Omnibus Appropriation Bill**

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BILL ANALYSIS



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Article 1

Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 GOV.'S REC.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	508.0	514.0	6.0	1.2
GROSS	111,417,500	120,349,400	8,931,900	8.0
Less:				
Interdepartmental Grants Received	1,315,700	324,400	(991,300)	(75.3)
ADJUSTED GROSS	110,101,800	120,025,000	9,923,200	9.0
Less:				
Federal Funds	12,636,400	13,129,500	493,100	3.9
Local and Private	101,800	71,300	(30,500)	(30.0)
TOTAL STATE SPENDING	97,363,600	106,824,200	9,460,600	9.7
Less:				
Other State Restricted Funds	41,383,700	43,353,000	1,969,300	4.8
GENERAL FUND/GENERAL PURPOSE	55,979,900	63,471,200	7,491,300	13.4
PAYMENTS TO LOCALS	9,650,000	8,800,000	(850,000)	(8.8)

*As of February 6, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$111,417,500	\$55,979,900

Changes from FY 2019-20 Year-to-Date:

- | | | |
|---|------------|------------|
| <p>1. Conservation Reserve Enhancement Program. The Governor recommended \$10.0 million in one-time GF/GP and \$600,000 in ongoing GF/GP in MDARD to reestablish the Conservation Reserve Enhancement Program, a partnership between the State, the Federal government, and MDARD, designed to reduce nonpoint source pollution from crop production. The program, which began in 2000, once affected 76,219 acres, but because of a lack of State matching funds, dwindled to 29,600 acres when the program was suspended in 2016. One-time funds would be used to provide a 50% match required of producers for Federal dollars that would pay the cost of management practices that protect water quality. Federal funds would flow directly to producers to support conservation practices. The Department would use ongoing funds to administer the program and provide education and outreach. Initial goals would be to reduce algal blooms in the Lake Erie basin, and pollution in the Saginaw Bay, the Southeast Michigan River Basin, and Lake Macatawa watersheds.</p> | 10,600,000 | 10,600,000 |
| <p>2. Industrial Hemp Pesticide and Plant Pest Management. The Governor recommends 3.0 FTEs and \$602,900 Restricted to support a hemp program within the Pesticide and Plant Pest Management division.</p> | 602,900 | 0 |
| <p>3. Industrial Hemp Laboratory and Central licensing. The Governor recommended 2.5 FTE and \$469,000 Restricted to support licensing and testing requirements for industrial hemp regulation per PA 641 of 2018.</p> | 469,000 | 0 |

4. Feed and Fertilizer Audit Program. The Governor recommended 4.0 FTEs and \$504,000 Restricted to support auditor positions to monitor industry compliance with statutory reporting requirements.	504,000	0
5. Licensing and Inspection IT System. The Governor recommended \$225,000 Gross, \$15,000 Restricted, \$210,000 GF/GP, to support maintenance and hosting costs for Phase I of a consolidated licensing and inspections system upgrade.	225,000	210,000
6. Cervid Program Licensing. The Governor recommended 1.0 FTE and \$76,900 GF/GP to support chronic wasting disease certification for all breeding herds, per PA 132 of 2019.	76,900	76,900
7. Food and Agriculture Investment Program - Elimination. The Governor recommended the elimination of the \$4.0 million GF/GP grant program.	(4,000,000)	(4,000,000)
8. Elimination of FY 2019-20 One-Time Appropriations. The Governor recommended the elimination of FY 2019-20 one-time appropriations, including \$500,000 GF/GP for Farm Stress Program and \$360,000 Gross, \$210,000 Restricted, \$150,000 GF/GP and 4.5 FTEs for the Industrial Hemp Program.	(860,000)	(650,000)
9. Technical Adjustment to Align Authorization with Revenues. The Governor recommended an adjustment across several budget lines to reflect actual funds received, including a net reduction in Interdepartmental Grants (IDGs) of \$797,300, an increase in Federal funds of \$309,200 a reduction in local funds of \$30,500, and an increase of \$20,000 in Restricted funds.	(498,600)	0
10. Unclassified Salaries. The Governor recommended an increase from \$596,700 GF/GP for FY 2019-20 to \$599,900 GF/GP for FY 2020-21.	3,200	3,200
11. Economic Adjustments. Includes \$1,809,500 Gross and \$1,251,200 GF/GP for total economic adjustments.	1,809,500	1,251,200
Total Changes	\$8,931,900	\$7,491,300
FY 2020-21 Governor's Recommendation	\$120,349,400	\$63,471,200

Boilerplate Changes from FY 2019-20 Year-to-Date:

1. **Acronyms and Definitions.** The Governor removed definition of "EPA," "FDA," "Fiscal Agencies," "HHS," "LARA," "LCC," "MDEGLE," "MDNR," "MOU," and "Subcommittee", terms currently used throughout out FY 2019-20 boilerplate. (Sec. 203)
2. **Reporting Requirements.** The Governor removed a subsection that required notification when a report has been placed on the Department website. (Sec. 204 - 2)
3. **Purchase of Goods and Services.** The Governor amended language that required preferences, all things being equal, to purchase USA, Michigan, and veteran-owned business goods and services, by adding "to the extent possible under MCL 18.1261". (Sec.205)
4. **Contractual Services and Supplies in Deprived and Depressed Communities.** The Governor amended language requiring that steps be taken to ensure businesses in deprived and depressed communities compete for State business, by adding "to the extent permissible under the management and budget act". (Sec. 206)
5. **Out of State Travel Report.** The Governor amended language by adding reference to MCL 18.1217. (Sec. 207)
6. **Contingency Fund Legislative Transfers.** The Governor amended language to increase the maximum of Federal fund transfers from \$3.0 million to \$5.0 million, increase the maximum for Restricted funds from \$2.0 million to \$6.0 million, and keep the local and private funds limits at \$100,000 that would be eligible for transfer. (Sec. 210)
7. **Disciplinary Action.** The Governor recommended elimination of this section, which prohibited action against an employee for communicating with legislative staff. (Sec. 215)

8. **Retention of Reports.** The Governor recommended elimination of this section, which requires the Department to receive and retain records. (Sec. 234)
9. **Grant Notification to Legislature.** The Governor recommended elimination of this section, which requires notification of grants to local units of government, institutions of higher education, or nonprofit organizations no less than seven days before grant recipients are notified. (Sec. 302)
10. **Food and Agriculture Investment Program.** The Governor recommended elimination of this section, which provides grant program guidelines for a program the Governor chose not to recommend for FY 2020-21. (Sec.701)
11. **Farm Stress Program.** The Governor recommended elimination of this section, which provides program guidelines for the \$500,000 GF/GP program the Governor chose not to recommend to fund for FY 2020-21. (Sec.901 from PA 65 of 2019 - vetoed, and Sec. 302 from PA 154 of 2019)

Date Completed: 3-11-20

Fiscal Analyst: Bruce Baker



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Article 2

Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 GOV.'S REC.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	536.4	534.4	(2.0)	(0.4)
GROSS	105,982,800	106,976,600	993,800	0.9
Less:				
Interdepartmental Grants Received	34,373,000	35,285,800	912,800	2.7
ADJUSTED GROSS	71,609,800	71,690,800	81,000	0.1
Less:				
Federal Funds	9,713,700	9,906,100	192,400	2.0
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	61,896,100	61,784,700	(111,400)	(0.2)
Less:				
Other State Restricted Funds	20,159,800	20,136,300	(23,500)	(0.1)
GENERAL FUND/GENERAL PURPOSE	41,736,300	41,648,400	(87,900)	(0.2)
PAYMENTS TO LOCALS	0	0	0	0.0

*As of February 6, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$105,982,800	\$41,736,300

Changes from FY 2019-20 Year-to-Date:

- | | | |
|--|-------------|-------------|
| 1. Transfer of OK2SAY to Michigan State Police. The Governor transferred all funding and 2.0 FTEs for this program, including administration and outreach/public relations functions, to the MSP. The MSP already operates the 24-hour hotline and would add these functions from the Attorney General. | (1,481,000) | (1,011,400) |
| 2. Elder Abuse Task Force. As a result of the of the Elder Abuse Task Force the Governor provided funding to support three investigators to work on protecting vulnerable seniors from financial abuse. | 387,500 | 387,500 |
| 3. Public Safety Initiative. The Governor reduced funding for this item because of a significant reduction in the backlog of outstanding warrants. The focus of the project was to reduce the backlog in Wayne County, Saginaw, Flint, and Pontiac. | (521,100) | (521,100) |
| 4. Elimination of Remaining \$100 Line Items. The Governor eliminated the 43 line items that remained budgeted at \$100, each of which were unrolled in the original legislatively approved budget. All but \$100 of each of the 43 line items were rolled into the Attorney General line item via Administrative Board action. The FTEs in the 43 line items were restored to the Attorney General line item. | (4,300) | (500) |

5. Economic Adjustments. Includes \$2,612,700 Gross and \$1,057,600 GF/GP for total economic adjustments, of which an estimated \$2,016,700 Gross and \$798,600 GF/GP are for legacy retirement costs (pension and retiree health).	2,612,700	1,057,600
Total Changes	\$993,800	(\$87,900)
FY 2020-21 Governor's Recommendation	\$106,976,600	\$41,648,400

Boilerplate Changes from FY 2019-20 Year-to-Date:

1. **Litigation Expense Reimbursement.** The **Governor** reinstated previous language that appropriates up to \$1.0 million from litigation expense reimbursements awarded to the State for specific purposes. (**NEW** Sec. 308)
2. **Report on Reimbursements.** Requires the Department to report the total amount of reimbursements received under Section 6 of the State Correctional Facility Reimbursement Act. The **Governor** deleted this language. (Sec. 309a)
3. **Legacy Cost Estimates.** The **Governor** provided the following Legacy Costs estimates for FY 2020-21. Total legacy costs estimated at \$18,984,500. Of that total, \$9,109,000 is for pension-related legacy costs and \$9,875,500 is for retiree health care legacy costs for the fiscal year ending September 30, 2020. (CL Sec. 315)
4. **Notification of Lawsuit Settlements.** Requires the Department to notify the appropriations chairs and fiscal agencies of all lawsuit settlements with a fiscal impact of \$5.0 million or more and not to enter into any lawsuit contrary to the laws of the State. The **Governor** deleted this language. (Sec. 320)
5. **Notification of Lawsuits Against Federal Government.** Requires the Department to notify the chairs of the appropriations subcommittees upon entering into a lawsuit against the Federal government. Requires the Attorney General to appear before the subcommittees within 30 days of filing such a suit upon request of the chairs. The notice includes estimated costs. The **Governor** deleted this language. (Sec. 321)

Date Completed: 3-11-20

Fiscal Analyst: Joe Carrasco, Jr.



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Article 3

Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 GOV.'S REC.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	110.0	110.0	0.0	0.0
GROSS	16,388,300	16,787,400	399,100	2.4
Less:				
Interdepartmental Grants Received	298,500	299,800	1,300	0.4
ADJUSTED GROSS	16,089,800	16,487,600	397,800	2.5
Less:				
Federal Funds	2,816,900	2,868,200	51,300	1.8
Local and Private	18,700	18,700	0	0.0
TOTAL STATE SPENDING	13,254,200	13,600,700	346,500	2.6
Less:				
Other State Restricted Funds	58,500	58,500	0	0.0
GENERAL FUND/GENERAL PURPOSE	13,195,700	13,542,200	346,500	2.6
PAYMENTS TO LOCALS	0	0	0	0.0

*As of February 6, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$16,388,300	\$13,195,700
Changes from FY 2019-20 Year-to-Date:		
1. Economic Adjustments. Includes \$399,100 Gross and \$346,500 GF/GP for total economic adjustments, of which an estimated \$299,900 Gross and \$259,000 GF/GP are for legacy retirement costs (pension and retiree health).	399,100	346,500
Total Changes	\$399,100	\$346,500
FY 2020-21 Governor's Recommendation	\$16,787,400	\$13,542,200

Boilerplate Changes from FY 2019-20 Year-to-Date:

1. **Submission of Complaints to Federal Departments.** The **Governor** removed a requirement that the Department provide notification before submitting a report or complaint to the United States Commission on Civil Rights or other Federal departments. (Sec. 405)
2. **Museums Support.** The **Governor** removed language appropriating funds to support three museums. (Sec. 411)

Date Completed: 3-11-20

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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Article 4
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 GOV.'S REC.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	13,778.3	13,686.8	(91.5)	(0.7)
GROSS	2,042,261,300	2,081,251,700	38,990,400	1.9
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	2,042,261,300	2,081,251,700	38,990,400	1.9
Less:				
Federal Funds	5,323,700	5,370,900	47,200	0.9
Local and Private	11,687,200	9,680,600	(2,006,600)	(17.2)
TOTAL STATE SPENDING	2,025,250,400	2,066,200,200	40,949,800	2.0
Less:				
Other State Restricted Funds	45,112,500	45,478,500	366,000	0.8
GENERAL FUND/GENERAL PURPOSE	1,980,137,900	2,020,721,700	40,583,800	2.0
PAYMENTS TO LOCALS	122,635,700	123,880,800	1,245,100	1.0

*As of February 6, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$2,042,261,300	\$1,980,137,900

Changes from FY 2019-20 Year-to-Date:

- | | | |
|--|--------------|--------------|
| 1. Elimination of FY 2019-20 One-Time Items. The Governor removed one-time funding totaling \$15.0 million, all General Fund. Funding removed as follows: \$10.4 million for New Custody Staff Training and \$4.6 million for the replacement of electronic monitoring devices and services. | (15,033,900) | (15,033,900) |
| 2. New Custody Staff Training. The Governor provided additional support for the training of 330 new correctional officers annually to alleviate higher than anticipated attrition. | 8,465,800 | 8,465,800 |
| 3. Corizon Health Care Contract Adjustment. The Governor included additional funding for inflationary contract adjustment. The current contract expires in May 2021. | 4,239,500 | 4,239,500 |
| 4. Water Rate Increase. The Governor provided additional funding for increased water rates in Jackson because of new lead and copper rules. Facilities affected include Charles E. Egeler, Parnall, G. Roberts Cotton, and Cooper Street Correctional Facilities. | 575,500 | 575,500 |
| 5. Employee Wellness Enhancements. The Governor provided new funding to support additional employee wellness resources and support services for Department employees. Ideas can be submitted by employees or by worksite. | 500,000 | 500,000 |

6. Green Oaks Training Facility Staff. The Governor transferred 1.0 FTE from DHHS to MDOC to support continued maintenance at the facility, which will become the new training academy for new corrections officers. The facility currently is operated by the DHHS along with the 1.0 FTE that provides maintenance. The MDOC will retain the 1.0 FTE through an interagency agreement between the DHHS and the MDOC for continued maintenance.	109,200	109,200
7. Detroit Detention Center (DDC). The Governor included a negative adjustment for the final year of current contract with the Detroit Detention Center. The Department operates the DDC on behalf of the City of Detroit Police Department; the DDC serves as the initial lock-up for individuals arrested in the City of Detroit.	(2,287,700)	0
8. Special Alternative to Incarceration Program. The Governor included the realization of the full-year savings from the relocation of the Special Alternative to Incarceration Program. Camp Cassidy Lake in Washtenaw County has been the location of this program (male boot camp) for several years; however, participation in this program has declined nearly in half because fewer offenders are eligible for and sentenced to the program. The program will be relocated to the Cooper Street Correctional Facility in Jackson in March 2020, resulting in a reduction of 92.5 FTE positions and \$10.0 million in annual savings.	(10,046,700)	(10,046,700)
9. Economic Adjustments. Includes \$52,468,700 Gross and \$51,774,400 GF/GP for total economic adjustments, of which an estimated \$36,939,300 Gross and \$36,455,500 GF/GP are for legacy retirement costs (pension and retiree health).	52,468,700	51,774,400
Total Changes	\$38,990,400	\$40,583,800
FY 2020-21 Governor's Recommendation	\$2,081,251,700	\$2,020,721,700

Boilerplate Changes from FY 2019-20 Year-to-Date:

1. **Deletions.** The Governor proposed to eliminate the following sections from current-year boilerplate: 216, 225, 239, 248, 304, 309, 310, 313 (2), 314, 315, 316, 317, 405, 411, 412, 417, 419(1), 422, 602, 611, 612, 613, 802, 812, 816, 901, 913(2), 940, 943, 944, 1013, and 1100. These deletions include a variety of reporting requirements, record retention requirements, and statements of legislative intent.
2. **Definitions.** Seventeen definitions were eliminated from the bill. These included acronyms that are no longer referenced in the bill, as well as the definitions of "cost per prisoner" and "offender who would likely be sentenced to imprisonment".
3. **Using Internet to File Reports.** The **Governor** expanded definition to include agencies in the definition. (Sec. 204.)
4. **Adding MCL Citations to Various Boilerplate Sections.** The **Governor** added "To the extent possible under MCL XXX" to various boilerplate sections.
5. **Buy American.** The **Governor** rewrote section in a new format but no substantive change. (Sec. 205)
6. **Deprived and Depressed Communities.** The **Governor** eliminated language stating that the Department cannot take disciplinary action against an employee or prisoner for communicating with a legislator or his or her staff. Language replaced with new language requiring the Department to take all reasonable steps to ensure that business in deprived or depressed communities compete for and perform contracts to provide services or supplies, or both. (Sec. 206)
7. **Contingency Funds.** The current budget provided only Federal contingency funds up to \$2.5 million. The **Governor** restored all contingency funds, including increasing the Federal limit to \$10.0 million and providing up to \$10.0 million for State Restricted Funds and up to \$2.0 million each for local or private funds. (Sec. 210)
8. **Updated amounts for Total Legacy Costs.** The **Governor** updated total legacy costs section. The pension-related costs for FY 2020-21 are \$156,416,200 and the retiree health care costs are \$169,578,300. (Sec. 214)

9. **Swift and Sure.** The **Governor** revised the language to state that the Department must provide the State Court Administrative Office with the data sufficient to administer the program rather than assist the Office with compilation of the data. (Sec. 247)
10. **Staff Ratio Report.** The **Governor** eliminated the specific reporting requirements and, instead, stated that the report must be submitted by March 1 and must include the Department's staff retention strategies. (Sec. 302)
11. **Employee Wellness.** The **Governor** eliminated the reporting requirement. The language states only that the Department must maintain an employee wellness programming, including programming focused on PTSD outreach. (Sec. 312)
12. **Offender Success Report.** The **Governor** removed the requirement to report details on planned expenditures and requires only the reporting of previous-year expenditures. (Sec. 402)
13. **Vocational Education Programs.** The **Governor** revised the language to remove the reporting requirement and to state only that the Department must ensure that the program provides relevant professional development opportunities. (Sec. 409)
14. **Community Corrections Comprehensive Plans.** The **Governor** eliminated all language and only retained the per diem reimbursement limit of \$52.50.
15. **Documents for Prisoners.** The **Governor** removed language requiring relevant departments to cooperate with access to documents, such as birth certificates and DDE form 214 for military service, and to require instead that the MDOC facilitate prisoners' access to these records. Also requires the MDOC to retain the prisoner's identification materials in the prisoner's personal file but only if the prisoner provides these documents. (Sec. 418)
16. **Tether Reimbursement Guidelines.** The **Governor** eliminated the requirement for prisoners, probationers, or parolees to reimburse the Department for costs associated with their participation in the program. (Sec. 603)
17. **Residential Alternative to Prison Program.** The **Governor** removed the specific metrics and stated that the Department must measure and set metric goals. (Sec. 617)

Date Completed: 3-11-20

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Article 5

Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 GOV.'S REC.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	614.5	615.0	0.5	0.1
GROSS	419,783,700	452,178,600	32,394,900	7.7
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	419,783,700	452,178,600	32,394,900	7.7
Less:				
Federal Funds	315,342,100	344,804,700	29,462,600	9.3
Local and Private	7,929,600	8,111,400	181,800	2.3
TOTAL STATE SPENDING	96,512,000	99,262,500	2,750,500	2.8
Less:				
Other State Restricted Funds	9,300,000	9,815,400	515,400	5.5
GENERAL FUND/GENERAL PURPOSE	87,212,000	89,447,100	2,235,100	2.6
PAYMENTS TO LOCALS	14,517,700	14,267,700	(250,000)	(1.7)

*As of February 6, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$419,783,700	\$87,212,000

Changes from FY 2019-20 Year-to-Date:

- Child Development and Care (CDC) Public Assistance.** The Governor increased the program by \$25.7 million Gross and Federal funds to increase the income entry threshold from 130% to 150% of the Federal Poverty Level (FPL). The increase would provide funding for three quarters of FY 2020-21. 25,725,000 0
- PBS High Quality Supports.** The Governor included \$1.8 million to PBS programming for PBS KIDS, Ready to Learn, and Pre-School U programs to support early childhood education. 1,800,000 1,800,000
- CDC External Support.** The Governor included \$1.3 million Gross and Federal funds to cover the cost to local child care providers for employee background checks. 1,300,000 0
- Camp Tuhsmeheeta.** The Governor included an additional \$202,000 to Camp Tuhsmeheeta for upkeep of the camp's facilities. 202,000 0
- Michigan Online Educator Certification System (MOECS) IT System Maintenance.** The Governor increased Information Technology funding \$200,000 Gross and Teacher Certification Fees for maintenance of the MOECS. 200,000 0
- Educator Excellence.** The Governor included an additional \$180,000 Gross and GF/GP to address teacher shortage and retention. 180,000 180,000
- Michigan School for the Deaf and Blind.** The Governor increased the line by \$112,800 Gross and Restricted to allow Medicaid dollars to be used on eligible students at the school. 112,800 0

8. Poet Laureate. The Governor created a Poet Laureate program with 0.5 FTE and \$100,000 to promote poetry, the spoken word, and literary arts.	100,000	100,000
9. CDC Matching Adjustment. The Governor shifted \$597,800 GF/GP to Federal revenue to align with current Federal matching requirements.	0	(597,800)
10. Placeholder Removal. The Governor removed three \$100 placeholders for the three departmental administrative reserve funds.	(300)	0
11. Great Start Operations Rollup. The Governor rolled CDC Contract Services and TEACH Scholarship line items into Great Start Operations.	0	0
12. Economic Adjustments. Includes \$2,775,400 Gross and \$752,900 GF/GP for total economic adjustments, of which an estimated increase of \$1,687,500 Gross and \$503,700 GF/GP are for legacy retirement costs.	2,775,400	752,900
Total Changes	\$32,394,900	\$2,235,100
FY 2020-21 Governor's Recommendation	\$452,178,600	\$89,447,100

Boilerplate Changes from FY 2019-20 Year-to-Date:

1. **Deleted Reports.** The Governor deleted a number of sections related to reporting/notification requirements. These include 229 (notification when entering into contracts over \$1.0 million), 230 (nonpublic school mandate report), 235 (association/consortium report), 239 (Labor Day study), 325 (Federal and Private grant report), and 1003 (Early Childhood Investment Corporation Report).
2. **Other Deleted Sections.** The Governor deleted a number of other sections, which include 219 (GSRP identification on kindergarten entry assessments), 222 (protects employees who communicate with the Legislature), 225 (2.5% penalty for failure to award grants in the School Aid Act in time), 227 (1% penalty for failure to report to the Legislature within 30 days), 236 (administrative reserve fund 1), 237 (administrative reserve fund 2), 238 (administrative reserve fund 3), 302 (State Board travel reimbursement cap), 409 (state administrative judge hearing requirement), and 1004 (appropriation to the TEACH Scholarship program).
3. **Contingency Funds.** The Governor doubled the contingency fund amounts for the Federal, State Restricted, and Private funds. (Sec. 210)
4. **Extent Permissible.** The Governor included the phrase "to the extent permissible under statute" to the sections related to Buy American, ensuring business in deprived areas, and out-of-State travel. (Sec. 205, 206, 207)
5. **Hourly Reimbursement Rate.** The Governor removed the CDC hourly reimbursement rate increase. (Sec. 1002)
6. **Income Entry Threshold.** The Governor increased the CDC income entry threshold level from 130% to 150% of the FPL. (Sec. 1009)
7. **Educator Excellence.** The Governor included a new section that would appropriate \$180,000 from Educator Excellence to focus on teacher shortage, retention, and diversity in Michigan. (Sec. 508)
8. **Poet Laureate.** The Governor included a new section that would appropriate \$100,000 to establish a Poet Laureate program to promote poetry, the spoken word, and literacy arts across the State. (Sec. 804)
9. **PBS Support.** The Governor appropriated \$1.8 million to a community licensed public television station that provides direct services to educators, parents, and informal and formal caregivers to improve school readiness. The appropriation must be focused on reading and literacy, community education camps, and professional development training programs. (Sec. 1102)
10. **Technical Changes.** The Governor made a number of technical modifications that include date changes, Part 1 appropriations, legacy cost adjustments, and removing legislative intent language. (Sec. 201, 203, 212, 214, 231, 602, 701, 804, 1007, 1008, and 1011)

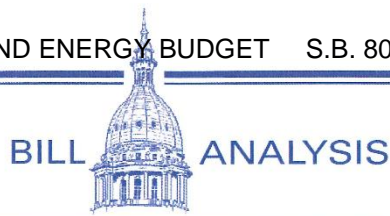
Date Completed: 3-11-20

Fiscal Analyst: Cory Savino

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



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Article 6
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 GOV.'S REC.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	1,416.0	1,416.0	0.0	0.0
GROSS	614,665,800	523,049,200	(91,616,600)	(14.9)
Less:				
Interdepartmental Grants Received	3,176,600	3,337,700	161,100	5.1
ADJUSTED GROSS	611,489,200	519,711,500	(91,777,700)	(15.0)
Less:				
Federal Funds	175,269,900	171,973,000	(3,296,900)	(1.9)
Local and Private	1,201,800	1,412,800	211,000	17.6
TOTAL STATE SPENDING	435,017,500	346,325,700	(88,691,800)	(20.4)
Less:				
Other State Restricted Funds	266,440,100	272,191,800	5,751,700	2.2
GENERAL FUND/GENERAL PURPOSE	168,577,400	74,133,900	(94,443,500)	(56.0)
PAYMENTS TO LOCALS	19,646,000	37,200,600	17,554,600	89.4

*As of February 6, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$614,665,800	\$168,577,400

Changes from FY 2019-20 Year-to-Date:

1. Environmental Contamination Rapid Response. The Governor included one-time GF/GP to support the identification, prioritization, and initial abatement of contaminated properties across the State.	20,000,000	20,000,000
2. Oil and Gas Program Restoration. The Governor included GF/GP to restore GF/GP funding to the Oil and Gas Program.	4,000,000	4,000,000
3. Renew Michigan Restoration. The Governor included increased Renew Michigan Fund authorization to restore program funding to the amount defined in statute.	500,000	0
4. Increase MAHS IDG Authorization. The Governor included an adjustment to increase authorization to support additional billings for the Environmental Permit Review Committee from the Department of Licensing and Regulatory Affairs.	500,000	129,000
5. Increase Workshops and Conferences Authorization. The Governor included an adjustment to align authorization with anticipated revenue from increased conference and workshop fees.	335,900	0
6. Efficiency and Renewable Energy Revolving Loan Fund. The Governor included authorization for a Restricted fund source received as part of the Executive Order 2019-6 reorganization. This adjustment appropriates a portion of the Fund to accurately charge administrative costs.	250,000	0

7. Remediation and Redevelopment Authorization. The Governor included an adjustment to align authorization with anticipated revenue and statutorily allowable uses of funds.	243,900	0
8. Financial Support Transfer. The Governor included a transfer of a portion of the Financial support appropriation to Executive direction and Environmental support.	0	218,000
9. Align Oil and Gas Program Authorization. The Governor included an adjustment to align authorization with anticipated revenue and to account for GF/GP restoration in the Oil and Gas Program.	(3,900,000)	0
10. Cost Allocation Plan. The Governor included adjustments across several administrative line items to align authorization with the Department's updated cost allocation plan.	0	(210,000)
11. Remove FY 2019-20 Supplemental and One-Time Appropriations. The Governor removed FY 2019-20 one-time funding for drinking water protection and innovation initiatives that were not included as part of the Department's base budget.	(120,000,100)	(120,000,000)
12. Other Changes. The Governor included several program transfers and fund shifts with a net zero Gross and GF/GP impact.	0	0
13. Economic Adjustments. Includes \$6,453,700 Gross and \$1,419,500 GF/GP for total economic adjustments, of which an estimated \$4,240,600 Gross and \$922,500 GF/GP are for legacy retirement costs (pension and retiree health).	6,453,700	1,419,500
Total Changes	(\$91,616,600)	(\$94,443,500)
FY 2020-21 Governor's Recommendation	\$523,049,200	\$74,133,900

Boilerplate Changes from FY 2019-20 Year-to-Date:

1. **Contingency Funds.** The Governor included increased contingency fund authorization allowing the Department to draw down Federal, increased Restricted, and Private contingency funds. (Sec. 210)
2. **Communication with the Legislature.** The Governor removed a prohibition against taking disciplinary action against Department employees who communicate with the Legislature. (Sec. 220)
3. **Rule Promulgation - Small Business Impact.** The Governor removed a prohibition against the promulgation of rules that would have a disproportionate impact on small businesses. (Sec. 221)
4. **Flint Water Crisis Legal Fees.** The Governor removed language directing the use of funds for legal defense of Department employees named in lawsuits or investigations related to the Flint Water Crisis. (Sec. 237)
5. **Report on Fees Charged.** The Governor removed a reporting requirement containing information on all fees charged by the Department, associated revenues, and all State and Federal fund sources used by the Department. (Sec. 238)
6. **Refined Petroleum Fund (RPF) Repayment.** The Governor removed a statement of legislative intent that the \$70.0 million transferred to the Environmental Protection Fund from the Refined Petroleum Fund in FY 2006-07 be repaid. (Sec. 305)
7. **Refined Petroleum Cleanup Program.** The Governor removed a site list reporting requirement for all refined petroleum product cleanup program projects. (Sec. 306)
8. **Climate and Energy.** The Governor removed language allowing the Department to enter into a memorandum of understanding between the Public Service Commission and the Office of Climate and Energy. (Sec. 601)

9. **Renew Michigan Program.** The Governor included new work project language for the Renew Michigan Program allowing the Department to carry forward program funds. (Sec. 801)
10. **Volkswagen Settlement.** The Governor included new language allowing the Department to receive and expend funds related to the Volkswagen settlement and reporting requirements on related expenditures. (Sec. 901)
11. **Environmental Contamination Rapid Response.** The Governor included new work project language for part 1 one-time Environmental contamination response funds allowing the Department to carry forward program funds. (Sec. 1001)
12. **Lead and Copper Rule Implementation.** The Governor removed a section directing allowable uses and grant amounts for the FY 2019-20 one-time Lead and Copper Rule implementation part 1 appropriation. (Sec. 1001)
13. **PFAS and Emerging Contaminants.** The Governor removed a section directing allowable uses and grant amounts for the FY 2019-20 one-time PFAS and emerging contaminants part 1 appropriation. (Sec. 1002)
14. **Drinking Water Infrastructure Grants.** The Governor removed a section directing allowable uses and grant amounts for the FY 2019-20 one-time Drinking water revolving fund loan forgiveness part 1 appropriation. (Sec. 1003)
15. **Affordability and Planning.** The Governor removed a section directing allowable uses and grant amounts for the FY 2019-20 one-time Affordability and planning part 1 appropriation. (Sec. 1004)
16. **Private Well Testing.** The Governor removed a section directing allowable uses and grant amounts for the FY 2019-20 one-time Private well testing part 1 appropriation. (Sec. 1005)

Date Completed: 3-11-20

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Article 7
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 GOV.'S REC.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	79.2	79.2	0.0	0.0
GROSS	7,114,300	7,276,500	162,200	2.3
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	7,114,300	7,276,500	162,200	2.3
Less:				
Federal Funds	0	0	0	0.0
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	7,114,300	7,276,500	162,200	2.3
Less:				
Other State Restricted Funds	0	0	0	0.0
GENERAL FUND/GENERAL PURPOSE	7,114,300	7,276,500	162,200	2.3
PAYMENTS TO LOCALS	0	0	0	0.0

*As of February 6, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$7,114,300	\$7,114,300
Changes from FY 2019-20 Year-to-Date:		
1. Executive Office Increase. The Governor provided an overall 2.5% increase totaling \$162,000, all GF/GP.	162,000	162,000
Total Changes	\$162,000	\$162,000
FY 2020-21 Governor's Recommendation	\$7,276,300	\$7,276,300

Boilerplate Changes from FY 2019-20 Year-to-Date:

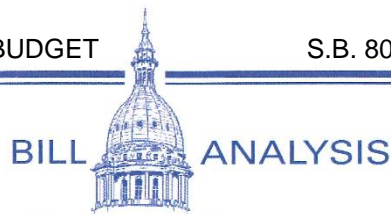
1. There is no boilerplate in for the Executive Office.

Date Completed: 3-11-20

Fiscal Analyst: Joe Carrasco, Jr.



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Article 8
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 GOV.'S REC.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	15,432.0	15,598.0	166.0	1.1
GROSS	26,358,046,300	27,148,828,900	790,782,600	3.0
Less:				
Interdepartmental Grants Received	13,819,300	13,829,900	10,600	0.1
ADJUSTED GROSS	26,344,227,000	27,134,999,000	790,772,000	3.0
Less:				
Federal Funds	18,306,958,900	18,688,919,000	381,960,100	2.1
Local and Private	289,205,500	341,995,600	52,790,100	18.3
TOTAL STATE SPENDING	7,748,062,600	8,104,084,400	356,021,800	4.6
Less:				
Other State Restricted Funds	2,978,783,900	3,015,718,000	36,934,100	1.2
GENERAL FUND/GENERAL PURPOSE	4,769,278,700	5,088,366,400	319,087,700	6.7
PAYMENTS TO LOCALS	1,566,525,200	1,671,291,600	104,766,400	6.7

*As of February 6, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$26,358,046,300	\$4,769,278,700

Changes from FY 2019-20 Year-to-Date:

- | | | |
|--|---------------|-------------|
| 1. Medicaid Match and Fund Source Adjustments. Traditional Medicaid match will increase to 64.08%, SCHIP match will drop to 74.86%, and expansion match will be 90.0% for the full year. Shortfalls in Merit Award Trust Fund, Healthy Michigan Fund, and Medicaid Benefits Trust Fund will lead to increased GF/GP costs of almost \$60.0 million. | 0 | 115,669,200 |
| 2. Changes in Federal Authorization. Budget reflected a net increase in available Federal grants. | 6,942,900 | 0 |
| 3. Medicaid Actuarial Soundness Adjustments. Budget included 2.0% actuarial soundness adjustments for all Medicaid physical health and most Medicaid behavioral health along with a 6.0% adjustment for Medicaid autism services. | 207,813,000 | 61,615,900 |
| 4. Medicaid Special Financing Adjustments. Budget included minor adjustments to reflect available special financing mechanisms. | 4,589,500 | (7,047,900) |
| 5. Food Assistance Program Base and Caseload. Budget reflected a continued decline in the FAP caseload. | (174,652,700) | 0 |
| 6. Child Welfare Services Base and Caseload. Budget included adjustments for child welfare caseload accounts, including significant increases in the Foster Care Payments and Child Care Fund lines. | 35,172,000 | 45,166,000 |
| 7. Public Assistance Caseloads. Budget included minor adjustments for public assistance caseloads as the caseloads are relatively flat. | (3,760,600) | (1,521,900) |

8. Medicaid Base and Caseload. Budget included large adjustments for Medicaid programs, including \$302.0 million Gross and \$93.8 million GF/GP for traditional physical health Medicaid, \$145.2 million Gross and \$14.5 million GF/GP for the Healthy Michigan Plan, and \$35.8 million Gross and \$12.9 million GF/GP for Medicaid autism services.	511,171,200	126,541,900
9. Program Increases. Budget included a number of program expansions, including the MiDOCS consortium (\$83.5 million Gross and \$20.1 million GF/GP), the Healthy Moms/Healthy Babies initiative (\$37.5 million Gross and \$17.6 million GF/GP), replacement of the MiSACWIS system (\$20.6 million Gross and \$12.2 million GF/GP), long term care counseling services to provide more direction in placement (\$20.3 million Gross and \$8.5 million GF/GP), and a 25.0% increase in Medicaid reimbursement for private duty nursing services (\$8.7 million Gross and \$3.1 million GF/GP).	277,999,500	103,682,800
10. Program Reductions and Savings. The budget included assumed savings from a number of initiatives, including creating a single preferred drug list for managed care services and retaining increased rebate savings (\$182.9 million Gross and \$45.8 million GF/GP savings), reduced rates to Medicaid health plans under the assumption of greater third party liability savings (\$49.7 million Gross and \$17.9 million GF/GP savings), and a redesign of Medicaid nursing facility rates (\$84.4 million Gross and \$30.3 million GF/GP savings).	(318,750,600)	(94,572,300)
11. Increase in Provider Tax Funded Medicaid Outpatient Hospital Payments. The budget included a 22.0% increase in Medicaid outpatient hospital payment rates with the State share funded through an increase in the hospital provider assessment.	352,646,000	(16,708,100)
12. Removal of FY 2019-20 One-Time Appropriations. The budget reflected the removal of most one-time appropriations from FY 2019-20.	(199,255,700)	(67,714,800)
13. FY 2020-21 One-Time Appropriations. The budget included several new one-time appropriations, including a lead poisoning prevention fund (\$10.0 million Gross and GF/GP) and opioid response services (\$12.3 million Gross and \$10.0 million GF/GP).	24,750,000	22,500,000
14. Other Changes. Other changes result in a small adjustment to the overall budget.	12,220,100	(3,211,400)
15. Economic Adjustments. Includes \$53,898,000 Gross and \$34,688,300 GF/GP for total economic adjustments, of which an estimated \$40,456,000 Gross and \$26,800,000 GF/GP are for legacy retirement costs (pension and retiree health).	53,898,000	34,688,300
Total Changes	\$790,782,600	\$319,087,700
FY 2020-21 Governor's Recommendation	\$27,148,828,900	\$5,088,366,400

Boilerplate Changes from FY 2019-20 Year-to-Date:

1. **Deletions.** The Governor eliminated the following sections from current year boilerplate: 215, 218, 220, 222, 225, 229, 232, 240, 253, 257, 264, 274, 293, 294, 297, 298, 299, 450, 459, 515, 518, 521, 527, 532, 535, 536, 537, 538, 558, 559, 573, 595, 596, 603, 625, 825, 912, 915, 926, 927, 950, 959, 960, 964, 965, 970, 972, 973, 974, 977, 978, 979, 994, 1053, 1057, 1060, 1141, 1144, 1150, 1151, 1152, 1153, 1154, 1155, 1156, 1158, 1228, 1238, 1302, 1303, 1304, 1305, 1307, 1309, 1310, 1312, 1319, 1320, 1340, 1350, 1425, 1502, 1504, 1507, 1508, 1515, 1645, 1646, 1659, 1696, 1730, 1763, 1790, 1791, 1792, 1793, 1800, 1803, 1804, 1805, 1806, 1807, 1812, 1857, 1858, 1867, 1878, 1906, 1908, 1909, 1911, 1912, 1913, 1914, 1915, 1916, 1917, 1918, 1919, 1920, 1921, 1922, 1923, 1924, 1925, 1926, 1927, 1928, 1929, 1930, 1931, 1932, 1933, 1934, 1935, 1936, and 1937.

2. **Renumbering.** The Governor renumbered Sec. 1910 as Sec. 1306, reflecting the movement of Flint Drinking Water Emergency Funding from one-time to ongoing.
3. **Contingency Fund Authorization.** The Governor increased the Federal Contingency Fund limit from \$80.0 million to \$400.0 million, the State restricted contingency fund limit from \$45.0 million to \$90.0 million, the local contingency fund limit from \$5.0 million to \$40.0 million, and the private contingency fund limit from \$2.0 million to \$60.0 million. (Sec. 210)
4. **Legacy Costs.** The Governor modified language to specify legacy costs for FY 2020-21 to include \$172.4 million for pension-related costs and \$186.9 million for retiree health care costs. (Sec. 214)
5. **Child Support Incentive Innovation Program.** The Governor modified language to allow for excess child support incentives to be used for a child support innovation program for grants to counties or to be used by the State for performance-based projects. (Sec. 401)
6. **Child Advocacy Centers.** The Governor removed language that allocated a \$1.0 million grant to child advocacy centers for children who are victims of abuse; \$999,900 of the current year funding was removed as a part of the October 2018 administrative board transfers. (Sec. 450)
7. **Campus Sexual Assault.** The Governor included language and funding to prevent sexual assault at high schools and higher education institutions. (Sec. 460)
8. **Master Contract Changes Report.** The Governor modified language that provided notification when changes to a child welfare master contract template had been made. (Sec. 531)
9. **Unlicensed Relative Licensure Incentives.** The Governor removed language allocated funding to nonprofit private child placing agencies that successfully assisted in licensing a relative foster home. (Sec. 574)
10. **Partial Child Care Fund Reimbursement.** The Governor modified language that described the procedures for the determination of disputed reimbursements for the Child Care Fund. (Sec. 598)
11. **Inappropriate Use of Electronic Benefit Card (EBT).** The Governor revised language associated with disallowed food assistance activity. Revised language refers to "food assistance trafficking" rather than "inappropriate use". (Sec. 672)
12. **Heat and Eat Program.** The Governor retained language supporting a \$20.01 annual standard utility allowance but removed language that allocated \$6,766,800.00 in Federal funding to support the Heat and Eat program. (Sec. 688)
13. **Vehicle Repair Program Limitation.** The Governor removed language that capped vehicle repairs funded through public assistance programs at \$500 (up to \$900 under Department discretion). (Sec. 825)
14. **CMH Funding Using Local Funds as State Match.** The Governor modified language directing the use of local funds as State match for Medicaid mental health funding to remove language stating legislative intent that local funding used to pull down match be phased out over five years and replaced with GF/GP. (Sec. 928)
15. **Executive Order 2019-13.** The Governor removed several language sections to reflect the transfer of Michigan Rehabilitation Services, Centers for Independent Living, Michigan Civil Service Commission, and related administrative funding to the Department of Labor and Economic Opportunity. (Secs. 1152, 1153, 1154, 1155, 1156, and 1158)
16. **Independent Pharmacist Dispensing Fee Increase.** The Governor rewrote existing language to require reimbursement to independent pharmacies include the lesser of a professional dispensing fee comparable to \$3, or the pharmacy's usual customary cash charge. (Sec. 1625)
17. **Hospice Room and Board.** The Governor modified language to require the Department to contract with qualifying hospice residencies that had been enrolled with Medicaid by October 1, 2014, to provide room and board for Medicaid recipients who meet hospice eligibility requirements. (Sec. 1856)
18. **Long-Term Support Service.** The Governor removed language requiring the Department to explore the implementation of a managed care long-term support services. (Sec. 1857)
19. **Single Preferred Drug List.** The Governor included new language requiring the Department to maintain a single, standard preferred drug list to be used by all Medicaid managed care programs. (Sec. 1878)

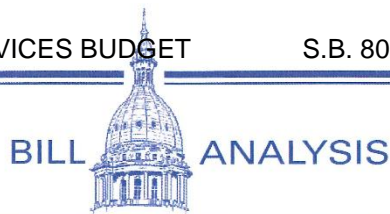
20. **MiSACWIS Workgroup.** The Governor removed language that provided reports from workgroup established to recommend successor system to MiSACWIS. (Sec. 1906)
21. **Information Technology Project Prioritization.** The Governor eliminated section that stated intent for investment in information technology be applied to certain public health activities. (Sec .1908)
22. **First Responders Mental Health Grant Program.** The Governor included new language appropriating \$2.5 million to provide grants to behavioral health providers for services to first responders suffering from mental health conditions. (Sec. 1911)
23. **Lead Poisoning Prevention Fund.** The Governor included new language appropriating \$10.0 million to establish a Lead Poisoning Prevention Fund to support loans to landlords and homeowners remediating lead hazards from their property. (Sec. 1913)
24. **Opioid Crisis Response.** The Governor included new language appropriating \$12.2 million to establish a revolving fund to expand Substance use Division (SUD) recovery housing, support criminal justice diversion efforts, provide SUD training to health and child welfare staff, and support data collection efforts to identify best practices to combat the opioid crisis. (Sec. 1918)

Date Completed: 3-11-20

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



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Article 9
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 GOV.'S REC.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	362.5	382.5	20.0	5.5
GROSS	72,062,800	73,315,700	1,252,900	1.7
Less:				
Interdepartmental Grants Received	723,100	728,600	5,500	0.8
ADJUSTED GROSS	71,339,700	72,587,100	1,247,400	1.7
Less:				
Federal Funds	1,017,600	1,017,100	(500)	(0.0)
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	70,322,100	71,570,000	1,247,900	1.8
Less:				
Other State Restricted Funds	70,172,100	71,570,000	1,397,900	2.0
GENERAL FUND/GENERAL PURPOSE	150,000	0	(150,000)	(100.0)
PAYMENTS TO LOCALS	0	0	0	0.0

*As of February 6, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	72,062,800	150,000
Changes from FY 2019-20 Year-to-Date:		
1. Healthy Michigan Plan Report. The Governor removed \$150,000 GF/GP appropriated for the completion of the annual Health Michigan uncompensated care report. The report is completed by the DHHS.	(150,000)	(150,000)
2. Economic Adjustments. Includes \$1,402,900 Gross and \$0 GF/GP for total economic adjustments, of which an estimated \$1,106,500 Gross and \$0 GF/GP is for legacy retirement costs (pension and retiree health).	1,402,900	0
Total Changes	\$1,252,900	(\$150,000)
FY 2020-21 Governor's Recommendation	\$1,252,900	(\$150,000)

Boilerplate Changes from FY 2019-20 Year-to-Date:

- Out-of-State Travel Report.** The Governor revised the requirements for departmental out-of-State travel reports and removed language specifying the conditions under which travel is permissible. (Sec. 207)
- Contingency Funds Increase.** The Governor increased the amounts appropriated for contingency funds. (Sec. 210)
- Communication with Legislature.** The Governor removed language prohibiting the Department from taking disciplinary action against an employee for communicating with legislative members and/or staff. The Governor declared this language unenforceable in FY 2019-20. (Sec. 216)

4. **Prohibition on TV and Radio Production Contracts.** The Governor removed language prohibiting the Department from using appropriated funds to contract with third-party vendors for TV and radio productions. (Sec. 217)
5. **Healthy Michigan Accounting Structure.** The Governor removed language requiring the Department to maintain an accounting structure that allows Health Michigan expenditures to be identified. (Sec. 218).
6. **Healthy Michigan Report.** The Governor removed language regarding appropriations for the Health Michigan report. The Governor removed funding for this report in part 1, as it is completed by the DHHS. (Sec. 219)
7. **Insurance Bureau Fund Expenditures.** The Governor removed language regarding expenditures from the Insurance Bureau Fund that is already reflected in statute. (Sec. 220)
8. **Health Insurance Rate Filings Report.** The Governor removed language requiring the Department to submit a report on annual rate filings from health insurance issuers. (Sec. 301)
9. **Auto Insurance Marketplace Feasibility Study.** The Governor vetoed language in FY 2019-20 requiring the Department to conduct a study of the feasibility of an auto insurance marketplace in Michigan. (Sec. 302)
10. **Anti-Fraud Unit Cost Savings Report.** The Governor vetoed language in FY 2019-20 requiring the Department to produce a report on the savings resulting from the Anti-Fraud Unit. (Sec. 305)
11. **Complaint Report.** The Governor removed language requiring the Department to produce a report on the complaints received by the Office of Consumer Services. (Sec. 306)
12. **Marijuana Banking Guidelines.** The Governor vetoed language in FY 2019-20 requiring the Department to issue an examination manual and letter of guidance to State-chartered financial institutions serving marijuana businesses. (Sec. 307)

Date Completed: 3-11-20

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Article 10

Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 GOV.'S REC.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	509.0	512.0	3.0	0.6
GROSS	311,113,500	314,761,800	3,648,300	1.2
Less:				
Interdepartmental Grants Received	1,551,700	1,552,800	1,100	0.1
ADJUSTED GROSS	309,561,800	313,209,000	3,647,200	1.2
Less:				
Federal Funds	5,748,400	5,826,000	77,600	1.3
Local and Private	7,573,800	8,671,100	1,097,300	14.5
TOTAL STATE SPENDING	296,239,600	298,711,900	2,472,300	0.8
Less:				
Other State Restricted Funds	94,796,000	94,877,600	81,600	0.1
GENERAL FUND/GENERAL PURPOSE	201,443,600	203,834,300	2,390,700	1.2
PAYMENTS TO LOCALS	146,351,300	146,684,400	333,100	0.2

*As of February 6, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$311,113,500	\$201,443,600

Changes from FY 2019-20 Year-to-Date:

1. Direct Trial Court Automation Revenue Increase. Additional e-file fee revenue was included to allow for an increased appropriation for this line.	920,500	0
2. Louisiana v. Montgomery Compliance. The Governor slightly increased this line and moved it from the one-time section to the ongoing section.	39,200	39,200
3. Judicial Tenure Commission. The Governor moved \$100,000 GF/GP for the Commission from the one-time section to the ongoing section.	0	0
4. Pretrial Risk Assessment. The Governor moved \$325,700 GF/GP for this project from the one-time section to the ongoing section.	0	0
5. One-Time Supreme Court Website Upgrade. The Governor removed FY 2019-20 one-time funding for this project.	(1,475,000)	(1,475,000)
6. One-Time Problem Solving Courts Expansion. The Governor removed FY 2019-20 one-time funding for this expansion.	(400,000)	(400,000)
7. Other Changes. The Governor added 7 FTEs to the Statewide E-file system line item. Funding for these FTEs was previously provided in Public Act 56 of 2019, but the FTEs were not added with the supplemental appropriation at that time.	0	0

8. Economic Adjustments. Includes \$4,563,600 Gross and \$4,226,500 GF/GP for total economic adjustments, of which an estimated \$1,598,700 Gross and \$1,326,100 GF/GP are for legacy retirement costs (pension and retiree health).	4,563,600	4,226,500
Total Changes	\$3,648,300	\$2,390,700
FY 2020-21 Governor's Recommendation	\$314,761,800	\$203,834,300

Boilerplate Changes from FY 2019-20 Year-to-Date:

1. **Definitions.** The Governor removed boilerplate definitions for the following terms: "DOJ", "DOT", "HHS", "SADO", "Title IV D", "Title IV E". (Sec. 203)
2. **Disciplinary Action - Removed.** The Governor removed a section prohibiting the Judicial branch from taking disciplinary action against an employee for communicating with the Legislature. (Sec. 215)
3. **Foster Parent Input - Removed.** The Governor removed a section requiring judges to publicly request the input of foster parents during foster care hearings. (Sec. 216)
4. **Explanation of Foster Care Service Plan Changes - Removed.** The Governor removed a section requiring judges to provide an explanation of changes to a foster care family service plan. (Sec. 217)
5. **Interagency Collaboration for Swift & Sure - Removed.** The Governor removed a requirement that the State Court Administrative Office identify programs available for Swift & Sure participants. (Sec. 218)
6. **Report Retention - Removed.** The Governor removed a requirement that the Judicial branch retain copies of all reports funded from appropriations. (Sec. 219)
7. **Reporting on the Parental Rights Restoration Act - Removed.** The Governor removed a report requiring the State Court Administrator to report on the number of petitions filed and granted of minors seeking a waiver of parental consent. (Sec. 312)
8. **Pretrial Risk Assessment Tool.** The Governor amended a reporting requirement, removing some additional reporting requirements that were added by the Legislature for FY 2019-20. (Sec. 316)
9. **Swift and Sure Sanctions Program.** The Governor amended a reporting requirement, removing subsections (2)(e) and (2)(f) that were added by the Legislature for FY 2019-20. (Sec. 320)
10. **One-Time Removals.** The Governor removed both one-time boilerplate sections from FY 2019-20. One section provided direction on spending for *Louisiana v. Montgomery* compliance (Sec. 402) and the other directed the creation of a pilot program within a veteran court to perform saliva testing for medication compliance. (Sec. 403)

Date Completed: 3-11-20

Fiscal Analyst: Michael Siracuse



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Article 11

Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 GOV.'S REC.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	2,531.4	2,533.4	2.0	0.1
GROSS	1,307,357,100	1,385,441,600	78,084,500	6.0
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	1,307,357,100	1,385,441,600	78,084,500	6.0
Less:				
Federal Funds	956,759,300	953,506,000	(3,253,300)	(0.3)
Local and Private	12,215,700	12,217,800	2,100	0.0
TOTAL STATE SPENDING	338,382,100	419,717,800	81,335,700	24.0
Less:				
Other State Restricted Funds	196,073,800	232,848,300	36,774,500	18.8
GENERAL FUND/GENERAL PURPOSE	142,308,300	186,869,500	44,561,200	31.3
PAYMENTS TO LOCALS	37,598,800	37,863,300	264,500	0.7

*As of February 6, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$1,307,357,100	\$142,308,300

Changes from FY 2019-20 Year-to-Date:

- | | | |
|---|------------|--------------|
| 1. Going Pro. The Governor restored funding to the Going Pro program at \$27.9 million Gross and GF/GP. | 27,920,700 | 27,920,700 |
| 2. Business Attraction and Community Revitalization. The Governor increased Gross appropriations \$20.6 million and shifted \$10.4 million from GF/GP to 21 st Century Jobs Trust Fund dollars. This would bring FY 2020-21 appropriations to \$100.0 million Gross, \$58.4 million 21 st Century Jobs Trust Fund dollars, and \$41.4 million GF/GP. | 20,620,100 | (10,379,900) |
| 3. Pure Michigan. The Governor restored funding to the Pure Michigan Promotion Program at \$15.0 million Gross and GF/GP. | 15,000,000 | 15,000,000 |
| 4. Nature, Science, and Culture Experience Grants. The Governor created a new competitive grant program at \$10.0 million Gross and GF/GP to promote cultural diversity and nature within the State. | 10,000,000 | 10,000,000 |
| 5. First Responders Presumed Coverage Claims. The Governor replaced \$250,000 Gross and GF/GP with \$4.0 million Gross and Restricted due to dedicated revenue from the enactment of online sports and internet gaming. | 3,750,000 | (250,000) |
| 6. Executive Order (EO) 2019-13 Adjustment. The Governor included \$2.6 million Gross and \$118,200 GF/GP to finalize EO 2019-13. | 2,570,100 | 118,200 |

7. Centers for Independent Living. The Governor included a \$2.0 million Gross and GF/GP increase to the Centers for Independent Living, which would bring total appropriations to \$14.0 million Gross and \$5.7 million GF/GP.	2,000,000	2,000,000
8. Postsecondary Best Practice Grants. The Governor included \$1.0 million Gross and GF/GP for a competitive grant program to promote the implementation of best practices for college completion in higher education.	1,000,000	1,000,000
9. Focus: HOPE. The Governor continued a supplemental appropriation of \$1.0 million Gross and GF/GP to Focus: HOPE.	0	0
10. Technical Revenue Adjustments. The Governor included a \$7.8 million Gross reduction to various line items to align with Federal and restricted revenue projections.	(7,753,900)	0
11. Special Grants. The Governor eliminated \$500,000 to Alpena Community College, \$250,000 to Belleville Seawall Project, \$250,000 to Saginaw County Community Corrections, and \$250,100 for blight elimination.	(1,250,100)	(1,250,100)
12. Placeholders. The Governor eliminated six \$100 placeholders throughout the budget.	(600)	(200)
13. Economic Adjustments. Includes \$4,228,200 Gross and \$402,500 GF/GP for total economic adjustments, of which an estimated \$3,507,300 Gross and \$319,800 GF/GP is for legacy retirement costs (pension and retiree health).	4,228,200	402,500
Total Changes	\$78,084,500	\$44,561,200
FY 2020-21 Governor's Recommendation	\$1,385,441,600	\$186,869,500

Boilerplate Changes from FY 2019-20 Year-to-Date:

- Deleted Reports.** The Governor deleted a number of sections related to reporting/notification requirements, which include 216 (retention of all reports), 990 (MSHDA report), 1004 (MSF statutory report), 1006 (Business Attraction amendment report), 1033 (Michigan Film Office activity report), 1065 (Going Pro award report), and a report that was transferred from the DHHS budget on improvements to Michigan Rehabilitation Services.
- Other Deleted Sections.** The Governor deleted a number of other sections, which include 217 (fund expenditure prioritization), 218 (protects employees who communicate to the Legislature), 221 (policy change report), 983 (MSF/MSHDA restriction on appropriations for broadband), 984 (use of SIGMA), 998 (blight elimination program), 1013 (private fundraising restriction), 1041 (limit amount of Business Attraction and Community Revitalization transfers), 1047 (Michigan enhancement grants), 1048 (deposit into the Rural Jobs and Capital Investment Fund), 1053 (Pure Michigan conference support), 1067 (Going Pro Talent Fund), 1070 (Graduation Alliance), 1071 (Jobs for Michigan's Graduates Program), 1072 (High School Equivalency-to-School Program), 1073 (GED-to-School work projects), 1079 (TANF requirements), 1080 (Community Ventures); deleted a section from the DHHS budget on appropriations to match Federal funds for community-based rehabilitation organizations; and deleted a section from the LARA budget on restricting appropriation to the various commissions to events directly related to the mission statement of that commission.
- Contingency Fund.** The Governor doubled the contingency fund amount for each fund source. (Sec. 201)
- Extent Permissible.** The Governor included the phrase "to the extent permissible under statute" to the sections related to Buy American, ensuring business in deprived areas, and out-of-State travel. (Sec. 205, 206, 207)
- Arts and Cultural Program.** The Governor removed the restriction on Arts and Cultural Program appropriations from being used for administration of the program. (Sec. 1035)
- Healthy Michigan Job Training Report.** The Governor modified the Healthy Michigan job training report from monthly to biannually.
- Vocational Rehabilitation Appropriations.** The Governor removed the \$50,000 appropriation for vocational rehabilitation services for agricultural workers and modified "shall" to "may". (Sec. 1082)

8. **Office of Global Michigan Report.** The Governor modified the Office of Global Michigan report to include a description of major programs and activities and the number of individuals served in each program, the number of job seekers and employers that have been served, and a description of activities the office conducted to attract international, advanced degree, and entrepreneurial talent. (Sec. 1090)
9. **Pure Michigan Promotion Program.** The Governor included a new section that allows the appropriation of additional revenue received by the Pure Michigan promotion campaign. (Sec. 1006)
10. **Postsecondary Best Practices Grants.** The Governor included a new program that allocates funds to community colleges, public universities, and independent nonprofit colleges that implement best practices identified by Complete College America to improve graduation rates. (Sec. 1091)
11. **Focus: HOPE.** The Governor included a new section that appropriated \$1.0 million to Focus: HOPE for education and workforce development. (Sec. 1092)
12. **Nature, Science, and Cultural Experiences Program.** The Governor included a new section that created the Nature, Science, and Cultural Experiences Grant program under the Michigan Council for Arts and Cultural Affairs. The section requires the criteria to be posted by December 1, that awards be made by April 15, the posting the complete list of awardees, and a status report from all award recipients. (Sec. 1093)
13. **Technical Changes.** The Governor made a number of technical modifications that include date changes, changes in Part 1 appropriations, legacy cost adjustments, and name changes because of EO 2019-13. (Sec. 201, 203, 205, 207, 214, 1050, 1060, 1061, 1062, 1063, 1064, 1066, 1068, and 1083)

Date Completed: 3-11-20

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Article 12
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 GOV.'S REC.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	0.0	0.0	N/A	N/A
GROSS	201,425,900	207,165,400	5,739,500	2.8
Less:				
Interdepartmental Grants Received	6,068,400	6,250,400	182,000	3.0
ADJUSTED GROSS	195,357,500	200,915,000	5,557,500	2.8
Less:				
Federal Funds	0	0	0	0.0
Local and Private	400,000	400,000	0	0.0
TOTAL STATE SPENDING	194,957,500	200,515,000	5,557,500	2.9
Less:				
Other State Restricted Funds	6,591,200	6,776,800	185,600	2.8
GENERAL FUND/GENERAL PURPOSE	188,366,300	193,738,200	5,371,900	2.9
PAYMENTS TO LOCALS	0	0	0	0.0

*As of February 6, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$201,425,900	\$188,366,300

Changes from FY 2019-20 Year-to-Date:

1. Independent Citizens Redistricting Commission. The Governor provided the statutorily required funding for the Commission. The State is required to provide funding equal to 25% of the GF/GP funding for the Department of State. The funding for the Department of State for FY 2020-21 increased by \$5,636,000; thus, an additional \$1.4 million is required for the Commission.	1,409,000	1,409,000
2. House Increase. The Governor provided a 2% overall increase for the Michigan House of Representatives.	1,393,600	1,393,600
3. Senate Increase. The Governor provided a 2% overall increase for the Michigan Senate.	988,500	988,500
4. Legislative Auditor General Increase. The Governor provided a 2% overall increase for the Legislative Auditor General	778,100	533,700
5. Property Management. The Governor provided an increase totaling \$416,00 that consists of \$247,300 for the Cora Anderson House Building and \$168,700 for the Binsfeld Office Building.	416,000	416,000
6. Legislative Council Increase. The Governor provided a 2% overall increase for the Legislative Council.	366,300	366,300

7. State Capitol Historic Site Increase. The Governor provided an increase totaling \$240,000 that consists of an increase of \$141,300 for General Operations, an increase of \$98,700 for Restoration, Renewal, and Maintenance, and removed the \$100 placeholder for bond/lease obligations.	239,900	141,200
8. Legislative Retirement System Increase. The Governor provided a 2% overall increase for the Legislative Retirement System.	148,100	123,600
Total Changes	\$5,739,500	\$5,371,900
FY 2020-21 Governor's Recommendation	\$207,165,400	\$193,738,200

Boilerplate Changes from FY 2019-20 Year-to-Date:

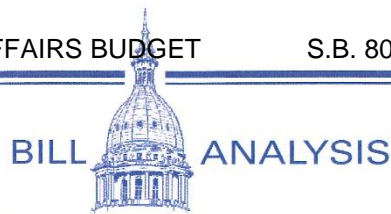
1. **Governor:** Moved boilerplate from the FY 2019-20 general sections that applied to all General Government budgets to the Article for the Legislature. Changes to those items can be found in the highlight sheet for the **General Sections**.
2. **Legacy Cost Estimates.** The **Governor** provided the following Legacy Costs estimates for FY 2020-21: Total legacy costs estimated at \$31,774,700. Of that total, \$15,245,800 is for pension-related legacy costs and \$16,528,900 is for retiree health care legacy costs for the fiscal year ending September 30, 2021. (CL Sec. 615)
3. **Legislative Auditor General Audit of Judicial Branch.** Current law requires the Legislative Auditor General to conduct an audit of the Judicial branch. The **Governor** added the Legislature and Executive Office to the list of audits that must be conducted by the Legislative Auditor General. (Sec. 620)
4. **Confidential Information.** Legislative intent language allowing the Legislative Auditor General to access and examine confidential information and to remain subject to the same duty of confidentiality imposed by law. The **Governor** deleted the language. (CL Sec. 625)
5. **Performance Audit of MDOT.** The **Governor** deleted language requiring the Legislative Auditor General to conduct a performance audit of MDOT's use and procurement of contract consultants for evaluating construction material and specifications. (CL Sec. 626)

Date Completed: 3-11-20

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Article 13

Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 GOV.'S REC.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	1,819.9	1,827.9	8.0	0.4
GROSS	435,285,600	487,589,600	52,304,000	12.0
Less:				
Interdepartmental Grants Received	44,225,300	46,664,600	2,439,300	5.5
ADJUSTED GROSS	391,060,300	440,925,000	49,864,700	12.8
Less:				
Federal Funds	28,125,600	28,823,700	698,100	2.5
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	362,934,700	412,101,300	49,166,600	13.5
Less:				
Other State Restricted Funds	251,328,300	258,945,700	7,617,400	3.0
GENERAL FUND/GENERAL PURPOSE	111,606,400	153,155,600	41,549,200	37.2
PAYMENTS TO LOCALS	102,451,400	137,967,400	35,516,000	34.7

*As of February 6, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	435,285,600	111,606,400

Changes from FY 2019-20 Year-to-Date:

1. Michigan Indigent Defense Commission (MIDC) Grants. The Governor increased grant funding by \$36.5 million GF/GP to reflect approved costs of local compliance plans for Standards 1-4.	36,467,800	36,467,800
2. Michigan Saves Green Banking Grant. The Governor included \$5.0 million in one-time GF/GP funding for a grant to Michigan Saves, a green bank, to incentivize loans to businesses and individuals for energy-efficiency and renewable energy projects.	5,000,000	5,000,000
3. Rightsizing of Marijuana Programs. The Governor included an additional \$1.7 million in restricted funds and 8.0 FTEs for right-sizing and expenditure alignments within the Marijuana Regulatory Agency.	1,698,800	0
4. Childcare Licensing Background Checks. The Governor appropriated an additional \$1.3 million in IDG funding for staff background checks at licensed childcare centers.	1,300,000	0
5. Corporation, Securities, and Commercial Licensing Bureau. The Governor included an additional \$925,100 in restricted funds to reflect anticipated expenditures by the Bureau.	925,100	0
6. IT Support. The Governor included \$250,000 from the Marijuana Regulation Fund to support LARA's IT needs.	250,000	0

7. Fireworks Safety Enforcement. The Governor authorized a \$200,000 increase for the Fireworks Safety Fund to align appropriations with enforcement-related expenditures.	200,000	0
8. Bureau of Professional Licensing. The Governor increased restricted spending by \$80,000 to reflect increased legal and enforcement costs due to Bureau activities.	80,000	0
9. MIDC Grant Management System. The Governor added \$72,000 GF/GP to support IT costs for the MIDC's grant management system.	72,000	72,000
10. Executive Order 2019-13. The Governor included adjustments related to the transfer of programs from LARA to LEO.	(1,096,700)	(141,500)
11. Removal of Urban Search and Rescue. The Governor removed funding for the Urban Search and Rescue program.	(600,100)	(600,000)
12. Removal of FY 2019-20 One-Times Funding. The Governor removed \$530,000 in one-time funding that was included for FY 2019-20.	(530,000)	0
13. Property Management Reduction. The Governor reduced the Property Management line item by \$410,300 in restricted funds to align appropriations with expected expenditures.	(410,300)	0
14. Technical Adjustments. The Governor included technical adjustments to align IDGs with expenditures and adhere to statutory caps on certain programs.	(207,300)	0
15. Bureau of Construction Codes. The Governor replaced \$100,000 in GF/GP funding with restricted funding from the Construction Code Fund.	0	(100,000)
16. Economic Adjustments. Includes \$9,154,700 Gross and \$850,900 GF/GP for total economic adjustments, of which an estimated \$6,420,400 Gross and \$696,700 GF/GP is for legacy retirement costs (pension and retiree health).	9,154,700	850,900
Total Changes	\$52,304,000	\$41,549,200
FY 2020-21 Governor's Recommendation	\$52,304,000	\$41,549,200

Boilerplate Changes from FY 2019-20 Year-to-Date:

1. **Out-of-State Travel Report.** The Governor revised the requirements for departmental out-of-State travel reports and removed language specifying the conditions under which travel is permissible. (Sec. 207)
2. **Contingency Funds Increase.** The Governor increased the amounts appropriated for contingency funds. (Sec. 210)
3. **Communication with Legislature.** The Governor removed language prohibiting the Department from taking disciplinary action against an employee for communicating with legislative members and/or staff. The Governor declared this language unenforceable in FY 2019-20. (Sec. 216)
4. **Prohibition on TV and Radio Production Contracts.** The Governor removed language prohibiting the Department from using appropriated funds to contract with third-party vendors for TV and radio productions. (Sec. 217)
5. **Healthy Michigan Accounting Structure.** The Governor removed language requiring the Department to maintain an accounting structure that allows Health Michigan expenditures to be identified. (Sec. 220).
6. **Complaint Reporting.** The Governor consolidated complaint reporting boilerplate into a single section (Sec. 514), resulting in the removal of Sec. 226. (Secs. 226, 514)
7. **Employee Monitoring Best Practices.** The Governor removed a section requiring the Department to establish an employee monitoring process and submit a report on the same. (Sec. 227)
8. **Michigan Liquor Control Commission (MLCC) Investigations.** The Governor modified language to expand the MLCC's investigative scope and removed reporting and notification requirements. (Sec. 401)

9. **Marijuana Programs Reporting.** The Governor consolidated several boilerplate sections to require a single comprehensive annual report on all programs administered by the Marijuana Regulatory Agency. (Sec. 505)
10. **Residential Detoxification Programs.** The Governor removed a section requiring residential detoxification programs to meet certain national standards. The Governor declared this language unenforceable in FY 2019-20. (Sec. 515)
11. **MIDC Local Compliance.** The Governor removed language making local systems' compliance dependent on legislative appropriations. This is already required by Public Act 214 of 2018. (Sec. 904)
12. **Michigan Saves Grant.** The Governor included new language specifying criteria related to the \$5.0 million grant for Michigan Saves appropriated in part 1. (Sec. 1002)
13. **Programs Transferred to LEO.** The Governor removed several boilerplate sections pertaining to programs which were moved to the Department of Labor and Economic Opportunity by Executive Order 2019-13 in FY 2019-20.

Date Completed: 3-11-20

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Article 14
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 GOV.'S REC.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	924.5	1,052.5	128.0	13.8
GROSS	204,065,100	224,342,500	20,277,400	9.9
Less:				
Interdepartmental Grants Received	101,800	101,800	0	0.0
ADJUSTED GROSS	203,963,300	224,240,700	20,277,400	9.9
Less:				
Federal Funds	106,177,200	123,626,100	17,448,900	16.4
Local and Private	630,000	630,000	0	0.0
TOTAL STATE SPENDING	97,156,100	99,984,600	2,828,500	2.9
Less:				
Other State Restricted Funds	23,908,600	20,313,400	(3,595,200)	(15.0)
GENERAL FUND/GENERAL PURPOSE	73,247,500	79,671,200	6,423,700	8.8
PAYMENTS TO LOCALS	4,315,000	2,136,500	(2,178,500)	(50.5)

*As of February 6, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$204,065,100	\$73,247,500

Changes from FY 2019-20 Year-to-Date:

- | | | |
|--|------------|-----------|
| 1. National Guard Readiness Center - Grayling Army Airfield. The Governor recommended the construction of a new National Guard armory/readiness center for Camp Grayling, to be funded 100% with Federal funds. | 18,905,000 | 0 |
| 2. New Veterans Homes Ongoing Costs. The Governor recommended an adjustment (\$1,160,800 Gross, a negative \$5,856,300 Federal, a negative \$631,900 Restricted, and a positive of \$7,649,000 GF/GP) to reflect the coming ongoing operating costs of new State veterans homes in Grand Rapids and Chesterfield Township, which are projected to open in FY 2020-21. The Governor also recommended adding 115.0 FTEs to reflect opening of Chesterfield Township Home. | 1,160,800 | 7,649,000 |
| 3. Michigan Job ChalleNGe Program Funding Adjustment. The Governor recommended properly aligning program with available Federal funds of \$2,011,000 and necessary authorization for 18.0 FTEs. | 2,011,000 | 0 |
| 4. Grand Rapids Home for Veterans Transition Costs - Shift to One-Time Appropriations. The Governor recommended shifting appropriations of \$13,233,000 GF/GP for the transitional costs of moving operations from current home to new facility to one-time appropriation status. | 0 | 0 |

5. Elimination of FY 2019-20 One-Time Appropriations. The Governor recommended the elimination of one-time funding for Armory Maintenance of \$65,100 GF/GP, leaving an ongoing appropriation of \$1.0 million for maintenance.	(65,100)	(65,100)
6. Michigan Veterans Facility Authority - Efficiencies. The Governor recommended a reduction to reflect efficiencies stemming from a position vacancy that would go unfilled and a decision to hold less frequent Board meetings.	(250,000)	(250,000)
7. Board of Managers - Elimination of Funding. The Governor recommended the elimination of Restricted funding for the current veterans homes Board of Managers, and the shifting of all Board funds and responsibilities to the Michigan Veterans Homes Administration line.	(400,000)	0
8. County Veteran Service Fund Reduction. The Governor recommended a reduction of \$2.0 million GF/GP for the grant program for County veterans service offices, leaving a total recommended appropriation of \$2.0 million GF/GP for FY 2020-21.	(2,000,000)	(2,000,000)
9. Technical Adjustment to Align Authorization with Revenues. The Governor recommended an adjustment across several budget lines to reflect actual funds received, reducing Federal funds authorization by \$2,576,000 and Restricted by \$3,161,700. The Governor also recommended the reduction of 5.0 FTEs to reflect transfer of accounting services personnel to the DTMB.	(5,737,700)	0
10. Unclassified Salaries. The Governor recommended an increase from \$1,558,300 GF/GP for FY 2019-20 to \$1,566,700 GF/GP for FY 2020-21.	8,400	8,400
11. Economic Adjustments. Includes \$6,645,000 Gross and \$1,081,400 GF/GP for total economic adjustments.	6,645,000	1,081,400
Total Changes	\$20,277,400	\$6,423,700
FY 2020-21 Governor's Recommendation	\$224,342,500	\$79,671,200

Boilerplate Changes from FY 2019-20 Year-to-Date:

1. **Acronyms and Definitions.** The Governor removed definition of "core services" and "subcommittee," "support services," and "work project" terms currently used throughout out FY 2019-20 boilerplate. (Sec. 203)
2. **Purchase of Goods and Services.** The Governor amended language that required preferences, all things being equal, to purchase USA, Michigan, and veteran-owned business goods and services, by adding "to the extent possible under MCL 18.1261". (Sec.205)
3. **Contractual Services and Supplies in Deprived and Depressed Communities.** The Governor amended language requiring that steps be taken to ensure businesses in deprived and depressed communities compete for State business by adding "to the extent permissible under the management and budget act". (Sec. 206)
4. **Out-of-State Travel Report.** The Governor amended language, adding reference to MCL 18.1217. (Sec. 207)
5. **General Fund Lapse Report.** The Governor removed requirement to distribute report to subcommittees. (sec. 209)
6. **Contingency Fund Legislative Transfers.** The Governor amended language to decrease the maximum of Federal fund transfers from \$8.0 million to \$12.0 million, increase the maximum for Restricted funds from \$1.1 million to \$3.0 million, and add local funds (\$500,000) and private funds (\$100,000) that would be eligible for transfer. (Sec. 210)
7. **Disciplinary Action.** The Governor eliminated language prohibiting action against an employee for communicating with legislative staff. (Sec. 215)
8. **Biannual Reports on Work Projects, Financial Status, and Performance Metrics Throughout Department.** The Governor recommended elimination of this requirement. (Sec. 216)

9. **Listing of Core Services Provided by the Department Under Part 1.** The Governor recommended elimination. (Sec. 217)
10. **Receive and Expend Authorization for Veterans Homes.** The Governor recommended new language that would allow the Department to receive and spend private funds in excess of Part 1 appropriations. (Sec. 220)
11. **Unclassified Salaries.** The Governor recommended elimination of a subsection that requires notification when an additional unclassified position is added or when a position undergoes a substantive change in duties. (Sec. 301 - 2)
12. **Board of Managers Regulatory and Governance Authority Over Veterans Homes.** The Governor recommended shifting this section to Sec. 451 and deleting reference to Board, which is to be dissolved. (Sec. 401)
13. **Core Service Description/Performance Metrics/Reporting Requirements for Veterans Homes.** The Governor recommended shifting this section to Sec. 452, deleting reference to Board of Managers, adding reference to new Chesterfield Township home, deleting requirement to report on not less than a monthly basis the process of complaint filing, adding a summary on the number and nature of complaints of abuse or neglect and their disposition, changing reports of homes' compliance with standards from a quarterly to biannual basis, and deleting reports on updates of modernizations of infrastructure, information technologies, fiscal management, and CMS certification. (Sec.402)
14. **Veterans Homes Quality of Care.** The Governor recommended elimination of section that requires assurance that quality of care exceeds CMS and Medicaid Services certification standards, and a report. (Sec. 404)
15. **Core Service Description/Performance Metrics/Reporting Requirements for Michigan Veterans Trust Fund.** The Governor recommended changing due date for annual report from December 1, 2020, to February 1, 2021. (Sec.405)
16. **Core Service Description/Performance Metrics/Reporting Requirements for Michigan Veterans Affairs Agency.** The Governor recommended the elimination of language calling to "maintain staffing partnerships and other resources necessary" to operate an outreach program and the elimination of language requiring selection of regional coordinators from veterans service organizations. (Sec. 406 - 1a, 2a)
17. **Core Service Description/Performance Metrics/Reporting Requirements for Veterans Service Grants.** The Governor recommended adding tribal governments to those eligible to receive grants. (Sec. 407 - 1)
18. **Interagency Agreement with Department of Health and Human Services.** The Governor recommended elimination of this section, which calls for a cooperative agreement with the Department of Health and Human Services to identify Medicaid recipients who are veterans and may be eligible for veterans benefits, and requires a report. (Sec.409)
19. **Special Maintenance - Veterans Homes.** The Governor recommended adding new Chesterfield Township veterans home to the language. (Sec.503 - 3)

Date Completed: 3-11-20

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Article 15
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 GOV.'S REC.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	2,334.1	2,346.1	12.0	0.5
GROSS	438,685,400	468,258,900	29,573,500	6.7
Less:				
Interdepartmental Grants Received	197,200	203,100	5,900	3.0
ADJUSTED GROSS	438,488,200	468,055,800	29,567,600	6.7
Less:				
Federal Funds	75,501,200	88,453,700	12,952,500	17.2
Local and Private	7,431,600	7,439,200	7,600	0.1
TOTAL STATE SPENDING	355,555,400	372,162,900	16,607,500	4.7
Less:				
Other State Restricted Funds	308,570,400	322,800,800	14,230,400	4.6
GENERAL FUND/GENERAL PURPOSE	46,985,000	49,362,100	2,377,100	5.1
PAYMENTS TO LOCALS	8,122,200	8,659,300	537,100	6.6

*As of February 6, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$438,685,400	\$46,985,000

Changes from FY 2019-20 Year-to-Date:

- | | | |
|--|-----------|-----------|
| 1. Increase Good Neighbor Authorization. The Governor included additional Federal spending authority to hire 7.0 FTEs to support growing timber sales. Funding would support contracted projects for tree planting, forest inventory and botany surveys, vegetation management, invasive species control, and wildlife habitat restoration. | 8,143,400 | 0 |
| 2. Newberry Mass Timber Building. The Governor included an increase in Forest Development Funds to support a new 32,000 sq. ft. multi-division building in Newberry to consolidate space for staff and to create heated and cold storage space. | 5,000,000 | 0 |
| 3. Shooting Range Development, Enhancement, and Restoration. The Governor included one-time Federal authorization for improvements to existing firearm and archery ranges through the State, as well as restoration of areas where unsanctioned target shooting is occurring. | 4,400,000 | 0 |
| 4. Milliken Visitor Center. The Governor included one-time GF/GP to support the construction of a new visitor center on Mackinac Island near Arch Rock. | 2,500,000 | 2,500,000 |
| 5. Fish Hatchery Infrastructure Improvement. The Governor included increased Game and Fish Protection fund authorization to address the backlog of deferred maintenance projects at the State's six fish production facilities. | 2,500,000 | 0 |

6. Repair and Replace Aging Wildfire Equipment. The Governor included \$375,000 in ongoing Forest Development Funds to support 1.0 FTE mechanic position and \$1.0 million in one-time Forest Development Funds for fire equipment repair and new equipment purchase and modification for increasing firefighting demands.	1,375,000	0
7. Michigan Conservation Corps Restoration. The Governor included GF/GP to restore the program to previous funding levels.	1,000,000	1,000,000
8. Wetland Restoration, Enhancement, and Acquisition. The Governor included an increase in Waterfowl Hunt Stamp authorization to acquire wetland/waterfowl property throughout the State with an emphasis on southern Michigan, as well as to restore existing wetlands around the State.	1,000,000	0
9. Improve State Park Employee Retention. The Governor included an increase in Restricted authorization to create new park supervisor positions and to support the reclassification of existing supervisor positions.	567,800	0
10. Improve Sustainability of Cedar Forests. The Governor included one-time Forest Development Fund authorization to support research to explore alternatives needed to diversify the age of white cedar stands.	500,000	0
11. Local Boating Infrastructure Maintenance and Improvements. The Governor included an increase in Michigan State Waterways authorization to allow the DNR to partner with local communities in the repair, maintenance, development, and expansion of 63 locally-owned mooring facilities and 183 locally owned boating access sites.	472,500	0
12. Minimum Wage Increase. The Governor included additional Restricted authorization to support a minimum wage increase scheduled to occur January 1, 2021, for short-term workers.	277,500	0
13. Increase Belle Isle Authorization. The Governor included increased authorization to align spending authority with projected revenue for the Park Improvement - Belle Isle subaccount.	200,000	0
14. Increase Sportsmen Against Hunger Authorization. The Governor included an increase in spending authority to process and transport increased venison donations to local food banks and shelters.	173,600	0
15. State Boating Infrastructure Maintenance. The Governor included an increase in Michigan State Waterways authorization to address State boating facility maintenance, repair, and improvement needs at the State's 19 state harbors and over 1,100 State boating access sites.	27,500	0
16. Recognize Conservation Officer Travel Savings. The Governor included GF/GP savings to reflect the permanent assignment of conservation officers to Belle Isle State Park.	(91,700)	(91,700)
17. State Parks Repair and Maintenance Adjustment. The Governor included an adjustment to the Restricted funds that support the program. These adjustments are made annually by the Department based on needs and projected revenue.	(1,975,000)	0
18. Forest Development Infrastructure Adjustment. The Governor included an adjustment to Forest Development Funds that support the program. These adjustments are made annually by the Department based on needs and projected revenue.	(1,650,000)	0
19. Remove FY 2019-20 Supplemental and One-Time Appropriations.	(2,200,000)	(2,200,000)

20. Other Changes. The Governor included other changes including debt service, fund shifts, and the removal of fund authorization no longer needed.	(118,500)	0
21. Economic Adjustments. Includes \$7,471,400 Gross and \$1,168,800 GF/GP for total economic adjustments, of which an estimated \$5,503,200 Gross and \$770,100 GF/GP are for legacy retirement costs (pension and retiree health).	7,471,400	1,168,800
Total Changes	\$29,573,500	\$2,377,100
FY 2020-21 Governor's Recommendation	\$468,258,900	\$49,362,100

Boilerplate Changes from FY 2019-20 Year-to-Date:

1. **Contingency Funds.** The Governor included language allowing the Department to draw down Federal, increased Restricted, and Private contingency funds. (Sec. 210)
2. **Communication with the Legislature.** The Governor removed a prohibition against taking disciplinary action against Department employees who communicate with the Legislature. (Sec. 220)
3. **Land Transaction Report.** The Governor removed a report on all land transactions approved by the Natural Resources Commission during the previous fiscal year. (Sec. 408)
4. **Cervid Operation Licensing Fees.** The Governor removed a report on the use of cervidae licensing and inspection fees as well as a requirement that those fees be used only for regulation of private cervid operations. (Sec. 504)
5. **United States Department of Agriculture Wildlife Services.** The Governor removed a section encouraging the United States Department of Agriculture Wildlife Services to harvest all deer during targeted removal required under the Enhanced Wildlife Biosecurity Program. (Sec. 506)
6. **Stream Habitat Improvement Grants.** The Governor removed a requirement directing Stream Habitat Improvement Grants allocations. (Sec. 601)
7. **Water Control Structure Certification.** The Governor removed a requirement that the Department not impede the certification process for water control structures on Michigan waterways. (Sec. 602)
8. **Fish Hatcheries Report.** The Governor removed an annual reporting requirement on fish hatchery performance. (Sec. 603)
9. **Snowmobile Law Enforcement Grants.** The Governor removed a section directing the Department to provide snowmobile law enforcement grants to counties from appropriations for that purpose. (Sec. 901)
10. **Marine Safety Grant Program Report.** The Governor removed a reporting requirement for watercraft registration revenues, expenditures, and grant distribution. (Sec. 902)
11. **Water Trails Grants.** The Governor removed language directing the Department to work with the Waterways Commission to develop a plan for implementing water trails grants. (Sec. 1002)
12. **Chronic Wasting Disease Research.** The Governor removed work project language for one-time FY 2019-20 wildlife management funds dedicated to research surrounding Chronic Wasting Disease. (Sec. 1203)
13. **Wildlife and Fisheries Health Study.** The Governor removed language referencing the one-time FY 2019-20 appropriation for a wildlife and fisheries health study. (Sec. 1206)

Date Completed: 3-11-20

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Article 16

Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 GOV.'S REC.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	1,586.0	1,596.0	10.0	0.6
GROSS	250,393,000	256,087,500	5,694,500	2.3
Less:				
Interdepartmental Grants Received	20,000,000	20,000,000	0	0.0
ADJUSTED GROSS	230,393,000	236,087,500	5,694,500	2.5
Less:				
Federal Funds	1,460,000	1,460,000	0	0.0
Local and Private	50,100	50,100	0	0.0
TOTAL STATE SPENDING	228,882,900	234,577,400	5,694,500	2.5
Less:				
Other State Restricted Funds	215,431,700	215,490,200	58,500	0.0
GENERAL FUND/GENERAL PURPOSE	13,451,200	19,087,200	5,636,000	41.9
PAYMENTS TO LOCALS	1,127,500	1,041,800	(85,700)	(7.6)

*As of February 6, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$250,393,000	\$13,451,200
Changes from FY 2019-20 Year-to-Date:		
1. Branch Security Pilot Program. The Governor provided funding for 10.0 FTE positions to provide security for the public and employees at the highest risk branch offices. The five branch offices affected include Detroit W. Seven Mile, Grand Rapids 28th Street, Kalamazoo, Taylor, and Wyoming.	790,000	790,000
2. General Fund Reduction. The Governor reduced General Fund appropriations by \$663,200 by replacing the GF/GP funding with increased restricted revenue from enhanced driver license transactions.	0	(663,200)
3. Transportation Administration and Collection Fund (TACF) Replacement. The Governor restored the General Fund/TACF fund shift from FY 2019-20 that replaced GF/GP funding with additional TACF funds. This fund shift increased GF/GP expenditures by \$4.7 million.	0	4,699,700
4. Economic Adjustments. Includes \$4,904,500 Gross and \$809,500 GF/GP for total economic adjustments, of which an estimated \$3,547,500 Gross and \$601,100 GF/GP are for legacy retirement costs (pension and retiree health).	4,904,500	809,500
Total Changes	\$5,694,500	\$5,636,000
FY 2020-21 Governor's Recommendation	\$256,087,500	\$19,087,200

Boilerplate Changes from FY 2019-20 Year-to-Date:

1. **Governor:** Moved boilerplate from the FY 2019-20 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**.
2. **Contingency Funds.** The **Governor** increased funding for contingency funds for State restricted funds, local funds, and private funds. State restricted increased from \$2.5 million to \$7.5 million; Local increased from \$25,000 to \$50,000; and Private funds were increased from \$50,000 to \$100,000. (CL Sec. 701)
3. **Record Look-Up Fees.** The **Governor** increased the look-up fee from \$11 per record to \$13 per record. The increased fee is estimated to bring in additional revenues totaling \$9.4 million annually. (Sec. 703)
4. **Branch Office Closure Notification.** The **Governor** deleted all language requiring the Department to give at least a 180-day notice to the Legislature before any branch offices are closed, relocated, or consolidated. (CL Sec. 714)
5. **Non-Monetary Gifts.** The **Governor** added language to allow the Department to solicit funds from any private or public source in addition to accepting nonmonetary gifts from same. (Sec. 717)
6. **Redistricting Commission Report.** The **Governor** deleted the report required detailing the Department's expenditures associated with the role of the Secretary of State serving as the secretary of the Commission. (CL Sec. 721)
7. **Voter Registration Report.** The **Governor** deleted the report required detailing the Department's expenditures associated with voter registrations. (CL Sec. 721a)
8. **Legacy Cost Estimates.** The **Governor** provided the following Legacy Costs estimates for FY 2020-21: Total legacy costs estimated at \$33,185,900. Of that total, \$15,923,000 is for pension-related legacy costs and \$17,262,900 is for retiree health care legacy costs for the fiscal year ending September 30, 2020. (Sec. 725)

Date Completed: 3-11-20

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Article 17
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 GOV.'S REC.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	3,580.0	3,546.0	(34.0)	(0.9)
GROSS	753,559,000	735,585,500	(17,973,500)	(2.4)
Less:				
Interdepartmental Grants Received	24,933,900	24,649,000	(284,900)	(1.1)
ADJUSTED GROSS	728,625,100	710,936,500	(17,688,600)	(2.4)
Less:				
Federal Funds	99,964,000	78,682,000	(21,282,000)	(21.3)
Local and Private	4,801,200	4,876,200	75,000	1.6
TOTAL STATE SPENDING	623,859,900	627,378,300	3,518,400	0.6
Less:				
Other State Restricted Funds	148,158,200	143,001,700	(5,156,500)	(3.5)
GENERAL FUND/GENERAL PURPOSE	475,701,700	484,376,600	8,674,900	1.8
PAYMENTS TO LOCALS	16,078,600	13,899,900	(2,178,700)	(13.6)

*As of February 6, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$753,559,000	\$475,701,700

Changes from FY 2019-20 Year-to-Date:

- | | | |
|--|-----------|-----------|
| <p>1. Michigan Joint Task Force on Jail and Pretrial Incarceration - One-Time. The Governor recommended one-time appropriations of \$7.2 million GF/GP for the Michigan Council on Law Enforcement Standards (MCOLES) to train various law enforcement personnel relating to task force recommendation 7 ("provide behavioral health crisis response training for law enforcement, dispatch, and jail officers") and recommendation 17 ("invest in services and supports for crime victims").</p> | 7,200,000 | 7,200,000 |
| <p>2. Trooper Recruit School One-time Costs. The Governor recommended funding for training costs for two trooper schools that would total 120 graduates (one to start in January; the second in July) and maintain enlisted strength at current levels. Ongoing costs of the schools would be funded by existing revenues made available because of projected attrition from enlisted personnel, mostly through retirements. A reduction of 34.0 FTE positions from post operations also was recommended to reflect the actual number of funded positions for FY 2020-21.</p> | 2,509,100 | 2,509,100 |
| <p>3. Annualize FY 2019-20 Trooper School Costs. The Governor recommended funding for the full year costs of FY 2019-20 trooper recruit school graduates.</p> | 2,012,200 | 2,012,200 |
| <p>4. OK2Say Administration and Outreach - Transfer from Department of Attorney General. The Governor recommended the transfer of \$906,000 Gross, \$469,600 Restricted, \$436,400 GF/GP to the Department of State Police, where communications associated with the program are received.</p> | 906,000 | 436,400 |

5. Secondary Road Patrol Grant Program Reduction. The Governor recommended the removal of GF/GP support (\$2.0 million) for the grant program to counties, leaving restricted revenue (\$11,074,300) as its sole fund source for FY 2020-21.	(2,000,000)	(2,000,000)
6. Fund Shift - State Services Fee Fund to GF/GP. The Governor recommended shifting support of \$2.9 million in State Services Fee Fund revenue to GF/GP.	0	2,900,000
7. Fund Shift - Interdepartmental Grant to GF/GP. The Governor recommended shifting support of \$665,100 from an IDG from the Department of Technology, Management, and Budget to GF/GP.	0	665,100
8. Elimination of FY 2019-20 One-time Appropriations. The Governor recommended elimination of FY 2019-20 one-time appropriations, including \$5,321,600 GF/GP for Trooper School, \$2,766,500 GF/GP for In-Car Camera Video Streaming Network, \$1,321,000 GF/GP for Sexual Assault Prevention and Education Initiative, and \$100 for First Responder Communications Network.	(9,409,200)	(9,409,200)
9. Disaster and Emergency Assistance - Boilerplate Expenditures. Adjustment for FY 2019-20 expenditures (\$25,235,500 Gross, \$24,235,500 Federal, \$1.0 million Restricted) for disaster assistance made from receive-and-expend boilerplate language.	(25,235,500)	0
10. Technical Adjustment to Align Authorization with Revenues. The Governor recommended an adjustment across several budget lines to reflect actual funds received, including a reduction of \$2,808,600 Restricted and increases of \$2.3 million Federal and \$19,300 Local.	(489,300)	0
11. Unclassified Salaries. The Governor recommended an economic adjustment of \$3,700 Gross, \$2,100 Restricted, \$1,600 GF/GP, and with other adjustments, provides an appropriation of \$623,900 for FY 2020-21 from an appropriation of \$627,700 for FY 2019-20.	3,700	1,600
12. Economic Adjustments. Includes \$6,533,200 Gross and \$4,361,300 GF/GP for total economic adjustments.	6,529,500	4,359,700
Total Changes	(\$17,973,500)	\$8,674,900
FY 2020-21 Governor's Recommendation	\$735,585,500	\$484,376,600

Boilerplate Changes from FY 2019-20 Year-to-Date:

1. **Acronyms and Definitions.** The Governor removed definition of "core services" and "subcommittee" and "support services," terms currently used throughout out FY 2019-20 boilerplate. (Sec. 203)
2. **Purchase of Goods and Services.** The Governor amended language that required preferences, all things being equal, to purchase USA, Michigan, and veteran-owned business goods and services by adding "to the extent possible under MCL 18.1261". (Sec.205)
3. **Contractual Services and Supplies in Deprived and Depressed Communities.** The Governor amended language requiring that steps be taken to ensure businesses in deprived and depressed communities compete for State business, by adding "to the extent permissible under the management and budget act". (Sec. 206)
4. **Out of State Travel Report.** The Governor amended language, adding a reference to MCL 18.1217. (Sec. 207)
5. **General Fund Lapse Report.** The Governor removed requirement to distribute report to subcommittees. (Sec.209)
6. **Contingency Fund Legislative Transfers.** The Governor amended language to decrease the maximum of Federal fund transfers from \$10.0 million to \$8.5 million, increase the maximum for Restricted funds from \$3.5 million to \$5.0 million, and adding Local funds (\$1.0 million) and Private funds (\$200,000) that would be eligible for transfer. (Sec. 210)

7. **Disciplinary Action.** The Governor eliminated language prohibiting action against an employee for communicating with legislative staff. (Sec. 216)
8. **Biannual Reports on Work Projects, Financial Status, and Performance Metrics Throughout Department.** The Governor recommended elimination of this requirement. (Sec. 217)
9. **Listing of Core Services Provided by the Department Under Part 1.** The Governor recommended elimination. (Sec. 218)
10. **Requires Notification Report Not Less Than 90 Days Prior to Closure or Consolidation of Any State Police Post.** The Governor recommended elimination. (Sec. 219)
11. **Privatization Notification.** The Governor eliminated section which required the submission of a privatization plan to the Legislature at least 90 days before beginning efforts to privatize. (Sec. 220)
12. **Protection of Personal Data.** The Governor recommended the elimination of language that states that it is the intent of the Legislature that the Department take all steps necessary to protect the data and privacy of citizens who are not the focus of an investigation. (Sec. 226)
13. **Requires Using Savings for new Trooper Recruit School of 70 Troopers.** The Governor recommended elimination. (Sec. 227)
14. **Ticket Quotas.** The Governor recommended eliminating language prohibiting ticket quotas for infractions of the Vehicle Code. (Sec. 228)
15. **Core Service Description/Performance Metrics/Reporting Requirements for Training Division.** The Governor recommended elimination of entire section. (Sec. 402)
16. **Core Service Description/Performance Metrics/Reporting Requirements for Criminal Justice Information Systems.** The Governor recommended adding language raising the traffic crash report fee from \$10 to \$15, removed performance metrics requiring 30 outreach activities, a report on concealed weapons licensing activities and finances, and a report on the use of the Internet Criminal History Access Tool (ICHAT). (Sec. 402 - 2, 5, 8, 9)
17. **Core Service Description/Performance Metrics/Reporting Requirements for MSP Forensic Science.** The Governor recommended amending description of services, removing performance metric to require lab services to a 55-day turnaround and reporting requirements involving average turnaround times, lab staffing levels, and backlog numbers. (Sec. 403 - 1, 3, 4, 5)
18. **Core Service Description/Performance Metrics/Reporting Requirements for MSP Biometrics and ID.** The Governor recommended removing service description and metrics, leaving only requirement to notify when DNA protocol is changed. (Sec. 404 - 1, 2, 3)
19. **School Safety Report.** The Governor recommended removal of a subsection of boilerplate which requires a report on school safety grants. (Sec. 407 - a)
20. **Core Service Description/Performance Metrics/Reporting Requirements for MCOLES.** The Governor recommended removal of performance metric requirement to update law enforcement within 120 days of enactment of new standards. (Sec. 501 - 2)
21. **Core Service Description/Performance Metrics/Reporting Requirements for Post Operations.** The Governor recommended elimination of performance metrics, including requiring a minimum number of patrolling hours and checks on registered sex offenders. (Sec. 601 - 2, 3)
22. **Core Service Description/Performance Metrics/Reporting Requirements for Investigative Services.** The Governor recommended the elimination of this entire section, including performance metrics relating to the minimum number of hours investigating, percent of case clearance rates, training provided to local law enforcement and increased investigation of opioid investigations. (Sec. 602)
23. **Core Service Description/Performance Metrics/Reporting Requirements for Tobacco Tax Enforcement.** The Governor recommended elimination of the performance metric requiring a minimum number of hours dedicated to enforcement. (Sec. 603 - 3)
24. **Core Service Description/Performance Metrics/Reporting Requirements for Fire Investigation Services.** The Governor recommended elimination of a performance metric requiring the capability to respond to requests for services, and that the service should be available for statewide call out 100% of the time. (Sec. 604 - 2)

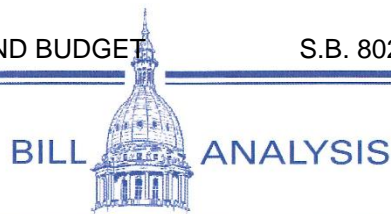
25. **Core Service Description/Performance Metrics/Reporting Requirements for Intelligence Operations.** The Governor recommended elimination of performance metrics including providing increased casework assistance for the Cyber Command Center, Computer Crimes Unit, Internet Crimes Against Children Task Force, and criminal justice agencies statewide, and to maintain resources toward a goal of a 60-day turnaround time for digital forensic analysis services. (Sec. 701 - 3, 4)
26. **Core Service Description/Performance Metrics/Reporting Requirements for Special Operations.** The Governor recommended the elimination of performance metrics, including the readiness to respond to requests for services, including for the Canine Unit, Bomb Squad, emergency support teams, aviation services, and a goal for an annual minimum number of property inspections by Capitol Security of State-owned and leased facilities. (Sec. 702 - 2, 3, 4, 5, 6, 7, 8)
27. **Core Service Description/Performance Metrics/Reporting Requirements for Commercial Vehicle Regulation.** The Governor recommended eliminating a section that established a Commercial Vehicle Enforcement Operations Reserve Fund, requiring evidence to use, and only by legislative transfer. (Sec. 703 - 4)
28. **Core Service Description/Performance Metrics/Reporting Requirements for Emergency Management and Homeland Security.** The Governor recommended elimination of a section prohibiting expenditure of Disaster and Emergency Contingency Fund monies without State Budget Director approval and notifying the Appropriation committees; a requirement that upon a declaration of a State emergency or disaster by the Governor, approval by the State Budget Director, and notification of the Legislature, the Director may spend funds out of any budget line to pay for related costs; and a requirement that the Department report on a biannual basis the status of the Department's assessment of critical infrastructure vulnerabilities and the protection status of those vulnerabilities. (Sec. 704 - 8, 9, 10)
29. **Michigan Task Force on Jail and Pretrial Incarceration.** The Governor recommended new language that provides guidelines for expenditure of one-time funds of \$7.2 million GF/GP in accordance with Task Force training recommendations, provides for work project status and a completion date of September 30, 2025. (Sec. 800)
30. **Sexual Assault Prevention and Education Initiative.** The Governor recommended the elimination of this section, which provided guidelines for the one-time program, which has a completion date of September 30, 2020. (Sec. 801)
31. **Intent Language for FY 2020-21 Appropriations.** The Governor recommended elimination of this section. (Sec. 1001)

Date Completed: 3-11-20

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Article 18
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 GOV.'S REC.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	3,126.0	3,133.0	7.0	0.2
GROSS	1,569,400,500	1,743,750,000	174,349,500	11.1
Less:				
Interdepartmental Grants Received	950,488,800	1,019,720,900	69,232,100	7.3
ADJUSTED GROSS	618,911,700	724,029,100	105,117,400	17.0
Less:				
Federal Funds	4,968,400	5,139,300	170,900	3.4
Local and Private	2,452,300	2,472,300	20,000	0.8
TOTAL STATE SPENDING	611,491,000	716,417,500	104,926,500	17.2
Less:				
Other State Restricted Funds	117,916,800	122,296,400	4,379,600	3.7
GENERAL FUND/GENERAL PURPOSE	493,574,200	594,121,100	100,546,900	20.4
PAYMENTS TO LOCALS	0	0	0	0.0

*As of February 6, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$1,569,400,500	\$493,574,200

Changes from FY 2019-20 Year-to-Date:

1. IT Services Adjustment. The Governor included \$59.4 million in IDG funding to align IT services for twenty-one State agencies and added 2.0 FTEs to support costs associated with new gaming regulations.	59,425,400	0
2. Venture Michigan Fund II Voucher Purchase. The Governor included \$56.3 million GF/GP to purchase tax vouchers issued by the Venture Michigan Fund.	56,300,000	56,300,000
3. State Psychiatric Hospitals. The Governor included \$30.0 million GF/GP in one-time funding for special maintenance projects at State psychiatric hospitals.	30,000,000	30,000,000
4. Advanced Persistent Cyber Threats. The Governor included one-time funding of \$20.0 million to support efforts to protect the State from cybersecurity threats.	20,000,000	20,000,000
5. Paid Parental Leave. The Governor included \$10.0 million to support paid parental leave for State workers.	10,000,000	10,000,000
6. Green Revolving Fund. The Governor included \$5.0 million to capitalize a revolving fund to facilitate renewable energy and energy efficiency projects at State facilities.	5,000,000	5,000,000
7. Retirement Services Customer Relationship Management. The Governor included \$2.5 million Gross for the replacement of the current Customer Relationship Management System for the Office of Retirement Services	2,500,000	0

8. Rate Changes. The Governor included \$962,600 IDG to support rate agreements for vehicle travel services.	962,600	0
9. Jacobetti Home for Veterans. The Governor included \$710,000 IDG and 5.0 FTEs due to the transfer of the Jacobetti Home for Veterans Accounting Service Center from the DMVA to the DTMB.	710,000	0
10. Procurement Program Improvements. The Governor included \$400,000 to bring MiDeal operations into the DTMB budget, \$110,000 for Comprehensive Risk and Information Subscription, and \$75,000 for the Michigan Supplier Summit. All funding is restricted.	585,000	0
11. Financial Reporting and Compliance. The Governor included \$400,000 in restricted funding for the Office of Retirement Services to meet required accounting principles.	400,000	0
12. MSP Retirement System Supplemental Payments. The Governor removed \$5,000 GF/GP for Michigan State Police Retirement System payments due to decreased payouts in FY 2019-20.	(5,000)	(5,000)
13. Procurement Fund Shift. The Governor included a fund shift of \$400,000 from GF/GP to restricted in the Business Support Services line item.	0	(750,000)
14. Removal of Current Year One-Time Funding. The Governor removed \$21.9 million GF/GP in one-time funding from FY 2019-20.	(21,948,200)	(21,948,100)
15. Removal of Public Private Partnership. The Governor removed the Public Private Partnership line item because of a lack of past and anticipated activity.	(1,500,000)	0
16. Cyber Command Center Funding. The Governor removed \$665,100 GF/GP to simplify funding for the Michigan Cyber Command Center by including it in the Michigan State Police budget rather than as an IDG from the DTMB.	(665,100)	(665,100)
17. Administrative Services. The Governor reduced the Administrative Services line item by \$500,000 to reflect administrative efficiencies.	(500,000)	(500,000)
18. SWCAP Adjustments. The Governor included a \$196,500 Gross increase reflecting the most recent Statewide Cost Allocation data.	0	196,500
19. Removal of FY 2019-20 Placeholders. The Governor removed \$500 in GF/GP placeholders left over from FY 2019-20 State Administrative Board transfer actions.	(500)	(500)
20. Economic Adjustments. Includes \$13,085,300 Gross and \$2,919,100 GF/GP for total economic adjustments, of which an estimated \$9,987,400 Gross and \$1,991,100 GF/GP are for legacy retirement costs (pension and retiree health).	13,085,300	2,919,100
Total Changes	\$174,349,500	\$100,546,900
FY 2020-21 Governor's Recommendation	\$1,743,750,000	\$594,121,100

Boilerplate Changes from FY 2019-20 Year-to-Date:

1. **RFP Privatization Factors Requirement.** Requires an RFP issued for the purpose of privatization include all factors for determining price. Declared the section unenforceable in FY 2019-20. The **Governor** deleted this language. (Sec. 816)
2. **Deerfield Correctional Facility.** Requires \$750,000 in IDG funds to be used for the demolition of the former Deerfield Correctional Facility. The **Governor** deleted this language. (Sec. 817)

3. **Retirement Services Report.** Requires the Office of Retirement Services to produce a report on various State retirement systems. The **Governor** deleted this language. (Sec. 821)
4. **Public Private Partnership.** Language outlined criteria for investments made with the Public Private Partnership line item removed from part 1. The **Governor** deleted this language. (Sec. 822b)
5. **DTMB Rates and Fees Report.** Requires the DTMB report on its rates and fees. The **Governor** deleted this language. (Sec. 822d)
6. **Regional Prosperity Grants.** Describes the use of funds appropriated for the regional prosperity initiative. The **Governor** vetoed this language and the Regional Prosperity Grants line item in FY 2019-20. (Sec. 822f)
7. **New Proposals Posted to Webpage.** Requires the DTMB to ensure that all new requests for proposals are posted online. The **Governor** deleted this language. (Sec. 822n)
8. **Northern Satellite Psychiatric Facility.** Identification of a location for the Northern Satellite Psychiatric Facility project as authorized by Public Act 107 of 2017. The **Governor** deleted this language. (Sec. 822o)
9. **Life Cycle Costs Report.** Requires the DTMB to produce a report analyzing and making recommendations regarding the life-cycle of IT hardware and software. The **Governor** deleted this language. (Sec. 829)
10. **Child Support Enforcement System Penalty Reporting.** Requires the DTMB to report on Federal penalties related to the system as the system received full certification in 2003. The **Governor** deleted this language. (Sec. 832)
11. **Clawback Provisions Requirement.** Requires the DTMB to develop policies and procedures that require new procurement contracts to include clawback repayment divisions. The **Governor** deleted this language. (Sec. 838)
12. **Capital Outlay Project Status Report.** Requires the DTMB to report on the status of previously authorized capital outlay projects. The **Governor** deleted this language. (Sec. 862)
13. **Farnum Building Sale.** Directs proceeds from the sale of the Farnum Building, which was completed in 2019. The **Governor** deleted this language. (Sec. 867)
14. **Drinking Water Declaration of Emergency Reserve Fund.** Language for the creation and management of the Drinking Water Declaration of Emergency Reserve Fund. The **Governor** deleted this language. (Sec. 880)
15. **Caro Center.** States that the new State psychiatric hospital described in Public Act 107 of 2017 is to include construction of a new 100-bed facility at the location of the Caro Center. The **Governor** deleted this language. (Sec. 882)
16. **Northern Satellite Psychiatric Facility Changes.** Rescinds a previous planning authorization for a new psychiatric facility and creating a new authorization for a Chippewa County facility. The **Governor** vetoed this language in FY 2019-20. (Sec. 883)
17. **Green Revolving Fund.** The **Governor** added new language creating and capitalizing a green revolving fund in the Department of Treasury for the purpose of facilitating energy efficiency and renewable energy projects. (Sec. 901)
18. **Paid Parental Leave.** The **Governor** added new language specifying that the funds appropriated in part 1 for parental leave are to be used to offsets costs of the policy for departments that are disproportionately affected. (Sec. 902)

Date Completed: 3-11-20

Fiscal Analyst: Elizabeth Raczkowski



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Article 19

Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 GOV.'S REC.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	2,818.3	2,826.3	8.0	0.3
GROSS	5,021,408,000	5,259,273,100	237,865,100	4.7
Less:				
Interdepartmental Grants Received	3,974,300	4,063,100	88,800	2.2
ADJUSTED GROSS	5,017,433,700	5,255,210,000	237,776,300	4.7
Less:				
Federal Funds	1,352,350,100	1,392,546,100	40,196,000	3.0
Local and Private	51,932,000	51,932,000	0	0.0
TOTAL STATE SPENDING	3,613,151,600	3,810,731,900	197,580,300	5.5
Less:				
Other State Restricted Funds	3,588,151,600	3,810,731,900	222,580,300	6.2
GENERAL FUND/GENERAL PURPOSE	25,000,000	0	(25,000,000)	(100.0)
PAYMENTS TO LOCALS	2,135,605,800	2,257,897,700	122,291,900	5.7

*As of February 6, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$5,021,408,000	\$25,000,000

Changes from FY 2019-20 Year-to-Date:

1. Road and Bridge Adjustments. Adjustments based on Treasury's February revenue estimates, including income tax and recreational marijuana earmarks. Counties: \$76,171,300. Trunkline: \$74,894,100. Cities/Villages: \$42,468,900.	193,534,300	0
2. Airport Improvement Program. The Governor included additional Federal authorization (\$27.0 million) and matching State Aeronautics Fund funds (\$1.2 million) in anticipation of the receipt of competitive Federal grants.	28,206,500	0
3. Local Federal Aid Road and Bridge. The Governor included increased Federal authorization for local Federal aid projects.	12,187,500	0
4. Rail Operations and Infrastructure. The Governor included an additional \$12.0 million Comprehensive Transportation Fund (CTF) from the balance of FY 2019-20 to support one-time track and bridge improvements throughout the State and for application-based freight projects.	12,000,000	0
5. Highway Maintenance. The Governor included additional State Trunkline Fund (STF) for increased materials costs.	7,625,600	0
6. Transit Capital. The Governor included additional CTF for vehicles, equipment, and facility improvements for local transit agencies to support safety and service efficiency.	7,164,000	0
7. Marine Passenger. The Governor included an additional \$5.0 million CTF to support vessel replacement for two ferry service providers in the Upper Peninsula.	5,000,000	0

8. Service Initiatives. Additional CTF was included to upgrades and implement new technology.	3,886,000	0
9. Rebuilding Michigan Office of Accountability and Transparency. The Governor included \$3.0 million STF and 8 FTEs for a new office intended to track and communicate the expenditures through the Department's new bonding programs.	3,000,000	0
10. Traffic Signal Billing Improvements. The additional Michigan Transportation Fund (MTF) is intended to support billing process improvements for State-owned traffic signals operated under cost sharing agreements with local governments.	2,400,000	0
11. Intercity Services Safety. The Governor added \$2.0 million to increase the safety of intercity bus passengers.	2,000,000	0
12. Detroit Airport Revenue Increase. The Governor directed additional Qualified Airport Fund revenue to the Detroit Airport.	1,820,000	0
13. Interdepartmental Grants. The Governor adjusted for a slight increase in interdepartmental spending to other Departments.	872,800	0
14. Movable Bridge. The statutory earmark was adjusted by inflation.	106,800	0
15. Rail Grade Separation Project Removal. The Governor removed one-time funding for the FY 2019-20 project.	(22,700,000)	(11,999,900)
16. Debt Service Adjustment. The Governor included an adjustment that reflects a drop in the use of Federal funds used for debt payments (-\$26.0 million) and in increase of STF funds for anticipated debt payments (+\$12.4 million).	(13,559,800)	0
17. General Fund Fixing Roads and Bridges. The Governor removed the FY 2019-20 GF/GP assigned to fixing Michigan bridges.	(13,000,100)	(13,000,100)
18. Economic Development Reduction. The Governor reduced the spending authorization of certain economic development programs to reflect reduced fee and fine revenue.	(1,433,500)	0
19. Carbide Dock/Soo Locks Project. The Governor removed one-time funding for the project.	(1,000,000)	0
20. Local Bridge Program. Slightly less gas tax revenue reduced this line.	(545,500)	0
21. Other Changes. The Governor restored FY 2019-20 defined calculations that were not included for the current fiscal year (\$207,300), restored funding for boilerplate reporting requirements that were vetoed for the current fiscal year (\$122,000), and slightly increased the appropriation for unclassified salaries (\$4,500).	333,800	0
22. Economic Adjustments. Includes \$9,966,700 Gross and \$0 GF/GP for total economic adjustments, of which an estimated \$7,944,700 Gross and \$0 GF/GP are for legacy retirement costs (pension and retiree health).	9,966,700	0
Total Changes	\$237,865,100	(\$25,000,000)
FY 2020-21 Governor's Recommendation	\$5,259,273,100	\$0

Boilerplate Changes from FY 2019-20 Year-to-Date:

1. **Contingency Fund Increase.** The Governor increased Federal and State contingency fund authorization to \$200.0 million and \$40.0 million, respectively, after they were reduced to \$40.0 million and \$5.0 million for FY 2019-20. (Sec. 210)

2. **Disciplinary Action - Removed.** The Governor removed a section that prohibited the Department from taking disciplinary action against an employee for communicating with the Legislature. (Sec. 215)
3. **Remanufactured Parts for Vehicle Fleet - Removed.** The Governor removed a section stating legislative intent for the Department to prioritize the use of remanufactured parts for the Department's vehicle fleet. (Sec. 270)
4. **General Fund for Road and Bridge - Removed.** The Governor removed a new section for FY 2019-20 that directed the spending of \$25.0 million General Fund. (Sec. 280)
5. **Bridge Authority Tolling/Hearings.** The Governor removed subsection (2) as unenforceable. The subsection required three public hearing be conducted before any toll increases. (Sec. 301)
6. **Commercial Lease of Department Property - Removed.** The Governor removed a section granting the Department permission to lease Department space at a competitive rate. (Sec. 305)
7. **Interdepartmental Grant Reporting - Removed.** The Governor declared subsections (2) & (3) unenforceable. The subsections required reports on interdepartmental contracts. (Sec. 306)
8. **Infrastructure Bank Reporting.** The Governor removed a subsection requiring the Department to report to the Legislature on the balance, loan amounts, and outstanding loans from the State infrastructure bank. (Sec. 313)
9. **Rest Area Signage - Removed.** The Governor removed a section requiring the Department to post signs at rest areas that include a number to call for unsafe or unclean conditions at those rest areas. (Sec. 319)
10. **Rail Sale Between Graying and Gaylord - Removed.** The Governor deleted a section requiring the Department to solicit proposals for the sale of a State-owned rail line. (Sec. 323)
11. **Airport Sale - Removed.** The Governor deleted a section requiring the Department to solicit proposals for the sale of the Romeo State Airport and the Linden Airport. (Sec. 324)
12. **Prompt Payment of Contractors - Removed.** The Governor removed a section requiring the prompt payment of prime contractors. (Sec. 353)
13. **Deadline for Federal Aid Project Review - Removed.** The Governor removed a section requiring the Department to complete the review process for Federal Aid Project submittals within 120 days after receipt of the request. (Sec. 357)
14. **Groundbreaking Ceremonies - Removed.** The Governor removed a section prohibiting the reimbursement of contractors or consultants for the costs of groundbreaking procedures. (Sec. 375)
15. **Signage Study Ban - Removed.** The Governor removed a section prohibiting the Department from spending appropriations to study the effects of outdoor advertising on driver safety. (Sec. 376)
16. **E-Verify Requirement - Removed.** The Governor removed a section that required contractors and subcontractors use Homeland Security's E-Verify system to verify that all individuals hired for construction, maintenance, or engineering services be legally present and authorized to work within the United States. (Sec. 381)
17. **Local Billing Deadline - Removed.** The Governor removed a section requiring the Department to send cost sharing bills to local units within two years of the Department's final contract payment. (Sec. 382)
18. **Legislative Air Travel Prohibition - Removed.** The Governor deleted a subsection prohibiting legislators or staff from traveling on State-owned aircraft without prior approval from the legislative leadership. (Sec. 383)
19. **Toll Credit Reporting - Removed.** The Governor removed a section requiring an annual report to the State Budget Director and the Legislature on the toll credit program. (Sec. 386)
20. **Traffic Study Availability - Removed.** The Governor removed a section requiring the Department to post on its website within 60 days the results of any formal traffic study. (Sec. 387)
21. **Long-term Contract Notification - Removed.** The Governor removed a section requiring the Department to notify the Legislature of the details of long-term contracts within 30 days of the agreement. (Sec. 389)
22. **Fund Balance Reporting - Removed.** The Governor removed a section requiring the Department to report to the State Budget Director and the Legislature the previous fiscal year balances for a number of funds it manages. (Sec. 390)
23. **Ban on Motor Fuel Testing - Removed.** The Governor removed a funding restriction on motor fuel quality testing by the Department. (Sec. 391)

24. **Best Practices - Removed.** The Governor removed a section requiring the Department to promote certain best practices related mostly to transit services and costs. (Sec. 393)
25. **Road Preservation Prioritization - Removed.** The Governor removed a section requiring the Department and local jurisdictions to make the preservation of existing road networks a funding priority. (Sec. 394)
26. **Contract Eligibility Assurance - Removed.** The Governor removed a section requiring the Department to obtain assurances from contractors for nonconstruction contracts that they have the requisite experience, labor, and financial capability to perform the contracts. (Sec. 396)
27. **Available Funds for Transit Buses - Removed.** The Governor removed a section requiring the Department to apply for Federal aid for replacement buses after meeting existing needs for 5310 program recipients. (Sec. 403)
28. **Warranties - Removed.** The Governor deleted a section requiring the Department to evaluate and update existing warranty policies and procedures. (Sec. 601)
29. **Flooding Mitigation - Removed.** The Governor removed a section directing the Department to address and report on flooding mitigation in southeast Michigan for FY 2018-19. (Sec. 605)
30. **Dead Deer Removal - Removed.** The Governor removed a section directing the Department to prioritize the removal of dead deer. (Sec. 610)
31. **Contract Incentives & Disincentives - Removed.** The Governor removed a section directing the Department to establish and report on contract incentives and disincentives for trunkline projects. (Sec. 612)
32. **Project Reporting - Removed.** The Governor removed a section requiring a report on several aspects of all capital Federal aid participating construction projects. (Sec. 613)
33. **Alternative Road Surface Materials - Removed.** The Governor removed a section directing the Department to report on the use of alternative road surface materials. (Sec. 660)
34. **Innovative Stakeholder Group - Removed.** The Governor removed a section creating the Innovative Stakeholder group responsible for the review of innovative materials and design. (Sec. 661)
35. **Rail Line Abandonment - Removed.** The Governor removed a section requiring the Department to report to the Legislature when a railroad company has filed to abandon a line. (Sec. 703)
36. **Rail Operations and Infrastructure Report - Removed.** The Governor removed a section requiring the Department to report on rail operations and infrastructure programs. (Sec. 704)
37. **Amtrak Report - Removed.** The Governor removed a section requiring the Department to report on rail passenger service provided by Amtrak. (Sec. 711)
38. **Grand Rapids to Chicago Round Trip Rail - Removed.** The Governor removed a section requiring the Department to solicit proposals for daily round-trip service from Grand Rapids to Chicago. (Sec. 712)
39. **Ride-sharing for Medical/Elderly Transit - Removed.** The Governor removed a section requiring elderly and medical transit systems solicit proposals for ride-sharing companies to provide 100% service. (Sec. 719)
40. **Meetings with the Rail Industry Trade Associations - Removed.** The Governor removed a section requiring the Department to meet with representatives of the rail industry twice a year. (Sec. 752)
41. **Marine Passenger Spending - Removed.** The Governor removed a section that directed the spending of the Marine Passenger appropriation. (Sec. 753)
42. **Airfleet and Airfleet Operations - Removed.** The Governor removed sections requiring the Department sell a Cessna 206 aircraft, to sell any aircraft with less than 50 logged hours, to report on the number of FTEs needed to maintain airfleet operations, and to review and report on needed changes to the Aeronautics Code. (Secs. 804, 805, & 806)
43. **One-time Removals.** The Governor removed one-time sections that directed spending for one-time road and bridge construction, the Soo Locks project, and the Rail Grade Separation project for FY 2019-20. (Secs. 1001-1003)

Date Completed: 3-11-20

Fiscal Analyst: Michael Siracuse

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



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Article 20

Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 GOV.'S REC.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	0.0	0.0	N/A	N/A
GROSS	104,335,000	113,735,000	9,400,000	9.0
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	104,335,000	113,735,000	9,400,000	9.0
Less:				
Federal Funds	0	0	0	0.0
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	104,335,000	113,735,000	9,400,000	9.0
Less:				
Other State Restricted Funds	0	0	0	0.0
GENERAL FUND/GENERAL PURPOSE	104,335,000	113,735,000	9,400,000	9.0
PAYMENTS TO LOCALS	0	0	0	0.0

*As of February 6, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$104,335,000	\$104,335,000
Changes from FY 2019-20 Year-to-Date:		
1. Great Lakes Water Quality Bond. The Governor increased debt service payments for this bond. Of the total, there is a \$5.7 million decrease due to changes to existing debt payments and \$14.5 million in projected new bond issues for FY 2020-21. These would increase total debt service payments to \$47,600,000.	8,828,000	8,828,000
2. Clean Michigan Initiative. The Governor increased debt service payments for this bond. Of the total, there is a \$3.3 million decrease due to changes to existing debt payments and \$3.8 million in projected new bond issues for FY 2020-21. These would increase total debt service payments to \$49,514,000.	487,000	487,000
1. Quality of Life Bond. The Governor increased debt service payments to this bond due to increases to existing bond payments. This would increase total debt service payments to \$16,621,000.	85,000	85,000
Total Changes	\$9,400,000	\$9,400,000
FY 2020-21 Governor's Recommendation	\$113,735,000	\$113,735,000

Boilerplate Changes from FY 2019-20 Year-to-Date: None

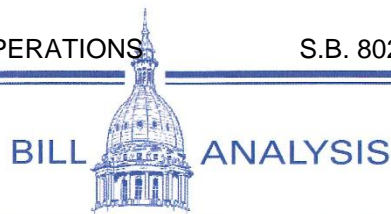
Date Completed: 3-11-20

Fiscal Analyst: Cory Savino

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



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Article 20

Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 GOV.'S REC.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	1,874.5	1,924.5	50.0	2.7
GROSS	590,066,900	666,177,900	76,111,000	12.9
Less:				
Interdepartmental Grants Received	12,905,600	13,112,800	207,200	1.6
ADJUSTED GROSS	577,161,300	653,065,100	75,903,800	13.2
Less:				
Federal Funds	27,242,500	27,421,800	179,300	0.7
Local and Private	13,243,300	13,087,000	(156,300)	(1.2)
TOTAL STATE SPENDING	536,675,500	612,556,300	75,880,800	14.1
Less:				
Other State Restricted Funds	430,533,700	460,455,000	29,921,300	6.9
GENERAL FUND/GENERAL PURPOSE	106,141,800	152,101,300	45,959,500	43.3
PAYMENTS TO LOCALS	191,229,200	277,911,200	86,682,000	45.3

*As of February 6, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$590,066,900	\$106,141,800

Changes from FY 2019-20 Year-to-Date:

- | | | |
|---|------------|------------|
| 1. Local Climate Resilient Infrastructure Grants. The Governor included \$40.0 million Gross and GF/GP to provide infrastructure and planning grants to local governments impacted by high water levels and shoreline erosion. Of the total, \$10.0 million would be dedicated for planning grants and \$30.0 million would support infrastructure grants. Boilerplate section 1201 outlines the administration of the program. | 40,000,000 | 40,000,000 |
| 2. Marihuana Administration and Grants. The Governor increased appropriations from the Marihuana Regulation Fund to align with revenue projections. Of the total increase, \$16.7 million is for grants to local units of government and \$725,800 is for administration. | 17,375,800 | 0 |
| 3. Internet and Sports Gaming. The Governor included additional funding and 23.0 FTEs for implementation of Sports and Internet Gaming. Of the total, \$4.6 million is for administration and \$850,000 is for IT. | 5,450,000 | 0 |
| 4. Michigan Gaming Control Board IT. The Governor included \$4.0 million in one-time appropriations to complete the Case Handling and Information Processing System project to consolidate and upgrade all of the gaming IT systems. Of the total, \$2.1 million is related to Internet and Sports Gaming. | 4,025,000 | |

5. Supervision of the General Property Tax Law. The Governor increased this line item \$2.6 million, which would bring total FY 2020-21 appropriations to \$19.3 million Gross and \$15.5 million GF/GP.	2,600,000	2,600,000
6. Convention Facility Development Fund. The Governor increased the line item to align with revenue projections, which would bring total distribution in FY 2020-21 to \$107.9 million.	2,531,600	0
7. Collection Systems Upgrade. The Governor included an additional \$2.0 million to support annual costs for the new replacement system for collection services.	2,000,000	2,000,000
8. Michigan Infrastructure Council. The Governor included \$860,000 Gross and \$610,000 GF/GP to the Council because of the depletion of work project appropriations.	860,000	610,000
9. State Lottery Administration. The Governor included an additional \$508,700 Gross and 4.0 FTEs to Lottery Operation because of increased gaming activity and iLottery.	508,700	0
10. Senior Citizen Cooperative Housing. The Governor increased this line item \$500,000 to account for two new qualified facilities in the City of Detroit and Farmington.	500,000	500,000
11. Wrongful Imprisonment Compensation Fund. The Governor reduced deposits into the Wrongful Imprisonment Compensation Fund from \$10.0 million to \$5.0 million Gross and GF/GP in FY 2020-21.	(5,000,000)	0
12. Municipal Cost Sharing Grants. The Governor removed the Municipal Cost Sharing Grants line item.	(1,250,000)	(1,250,000)
13. Audit Charge Revenue. The Governor reduced Audit Charge revenue to align with current revenue projections.	(241,200)	0
14. Accounting Service Center Revenue. The Governor reduced Accounting Service Center revenue to align with current revenue projections.	(150,300)	0
15. Placeholders. The Governor removed the Drinking Water Declaration of Emergency \$100 placeholder, and four \$100 placeholders that roll out the Supervision of the General Property Tax Law line item.	(500)	(400)
16. Economic Adjustments. Includes \$6,901,900 Gross and \$1,499,900 GF/GP for total economic adjustments, of which an estimated \$4,831,500 Gross and \$938,000 GF/GP is for legacy retirement costs (pension and retiree health).	6,901,900	1,499,900
Total Changes	\$76,111,000	\$45,959,500
FY 2020-21 Governor's Recommendation	\$666,177,900	\$152,101,300

Boilerplate Changes from FY 2019-20 Year-to-Date:

1. **Deleted Sections.** The **Governor** deleted a number of sections, which include 907b (tax assessor training expansion), 926 (John R Justice Grant Program), 936 (Financial Data Analytic Tool Reimbursement), 942 (prioritization of spending in the Supervision of the General Property Tax Law line item), 945 (property assessment audits), 947 (Financial Independence Team cooperation with Department of Education), 949a (city income tax administration expansion), 949k (Municipal Cost Sharing Grants), and 949n (Student Loan Refinance Program Feasibility Study).
2. **Contingency Funds.** The **Governor** doubled the contingency fund amounts for the Federal, Local, and Private funds. (Sec. 901)
3. **Personal Property Tax.** The **Governor** modified the personal property tax section to remove reference to "related property taxes levied" but maintained "current fiscal year payment". (Sec. 920)

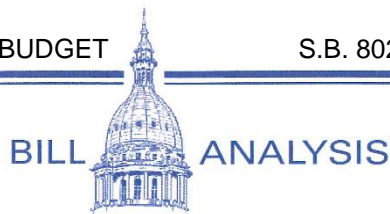
4. **Personal Property Audit Report.** The **Governor** removed "personal property tax audits" from the report but retained the essential service assessment audits. (Sec. 927)
5. **Income Tax Fraud Prevention.** The **Governor** increased appropriations for income tax fraud prevention from \$1.2 million to \$1.5 million. (Sec. 949)
6. **Horse Racing Regulatory Costs.** The **Governor** removed reference to "horsemen's organization fund" and the directives if funding is higher or lower than the regulatory costs for conducting horse racing. (Sec. 978)
7. **Millionaire Party Oversight.** The **Governor** removed the Millionaire Party Oversight report. (Sec. 979)
8. **Local Climate Resilient Infrastructure Grants.** The **Governor** included a new grant program that appropriates \$10.0 million for planning grants and \$30.0 million for infrastructure grants. The section included a cap of \$200,000 for planning grants and \$2.5 million for infrastructure grants with a 20% matching requirement. (Sec. 1201)
9. **Technical Modification.** The **Governor** updated the legacy cost estimates for FY 2020-21. (Sec. 948)

Date Completed: 3-11-20

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Article 20

Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 GOV.'S REC.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	0.0	0.0	N/A	N/A
GROSS	1,376,191,700	1,404,870,900	28,679,200	2.1
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	1,376,191,700	1,404,870,900	28,679,200	2.1
Less:				
Federal Funds	0	0	0	0.0
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	1,376,191,700	1,404,870,900	28,679,200	2.1
Less:				
Other State Restricted Funds	1,376,191,700	1,404,870,900	28,679,200	2.1
GENERAL FUND/GENERAL PURPOSE	0	0	0	0.0
PAYMENTS TO LOCALS	1,376,191,700	1,404,870,900	28,679,200	2.1

*As of February 6, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$1,376,191,700	\$0
Changes from FY 2019-20 Year-to-Date:		
1. Constitutional Revenue Sharing. The Governor recommended \$902,628,100 for constitutional revenue sharing for FY 2020-21, an increase of 1.9% from the January 2020 consensus revenue estimate for FY 2019-20.	16,469,100	0
2. City, Village, and Township (CVT) Revenue Sharing. The Governor recommended \$267,550,200 in FY 2020-21 for nonconstitutional or "statutory" payments to cities, villages, and townships, a 2.5% increase from FY 2019-20.	6,525,600	0
3. County Revenue Sharing and County Incentive Program. The Governor recommended \$232,192,600 for total payments to counties. This would be paid through two line items: \$188,863,300 for County Revenue Sharing and \$43,329,300 for the County Incentive Program. The Governor recommended increases of \$17,200 for County Revenue Sharing and \$4,100 for the County Incentive Program to cover the first partial-year cost of Leelanau County, which will re-enter State-paid revenue sharing in 2021. All counties would receive 107.176% of statutory funding, a 2.5% increase from FY 2019-20.	5,684,500	0
Total Changes	\$28,679,200	\$0
FY 2020-21 Governor's Recommendation	\$1,404,870,900	\$0

Boilerplate Changes from FY 2019-20 Year-to-Date:

1. **CVT Revenue Sharing.** The **Governor** set the amount that an eligible local government can receive at 102.5% of its payment under Sec. 952(1) of PA 56 of 2019. (Sec. 952(1)). Also removed the requirement that any CVT with a retirement benefit system that was in underfunded status must dedicate any CVT Revenue Sharing increase to that system. (Sec. 952(6)).
2. **County Revenue Sharing.** The **Governor** recommended that payments in FY 2020-21 be 107.176% of the payments for which counties are eligible under the Glenn Steil State Revenue Sharing Act, increased from 104.5619% in FY 2019- 20 (Sec. 955(1)). Also removed the requirement at any county with a retirement benefit system that was in underfunded status must dedicate any County Revenue Sharing increase to that system. (Sec. 955(3)).
3. **Financially Distressed Cities, Villages, or Townships.** The **Governor** removed "reduction of unfunded accrued liability" and "reduction in debt obligations" from the list of eligible projects. (Sec. 956).

Date Completed: 3-11-20

Fiscal Analyst: Ryan M. Bergan