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Senate Bill 187: FY 2021-22 General Omnibus Appropriation Bill

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Article 1

			CHANGES F FY 2020-21 YEAR	
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2020-21 YEAR-TO-DATE*	FY 2021-22 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	519.0	520.0	1.0	0.2
GROSS	121,295,000	116,252,300	(5,042,700)	(4.2)
Less:				
Interdepartmental Grants Received	324,400	320,000	(4,400)	(1.4)
ADJUSTED GROSS	120,970,600	115,932,300	(5,038,300)	(4.2)
Less:				
Federal Funds	13,129,500	13,599,800	470,300	3.6
Local and Private	71,300	71,300	0	0.0
TOTAL STATE SPENDING	107,769,800	102,261,200	(5,508,600)	(5.1)
Less:				
Other State Restricted Funds	44,153,000	44,377,300	224,300	0.5
GENERAL FUND/GENERAL PURPOSE	63,616,800	57,883,900	(5,732,900)	(9.0)
PAYMENTS TO LOCALS	8,800,000	8,800,000	0	0.0

^{*}As of February 8, 2021.

	Gross	GF/GP
FY 2020-21 Year-to-Date Appropriation	\$121,295,000	\$63,616,800
Changes from FY 2020-21 Year-to-Date:		
 Laboratory Integration of Food Safety System. The Governor recommended adding \$600,000 in available Federal fund support for an integrated food safety system. 	600,000	0
 Licensing and Inspection Programs. The Governor recommended ongoing maintenance and support costs for the licensing and inspection system, including \$210,000 GF/GP and \$44,900 in restricted funds. 	254,900	210,000
 Rural Development Specialist. The Governor recommended the creation of a new FTE position to specialize in rural development, at an ongoing cost of \$175,000 restricted. 	175,000	0
 Conservation Reserve Enhancement Program. The Governor recommended the elimination of the one-time program from FY 2020-21. 	(4,400,000)	(4,400,000)
 Michigan Animal Agriculture Alliance. The Governor recommended a reduction of \$1,253,000 from the GF/GP funded grant program designed to support agriculture animal research, which would result in a proposed appropriation of \$1,747,000 GF/GP. 	(1,253,000)	(1,253,000)
 Information Technology. The Governor recommended a technical adjustment to reflect actual revenues, including a reduction of \$3,200 IDG and \$700 in State restricted funds. 	(3,900)	0

 Pesticide and Plant Pest Management. The Governor recommended a shift of \$101,800 in existing revenues from restricted to Federal to accurately reflect funding. 	0	0
 Unclassified Salaries. The Governor recommended an increase from \$599,900 GF/GP for FY 2020-21 to \$617,900 GF/GP. 	18,000	18,000
 Economic Adjustments. Includes (\$433,700) Gross and (\$307,900) GF/GP for total economic adjustments, of which an estimated (\$1,592,100) Gross and (\$1,103,900) GF/GP is for legacy retirement costs. 	(433,700)	(307,900)
Total Changes	(\$5,042,700)	(\$5,732,900)
FY 2021-22 Governor's Recommendation	\$116,252,300	\$57,883,900

- 1. **Acronyms and Definitions.** The Governor removed definition of "Fiscal Agencies," "HHS," "LARA," "MDEGLE," and "Subcommittee", terms currently used throughout FY 2020-21 boilerplate. (Sec. 203)
- 2. **Reporting Requirements.** The Governor removed a subsection that required notification when a report has been placed on the Department's website. (Sec. 204)
- 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. **General Fund Lapse Report**. The Governor amended the language to shift the due date of the report from no later than November 30 to December 30. (Sec. 209)
- 7. **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 limit at \$100,000 that would be eligible for transfer. (Sec. 210)
- 8. **Web-Based Fiscal Status Reporting.** The Governor amended language by changing that the Department shall "cooperate with the SBO" to "shall report to SBO." (Sec. 211)
- 9. **Restricted Fund Balances Report.** The Governor amended language by changing that the Department shall "cooperate with the SBO" to "shall report to SBO". (Sec. 212)
- 10. **Disciplinary Action.** The Governor recommended elimination of this section, which prohibited action against an employee for communicating with legislative staff. (Sec. 215)
- 11. Quarterly Employee Status Reports. The Governor deleted this reporting requirement. (Sec. 216)
- 12. **Work Project Expenditures.** The Governor deleted this section, which required that, to the extent possible, appropriations in part 1 not be spent until all existing work project funds for that same purpose have been spent. (Sec. 217)
- 13. **Administrative Board Transfers.** The Governor deleted this section, which allows the Legislature to transfer funds via resolution should the Administrative Board transfer funds. (Sec. 218)
- 14. **Retention of Reports.** The Governor recommended elimination of this section, which requires the Department to receive and retain records. (Sec. 219)
- 15. **Policy Changes Made to Implement Public Acts**. The Governor deleted language that required the Department to report annually on policy changes made to implement recent public acts. (Sec. 220)

- 16. Costs of Whole Herd Bovine TB Testing. The Governor added language that MDARD must pay for all "required regulatory" testing costs. (Sec. 451)
- 17. **MDARD Collaboration with USDA on Monitoring Bovine TB.** The Governor removed a reference to a specific memorandum of understanding (MOU) date and supplanted it with "currently required" MOU. (Sec. 454)
- 18. **Environmental Stewardship.** The Governor struck a reference to grants within the 2014 Federal farm bill and kept a reference to 2018 farm bill. (sec. 601)
- 19. **Food and Agriculture Investment Program.** The Governor amended the language by changing the tentative work project date from 2023 to 2024 and increasing the allowable percent of administration costs charged to the grant program from 5% to 10%. (Sec. 701)
- 20. **Double Up Food Bucks.** The Governor amended language to update reporting requirements for the program from 2021 to 2022. (Sec. 703)
- 21. **Agriculture Equine Industry Development Fund.** The Governor amended language to update a reference from 2021 to 2022. (Sec. 802)
- 22. **Conservation Reserve Enhancement Program.** The Governor deleted this language, which refers to a one-time FY 2020-21 program. (Sec. 901)

Date Completed: 3-22-21 Fiscal Analyst: Bruce Baker





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Article 2

Committee: Appropriations

			CHANGES F FY 2020-21 YEAR	_
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2020-21 YEAR-TO-DATE*	FY 2021-22 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	537.4	541.4	4.0	0.7
GROSS	106,828,600	107,338,800	510,200	0.5
Less:				
Interdepartmental Grants Received	35,285,800	35,083,600	(202,200)	(0.6)
ADJUSTED GROSS	71,542,800	72,255,200	712,400	1.0
Less:				
Federal Funds	9,906,100	9,868,400	(37,700)	(0.4)
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	61,636,700	62,386,800	750,100	1.2
Less:				
Other State Restricted Funds	20,488,300	20,390,800	(97,500)	(0.5)
GENERAL FUND/GENERAL PURPOSE	41,148,400	41,996,000	847,600	2.1
PAYMENTS TO LOCALS	0	0	0	0.0

^{*}As of February 8, 2021.

	Cross	GF/GP
	Gross	GF/GF
FY 2020-21 Year-to-Date Appropriation	\$106,828,600	\$41,148,400
Changes from FY 2020-21 Year-to-Date:		
 Clean Slate for Michigan. The Governor included \$560,000 GF/GP for costs related to recently passed criminal records expungement legislation. 	560,000	560,000
 Address Confidentiality Program. The Governor included \$500,000 GF/GP in one-time appropriations for an online system to assist crime victims in protecting their personal information. 	500,000	500,000
3. Economic Adjustments. Includes negative \$549,800 Gross and negative \$212,400 GF/GP for total economic adjustments, of which an estimated negative \$2,290,300 Gross and negative \$884,300 GF/GP is for legacy retirement costs (pension and retiree health).	(549,800)	(212,400)
Total Changes	\$510,200	\$847,600
FY 2021-22 Governor's Recommendation	\$107,338,800	\$41,996,000

Boilerplate Changes from FY 2020-21 Year-to-Date:

- 1. **Litigation Expense Reimbursements.** The Governor revised the amount of funds appropriated from up to \$500,000 to \$1.0 million. (Sec. 308)
- 2. **Reimbursements Report.** The Governor deleted a section requiring the Attorney General to report on the total amount of reimbursements received under Section 6 of the State Correctional Facility Reimbursement Act. (Sec. 309a)

- 3. **Legacy Cost Estimates.** The Governor provided the following legacy cost estimates for FY 2021-22. Total legacy costs estimated at \$17,036,000. Of that total, \$9,544,500 is for pension-related legacy costs and \$7,491,500 is for retiree health care legacy costs for the fiscal year ending September 30, 2022. (Sec. 315)
- 4. **Notification of Lawsuit Settlements.** The Governor deleted and declared unenforceable language requiring the Department to provide notification when a lawsuit settlement has a fiscal impact of \$2.0 million or more and prohibiting the Attorney General from entering any lawsuits contrary to the laws of the State. (Sec. 320)
- 5. **Notification of Lawsuits Against Federal Government.** The Governor deleted and declared unenforceable language requiring the Department to provide notification to the chairs of the appropriations subcommittees upon entering a lawsuit against the Federal government and to estimate the costs of that action. (Sec. 321)

Date Completed: 3-22-21 Fiscal Analyst: Elizabeth Raczkowski





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Article 3

Committee: Appropriations

			CHANGES F FY 2020-21 YEAR	
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2020-21 YEAR-TO-DATE*	FY 2021-22 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	110.0	109.0	(1.0)	(0.9)
GROSS	18,037,400	17,584,100	(453,300)	(2.5)
Less:				
Interdepartmental Grants Received	299,800	298,900	(900)	(0.3)
ADJUSTED GROSS	17,737,600	17,285,200	(452,400)	(2.6)
Less:				
Federal Funds	2,868,200	2,850,700	(17,500)	(0.6)
Local and Private	18,700	18,700	0	0.0
TOTAL STATE SPENDING	14,850,700	14,415,800	(434,900)	(2.9)
Less:				
Other State Restricted Funds	58,500	58,500	0	0.0
GENERAL FUND/GENERAL PURPOSE	14,792,200	14,357,300	(434,900)	(2.9)
PAYMENTS TO LOCALS	0	0	0	0.0

^{*}As of February 8, 2021.

	Gross	GF/GP
FY 2020-21 Year-to-Date Appropriation	\$18,037,400	\$14,792,200
Changes from FY 2020-21 Year-to-Date:		
 Transfer of Women's Commission to LEO. The Governor included the transfer of the Women's Commission to LEO, in which the State's other commissions are housed. 	(366,800)	(366,800)
 Economic Adjustments. Includes a negative \$86,500 Gross and a negative \$68,100 GF/GP for total economic adjustments, of which an estimated negative \$330,700 Gross and a negative \$270,000 GF/GP is for legacy retirement costs (pension and retiree health). 	(86,500)	(68,100)
Total Changes	(\$453,300)	(\$434,900)
FY 2021-22 Governor's Recommendation	\$17,584,100	\$14,357,300

Boilerplate Changes from FY 2020-21 Year-to-Date:

- 1. **Governor:** Moved boilerplate from the FY 2020-21 general sections that applied to all General Government budgets to the Article for the Department of Civil Rights. Changes to those items can be found in the highlight sheet for the General Sections.
- 2. **Contingency Funds.** The Governor increased funding for contingency funds for Federal and private funds. Federal funds limit increased from \$1.0 million to \$2.0 million and Private funds were increased from \$375,000 to \$750,000. (CL Sec. 401)

3. **Legacy Cost Estimates.** The Governor provided the following Legacy Costs estimates for FY 2021-22: Total legacy costs estimated at \$2,420,300. Of that total, \$1,356,000 is for pension-related legacy costs and \$1,064,300 is for retiree health care legacy costs for the fiscal year ending September 30, 2022. (CL Sec. 410)

Date Completed: 3-22-21 Fiscal Analyst: Joe Carrasco, Jr.





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Article 4

			CHANGES F FY 2020-21 YEAR	
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2020-21 YEAR-TO-DATE*	FY 2021-22 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	13,686.8	13,484.4	(202.4)	(1.5)
GROSS	2,060,788,400	2,079,027,000	18,238,600	0.9
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	2,060,788,400	2,079,027,000	18,238,600	0.9
Less:				
Federal Funds	196,370,900	5,364,100	(191,006,800)	(97.3)
Local and Private	9,680,600	9,646,100	(34,500)	(0.4)
TOTAL STATE SPENDING	1,854,736,900	2,064,016,800	209,279,900	11.3
Less:				
Other State Restricted Funds	45,478,500	45,493,400	14,900	0.0
GENERAL FUND/GENERAL PURPOSE	1,809,258,400	2,018,523,400	209,265,000	11.6
PAYMENTS TO LOCALS	123,330,800	122,895,500	(435,300)	(0.4)

^{*}As of February 8, 2021.

<u> </u>	Gross	GF/GP
FY 2020-21 Year-to-Date Appropriation	\$2,060,788,400	\$1,809,258,400
Changes from FY 2020-21 Year-to-Date:		
 Removal of FY 2020-21 One-Time Funding. The Governor removed a total of \$15.0 million of one-time funding for payments related to John Doe v. MDOC 2020 settlement agreement related to the incarceration of juveniles. 	(15,000,000)	(15,000,000)
 John Doe v. MDOC Settlement Agreement. The Governor included the final payment for the \$80.0 million settlement reached in 2020 for the housing of underage individuals in adult facilities. Payments of \$25.0 million were made in FY 2019-20, \$15.0 million in FY 2020-21, and this final payment of \$40.0 million. 	40,000,000	40,000,000
 New Custody Staff Training. The Governor provided additional support for the training of an estimated 300 new correctional officers annually to alleviate higher-than-anticipated attrition. This additional funding would allow the Department to hire and train an estimated 800 officers annually. 	7,373,700	7,373,700
 Employee Wellness Enhancements. The Governor provided new funding to support additional employee wellness resources and support services for Department employees. Ideas may be submitted by employees or by worksite. 	809,400	809,400
 Administrative Hearings and Rules Caseload Adjustment. The Governor included a \$204,000 increase for the Office for ongoing support for an increased caseload in administrative hearings. 	204,000	204,000

6. Fund Shift - Public Safety Payroll. The Governor included the reversal of GF/GP expenditures that helped the Department realize a savings in FY 2020-21 by including a one-time shift of \$191.0 million GF/GP to the Federal Coronavirus Relief Fund to support payroll costs during the pandemic. The expiration/exhaustion of CRF funds requires the restoration of the GF/GP funds in FY 2021-22. This shift has a zero affect in the gross appropriation while increasing GF/GP expenditures by \$190.2 million.	0	190,164,500
7. Transportation Costs. The Governor increased the spending authority from the Correctional Industries Revolving Fund to support increased transportation costs for goods made by Michigan State Industries sold to correctional facilities. Increased fund revenue from the sale of goods provides restricted funding for this increase.	72,000	0
 Detroit Re-entry Center Savings. The Governor included the full-year savings to be realized in the fiscal year because of the closure of the Center in January 2021. 	(10,523,600)	(10,523,600)
 Economic Adjustments. Includes a negative \$4,696,900 Gross and a negative \$3,763,000 GF/GP for total economic adjustments, of which an estimated negative \$37,736,100 Gross and a negative \$33,402,600 GF/GP is for legacy retirement costs (pension and retiree health). 	(4,696,900)	(3,763,000)
Total Changes	\$18,238,600	\$209,265,000
FY 2021-22 Governor's Recommendation	\$2,079,027,000	\$2,018,523,400

- 1. **Deletions.** The Governor proposed to eliminate the following sections from current-year boilerplate: 206, 216, 221, 222, 225, 239, 248, 304, 309, 313(2), 314, 315, 316, 317, 318, 405, 409(3), 411, 417, 419(1), 423, 602, 605, 611, 612, 613, 802, 812, 901, 908, 913(2), 940, 942, 943, 944, 1011, and 1013. These deletions include a variety of reporting requirements, record retention requirements, and statements of legislative intent.
- 2. **Definitions.** Fifteen definitions were eliminated from the bill. These included acronyms that are no longer referenced in the bill, as well as the definition "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. **Communicating with Legislators.** 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. (Sec. 206)
- 6. **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)
- 7. **Updated Amounts for Total Legacy Costs.** The Governor updated total legacy costs section. The pension-related costs for FY 2021-22 are \$156,450,700 and the retiree health care costs are \$122,799,000. (Sec. 214)
- 8. **Staff Retention Strategies 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)
- 9. **Employee Wellness.** The Governor eliminated funding for the study and the reporting requirement. The language states only that the Department must maintain employee wellness programming, including programming focused on post-traumatic stress disorder outreach. (Sec. 312)
- New Custody Staff Trainings. The Governor added language stating that funding must be used to hire and train new
 corrections officers to address attrition and reduce overtime costs. Also eliminated language on vacancy rates. (Sec. 313)

- 11. **Offender Success Report.** The Governor removed a requirement to report details on planned expenditures and requires only the reporting of previous-year expenditures. (Sec. 402)
- 12. **Vocational Education Programs.** The Governor revised language to remove a reporting requirement and to state only that the Department must ensure that the program provides relevant professional development opportunities. (Sec. 409)
- 13. **Community Corrections Comprehensive Plans.** The Governor eliminated all language and retained only the per diem reimbursement limit of \$55.50.
- 14. **Withholding of County Jail Reimbursements.** The Governor removed language that bars reimbursement for any county that enacts or enforces any law or ordinance concerning the immigration status of an individual. (Sec. 414)
- 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. **NEW. Food Technology Program.** The Governor relocated former section 901 regarding the enhanced food technology program. The program is maintained but rolled into the Education/Skilled Trades line item. A new section is added to state that the Education/Skilled Trades program must maintain an enhanced food technology program that will lead to food service training credentials recognized by the restaurant industry. (NEW Sec. 424)
- 17. **Tether Reimbursement Guidelines.** The Governor eliminated language stating that, for a fee, the Department would provide counties with the curfew monitor equipment, replacement parts, etc., and install and service the equipment. (Sec. 603)
- 18. Criminal Justice Reinvestment Appropriation. The Governor eliminated the \$600,000 earmark of funding. (Sec. 604)
- 19. **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: 3-22-21 Fiscal Analyst: Joe Carrasco, Jr.





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Article 5

			CHANGES F FY 2020-21 YEAR	
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2020-21 YEAR-TO-DATE*	FY 2021-22 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	614.5	615.0	0.5	0.1
GROSS	451,695,700	531,091,400	79,395,700	17.6
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	451,695,700	531,091,400	79,395,700	17.6
Less:				
Federal Funds	343,701,700	344,304,100	602,400	0.2
Local and Private	8,111,400	8,108,800	(2,600)	(0.0)
TOTAL STATE SPENDING	99,882,600	178,678,500	78,795,900	78.9
Less:				
Other State Restricted Funds	9,815,500	9,785,400	(30,100)	(0.3)
GENERAL FUND/GENERAL PURPOSE	90,067,100	168,893,100	78,826,000	87.5
PAYMENTS TO LOCALS	15,267,700	15,267,700	0	0.0

^{*}As of February 8, 2021.

	Gross	GF/GP
FY 2020-21 Year-to-Date Appropriation	\$451,695,700	\$90,067,100
Changes from FY 2020-21 Year-to-Date:		
1. Child Development and Care Public Assistance. The Governor included a one-time appropriation of \$78.0 million GF/GP to continue CDC enhancements requested in a FY 2020-21 supplemental. The enhancements include an increase to the income eligibility from 150% to 200% of the FPL, support for family contribution copays, a 10% increase to the provider reimbursement rate, payments to providers based on enrollment, and a mental health initiative for children age zero to five. Additionally, the amount includes \$55.8 million to ensure funding of the Child Development and Care program through FY 2023-24.	78,000,000	78,000,000
2. Educator Shortage. The Governor included a 0.5 FTE position and \$2,895,000 GF/GP in the Educator Excellence line item to address the educator shortage in Michigan. Of the total, \$1,775,000 is designated for a Teacher Recruitment Program, \$320,000 is designated for teacher license fees for former teachers who return to the profession, and \$800,000 is designated for grants up to \$8,000 for teachers who move to high demand and critical fields.	2,895,000	2,895,000
3. Poet Laureate. The Governor created a Poet Laureate program with \$100,000 GF/GP to promote poetry, the spoken word, and literary arts.	100,000	100,000
 Child Development and Care Matching Adjustment. The Governor shifted \$1,019,600 GF/GP to Federal revenue to align with current Federal matching requirements. 	0	(1,019,600)

Educare Transfer. The Governor transferred the grant for the Early Childhood Collaborative in Genesee County to the School Aid budget.	(1,000,000)	(1,000,000)
Great Start Operations Rollup. The Governor rolled up the CDC Contract Services and TEACH Scholarship line items into the Great Start Operations line item.	0	0
7. Economic Adjustments. Includes economic adjustments of a negative \$599,300 Gross and \$149,400 GF/GP for total economic adjustments, of which an estimated negative \$1,860,600 Gross and \$543,300 GF/GP is for legacy retirement costs (pension and retiree health).	(599,300)	(149,400)
Total Changes	\$79,395,700	\$78,826,000
FY 2021-22 Governor's Recommendation	\$531,091,400	\$168,893,100

- Deleted Reports. The Governor deleted a number of sections related to reporting/notification requirements, which
 include 216 (FTE Quarterly Report), 221 (policy change report), 223 (retention of reports), 229 (Federal Accountability
 Plan amendment notification), 230 (nonpublic school mandate report), 231 (school policy adoption report), 234
 (postsecondary enrollment option report), 1003 (Early Childhood Comprehensive System report), and 1010
 (notification of Federal changes to the Child Development and Care Program).
- Other Deleted Sections. The Governor deleted a number of other sections, which include 218 (State Administrative Board transfers), 219 (kindergarten entry assessment requirements), 222 (protects employees who communicate with the Legislature), 224 (work project prioritization), 409 (State administrative judge hearing requirement), 501 (education personnel revocation/felony conviction files), 1004 (\$5.0 million to the TEACH Scholarship Program), and 1101 (Educare grant).
- 3. **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. (Secs. 205, 206, 207)
- 4. **General Fund Lapse Report.** The Governor modified the date for the General Fund Lapse Report from November 30 to December 31. (Sec. 209)
- 5. **Contingency Funds.** The Governor doubled the contingency fund amounts for the Federal, State Restricted, and Private funds. (Sec. 210)
- 6. **Teacher Recruitment Program.** The Governor changed the appropriation for the Teacher Recruitment Program from \$100 to \$1,775,000 to recruit districts to make the program available for students and to implement a competitive grant program. (Sec. 233)
- 7. **Income Entry Threshold.** The Governor increased the CDC income entry threshold level from 150% to 200% of the FPL. (Sec. 1009)
- 8. **Technical Changes.** The Governor made a number of technical modifications that include date changes, Part 1 appropriation changes, legacy cost adjustments, and standardized language. (Secs. 201, 212, 214, 217, 601, 701, 804, 1007, and 1011)

Date Completed: 3-22-21 Fiscal Analyst: Cory Savino





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Article 6

			CHANGES F FY 2020-21 YEAR	
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2020-21 YEAR-TO-DATE*	FY 2021-22 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	1,418.0	1,460.0	42.0	3.0
GROSS	511,359,200	906,016,900	394,657,700	77.2
Less:				
Interdepartmental Grants Received	3,337,700	3,544,900	207,200	6.2
ADJUSTED GROSS	508,021,500	902,472,000	394,450,500	77.6
Less:				
Federal Funds	171,973,000	171,889,200	(83,800)	(0.0)
Local and Private	1,412,800	1,411,200	(1,600)	(0.1)
TOTAL STATE SPENDING	334,635,700	729,171,600	394,535,900	117.9
Less:				
Other State Restricted Funds	275,191,800	600,471,200	325,279,400	118.2
GENERAL FUND/GENERAL PURPOSE	59,443,900	128,700,400	69,256,500	116.5
PAYMENTS TO LOCALS	44,000,600	326,521,000	282,520,400	642.1

^{*}As of February 8, 2021.

	Gross	GF/GP
FY 2020-21 Year-to-Date Appropriation	\$511,359,200	\$59,443,900
Changes from FY 2020-21 Year-to-Date:	200 000 000	0
1. Increase MI Clean Water Plan (one-time). Governor recommended an appropriation of the remaining \$290.0 million in bonding authority approved by voters in 2002 under the Great Lakes Water Quality Protection Bond. The proposal would allow bonds to be issued to provide wastewater infrastructure grants to local units of government over the next few years. In addition to an appropriation in the budget, additional legislation would be required to enact this proposal.	290,000,000	0
2. High Water Infrastructure Grants (one-time). Governor recommended funding to local units of government to cover high water level and climate resiliency planning and infrastructure needs. There would be \$10.0 million dedicated to planning grants and \$30.0 million for infrastructure grants. The funding would be used on projects that address flooding, coastline erosion, transportation networks, urban heat, and storm water management.	40,000,000	40,000,000
 Premcor Settlement. Governor included a proposal on how to use funding from the Premcor Administrative Consent order to fund cleanups of petroleum releases at 79 sites. 	29,300,000	0

4.	Increase Land and Water Resources Fees (35.0 FTEs). Governor recommended a statutory implementation of an increase in land and water resources fees to support permitting and compliance activities that impact wetlands, lakes and streams, floodplains, critical dunes, and dam safety. The adjustments also would include a transfer of 10.0 FTEs from Renew Michigan with the funding previously used to support staff shifted to be used for contaminated site cleanups. The proposed legislation would annualize inflationary adjustments and eliminate sunsets. The fees currently are set to expire October 1, 2023.	5,317,000	0
5.	Contaminated Site Cleanup (one-time). Governor recommended this funding to be used to support remediation at new high-risk sites that arise throughout the year.	20,000,000	20,000,000
6.	Drinking Water Laboratory (3.0 FTEs). Governor recommended additional funding and staff levels to support drinking water testing.	1,450,000	0
7.	Dam Safety Emergency Fund (one-time). Governor recommended this funding so it can be used for emergency response costs related to dams in cases in which a dam owner fails to pay for necessary work.	15,000,000	15,000,000
8.	Brownfield Redevelopment Fund. Governor recommended the use this funding source. This funding comes from a statute requiring split of Brownfield Tax Increment Revenues with the Michigan Strategic Fund. There is sufficient fund revenue to support proposed efforts within both entities.	1,100,000	0
9.	Increase Authorization for Remedial Settlement Fund. Governor recommended this funding to be used to support one-time contamination remediation and cleanup projects.	1,000,000	0
10.	Increase Drinking Water and Industrial Stormwater Operator Certification Fees (1.0 FTE). Governor recommended statutory implementation of an increase in drinking water and industrial stormwater operator certification fees. The additional funding would be used to support the program's current workload and 1.0 FTE who would assist with modernizing the certification and renewal tracking system, operator training, and conducting operator exams. The fees currently are set to expire October 1, 2021.	309,400	0
11.	Federal Oil and Gas Program Oversight Activities (2.0 FTEs). Governor recommended regulatory oversight responsibilities for underground injection and gas storage wells to be transferred from the Environmental Protection Agency to the State of Michigan. This funding would be used in partnership with the Michigan Public Service Commission to regulate gas storage wells and provide funding via an interdepartmental grant.	370,000	0
12.	Increase National Pollutant Discharge Elimination System (NPDES) and Storm Water Fees (15.0 FTEs). Governor recommended a statutory increase in the national pollutant discharge elimination system and storm water fees is assumed in the budget. The additional funding and staff would be used to support permitting and compliance activities that affect discharges into State waterways. The adjustments also reflect a transfer of 4.0 FTEs from Renew Michigan with the funding previously used to support staff shifted to cover contaminated site cleanups. The proposed legislation also would eliminate an October 1, 2023, sunset and would include annual inflationary adjustments in the fees.	194,900	0

13. Increase Hazardous Waste Site Identification Fees. Governor recommended statutory implementation of an increase in hazardous waste site identification fees and to eliminate the October 1, 2021, sunset of the fee. The additional funding would support the cost of processing new sites.	100,000	0
14. Remove FY 2020-21 Use of Scrap Tire Authorization. Governor recommended removing this funding that was included in a FY 2020-21 supplemental on a one-time basis.	(3,000,000)	0
15. Removal of FY 2020-21 One-Time Projects. Governor recommended that eight one-time FY 2020-21 projects be removed from the FY 2021-22 budget, most notably the \$2.75 million for lead and copper rule support.	(5,560,000)	(5,560,000)
16. Economic Adjustments. Includes negative \$923,600 Gross and negative \$183,500 GF/GP for total economic adjustments, of which an estimated negative \$5,867,900 Gross and negative \$4,396,600 GF/GP is for legacy retirement costs (pension and retiree health).	(923,600)	(183,500)
Total Changes	\$394,657,700	\$69,256,500
FY 2021-22 Governor's Recommendation	\$906,016,900	\$128,700,400

- 1. **New Internet reporting requirements.** Governor added intranet sites as an additional way for the Department to publish reports and meet their reporting requirements. (Sec. 204)
- 2. **Deleted Communication with the Legislature.** Governor removed a prohibition against taking disciplinary action against Department employees who communicate with the Legislature. (Sec. 206)
- 3. **New/Relocated Deprived and Depressed Communities.** Governor relocated existing language that gives preference to local goods and services from deprived and depressed communities; preference given to the extent permissible under Management Budget and Control Act. This language was moved from Sec. 215. (Sec. 206)
- 4. **New GF/GP Lapses Report.** Governor extended the reporting deadline, for the State Budget Office to deliver its report on GF/GP lapses in the previous fiscal year, from November 30 to December 31. (Sec. 209)
- 5. **New Contingency Funds Limits.** Governor added contingency funding limits to Federal Funds limited at \$30.0 million and Private Funds limited at \$500,000. The Governor also increased the State Restricted Funds limit from \$3.0 million to \$5.0 million. (Sec. 210)
- 6. **Deleted/Relocated Deprived and Depressed Communities.** Governor relocated existing language to Sec. 206. (Sec. 215)
- 7. **Deleted Quarterly Reporting on FTE and Remote Work Status.** Governor removed language requiring the Department to provide the Senate and House quarterly reports on the FTE pay status and remote work levels. (Sec. 216)
- 8. **Deleted Expending on Work Projects.** Governor removed language that encouraged the Department to spend all existing work project authorization available before using funding from part 1. (Sec. 217)
- 9. **Deleted Interdepartmental Transfers.** Governor removed language that allowed for a concurrent resolution, that if passed by the Legislature, would allow for intertransfer of funds from the Department. (Sec. 218)
- Deleted Report Retention. Governor removed language requiring the Department to retain copies of all reports funded by the appropriation, and to comply with both State and Federal guidelines for short-term and long-term records retention. (Sec. 219)

- 11. **Deleted Annual Policy Change Report.** Governor removed language requiring the Department to provide an annual report on April 1 of all policy changes made to implement a public act in the previous calendar year. (Sec. 220)
- 12. **Deleted Impacts on Small Businesses.** The Governor removed a prohibition against the promulgation of rules that would have a disproportionate impact on small businesses. (Sec. 221)
- 13. **Deleted 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)
- 14. **Deleted 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)
- 15. **Deleted Refined Petroleum Cleanup Program.** The Governor removed a site list reporting requirement for all refined petroleum product cleanup program projects. (Sec. 306)
- 16. **New Work Project Authority for Premcor Settlement.** Governor recommended statutory work project language that allows the Department to manage the Premcor legal settlement. (Sec. 312)
- 17. **New Authority to Use Funds in Settlements.** Governor recommended authorizing the use of Natural Resources Damages Fund and the Environmental Response Fund to provide funding for actions by the Department when authorized by a court. (Sec. 315)
- 18. **Deleted Dam Safety FTE.** Governor recommended removing the language that require that no fewer than 2.0 FTE positions are allocated to dam safety programs. (Sec. 401)
- 19. **Deleted Scrap Tire Grants.** Governor recommended removing the section that included \$3.0 million in grants for a county with a specific population. (Sec. 902)
- 20. Deleted One-Time Appropriations from FY 2020-21. Governor recommended removing the one-time appropriations from the previous fiscal year: Local water testing grants, Blanchard Dam study, cooperative lakes monitoring program, environmental cleanup project, local service line replacement, Michigan geological survey, multistate aquifer study, water treatment plant, watershed council grants. (Sec. 1005, Sec. 1006, Sec. 1007, Sec. 1008, Sec. 1009, Sec. 1010, Sec. 1011, Sec. 1012, and Sec. 1013)
- 21. **New Work Project Authority for Dam Safety.** Governor recommended language authorizing the Dam Safety Emergency Fund. (Sec. 1005)
- 22. **New Grants for High Water Infrastructure.** Governor recommended this section for the high water infrastructure grant program. (Sec. 1006)
- 23. **New Work Project Authority for Michigan Clean Water Plan.** Governor recommended this section to advocate for statutory work project language to ensure the fund does not lapse at the end of the fiscal year into the General Fund. (Sec. 1007)

Date Completed: 3-22-21 Fiscal Analyst: Ben Dawson





Fax: (517) 373-1986

Article 7

Committee: Appropriations

			CHANGES F FY 2020-21 YEAR	-
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2020-21 YEAR-TO-DATE*	FY 2021-22 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	79.2	79.2	0.0	0.0
GROSS	7,114,300	7,318,600	204,300	2.9
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	7,114,300	7,318,600	204,300	2.9
Less:				
Federal Funds	0	0	0	0.0
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	7,114,300	7,318,600	204,300	2.9
Less:				
Other State Restricted Funds	0	0	0	0.0
GENERAL FUND/GENERAL PURPOSE	7,114,300	7,318,600	204,300	2.9
PAYMENTS TO LOCALS	0	0	0	0.0

^{*}As of February 8, 2021.

	Gross	GF/GP
FY 2020-21 Year-to-Date Appropriation	\$7,114,300	\$7,114,300
Changes from FY 2020-21 Year-to-Date:		
 Economic Adjustments. Includes \$204,300 Gross and \$204,300 GF/GP for total economic adjustments, of which an estimated \$0 Gross and \$0 GF/GP is for legacy retirement costs (pension and retiree health). 	204,300	204,300
Total Changes	\$204,300	\$204,300
FY 2021-22 Governor's Recommendation	\$7,318,600	\$7,318,600

Boilerplate Changes from FY 2020-21 Year-to-Date:

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

Date Completed: 3-22-21 Fiscal Analyst: Joe Carrasco, Jr.

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





Fax: (517) 373-1986

Article 8

			CHANGES F FY 2020-21 YEAR	-
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2020-21 YEAR-TO-DATE*	FY 2021-22 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	15,481.0	15,583.5	102.5	0.7
GROSS	28,726,411,000	31,647,234,200	2,920,823,200	10.2
Less:				
Interdepartmental Grants Received	13,829,900	13,791,400	(38,500)	(0.3)
ADJUSTED GROSS	28,712,581,100	31,633,442,800	2,920,861,700	10.2
Less:				
Federal Funds	20,159,666,800	22,910,690,100	2,751,023,300	13.6
Local and Private	338,595,300	351,956,700	13,361,400	3.9
TOTAL STATE SPENDING	8,214,319,000	8,370,796,000	156,477,000	1.9
Less:				
Other State Restricted Funds	2,989,480,100	3,094,113,000	104,632,900	3.5
GENERAL FUND/GENERAL PURPOSE	5,224,838,900	5,276,683,000	51,844,100	1.0
PAYMENTS TO LOCALS	1,673,960,400	1,743,164,400	69,204,000	4.1

^{*}As of February 8, 2021.

<u>-</u>		
	Gross	GF/GP
FY 2020-21 Year-to-Date Appropriation	\$28,726,411,000	\$5,224,838,900
Changes from FY 2020-21 Year-to-Date:		
 Medicaid Match Rate Adjustments. The base Medicaid match rate will increase from 64.08% to 65.48%. In addition, the budget assumes continuation of the 6.2% COVID-19-related match rate enhancement. 	0	(176,090,600)
 Other Fund Source Adjustments. The budget includes removal of one- time Federal Coronavirus Relief Fund revenue and increases in Restricted funds used to support Medicaid. 	0	(65,128,400)
 Food Assistance Program (FAP) Base and Caseload. The budget reflects a large increase in FAP caseload and benefits. 	1,271,662,300	0
 Medicaid Actuarial Soundness Adjustments. Budget includes increases for managed care entities that provide Medicaid services to reflect the Federal requirement that capitation rates paid be actuarially sound. 	299,600,000	78,794,100
 Medicaid Special Financing and Provider Tax Adjustments. Budget includes expansion of special payments to hospitals that are funded with provider tax revenue. 	272,600,200	(15,804,800)
 Full-year Funding for Direct Care Worker Wage Increase. Governor's proposal reflects full-year implementation of the \$2.00 per hour direct care worker wage increase on an ongoing basis. 	360,000,000	120,000,000

 Child Welfare Services Base and Caseload. Budget includes adjustments to reflect projected child welfare caseload costs, in particular the Child Care Fund. 	8,372,700	11,803,200
 Public Assistance Base and Caseload. Budget includes adjustments to reflect projected public assistance caseloads and costs, with the largest adjustment being in the Family Independence Program. 	(34,938,300)	(34,617,400)
 Medicaid Base and Caseload. Budget includes adjustments to reflect projected costs for the Medicaid program and to remove one-time savings tied to the health plan risk corridor. 	762,158,800	179,794,400
10. Program Increases. Budget includes a number of program increases, including \$91.0 million Gross and \$30.0 million GF/GP for costs related to the <i>KB v. Lyon</i> settlement, \$49.0 million Gross in Federal pharmacy grants, \$29.1 million Gross and \$24.2 million GF/GP to implement the Raise the Age legislation, \$26.5 million Gross and \$5.0 million GF/GP for a community behavioral health demonstration project, \$20.3 million Gross and \$15.4 million GF/GP for qualified residential treatment programs, \$19.1 million Gross and \$6.3 million GF/GP to add 1,000 slots to the MiChoice program, \$7.4 million Gross and \$6.3 million GF/GP to expand home visiting services, \$6.7 million Gross and GF/GP to cover services to adults with sickle cell disease, and \$5.5 million Gross and \$4.3 million GF/GP to establish an office of race, equity, diversity, and inclusion and to fund initiatives to reduce health disparities.	324,693,900	108,694,100
 Program Reductions and Savings. Budget includes assumed savings from greater efficiencies including \$12.4 million Gross and \$8.9 million GF/GP from home help payment changes. 	(20,999,800)	(11,822,800)
12. Removal of FY 2020-21 One-Time Appropriations.	(406,228,800)	(187,872,600)
13. FY 2021-22 One-Time Appropriations. Programs funded include nursing home support payments (\$37.5 million Gross, \$9.0 million GF/GP), lead poisoning prevention (\$10.0 million Gross and GF/GP), one-time health disparity initiatives (\$5.0 million Gross and GF/GP), and \$23.2 million Gross and \$11.5 million GF/GP for redetermination of Medicaid eligibility once the Federal COVID-19 emergency ends.	99,984,200	48,073,600
14. Other Changes. Other changes resulted in minor adjustments.	(5,384,400)	774,800
15. Economic Adjustments. Includes (\$10,697,600) Gross and (\$4,753,500) GF/GP for total economic adjustments, of which an estimated (\$43,970,300) Gross and (\$20,212,400) GF/GP is for legacy retirement costs (pension and retiree health).	(10,697,600)	(4,753,500)
Total Changes	\$2,920,823,200	\$51,844,100
FY 2021-22 Governor's Recommendation	\$31,647,234,200	\$5,276,683,000

- 1. **Deletions.** The Governor eliminated the following sections from current year boilerplate: 215, 218, 222, 225, 229, 232, 233, 234, 235, 240, 253, 258, 264, 274, 281, 297, 299, 309, 316, 462, 506, 509, 515, 517, 518, 527, 535, 538, 558, 595, 603, 660, 710, 912, 927, 959, 960, 964, 965, 970, 977, 978, 979, 1005, 1006, 1007, 1011, 1012, 1013, 1062, 1144, 1151, 1183, 1184, 1185, 1238, 1302, 1303, 1304, 1305, 1309, 1310, 1319, 1320, 1501, 1506, 1507, 1509, 1511, 1513, 1515, 1645, 1646, 1696, 1763, 1792, 1803, 1812, 1857, 1858, 1867, 1876, 1878, 1880, 1881, 1906, 1910, 1911, 1913, 1914, 1915, 1916, 1917, 1918, 1919, 1920, 1921, 1922, 1923, 1924, 1925, 1926, 1927, 1928, 1930, and 1932.
- Renumbering. The Governor renumbered Sec. 256 as Sec. 463 (Consent Education), Sec. 295 as Sec. 1014 (Multicultural Contracts), Sec. 307 as Sec. 1152 (2-1-1 Statewide Projects), Sec. 905 as Sec. 1063 (Children's Behavioral Action Team), and Sec. 1226 as Sec. 1342 (Healthy Exercise Program Pilot).

- 3. **Contingency Fund Authorization.** The Governor increased Federal contingency fund limit from \$20.0 million to \$400.0 million, State restricted contingency fund limit from \$20.0 million to \$90.0 million, local contingency fund limit from \$5.0 million to \$40.0 million, and 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 2021-22 to include \$182.8 million for pension-related costs and \$143.5 million for retiree health care costs. (Sec. 214)
- 5. **IT Agile Software Mandate.** The Governor removed section requiring the Department to use "agile" principles and frameworks as the Department policy for IT, issue a report upon commencement upon any project, and give updates to the subcommittees on request. (Sec. 253)
- 6. **Health Literacy Demonstration Project.** The Governor deleted section directing the creation of a Department-led demonstration project for a web-based intensive health literacy program within the Medicaid program. (Sec. 309)
- 7. **Youth in Transition and Runaway Youth.** The Governor removed subsections that detailed payment allocations for runaway and homeless youth grants such as emergency shelter and other services. (Sec. 461)
- 8. Child Protective Service (CPS) Report. The Governor eliminated reporting requirements subsections that detail demographic data on perpetrators of child abuse or child neglect and parental separation. (Sec. 514)
- 9. **Child Protective Service Staff Escort.** The Governor excluded section that required the Department provide an accompanying staff member for CPS worker, upon request, if CPS worker felt unsafe. (Sec. 515)
- Child Protective Service Supervisor Review Timeline. The Governor dropped section that mandated CPS supervisors read initial abuse/neglect report within five business days and corrections be submitted by the frontline worker within three business days. (Sec. 518)
- 11. **Title IV-E Claims for Unlicensed Relatives.** The Governor deleted section that seeks to create avenue for additional Federal funding for foster care cases within the State. (Sec. 535)
- 12. **Psychotropic Medication Change Approval.** The Governor retained section dealing with psychotropic medication change determination timelines that was deemed unenforceable by the Governor. (Sec. 540)
- 13. **Child Welfare Remote Training Allowance.** The Governor removed section that allows private nonprofit child placing agencies to complete preservice training at private agency facilities internally. (Sec. 558)
- 14. **Child Welfare Master Settlement Exit Plan.** The Governor eliminated section detailing process for the State to exit Federal court oversight of child welfare system. (Sec. 588)
- 15. **Public Assistance Benefits Decrease Notification.** The Governor removed section requiring the Department to provide public assistance recipients a 15-day notice if an income change will result in a benefit decrease. (Sec. 603)
- 16. **Electronic Benefit Card (EBT) Replacement.** The Governor modified section dealing with the replacement of EBT cards whereupon a recipient who requires a fifth card within a 12-month period must seek permission from the Department. (Sec. 672)
- 17. **Raise the Age Fund.** The Governor added section that details the process for counties to receive allocations from the Raise the Age fund as new requirements for age of criminal liability go into effect. (Sec. 715)
- 18. **Pharmacy Dispensing Fee and Copayments.** The Governor modified language to set professional dispensing fees to specific amounts or the submitted dispensing fee, whichever is less, and clarified language relating to prescriptions indicated as preferred and prescriptions not indicated as preferred. (Sec. 1620)
- 19. **Independent Pharmacist Dispensing Fee Increase.** The Governor modified language to remove outdated references to "Average Wholesale Price" of prescription drugs when calculating reimbursements to independent pharmacies with seven or fewer retail outlets. (Sec. 1625)
- 20. **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)
- 21. MiSACWIS Replacement/Child Welfare IT Workgroup. The Governor struck section that outlines process for child welfare stakeholders to consider improvements to MiSACWIS and successor child welfare system. (Sec. 1906)

Date Completed: 3-22-21 Fiscal Analyst: Steve Angelotti, Ellyn Ackerman, and John Maxwell





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Article 9

			CHANGES F FY 2020-21 YEAR	-
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2020-21 YEAR-TO-DATE*	FY 2021-22 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	372.5	382.5	10.0	2.7
GROSS	73,315,700	72,987,600	(328,100)	(0.4)
Less:				
Interdepartmental Grants Received	728,600	724,600	(4,000)	(0.5)
ADJUSTED GROSS	72,587,100	72,263,000	(324,100)	(0.4)
Less:				
Federal Funds	1,017,100	1,017,100	0	0.0
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	71,570,000	71,245,900	(324,100)	(0.5)
Less:				
Other State Restricted Funds	71,570,000	71,245,900	(324,100)	(0.5)
GENERAL FUND/GENERAL PURPOSE	0	0	0	0.0
PAYMENTS TO LOCALS	0	0	0	0.0

^{*}As of February 8, 2021.

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	Gross	GF/GP
FY 2020-21 Year-to-Date Appropriation	\$73,315,700	\$0
Changes from FY 2020-21 Year-to-Date:	-	
 Regulatory Staffing Increase. The Governor included an increase of 10.0 FTEs from Year-to-Date in Consumer Services and Protection (7.0 FTEs) and Insurance Evaluation (3.0 FTEs) to address increased workloads and statutory responsibilities. The Governor also included a net-to-zero shift of 10.0 FTEs from Consumer Services and Protection to Insurance Evaluation. 	0	0
 Net-to-Zero Fund Shift. The Governor included a net-to-zew3ro fund shift of \$2.0 million from the Insurance Bureau Fund to Insurance Licensing and Regulation Fees within the Insurance Evaluation Program. 	0	0
3. Economic Adjustments. Includes negative \$328,100 Gross and \$0 GF/GP for total economic adjustments, of which an estimated negative \$1,300,100 Gross and \$0 GF/GP is for legacy retirement costs (pension and retiree health).	(328,100)	0
Total Changes	(\$328,100)	\$0
FY 2021-22 Governor's Recommendation	\$72,987,600	\$0

- 1. **Disciplinary Action Against Employees.** The Governor removed language prohibiting departments from taking disciplinary action against employees for communicating with legislators or legislative staff. (Sec. 206)
- 2. **Out-of-State Travel Report.** The Governor revised the requirements for out-of-State travel reports and removed language specifying the conditions under which travel is permissible. (Sec. 207)
- 3. Contingency Funds. The Governor increased the amounts appropriated for contingency funds. (Sec. 210)
- 4. **FTE and Remote Work Report.** The Governor deleted a section requiring the department to submit a quarterly report on FTEs and remote work. (Sec. 216)
- 5. **Work Project Authorization Requirement.** The Governor deleted and declared unenforceable a section that prohibited the Department from spending funds until all existing work project authorization available for the same purpose were exhausted. (Sec. 217)
- Ad Board Transfers. The Governor deleted and declared unenforceable a section that allowed for the intertransfer of funds by the Legislature under certain conditions if those funds had been previously transferred by the State Administrative Board. (Sec. 218)
- 7. **Report Retention.** The Governor deleted language requiring the Department to retain all reports funded from part 1 appropriations and to follow related State and Federal guidelines. (Sec. 219)
- 8. **Policy Change Reporting Requirement.** The Governor deleted a report that required the Department to specify policy changes made to implement enacted legislation in the previous fiscal year. (Sec. 220)
- 9. **Television and Radio Production.** The Governor deleted a section requiring the Department to submit a report on payments for TV and radio productions made to third-party vendors. (Sec. 222)
- Insurance Bureau Fund. The Governor deleted a section permitting the Insurance Bureau Fund to be used to support legislative participation in activities coordinated by insurance associations, as these permissions are contained in existing statute. (Sec. 223)
- 11. **Health Insurance Rate Filing Report.** The Governor deleted a section requiring the Department to submit a report detailing health insurance rate filings. (Sec. 301)
- 12. **Conservatorship and Insurance Liquidation Funds.** The Governor removed language limiting the amount of appropriated funds spent to provide required services in relation to a conservatorship or corporate liquidation, and appropriations from revenue from providing customized listings of nonconfidential information, to \$300,000. (Secs. 302 and 303)
- 13. **Surprise Billing Report.** The Governor removed language requiring a report on out-of-network billing complaints. (Sec. 304)
- Anti-Fraud Unit Midyear Update. The Governor deleted language requiring the Department to provide a mid-year update to the annual Anti-Fraud Unit report required by statute (MCL 500.6303). (Sec. 305)
- 15. **Complaints Report.** The Governor deleted language requiring the Department to provide a report on complaints received by the Office of Consumer Services and steps taken to address them. (Sec. 306)
- Marijuana Banking Guidance. The Governor deleted a section requiring the Department to update examination manuals and letters of guidance to State-chartered financial institutions as necessary with relation to providing financial services to marijuana businesses. (Sec. 307)

Date Completed: 3-22-21 Fiscal Analyst: Elizabeth Raczkowski





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Article 10

			CHANGES F FY 2020-21 YEAR	-
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2020-21 YEAR-TO-DATE*	FY 2021-22 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	513.0	521.0	8.0	1.6
GROSS	313,641,200	319,505,100	5,863,900	1.9
Less:				
Interdepartmental Grants Received	1,552,800	1,652,300	99,500	6.4
ADJUSTED GROSS	312,088,400	317,852,800	5,764,400	1.8
Less:				
Federal Funds	6,393,500	6,374,800	(18,700)	(0.3)
Local and Private	8,883,000	8,842,400	(40,600)	(0.5)
TOTAL STATE SPENDING	296,811,900	302,635,600	5,823,700	2.0
Less:				
Other State Restricted Funds	94,877,600	94,312,700	(564,900)	(0.6)
GENERAL FUND/GENERAL PURPOSE	201,934,300	208,322,900	6,388,600	3.2
PAYMENTS TO LOCALS	146,925,300	148,056,300	1,131,000	0.8

^{*}As of February 8, 2021.

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	Gross	GF/GP
FY 2020-21 Year-to-Date Appropriation	\$313,641,200	\$201,934,300
Changes from FY 2020-21 Year-to-Date:		
 MiFile Implementation. The Governor recommended 8.0 FTEs and restricted revenue to further implement the statewide eFile system. 	821,800	0
Expungement Package Implementation. The Governor included funding for statutory implementation required by legislation.	605,000	605,000
Problem Solving Courts. The Governor moved additional GF/GP from previous year's one-time section to the ongoing section.	600,000	600,000
 Court of Appeals Operations. The Governor restored funding from previous year COVID-19-related reductions to cover wages and IT costs. 	547,900	547,900
 State Appellate Defender Office (SADO) Minimum Funding. The Governor restored funding from previous year COVID-19 reductions, which would allow SADO to fill three vacant attorney positions. 	360,700	360,700
 Innovative Pretrial Services. The Governor included funding for continued analysis of pretrial release practices and the implementation of recommendations from the Jail and Pretrial Incarceration Task Force. 	325,700	325,700
 Legal Help Website Maintenance. The Governor included additional GF/GP to maintain the State's legal self-help website. 	200,000	200,000
 Justice Training Grant Revenue. The Governor included IDG revenue awarded by the Michigan Commission on Law Enforcement Standards (MCOLES). 	100,000	0

 Juvenile Lifer Resentencing. The Governor moved the appropriation to the SADO from the one-time section to the ongoing section and increased the line by \$58,000. 	58,000	58,000
 Judicial Compensation Fund Shift. The Governor recommended a shortfall in restricted revenue for judicial salaries be filled by GF/GP. 	0	1,358,600
 Recommended Judicial Reduction. The Governor removed one District Judge position as per the Judicial Resources Recommendation produced by the State Court Administrative Office (SCAO). 	(164,400)	(164,400)
 One-time Removals. The Governor removed previous year one-time items. 	(925,700)	(925,700)
13. Economic Adjustments. Includes \$3,334,900 Gross and \$3,422,800 GF/GP for total economic adjustments, of which an estimated negative \$1,850,500 Gross and a negative \$1,491,300 GF/GP is for legacy retirement costs (pension and retiree health).	3,334,900	3,422,800
Total Changes	\$5,863,900	\$6,388,600
FY 2021-22 Governor's Recommendation	\$319,505,100	\$208,322,900

- 1. **Definitions.** The Governor removed definitions of acronyms not used in the recommendation. (Sec. 203)
- 2. **Domestic Goods and Services.** The Governor amended a section requiring preference be given to the purchase of domestic goods and services; preference to be given to the extent permissible under MCL 18.1261. (Sec. 205)
- 3. **Lapse Reporting.** The Governor amended a section requiring the State Budget report annually on GF/GP lapse. The amended section would push the reporting date back one month to December 31, annually. (Sec. 209)
- 4. **Deleted Disciplinary Action.** The Governor removed a section prohibiting disciplinary action against Judicial employees who communicate with legislative members or staff. (Sec. 215)
- 5. **Deleted Foster Parent Input.** The Governor removed a section requiring judges to publicly request input of foster parents during foster care hearings. (Sec. 216)
- 6. **Deleted Explanation of Foster Care Service Plan Changes.** The Governor removed a section requiring judges provide an explanation of changes to a foster care family service plan. (Sec. 217)
- 7. **Deleted Interagency Collaboration for Swift & Sure.** The Governor removed a requirement that the SCAO identify programs available for Swift & Sure participants. (Sec. 218)
- 8. **Deleted Report Retention.** The Governor removed a requirement that the Judicial branch retain copies of all reports funded from appropriations. (Sec. 219)
- 9. **Deleted Parental Rights Reporting Requirement.** The Governor removed a section requiring a report on the number of petitions filed and granted of minors seeking a waiver of parental consent. (Sec. 312)
- 10. **Deleted Pretrial Risk Assessment Pilot and Report.** The Governor removed a section requiring a pretrial risk assessment tool pilot and subsequent report, as the report is due March 31, 2021. (Sec. 316)
- 11. **Swift & Sure Sanctions Amendments.** The Governor removed some reporting requirements from the annual Swift & Sure Sanctions report. (Sec. 320)
- 12. **Juvenile Lifer Resentencing and Report.** The Governor moved previous year boilerplate language concerning the Juvenile Lifer Resentencing program and annual report from the one-time section to the ongoing section. (Sec. 326)
- 13. **One-Time Removals.** The Governor removed previous year one-time boilerplate language concerning juvenile lifer resentencing and a veterans court pilot program. (Sections 402 & 403)

Date Completed: 3-22-21 Fiscal Analyst: Michael Siracuse

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





Fax: (517) 373-1986

Article 11

			CHANGES F FY 2020-21 YEAR	-
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2020-21 YEAR-TO-DATE*	FY 2021-22 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	2,545.4	3,061.4	516.0	20.3
GROSS	1,684,364,300	1,830,177,600	145,813,300	8.7
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	1,684,364,300	1,830,177,600	145,813,300	8.7
Less:				
Federal Funds	1,138,389,800	1,143,364,800	4,975,000	0.4
Local and Private	22,217,800	22,167,000	(50,800)	(0.2)
TOTAL STATE SPENDING	523,756,700	664,645,800	140,889,100	26.9
Less:				
Other State Restricted Funds	272,389,100	243,502,700	(28,886,400)	(10.6)
GENERAL FUND/GENERAL PURPOSE	251,367,600	421,143,100	169,775,500	67.5
PAYMENTS TO LOCALS	39,115,200	52,863,300	13,748,100	35.1

^{*}As of February 8, 2021.

	Gross	GF/GP
FY 2020-21 Year-to-Date Appropriation	\$1,684,364,300	\$251,367,600
Changes from FY 2020-21 Year-to-Date:		
 Michigan Reconnect Grant Program. The Governor included 8.0 FTE positions and \$120.0 million General Fund/General Purpose (GF/GP) in one-time appropriations to the Michigan Reconnect Grant Program to continue funding for the program through FY 2022-23. 	90,000,000	120,000,000
 Futures for Frontliners. The Governor included \$39.1 million GF/GP in one-time appropriations to provide tuition-free access to community college for COVID-19 frontline workers. 	39,100,000	39,100,000
 Flint Settlement Debt Service. The Governor included \$35.0 million GF/GP for ongoing debt service payments for the Flint Settlement Bond. 	35,000,000	35,000,000
4. Mobility Futures Initiative. The Governor included \$25.0 million GF/GP in one-time appropriations to the Office of Future Mobility and Electrification to address environmental sustainability, connected and autonomous vehicle development, and mobility inequities.	25,000,000	25,000,000
5. Going Pro. The Governor included \$15.0 million GF/GP in one-time appropriations for Going Pro in addition to the ongoing appropriations. This would bring the total FY 2021-22 Going Pro appropriations to \$43,670,700 Gross, funded from \$9,540,800 in Penalties and Interest revenue and \$34,129,900 GF/GP.	15,000,000	15,000,000
6. Workforce Development Programs. The Governor included an increase of \$13,075,000 in Federal funds in Workforce Development Programs because of anticipated increases for the Michigan Learning and Education Advancement Program (\$5,950,000), Gaining Early Awareness and Readiness for Undergraduate Program (\$4,000,000), and H-1B workforce development grants (\$3,125,000).	13,075,000	0

7. Michigan Housing and Community Development. The Governor included \$10.0 million GF/GP in one-time appropriations to address housing needs for low-income households and to revitalize downtowns.	10,000,000	10,000,000
8. Reconnect and Futures for Frontliners Wraparound Services. The Governor included \$6.0 million GF/GP in one-time appropriations to support wraparound services for single parents participating in the Michigan Reconnect and Futures for Frontliners programs, which include providing childcare, tutoring, and career counseling services.	6,000,000	6,000,000
 Statewide Pre-Apprenticeship Program. The Governor included \$3.0 million GF/GP in ongoing appropriations for a statewide pre- apprenticeship program. 	3,000,000	3,000,000
10. Child Care Facilitator Pilot Program. The Governor included \$2.2 million GF/GP in one-time appropriations to continue a pilot program to increase access to high quality child care for workers in collaboration with business partners. The pilot project is located in Kalamazoo.	2,200,000	2,200,000
11. State Historic Preservation Office. The Governor included \$2.1 million Gross, \$1.9 million Federal revenue for Federal National Park Service Grants, and \$200,000 in State Historic Preservation Office fees for the historic tax credit program created in Public Act 343 of 2020.	2,100,000	0
 Child Savings Accounts. The Governor included \$2.0 million GF/GP in one-time appropriations to pilot a program in two communities to match outside contributions to child savings accounts. 	2,000,000	2,000,000
 Technical Adjustment. The Governor included \$1,719,00 Gross and \$78,100 GF/GP in technical adjustments to various line items. 	1,719,000	78,100
 Brownfield Redevelopment Fund. The Governor included \$1,175,000 in Brownfield Redevelopment Funds to support community redevelopment projects authorized in Public Act 502 of 2012. 	1,175,000	0
15. Poverty Task Force. The Governor included \$1.0 million GF/GP in one-time appropriations to the Michigan Poverty Task Force to conduct research and address barriers limiting access to State benefit programs.	1,000,000	1,000,000
 Focus: HOPE. The Governor included \$1.0 million GF/GP in one-time appropriations to support workforce development, youth development, and community empowerment and advocacy programs. 	1,000,000	1,000,000
17. Michigan Women's Commission. The Governor transferred the Michigan Women's Commission (\$366,800 GF/GP and 1.0 FTE position) from the Department of Civil Rights to the Department.	366,800	366,800
 One-Time and Supplemental Removal. The Governor removed \$99,788,800 Gross and \$89,788,800 GF/GP in FY 2020-21 one-time and supplemental appropriations. 	(99,788,800)	(89,788,800)
 Other Changes. The Governor transferred \$1.1 million GF/GP from Workforce Development Programs to Executive Direction and increased 7.0 FTE positions, and increased 500.0 FTE positions in the Unemployment Insurance Agency (UIA). 	0	0
20. Economic Adjustments. Includes an adjustment of negative \$2,133,700 Gross and \$180,600 GF/GP for total economic adjustments, of which an estimated negative \$8,008,200 Gross and \$873,200 GF/GP is for legacy retirement costs (pension and retiree health).	(2,133,700)	(180,600)
Total Changes	\$145,813,300	\$169,775,500
FY 2021-22 Governor's Recommendation	\$1,830,177,600	\$421,143,100

- Deleted Reports. The Governor deleted a number of sections related to reporting/notification requirements, which
 include 216 (quarterly FTE report), 219 (retention of reports), 220 (policy change report), 222 (work project notification),
 1004 (Michigan Strategic Fund statutory report), 1006 (Business Attraction amendment report), 1033 (Michigan Film
 Office activity report), 1069 (Healthy Michigan quarterly report), 1082 (Michigan Rehabilitation Services report).
- 2. Other Deleted Sections. The Governor deleted a number of other sections, which include 217 (work project prioritization), 218 (State Administrative Board transfers), 221 (General Fund restriction), 223 (Coronavirus Relief Funds), 983 (MSF/MSHDA restriction on appropriations for broadband), 984 (use of SIGMA), 989 (worker's compensation legislative intent language), 1009 (limits on land purchases), 1013 (private fundraising restriction), 1041 (Business Attraction and Community Revitalization transfers), 1047 (Michigan enhancement grants), 1048 (administration of Michigan Enhancement Grants), 1052 (Coronavirus Relief Fund grants), 1067 (Going Pro Talent Fund), 1070 (Graduation Alliance), 1071 (Jobs for Michigan Graduates program), 1072 (High School Equivalency-to-School program), 1074 (Michigan Reconnect Grant Program), 1079 (TANF requirements), 1085 (Federal match requirement for community-based rehabilitation organizations), 1081 (Commission expenditure requirements).
- 3. Contingency Fund. The Governor doubled the contingency fund amounts for each fund source. (Sec. 210)
- 4. **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)
- 5. **Helmets to Hardhats.** The Governor included a \$250,000 grant from Going Pro appropriations to the Helmets to Hardhats organization to transition military service members to construction industry jobs. (Sec. 1066)
- 6. **Good Jobs for Michigan Fund.** The Governor included a new section that requires that the funds in the Good Jobs for Michigan Fund be distributed and used in accordance with statute. (Sec. 1053)
- 7. **Statewide Pre-Apprenticeship Program.** The Governor included a new section that appropriates \$3.0 million in ongoing appropriations to an organization that will administer a statewide pre-apprenticeship program. (Sec. 1073)
- 8. **UIA Report.** The Governor modified the UIA report from monthly to quarterly. (Sec. 1075)
- 9. **UIA Receive and Expend Authorization.** The Governor included a new section that allows the expenditure of Federal funds received by the UIA that are in excess of the amounts appropriated in part 1 after notification to the State Budget Director and subcommittees. (Sec. 1077)
- 10. **Vocational Rehabilitation Appropriations.** The Governor removed the \$50,000 appropriation for vocational rehabilitation services for agricultural workers and modified "shall" to "may." (Sec. 1083)
- 11. **One-Time Appropriations.** The Governor included a number of new sections that include One-Time Appropriations, which include 1093 (\$10.0 million for the Michigan Housing and Community Development program), 1094 (\$1.0 million for Focus: HOPE), 1095 (\$2.2 million for the Child Care Facilitator Pilot Project), 1096 (\$25.0 million for the Mobility Futures Initiative), 1097 (\$6.0 million for Wraparound Services), 1098 (\$2.0 million for the Child Savings Accounts pilot project), 1099 (\$1.0 million for the Poverty Task Force), 1100 (\$120.0 million for the Michigan Reconnect Grant Program), 1101 (\$39.1 million for the Futures for Frontliners program).
- 12. **Technical Changes.** The Governor made a number of technical modifications that include date changes, changes in Part 1 appropriations, legacy cost adjustments, standardization of language, and separating the Department from the General Government budget. (Secs. 201, 203, 211, 212, 213, 214, 1034, 1050, 1065, 1068,1081, 1084, and 1086)

Date Completed: 3-22-21 Fiscal Analyst: Cory Savino





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Article 12

			CHANGES F FY 2020-21 YEAR	
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2020-21 YEAR-TO-DATE*	FY 2021-22 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	0.0	0.0	N/A	N/A
GROSS	202,453,800	210,057,800	7,604,000	3.8
Less:				
Interdepartmental Grants Received	6,250,400	6,345,200	94,800	1.5
ADJUSTED GROSS	196,203,400	203,712,600	7,509,200	3.8
Less:				
Federal Funds	0	0	0	0.0
Local and Private	400,000	406,000	6,000	1.5
TOTAL STATE SPENDING	195,803,400	203,306,600	7,503,200	3.8
Less:				
Other State Restricted Funds	6,776,800	6,877,300	100,500	1.5
GENERAL FUND/GENERAL PURPOSE	189,026,600	196,429,300	7,402,700	3.9
PAYMENTS TO LOCALS	0	0	0	0.0

^{*}As of February 8, 2021.

<u> </u>	Gross	GF/GP
FY 2020-21 Year-to-Date Appropriation	\$202,453,800	\$189,026,600
Changes from FY 2020-21 Year-to-Date:		
 Capitol Security Improvements. The Governor included one-time GF/GP funding of \$5.0 million for security improvements at the Capitol building. 	5,000,000	5,000,000
House Increase. The Governor provided a 1.5% overall increase for the Michigan House of Representatives.	1,045,300	1,045,300
Senate Increase. The Governor provided a 1.5% overall increase for the Michigan Senate.	741,500	741,500
 Legislative Auditor General Increase. The Governor provided a 1.5% overall increase for the Legislative Auditor General 	400,700	274,900
 Property Management. The Governor provided an increase totaling \$312,000 that consists of \$185,500 for the Cora Anderson House Building and \$126,500 for the Binsfeld Office Building. 	312,000	312,000
 Legislative Council Increase. The Governor provided a 1.5% overall increase for the Legislative Council. 	283,000	277,000
7. State Capitol Historic Site Increase. The Governor provided an increase totaling \$121,500 that consists of an increase of \$70,700 for General Operations and an increase of \$50,800 for Restoration, Renewal, and Maintenance.	121,500	70,700
 Legislative Retirement System Increase. The Governor provided a 1.5% overall increase for the Legislative Retirement System. 	80,500	61,800

 Census Tracking. The Governor removed the funding of \$170,000 for each the House of Representatives and the Michigan Senate for census tracking costs. 	(340,000)	(340,000)
10. 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 2021-22 decreased by \$161,900; thus, a reduction of \$40,500 is required for the Commission.	(40,500)	(40,500)
Total Changes	\$7,604,000	\$7,402,700
FY 2021-22 Governor's Recommendation	\$210,057,800	\$196,429,300

- 1. **Governor.** Moved boilerplate from the FY 2020-21 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 2021-22: total legacy costs estimated at \$28,091,700. Of that total, \$15,738,400 is for pension-related legacy costs and \$12,353,300 is for retiree health care legacy costs for the fiscal year ending September 30, 2022. (CL Sec. 615)
- Senate Census Tracking and Reapportionment. The Governor deleted language designating unspent funds for the Senate census tracking and reapportionment project as a work project appropriation and stating the purpose of the project. (CL Sec. 613)
- 4. House Census Tracking and Reapportionment. The Governor deleted new language designating unspent funds for the House census tracking and reapportionment project as a work project appropriation and stating the purpose of the project. (CL Sec. 614)
- 5. **NEW Capitol Security Improvements.** The Governor included new language requiring the necessary improvements to implement a ban on weapons in any building under the control of the Michigan State Capitol Commission. (NEW Sec. 618)
- 6. **Confidential Information.** Legislative intent language allowing the 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)

Date Completed: 3-22-21 Fiscal Analyst: Joe Carrasco, Jr.





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Article 13

			CHANGES F FY 2020-21 YEAR	_
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2020-21 YEAR-TO-DATE*	FY 2021-22 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	1,827.9	1,827.9	0.0	0.0
GROSS	484,389,600	519,486,400	35,096,800	7.2
Less:				
Interdepartmental Grants Received	46,664,600	45,079,800	(1,584,800)	(3.4)
ADJUSTED GROSS	437,725,000	474,406,600	36,681,600	8.4
Less:				
Federal Funds	28,823,700	29,030,900	207,200	0.7
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	408,901,300	445,375,700	36,474,400	8.9
Less:				
Other State Restricted Funds	259,295,700	259,429,800	134,100	0.1
GENERAL FUND/GENERAL PURPOSE	149,605,600	185,945,900	36,340,300	24.3
PAYMENTS TO LOCALS	137,967,400	169,417,400	31,450,000	22.8

^{*}As of February 8, 2021.

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	Gross	GF/GP
FY 2020-21 Year-to-Date Appropriation	484,398,600	149,605,600
Changes from FY 2020-21 Year-to-Date:		
 Michigan Indigent Defense Commission Grants (Standards 1-4). The Governor included \$19.4 million GF/GP for indigent defense grants and increased the local reimbursement authorization by \$100,000 restricted. 	19,450,000	19,350,000
 Michigan Indigent Defense Commission Grants (Standard 5). The Governor included \$12.0 million GF/GP in initial funding for local system compliance with MIDC Standard 5 (independence from the judiciary). 	12,000,000	12,000,000
 Michigan Saves Green Bank Reserve Fund and Credit Enhancement. The Governor included a \$4.0 million GF/GP increase from Year-to-Date for the Michigan Saves green bank. 	4,000,000	4,000,000
 Nursing Home Infection Control Surveys. The Governor included \$1.1 million GF/GP for nursing home infection control surveys in relation to the COVID-19 pandemic. 	1,100,000	1,100,000
 Marijuana Regulatory Inspections. The Governor included \$648,000 from the Marijuana Regulation Fund for increased inspections in the adult-use marijuana market. 	648,000	0
 Marijuana Social Equity Program. The Governor included \$500,000 from the Marijuana Regulation Fund to provide greater access to loans and capital in the marijuana industry. 	500,000	0

 Underground Natural Gas Storage. The Governor included \$352,500 from a Federal grant for the Underground Natural Gas Storage Inspection Program. 	352,500	0
 CSB Technical Adjustments. The Governor included adjustments in appropriations and fund sources to various line items to reflect current costs and service levels for a Gross reduction of \$1,398,400. 	(1,398,400)	0
 Other Changes. The Governor made a net-to-zero adjustment of appropriations among Bureau of Community and Health Systems programs and moved appropriations for Urban Search and Rescue from ongoing to one-time. 	0	0
10. Economic Adjustments. Includes negative \$1,555,300 Gross and negative \$109,700 GF/GP for total economic adjustments, of which an estimated negative \$5,581,700 Gross and negative \$591,000 GF/GP is for legacy retirement costs (pension and retiree health).	(1,555,300)	(109,700)
Total Changes	\$35,096,800	\$36,340,300
FY 2021-22 Governor's Recommendation	\$35,096,800	\$36,340,300

- 1. **Disciplinary Action Against Employees.** The Governor removed language prohibiting departments from taking disciplinary action against employees for communicating with legislators or legislative staff. (Sec. 206)
- 2. **Out-of-State Travel Report.** The Governor revised the requirements for out-of-State travel reports and removed language specifying the conditions under which travel is permissible. (Sec. 207)
- 3. Contingency Funds. The Governor increased the amounts appropriated for contingency funds. (Sec. 210)
- 4. **FTE and Remote Work Report.** The Governor deleted a section requiring the Department to submit a quarterly report on FTEs and remote work. (Sec. 216)
- 5. **Work Project Authorization.** The Governor deleted and declared unenforceable a section prohibiting the Department from spending funds until all existing work project dollars available for the same purpose were exhausted. (Sec. 217)
- 6. **Ad Board Transfers.** The Governor deleted and declared unenforceable a section allowing intertransfer of funds by the Legislature under certain conditions if the funds previously had been transferred by the State Administrative Board. (Sec. 218)
- 7. **Report Retention.** The Governor deleted language requiring the Department to retain all reports funded from part 1 appropriations and to follow related State and Federal guidelines. (Sec. 219)
- 8. **Policy Change Reporting Requirement.** The Governor deleted a report that required the Department to specify policy changes made to implement enacted legislation in the previous fiscal year. (Sec. 220)
- 9. **Regulatory Reform Report.** The Governor modified language requiring a report on regulatory activities to contain data on the previous fiscal year rather than the previous three fiscal years, as the report is annual. (Sec. 226)
- 10. **Direct Shipper Enforcement Investigations.** The Governor removed language requiring prioritization and special action for out-of-state and third-party marketer cases. (Sec. 401)
- 11. **Homeowner Construction Lien Recovery Fund.** The Governor deleted a section appropriating funds from the Homeowner Construction Lien Recovery Fund for payment of court-ordered judgments. The Fund has been insolvent since 2011 and there are no outstanding judgments or claims. (Sec. 504)
- 12. **Marijuana Social Equity Program (New).** The Governor included language directing that funds for the program be used to address social equity in the marijuana industry by expanding access to capital. (Sec. 516)
- 13. Michigan Saves Green Bank. The Governor updated language to reflect part 1 appropriations. (Sec. 1001)

Date Completed: 3-22-21 Fiscal Analyst: Elizabeth Raczkowski

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





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Article 14

	FY 2020-21 YEAR-TO-DATE*	FY 2021-22 GOV.'S REC.	CHANGES FROM FY 2020-21 YEAR-TO-DATE	
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE			AMOUNT	PERCENT
FTE Positions	1,052.0	1,054.5	2.5	0.2
GROSS	228,951,500	217,688,100	(11,263,400)	(4.9)
Less:				
Interdepartmental Grants Received	101,800	101,800	0	0.0
ADJUSTED GROSS	228,849,700	217,586,300	(11,263,400)	(4.9)
Less:				
Federal Funds	123,626,100	120,015,300	(3,610,800)	(2.9)
Local and Private	630,000	640,000	10,000	1.6
TOTAL STATE SPENDING	104,593,600	96,931,000	(7,662,600)	(7.3)
Less:				
Other State Restricted Funds	20,313,400	21,336,700	1,023,300	5.0
GENERAL FUND/GENERAL PURPOSE	84,280,200	75,594,300	(8,685,900)	(10.3)
PAYMENTS TO LOCALS	4,136,500	4,136,500	0	0.0

^{*}As of February 8, 2021.

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	Gross	GF/GP
FY 2020-21 Year-to-Date Appropriation	\$228,951,500	\$84,280,200
Changes from FY 2020-21 Year-to-Date:		
1. Chesterfield Township Home for Veterans. The Governor recommended funding of \$12,394,700 to reflect projected expenses at the new Chesterfield Township Home for Veterans, including \$8,525,000 Federal, \$2,340,000 restricted, and \$1,529,700 GF/GP.	12,394,700	1,529,700
 Special Maintenance - National Guard. The Governor recommended increasing available Federal authority from \$20.0 million to \$30.0 million for maintenance, modernization, and environmental projects at various National Guard facilities around the State. 	10,000,000	0
3. Grand Rapids Home for Veterans. The Governor recommended one-time funding adjustment with projected expenses at the new Grand Rapids home to continue operations of old building on the campus grounds during transition to the new home, including \$1,831,000 Federal, \$560,000 restricted, and \$4,065,000 GF/GP.	6,456,000	4,065,000
 Michigan Veterans Trust Fund. The Governor recommended increasing the trust fund revenue authorization to use for trust fund grants and administration (2.0 FTEs). 	1,247,200	0
 Military Retirement Payments. The Governor recommended increasing Military Retirement appropriations by \$217,000 GF/GP to meet projected payment obligations for FY 2021-22 of \$875,000 GF/GP. 	217,000	217,000

 Test Project Fees. The Governor recommended including authorization to receive and spend projected funding from private companies paying to test equipment at State military facilities. 	100,000	0
7. Camp Grayling Morale, Welfare and Recreation Program. The Governor recommended the inclusion of restricted funding of \$100,000 restricted for a new program to provide for recreational opportunities for National Guard members and their families.	100,000	0
8. Commander's Cottage at Camp Grayling. The Governor recommended including authorization to receive and spend funding of \$25,000 restricted from renting the new Commander's Cottage at Camp Grayling, where the Commander pays rent to live, and funding will be used to maintain the building.	25,000	0
 Private Funding Authorization for the Michigan Veterans Affairs Agency (MVAA). The Governor recommended the authorization to receive and spend private funds for the MVAA, including \$10,000 in private funds authorized for FY 2021-22. 	10,000	0
 Adjustment for Revenues Received. The Governor recommend an adjustment for actual restricted funds projected to be received for FY 2021-22. 	(84,000)	0
 Veterans Benefits Eligibility Study. The Governor recommended the elimination of the one-time appropriation of \$250,000 GF/GP from FY 2020-21 for a veterans eligibility study. 	(250,000)	(250,000)
 Adjustment for FY 2020-21 Supplemental. A technical adjustment to reflect the passage of FY 2020-21 supplemental appropriations. 	(2,859,000)	(2,859,000)
13. Grand Rapids Home for Veterans Funding Adjustment. Governor recommended a funding adjustment of (\$5,240,00) Federal, (\$3,200,000) restricted and \$1,841,600 GF/GP to reflect ongoing funding necessary for the move to a new Grand Rapids home and its operation.	(6,598,400)	1,841,600
 Grand Rapids Home for Veterans FY 2020-21 Transition Costs. The Governor recommended the elimination of one-time Grand Rapids Home for Veterans GF/GP needs associated with funding requirements from FY 2020-21. 	(13,233,000)	(13,233,000)
15. Camp Graying National Guard Readiness Center. The Governor eliminated funding for the building project, which was funded in its entirety in FY 2020-21 with 100% Federal revenues.	(18,905,000)	0
 Unclassified Salaries. The Governor recommended an increase from \$1,566,700 GF/GP for FY 2020-21 to \$1,613,700 GF/GP for FY 2021-22. 	47,000	47,000
17. Economic Adjustments. Includes \$69,100 Gross and (\$44,200) GF/GP for total economic adjustments, of which an estimated (\$2,487,200) Gross and (\$995,800) GF/GP is for legacy retirement costs (pension and retiree health).	69,100	(44,200)
Total Changes	(\$11,263,400)	(\$8,685,900)
FY 2021-22 Governor's Recommendation	\$217,688,100	\$75,594,300

1. **Acronyms and Definitions.** The Governor removed definition of "Subcommittee" and added a definition of "CENA," meaning a competency-evaluated nursing assistant. (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. **Disciplinary Action.** The Governor recommended elimination of this section, which prohibited action against an employee for communicating with legislative staff. (Sec. 206)
- 4. Out of State Travel Report. The Governor amended language by deleting reference to "agencies". (Sec. 207)
- 5. **General Fund Lapse Report.** The Governor amended the language to shift the due date of the report from no later than November 30 to December 30. (Sec. 209)
- 6. **Web-Based Fiscal Status Reporting.** The Governor amended language by changing that the Department shall "cooperate with the SBO" to "shall report to SBO". (Sec. 211)
- 7. **Restricted Fund Balances Report.** The Governor amended language by changing that the Department shall "cooperate with the SBO" to "shall report to SBO". (Sec. 212)
- 8. Quarterly Employee Status Reports. The Governor deleted this reporting requirement. (Sec. 216)
- 9. **Work Project Expenditures.** The Governor deleted this section, which required that, to the extent possible, appropriations in part 1 not be spent until all existing work project funds for that same purpose have been spent. (Sec. 217)
- 10. **Administrative Board Transfers.** The Governor deleted this section which allows the Legislature to transfer funds via resolution should the Administrative Board transfer funds. (Sec. 218)
- 11. **Retention of Reports.** The Governor recommended elimination of this section, which requires the Department to receive and retain records. (Sec. 219)
- 12. **Policy Changes Made to Implement Public Acts.** The Governor deleted language that required the Department to report annually on policy changes made to implement recent public acts. (Sec. 220)
- 13. **Payment of Court Judgments.** The Governor deleted language that requires a report of tentative plans of how to pay required court judgments against the Department. (Sec. 225)
- 14. **Test Project Fees.** The Governor recommended new language that would create a revolving account, in which testing fees received would be deposited and spent in support of program. (Sec. 309)
- 15. **Morale, Welfare, and Recreation Fund.** The Governor recommended new language establishing a new fund in the Department of Treasury to be administered by the DMVA, to receive money from any source in support of program operations, which would not lapse to the General Fund at the end of the year. (Sec. 310)
- 16. **Rental Fees Account.** The Governor recommended new language that would establish a rental fees account that would not lapse to the General Fund at the end of the year. (Sec. 311)
- 17. Receive and Spend Language for Michigan Veterans Affairs Agency. The Governor recommended new language that would allow the MVAA to receive and spend private funds over and above those appropriated in part 1, and requires a 14-day notification to the Legislature. (Sec. 404)
- 18. **MVAA Outreach Activities.** The Governor recommended removal of a reference to a 2013 strategic plan's performance measure, regional coordinators, reference to an April 1 report deadline, and a requirement to report the number of fully developed claims submitted to the USDVA. (Sec. 406)
- 19. **MVAA Grant Disbursements.** The Governor recommended removing reporting requirements on the number of fully developed claims to the USDVA. (Sec. 407)
- Interagency Agreement with the Department of Health and Human Services. The Governor recommended elimination of this section calling for an interagency agreement to identify Medicaid recipients who may qualify for veterans benefits. (Sec. 409)
- 21. **County Veterans Service Fund.** The Governor recommended adding language which would allow the MVAA to use \$200,000 from the Fund for administration and technical assistance to counties. (Sec. 410)
- 22. **Veterans Cemetery Feasibility Study.** The Governor recommended elimination of this section relating to a study that must be completed before FY 2021-22. (Sec. 411)

- 23. **Board of Managers.** The Governor recommended elimination of this section, per the replacement of the Board's role under the Veterans Facility Authority Act. (Sec. 451)
- 24. **Michigan Veterans Facility.** The Governor recommended the elimination of references to the Board of Managers. (Sec. 452)
- 25. **Veterans Homes Quality of Care.** The Governor recommended elimination of this section which calls to "meet or exceed" the Centers for Medicare And Medicaid Services certification standards. (Sec. 453)
- 26. **Veterans Benefit Eligibility Study.** The Governor recommended the elimination of this section which describes a one-time appropriated study for FY 2020-21. (Sec. 601)

Date Completed: 3-22-21 Fiscal Analyst: Bruce Baker





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Article 15

			CHANGES F FY 2020-21 YEAR	
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2020-21 YEAR-TO-DATE*	FY 2021-22 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	2,346.1	2,354.9	8.8	0.4
GROSS	469,594,100	456,341,400	(13,252,700)	(2.8)
Less:				
Interdepartmental Grants Received	203,100	203,100	0	0.0
ADJUSTED GROSS	469,391,000	456,138,300	(13,252,700)	(2.8)
Less:				
Federal Funds	88,453,700	91,291,300	2,837,600	3.2
Local and Private	7,439,200	7,039,200	(400,000)	(5.4)
TOTAL STATE SPENDING	373,498,100	357,807,800	(15,690,300)	(4.2)
Less:				
Other State Restricted Funds	322,800,800	309,695,300	(13,105,500)	(4.1)
GENERAL FUND/GENERAL PURPOSE	50,697,300	48,112,500	(2,584,800)	(5.1)
PAYMENTS TO LOCALS	10,409,300	10,491,100	81,800	0.8

^{*}As of February 8, 2021.

•	Gross	GF/GP
FY 2020-21 Year-to-Date Appropriation	\$469,594,100	\$50,697,300
Changes from FY 2020-21 Year-to-Date:		
 Align Land and Water Conservation Fund Authority with Projected Federal Revenues. Governor recommended aligning Federal authority for Land and Water Conservation Fund grants with forecast revenue. The increased spending authority would ensure Michigan can fully use the Federal apportionment received as well as any competitive grant awards. 	7,000,000	0
 Capital Outlay - Fish Hatchery Energy Efficiencies. Governor recommended this initiative focus on capital outlay projects that incorporate renewable energy in the project designs. Priority projects include the installation of solar arrays and battery storage at State fish hatcheries. 	1,995,800	1,995,800
3. Improve State Park Experiences and Employee Recruitment and Retention (8.8 FTEs). Governor recommended increase in positions, hours, and wages to assist with employee recruitment and retention. A part of this goes to support a new sanitation contract for Interlochen State Park in order to comply with EGLE regulations.	1,486,400	0
4. CSB Technical. Governor recommended a minimum wage increase, increases to the State Park and Recreation Authority for CAMIS Costs, increased State Park and Recreation Authority for Utility Costs, and State Park Improvement Bond Debt Servicing.	1,194,800	0

5. Align Off-Road Vehicle Trail Improvement Fund Authority with Available Revenue. Governor recommended increasing Off-Road Vehicle (ORV) Trail Improvement Fund spending authority to match available revenue. Under MCL 324.81119, available revenue would be distributed as follows: ORV trail maintenance and development grants (50%), ORV regulation enforcement (31.25%), grants to public agencies and nonprofits for ORV damage restoration (12.5%), additional regulation enforcement (3.125%), and administration (3.125%).	1,000,000	0
 Recreational Search Software. Governor recommended one-time upgrades and ongoing maintenance costs for the Department's recreational search software. 	320,000	0
 Capital Outlay - Appropriations No Longer Needed. Governor recommended removing FY 2020-21 capital outlay appropriations that were needed as a one-time basis for specific projects in the previous fiscal year. 	(150,000)	0
 Reduce Deer Range Improvement Grants. Governor recommended removing General Fund support for Deer Range Improvement grants. The remaining restricted funding will support deer habitat grants in the Northern Lower Peninsula and Upper Peninsula. 	(245,800)	(245,800)
 Capital Outlay - State Boating Infrastructure Maintenance. Governor recommended an annual restricted revenue adjustment for this program that funds infrastructure improvements State harbors and over 1,100 State boating access sites owned and operated by the Department. 	(350,000)	0
 Remove Local Marine Patrol Grants. Governor recommended eliminating support for the no-wake zone patrol grants. 	(1,750,000)	(1,750,000)
11. Capital Outlay - State Parks Repair and Maintenance. Governor recommended this appropriation to support maintenance, repair, and improvement needs across the State parks system. Annual Restricted fund adjustments for this program are based on projected revenue estimates. The adjustments comply with Proposal 2020-1, which amended the Michigan Constitution to change how the revenue for the State's park related funds may be spent.	(2,925,000)	0
12. Removal of Current Year One-Time Funding.	(8,400,000)	(2,500,000)
13. Capital Outlay - 2021 Appropriations No Longer Needed. Governor recommended removing the FY 2020-21 capital outlay appropriations that were needed on a one-time basis for specific projects and other FY 2021-22 capital outlay appropriations not requested based on Department's projections.	(11,000,000)	0
14. Economic Adjustments. Includes a negative \$1,428,900 Gross and a negative \$84,800 GF/GP for total economic adjustments, of which an estimated negative Gross \$5,867,900 and negative \$778,000 GF/GP is for legacy retirement costs (pension and retiree health).	(1,428,900)	(84,800)
Total Changes	(\$13,252,700)	(\$2,584,800)
FY 2021-22 Governor's Recommendation	\$456,341,400	\$48,112,500

- 1. **New Internet reporting requirements.** Governor added intranet sites as an additional way for the Department to publish reports and meet its reporting requirements. (Sec. 204)
- 2. **Deleted Communication with the Legislature.** Governor removed a prohibition against taking disciplinary action against Department employees who communicate with the Legislature. (Sec. 206)

- 3. **New/Relocated Deprived and Depressed Communities.** Governor relocated existing language that gives preference to local goods and services from deprived and depressed communities; preference given to the extent permissible under Management Budget and Control Act. This language was moved from Sec. 215. (Sec. 206)
- 4. **New Prohibition on Hiring Outside Counsel.** Governor changed the existing language to include the principal executive, State agency, and authority; these were added in addition to the Department. (Sec. 208)
- 5. **New GF/GP Lapses Report.** Governor extended the reporting deadline for the State Budget Office to deliver its report on GF/GP lapses in the previous fiscal year, from November 30 to December 31. (Sec. 209)
- 6. /New Contingency Funds Limits. Governor added contingency funding limits to Federal Funds limited at \$3.0 million and Private Funds limited at \$1.0 million. The Governor also increased the State Restricted Funds limit from \$5.0 million to \$10.0 million (Sec. 210)
- 7. **Deleted/Relocated Deprived and Depressed Communities.** Governor relocated existing language to Sec. 206. (Sec. 215)
- 8. **Deleted Quarterly Reporting on FTE and Remote Work Status.** Governor removed language requiring the Department to provide the Senate and House quarterly reports on the FTE pay status and remote work levels. (216).
- 9. **Deleted Expending on Work Projects.** Governor removed language that encouraged the Department to spend all existing work project authorization available before using funding from part 1. (Sec. 217)
- 10. **Deleted Interdepartmental Transfers.** Governor removed language that allowed for a concurrent resolution, that if passed by the Legislature would allow for intertransfer of funds from the Department. (Sec. 218)
- 11. **Deleted Report Retention.** Governor removed language requiring the Department to retain copies of all reports funded by the appropriation, and to comply with both State and Federal guidelines for short-term and long-term records retention. (Sec. 219)
- 12. **Deleted Annual Policy Change Report.** Governor removed language requiring the Department to provide an annual report on April 1 of all policy changes made to implement a public act in the previous calendar year. (Sec. 220)
- 13. New State Restricted Funds Appropriated to Other Departments. Governor added State Restricted Fund sources for each existing department receiving funds from the Department rather than a summarized total per department; the language also added funding for the Civil Service Commission. (Sec. 221)
- 14. **Deleted Land Transactions Report.** Governor removed language requiring the Department to submit a report of all land transactions approved by the Natural Resources Commission in the previous fiscal year. (Sec. 408)
- 15. **Deleted Portage Restaurant Report.** Governor removed language requiring the Department to provide a report on the current and future use of the Portage Restaurant at Presque Isle State Harbor. (Sec. 409)
- 16. **Deleted** Land Acquisition Report. Governor removed language requiring the Department to provide a comprehensive report on all lands acquired or in the process of being acquired since January 1, 2019. (Sec. 410)
- 17. **Deleted United States Department of Agriculture Wildlife Services.** 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)
- 18. New Antlerless Deer License Fees and Discount. Governor added language that allows the Department to control the discount period for antlerless deer licenses, and to control the allocation of the remaining funds towards costs associated with testing deer for chronic wasting disease. (Sec. 507)
- 19. **Deleted Stream Habitat Improvement Grants.** Governor removed a requirement directing Stream Habitat Improvement Grants allocations. (Sec. 601)
- 20. **Deleted Non-water Quality Studies.** Governor removed a requirement that the Department not impede the certification process for water control structures on Michigan waterways. (Sec. 602)
- 21. **Deleted Fish Hatcheries Report.** Governor removed language requiring the Department to produce an annual report detailing fish hatcheries' performance. (Sec. 603)
- 22. **Deleted Grants to County Law Enforcement Agencies.** Governor removed a section directing the Department to provide snowmobile law enforcement grants to counties from appropriations for that purpose. (Sec. 901)

- 23. **Deleted Marine Safety Grant Program Report.** Governor removed a reporting requirement for watercraft registration revenues, expenditures, and grant distribution. (Sec. 902)
- 24. Deleted Deer Habitat Improvement Grants. Governor removed a section directing the Department to make grants available through the northern Lower Peninsula deer private land assistance network. (Sec. 1002)
- 25. **Deleted Local Marine Patrol Grants.** Governor removed a section directing the Department to make grants available to local sheriffs to enforce no-wake zones. (Sec. 1003)

Date Completed: 3-22-21 Fiscal Analyst: Ben Dawson





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Article 16

			CHANGES FROM FY 2020-21 YEAR-TO-DAT	
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2020-21 YEAR-TO-DATE*	FY 2021-22 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	1,586.0	1,586.0	0.0	0.0
GROSS	254,297,500	252,164,300	(2,133,200)	(8.0)
Less:				
Interdepartmental Grants Received	20,000,000	20,000,000	0	0.0
ADJUSTED GROSS	234,297,500	232,164,300	(2,133,200)	(0.9)
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	232,787,400	230,654,200	(2,133,200)	(0.9)
Less:				
Other State Restricted Funds	220,189,900	218,218,600	(1,971,300)	(0.9)
GENERAL FUND/GENERAL PURPOSE	12,597,500	12,435,600	(161,900)	(1.3)
PAYMENTS TO LOCALS	1,041,800	1,343,800	302,000	29.0

^{*}As of February 8, 2021.

-	Gross	GF/GP
FY 2020-21 Year-to-Date Appropriation	\$254,297,500	\$12,597,500
Changes from FY 2020-21 Year-to-Date:		
 Motorcycle Safety Fund Fee Increase. The Governor increased the funding authority from this fund due to increased revenue receipts resulting from the fee increase in 2017. 	300,000	0
 Reinstatement Fee Revenue Adjustment. The Governor reduced funding because of decreased revenue receipts resulting from the elimination of driver responsibility fees and recent criminal justice reforms. 	(1,204,300)	0
3. Transportation Administration Collection Fund (TACF) Shortfall. The Governor included a \$4 increase in the look-up fees from \$11 to \$15 per record. The additional revenue would alleviate a shortfall in the TACF of an estimated \$7.9 million in FY 2021-22. The fee increase would hold the General Fund harmless.	0	0
4. Economic Adjustments. Includes a negative \$1,228,900 Gross and a negative \$161,900 GF/GP for total economic adjustments, of which an estimated negative \$3,976,000 Gross and a negative \$290,800 GF/GP is for legacy retirement costs (pension and retiree health).	(1,228,900)	(161,900)
Total Changes	(\$2,133,200)	(\$161,900)
FY 2021-22 Governor's Recommendation	\$252,164,300	\$12,435,600

- 1. **Governor:** Moved boilerplate from the FY 2020-21 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.
- Contingency Funds. The Governor increased funding for contingency funds for Federal, State restricted funds, local funds, and private funds. Federal funds limit increased from \$500,000 to \$2.0 million; State restricted increased from \$500,000 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 \$15 per record. The increased fee is estimated to bring in additional revenues totaling \$19.0 million annually. (CL 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. **Gifts, Donations, or Contributions.** The Governor added new language stating that revenue received may be used for the departmental functions relating to licensing, regulation, or safety. (CL Sec. 717)
- 6. **Redistricting Commission Report.** The Governor deleted the report 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 System Replacements.** The Governor deleted language requiring the Department to modernize and expand the entire system and remove existing programs from the legacy mainframes. (CL Sec. 722)
- 9. **Legacy Cost Estimates.** The Governor provided the following Legacy Costs estimates for FY 2021-22: total legacy costs estimated at \$29,398,500. Of that total, \$16,470,600 is for pension-related legacy costs and \$12,927,900 is for retiree health care legacy costs for the fiscal year ending September 30, 2022. (CL Sec. 725)

Date Completed: 3-22-21 Fiscal Analyst: Joe Carrasco, Jr.





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Article 17

			CHANGES FROM FY 2020-21 YEAR-TO-DATE	
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2020-21 YEAR-TO-DATE*	FY 2021-22 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	3,596.0	3,651.0	55.0	1.5
GROSS	767,615,500	773,164,700	5,549,200	0.7
Less:				
Interdepartmental Grants Received	24,649,600	24,816,300	166,700	0.7
ADJUSTED GROSS	742,965,900	748,348,400	5,382,500	0.7
Less:				
Federal Funds	151,933,800	80,953,100	(70,980,700)	(46.7)
Local and Private	6,576,200	4,867,700	(1,708,500)	(26.0)
TOTAL STATE SPENDING	584,455,900	662,527,600	78,071,700	13.4
Less:				
Other State Restricted Funds	145,079,300	145,998,100	918,800	0.6
GENERAL FUND/GENERAL PURPOSE	439,376,600	516,529,500	77,152,900	17.6
PAYMENTS TO LOCALS	15,899,900	18,253,300	2,353,400	14.8

^{*}As of February 8, 2021.

_		
	Gross	GF/GP
FY 2020-21 Year-to-Date Appropriation	\$767,615,500	\$439,376,600
Changes from FY 2020-21 Year-to-Date:		
 Task Force on Jail and Pretrial Incarceration Training - FY 2021-22 One-Time. The Governor recommended the inclusion of the second of two years' funding for the 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"). 	10,200,000	10,200,000
 FY 2020-21 Trooper Recruit School Annualization. The Governor recommended funding for the full year FY 2021-22 costs of FY 2020-21 trooper recruit school graduates. 	4,914,100	4,914,100
3. FY 2021-22 Trooper Recruit School. The Governor recommended new funding for a trooper school designed to graduate 50. Funding for this school would be appropriated via one-time school costs of \$4,885,500 GF/GP and ongoing costs of \$2,793,300 GF/GP. Also proposed is an attrition school designed to graduate 70, which would be funded by attrition savings of \$10.1 million GF/GP from existing revenue made available through attrition from the ranks of enlisted personnel.	7,678,800	7,678,800
 Field Operations. The Governor recommended an additional \$3.2 million GF/GP to allow for expanded contractual services. 	3,200,000	3,200,000

 Adjustment to Align Non-GF/GP Authorization with Available Funding. The Governor recommended aligning appropriated funds with actual available revenues, including IDGs (\$3,100), restricted (\$201,000) and \$2,306,300 in Federal funds. 	2,102,200	0
 Clean Slate Criminal Records Expungement Costs. The Governor recommended 3.0 FTEs and \$1,050,000 GF/GP to implement and support the maintenance of a record expungement process per PAs 187-193 of 2020. 	1,050,000	1,050,000
 State Emergency Operations Center. The Governor recommended an additional \$407,000 GF/GP to support increasing IT costs for the Center. 	407,000	407,000
 MCOLES Information Tracking System. The Governor recommended increasing restricted Medical Marihuana Regulatory authorization to support contractual cost increases for MCOLES Information and Tracking Network. 	358,000	0
 MCOLES Staffing Enhancement. The Governor recommended 2.0 FTEs and \$306,500 in Medical Marihuana Regulatory authorization to assist with MCOLES' increased law enforcement training, licensing, and investigative duties. 	306,500	0
10. Public Safety Payroll Shift from Coronavirus Relief Funds to GF/GP. The Governor recommended \$47,361,100 GF/GP to supplant one-time FY 2020-21 support of MSP's public safety payroll with Federal CRF appropriations.	0	47,361,100
11. Michigan Public Safety Communications System Lease Transfer to the DTMB. The Governor recommended a transfer of public safety communications leasing funds to consolidate appropriations for the system within the DTMB.	(157,500)	(157,500)
 FY 2020-21 Trooper School - One-Time. The Governor recommended the elimination of FY 2020-21 one-time costs for trooper schools. 	(3,509,100)	(3,509,100)
13. Joint Task Force on Jail and Pretrial Incarceration Training - FY 2020-21 One-Time. The Governor recommended the elimination of funds for year one (FY 2020-21) of the two-year training project, which is recommended for funding of \$10.2 million in FY 2021-22.	(4,200,000)	(4,200,000)
14. Adjustment to Reflect FY 2020-21 Boilerplate Appropriations.	(29,530,000)	0
 Unclassified Salaries. The Governor recommended a decrease from \$623,900 for FY 2020-21 to \$524,600 for FY 2021-22. 	(99,300)	8,900
16. Economic Adjustments. Includes \$12,828,500 Gross and \$10,199,600 GF/GP for total economic adjustments, of which an estimated \$5,073,100 Gross and \$4,996,500 GF/GP is for legacy retirement costs.	12,828,500	10,199,600
Total Changes	\$5,549,200	\$77,152,900
FY 2021-22 Governor's Recommendation	\$773,164,700	\$516,529,500

- 1. **Payments to Locals.** The Governor amended language to update payments to reflect the executive recommendation. (Sec. 201)
- 2. **Acronyms and Definitions.** The Governor removed definitions of "core services" and "subcommittee" and "support services", terms currently used throughout out FY 2020-21 boilerplate. (Sec. 203)
- 3. **Disciplinary Action.** The Governor eliminated language prohibiting action against an employee for communicating with legislative staff. (Sec. 206)

- 4. **General Fund Lapse Report.** The Governor amended the language to shift the due date of the report from no later than November 30 to December 30 and removed a reference to "subcommittees". (Sec. 209)
- 5. **Contingency Fund Legislative Transfers.** The Governor amended language to increase the maximum of Federal fund transfers from \$2.0 million to \$8.5 million, increase the maximum for Restricted funds from \$4.0 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)
- 6. **Web-Based Fiscal Status Reporting.** The Governor amended language by changing that the Department shall "cooperate with the SBO" to "shall report to SBO". (Sec. 211)
- 7. **Restricted Fund Balances Report.** The Governor amended language by changing that the Department shall "cooperate with the SBO" to "shall report to SBO". (Sec. 212)
- 8. Quarterly Employee Status Reports. The Governor deleted this reporting requirement. (Sec. 216)
- 9. **Work Project Expenditures.** The Governor deleted this section, which required that, to the extent possible, appropriations in part 1 not be spent until all existing work project funds for that same purpose have been spent. (Sec. 217)
- 10. **Administrative Board Transfers.** The Governor deleted this section that allows the Legislature to transfer funds via resolution should the Administrative Board transfer funds. (Sec. 218)
- 11. **Retention of Reports.** The Governor recommended elimination of this section, which requires the Department to receive and retain records. (Sec. 219)
- 12. **Policy Changes Made to Implement Public Acts.** The Governor deleted language that required the Department to report annually on policy changes made to implement recent public acts. (Sec. 220)
- 13. Listing of Core Services Provided by the Department Under Part 1. The Governor recommended elimination. (Sec. 223)
- 14. Requires Notification Report Not Less Than 90 Days before Closure or Consolidation of Any State Police Post. The Governor recommended elimination. (Sec. 224)
- 15. **Privatization Notification.** The Governor eliminated section that required the submission of a privatization plan to the Legislature at least 90 days before beginning efforts to privatize. (Sec. 225)
- 16. **Federal Revenue Receive and Expend Provision.** The Governor recommended removing language that placed a cap on Federal dollars allowed to be received and spent and removed reporting requirement. (Sec. 230)
- 17. **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. 231)
- 18. **Ticket Quotas.** The Governor recommended eliminating language prohibiting ticket quotas for infractions of the Vehicle Code. (Sec. 232)
- 19. **Payment of Court Judgments.** The Governor deleted language which requires a report of tentative plans of how to pay required court judgments against the Department. (Sec. 233)
- 20. **Coronavirus Relief Funds (CRF).** The Governor recommended the elimination of this section which requires CRF expenditures that had not occurred by December 30, 2020, to be deposited in the Unemployment Compensation Fund. (Sec. 234)
- 21. Core Service Description/Performance Metrics/Reporting Requirements for Training Division. The Governor recommended elimination of division goals. (Sec. 401)
- 22. 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,and removed performance metrics. (Sec. 402)
- 23. Core Service Description/Performance Metrics/Reporting Requirements for MSP Forensic Science. The Governor recommended amending the language, removing performance metrics. (Sec. 403)

- 24. Core Service Description/Performance Metrics/Reporting Requirements for MSP Biometrics and ID. The Governor recommended amending language, removing any performance metrics. (Sec. 404)
- 25. **Grants and Community Service Unit.** The Governor recommended adding language to include the recently acquired OKAY2Say program. (Sec. 406)
- 26. **School Safety Report.** The Governor recommended removal of a subsection of boilerplate that requires a report on school safety grants. (Sec. 407)
- 27. Core Service Description/Performance Metrics/Reporting Requirements for MCOLES. The Governor recommended removal of a performance metric requirement to update law enforcement within 120 days of enactment of new standards. (Sec. 501)
- 28. **Public Safety Officers Benefit Program.** The Governor recommended a new section that would create a Public Safety Officers Benefit Fund, appropriated in part 1 with GF/GP, and with a prohibition against lapsing funds. (Sec. 502)
- 29. Core Service Description/Performance Metrics/Reporting Requirements for Post Operations. The Governor recommended elimination of all performance metrics. (Sec. 601)
- 30. Core Service Description/Performance Metrics/Reporting Requirements for Investigative Services. The Governor recommended the elimination of all division goals and performance metrics. (Sec. 602)
- 31. Core Service Description/Performance Metrics/Reporting Requirements for Tobacco Tax Enforcement. The Governor recommended elimination of performance metrics. (Sec. 603)
- 32. Core Service Description/Performance Metrics/Reporting Requirements for Fire Investigation Services. The Governor recommended elimination of performance metrics. (Sec. 604)
- 33. Core Service Description/Performance Metrics/Reporting Requirements for Intelligence Operations. The Governor recommended elimination of all goals and performance metrics. (Sec. 701)
- 34. Core Service Description/Performance Metrics/Reporting Requirements for Special Operations. The Governor recommended the elimination of all goals and performance metrics, including for the Canine Unit, Bomb Squad, emergency support teams, aviation services, and property inspections by Capitol Security of State-owned and -leased facilities. (Sec. 702)
- 35. Core Service Description/Performance Metrics/Reporting Requirements for Commercial Vehicle Regulation. The Governor recommended eliminating performance metrics. (Sec. 703)
- 36. Emergency Management and Homeland Security. The Governor recommended removing language that places limits on receive-and-spend authority on Federal and restricted revenues, removing performance metrics, removing a requirement that funds in the Disaster and Emergency Contingency Fund not be spent unless approved by the State Budget Director and appropriations committees notified (including removal of monthly reports); removal of a requirement that upon a declaration of a state of emergency or disaster by the Governor, approval of the State Budget Director and notification of subcommittees and Fiscal Agencies, funds may be spent from any line item in part 1 for expenses incurred. The Governor also recommended the deletion of a requirement for a critical infrastructure report. (Sec. 704)
- 37. **Michigan Task Force on Jail and Pretrial Incarceration.** The Governor recommended continuation of this FY 2020-21 section, with updated information on recommended FY 2021-22 appropriation in the amount of \$10.2 million. (Sec. 801)

Date Completed: 3-22-21 Fiscal Analyst: Bruce Baker





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Article 18

		CHANGES FY 2020-21 YE			
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2020-21 YEAR-TO-DATE*	FY 2021-22 GOV.'S REC.	AMOUNT	PERCENT	
FTE Positions	3,133.0	3,141.0	8.0	0.3	
GROSS	1,674,955,000	1,699,769,800	24,814,800	1.5	
Less:					
Interdepartmental Grants Received	1,024,720,900	1,057,210,900	32,490,000	3.2	
ADJUSTED GROSS	650,234,100	642,558,900	(7,675,200)	(1.2)	
Less:					
Federal Funds	8,389,300	5,129,800	(3,259,500)	(38.9)	
Local and Private	2,472,300	2,463,400	(8,900)	(0.4)	
TOTAL STATE SPENDING	639,372,500	634,965,700	(4,406,800)	(0.7)	
Less:					
Other State Restricted Funds	123,046,400	121,020,600	(2,025,800)	(1.6)	
GENERAL FUND/GENERAL PURPOSE	516,326,100	513,945,100	(2,381,000)	(0.5)	
PAYMENTS TO LOCALS	0	0	0	0.0	

^{*}As of February 8, 2021.

	Gross	GF/GP
FY 2020-21 Year-to-Date Appropriation	\$1,674,955,000	\$516,326,100
Changes from FY 2020-21 Year-to-Date:		
 IT Adjustments. The Governor included \$33.1 million in IDG adjustments to align IT support costs. 	33,138,500	0
 Advanced Persistent Cyber Threats. The Governor included \$20.0 million GF/GP in one-time appropriations for cyber security improvements. 	20,000,000	20,000,000
3. Information Technology Investment Fund. The Governor included \$2.5 million GF/GP in ongoing appropriations to restore ITIF appropriations to previous levels, as well as \$15.0 million GF/GP in one-time funding for ITIF projects.	17,500,000	17,500,000
 State Psychiatric Hospital Special Maintenance. The Governor included \$15.0 million GF/GP for special maintenance projects at State psychiatric hospitals. 	15,000,000	15,000,000
 Green Revolving Fund. The Governor included \$5.0 million GF/GP to capitalize a Green Revolving Fund for energy efficiency and renewable energy projects at State facilities. 	5,000,000	5,000,000
 Legal Services Funding. The Governor included \$5.0 million GF/GP in one-time appropriations for potential litigation costs involving State agencies. 	5,000,000	5,000,000
 SIGMA Data Storage and Agency Services. The Governor included \$1.7 million GF/GP to maintain funding for ongoing data storage and other agency costs. 	1,650,000	1,650,000

1 1 2021-22 DEPARTMENT OF TECHNOLOGY, WANAGEMENT, AND BODGET	GOVERNOR'S RE	COMMENDATION
 Veterans Homes Accounting Services. The Governor included \$1.0 million in interdepartmental grant funding and 8.0 FTEs to align accounting services provided to Veterans Homes. 	1,051,900	0
 Deferred Compensation. The Governor included \$400,000 in Deferred Compensation funds for the administration of Defined Contribution plans by the Office of Retirement Services (ORS). 	400,000	0
 Office of the Children's Ombudsman. The Governor included \$200,000 GF/GP to address staffing and IT needs within the Office. 	200,000	200,000
11. Transfer of Radio Leases from MSP. The Governor included \$157,500 GF/GP in the Michigan Public Safety Communications System line item for radio leases that support public safety agencies including the Michigan State Police.	157,500	157,500
 Survivor Benefits for Public Safety Officers. The Governor included \$43,000 GF/GP to provide benefits for survivors of public safety officers killed in the line of duty under Public Act 284 of 2016. 	43,000	43,000
 SBA Rent Adjustments. The Governor made net-to-zero adjustments to align State Building Authority rent appropriations with expenditures. 	0	0
14. Removal of Venture Michigan II Line Item. The Governor removed the \$37.2 million GF/GP line item included in FY 2020-21 for the Venture Michigan Fund II voucher purchases.	(37,200,000)	(37,200,000)
 Removal of FY 2020-21 One-Time Funding. The Governor removed \$31.4 million Gross and \$29.3 million GF/GP in one-time funding appropriated in FY 2020-21. 	(34,655,000)	(29,305,000)
 Statewide Cost Allocation Plan Adjustments (SWCAP). The Governor made annual SWCAP adjustments resulting in a Gross reduction of \$212,600. 	0	(212,600)
 Supplemental MSP Retirement Payments. The Governor adjusted spending on Michigan State Police retirement system supplemental payments with a \$27,000 GF/GP reduction. 	(27,000)	(27,000)
18. Economic Adjustments. Includes negative \$2,444,100 Gross and negative \$186,900 GF/GP for total economic adjustments, of which an estimated negative \$11,037,100 Gross and negative \$2,060,300 GF/GP is for legacy retirement costs (pension and retiree health).	(2,444,100)	(186,900)
Total Changes	\$24,814,800	(\$2,381,000)
FY 2021-22 Governor's Recommendation	\$1,699,769,800	\$513,945,100

GOVERNOR'S RECOMMENDATION

FY 2021-22 DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET

- 1. Contingency Funds. The Governor doubled the amount appropriated in contingency funds. (Sec. 801)
- 2. **Maintenance and Services Carryforward.** The Governor modified this section to permit the carryforward of funds collected from user fees for certain maintenance and operations services provided to other agencies and entities. (Sec. 803)
- 3. **IT Contract Amendments Report.** The Governor modified language requiring the Department to report on IT contract amendments that result in cost changes in excess of \$250,000 to a threshold of \$500,000. (Sec. 809)
- 4. Appropriation of Earned Federal and State Funds Maintenance (NEW). The Governor restored language appropriating Federal and State restricted funds up to the amounts that are earned from maintenance and remodeling initiatives undertaken with part 1 appropriations and requiring the Department to report those appropriations within 10 days of effectuation. (Sec. 815)

- 5. Request for Proposal (RFP) Privatization Factors. The Governor deleted and declared unenforceable a section requiring an RFP issued for the purposes of privatization to include all factors for determining price. (Sec. 816)
- 6. **Appropriation of Earned Federal and State Funds IT (NEW).** The Governor restored language appropriating Federal and State restricted funds up to the amounts that are earned from enterprisewide IT initiatives undertaken with part 1 appropriations. (Sec. 816)
- 7. **ORS Report.** The Governor deleted a section requiring the ORS to produce a report on various State retirement systems. (Sec. 821)
- 8. Rates and Fees Report. The Governor deleted a section requiring the Department to report on its fee and rate schedules used by State departments and agencies, which are available online. (Sec. 822d)
- 9. **Regional Prosperity Grants.** The Governor deleted a section detailing the Regional Prosperity Grants program. (Sec. 822f)
- 10. New RFPs. The Governor deleted a section requiring all new requests for proposals to be posted online. (Sec. 822n)
- 11. **Center for Shared Solutions Report.** The Governor deleted a required report on funding sources and expenditures related to agreements made by the DTMB to supply spatial information and technology services to the State and local governments or other entities. (Sec. 824)
- 12. **IT Expenditures by Agency Report.** The Governor modified the report due date from 30 to 45 days after the end of the fiscal quarter. (Sec. 830)
- 13. **Enterprise Portfolio Management Office (EPMO) Report.** The Governor deleted a section requiring the Enterprise Portfolio Management Office to make a quarterly report detailing key information on projects. (Sec. 830)
- 14. **Child Support Enforcement System Penalty Reporting.** The Governor deleted a section requiring the DTMB to report on Federal penalties related to the system as the system received full certification in 2003. (Sec. 832)
- 15. **ITIF Intent Language.** The Governor deleted a section stating that ITIF funds should be used to provide the modernization of State IT systems and customer interface improvements. (Sec. 836)
- Procurement Contract Procedures. The Governor deleted a section requiring the DTMB to develop policies and procedures to include performance targets and performance-related liquidated damages for procurement contracts. (Sec. 838)
- 17. **EPMO Metrics.** The Governor deleted a section detailing metrics to be used by the EPMO. (Sec. 840)
- 18. **Statewide Broadband Grants.** The Governor deleted a section detailing the statewide broadband grant program that received a one-time appropriation in FY 2020-21. (Sec. 841)
- 19. **Capital Outlay Project Status Report.** The Governor deleted a required report on the status of previously authorized capital outlay projects. (Sec. 862)
- 20. **Green Revolving Fund.** The Governor included language for the creation and capitalization of a green revolving fund in the Department of Treasury to facilitate energy efficiency and renewable energy projects. (Sec. 901)

Date Completed: 3-22-21 Fiscal Analyst: Elizabeth Raczkowski





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Article 19

			CHANGES FROM FY 2020-21 YEAR-TO-DAT	
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2020-21 YEAR-TO-DATE*	FY 2021-22 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	2,818.3	2,936.3	118.0	4.2
GROSS	5,107,470,600	5,236,519,200	129,048,600	2.5
Less:				
Interdepartmental Grants Received	4,063,100	4,044,800	(18,300)	(0.5)
ADJUSTED GROSS	5,103,407,500	5,232,474,400	129,066,900	2.5
Less:				
Federal Funds	1,424,196,100	1,448,519,000	24,322,900	1.7
Local and Private	81,682,000	81,682,000	0	0.0
TOTAL STATE SPENDING	3,597,529,400	3,702,273,400	104,744,000	2.9
Less:				
Other State Restricted Funds	3,597,529,400	3,702,273,400	104,744,000	2.9
GENERAL FUND/GENERAL PURPOSE	0	0	0	0.0
PAYMENTS TO LOCALS	2,125,342,100	2,196,114,200	70,772,100	3.3

^{*}As of February 8, 2021.

	Gross	GF/GP
FY 2020-21 Year-to-Date Appropriation	\$5,107,470,600	\$0
Changes from FY 2020-21 Year-to-Date:		
 Local Road and Bridge Construction. The Governor recommended Michigan Transportation Fund (MTF) increases because of revenue adjustments. 	52,841,100	0
Debt Service Increase. The Governor recommended increased debt payments, mostly from the State Trunkline Fund (STF).	38,547,300	0
 Transportation Economic Development Program. The Governor recommended restoring full funding to Targeted Industries funding after previous year redirection. 	12,807,400	0
 Rail Operations and Infrastructure. The Governor recommended an increase based on Comprehensive Transportation Fund (CTF) revenue. 	5,618,200	0
 Highway Maintenance Materials Increases. The Governor recommended additional funding for increased gravel and sand costs. 	4,108,800	0
 Highway Maintenance Direct Force Increase. The Governor recommended an STF increase and 76 FTE increase to transition from seasonal maintenance employees to full time. 	3,500,000	0
Local Bus Operating. The Governor restored funding for bus operating costs to before-pandemic funding levels.	3,000,000	0
8. Highway Maintenance in Monroe County. The Governor recommended STF funding and 42 FTEs to assume maintenance duties in Monroe County after the County ended its contract with the Department in FY 2019-20.	2,900,000	0

 Service Initiatives. The Governor recommended an increase based on CTF revenue. 	2,829,300	0
 State Trunkline Road and Bridge Construction. The Governor recommended an increase in Federal funding of \$29.2 million, offsetting a decrease in available STF funding. 	1,881,200	0
 Detroit Metro/Wayne County Airport. The Governor recommended an increase based on expected Qualified Airport Fund revenue. 	897,000	0
 Local Bridge Program. The Governor recommended an increase based on expected MTF revenue. 	812,500	0
 Intercity Services. The Governor recommended an increase based on expected CTF revenue. 	800,000	0
 Airport Safety, Protection, and Improvement Program. The Governor recommended an increase based on expected State Aeronautics Fund revenue. 	500,000	0
 Aviation Services. The Governor recommended an increase based on expected State Aeronautics Fund revenue. 	413,600	0
 Movable Bridge Statutory Increase. The Governor recommended an increase consistent with statutory requirements. 	108,900	0
 Marine Passenger Services. The Governor recommended an increase based on expected CTF revenue. 	84,000	0
 Van Pooling. The Governor recommended an increase based on expected CTF revenue. 	45,000	0
 Unclassified Salaries. The Governor recommended an increase for unclassified positions. 	24,800	0
 Interdepartmental Grant Adjustments. The Governor recommended a decrease in overall payments to other State departments. 	(391,100)	0
21. Economic Adjustments. Includes a negative \$2,279,400 Gross and \$0 GF/GP for total economic adjustments, of which an estimated negative \$8,898,500 Gross and \$0 GF/GP is for legacy retirement costs (pension and retiree health).	(2,279,400)	0
Total Changes	\$129,048,600	\$0
FY 2021-22 Governor's Recommendation	\$5,236,519,200	\$0

- 1. **Internet Reporting.** The Governor altered a section to allow the MDOT to choose whether to post reports online or email them to selected recipients. (Sec. 204)
- 2. **State Budget Office Lapse Reporting.** The Governor amended a section to move the reporting date for GF/GP lapse back a month to December 31. (Sec. 209)
- 3. **Contingency Fund Authorization.** The Governor raised contingency Federal and State restricted contingency fund authorization from \$40.0 million and \$5.0 million to \$200.0 million and \$40.0 million, respectively. (Sec. 210)
- 4. **Removed Disciplinary Action.** The Governor removed a section prohibiting disciplinary action against employees who communicate with the Legislature. (Sec. 215)
- 5. **Removed Report on Remote Work.** The Governor removed a section requiring MDOT to report on cost savings from remote work. (Sec. 216)
- 6. **Removed Exhausting Work Project Funding.** The Governor removed a section requiring MDOT to exhaust work project authorization before spending appropriations. (Sec. 217)

- 7. **Removed Intertransfer of Funds following Administrative Board Action.** The Governor removed a section allowing the Legislature to transfer funds by concurrent resolution in response to a transfer by the Administrative Board. (Sec. 218)
- 8. **Removed Record Retention.** The Governor removed a section requiring MDOT to retain copies of all reports funded from appropriations. (Sec. 219)
- 9. **Removed Policy Reporting.** The Governor removed a section requiring MDOT to report on all policy changes made to implement public acts. (Sec. 220)
- 10. **Removed Use of Remanufactured Parts.** The Governor removed a section requiring MDOT use remanufactured parts for its vehicle fleet. (Sec. 270)
- 11. **Bridge Authority Hearings.** The Governor removed a subsection requiring bridge authorities hold public hearings before raising tolls. (Sec. 301)
- 12. **Removed Competitive Leasing.** The Governor removed a section requiring MDOT to lease space on public transportation properties at competitive market rates. (Sec. 305)
- 13. **Contract Reporting.** The Governor removed language from subsections requiring reporting on MDOT's interdepartmental contracts. (Sec. 306)
- 14. **Removed MDOT Real Property.** The Governor removed a section requiring MDOT to report on the value of real estate owned by the Department. (Sec. 308)
- 15. **Removed Employee Monitoring.** The Governor removed a section requiring MDOT to report on all employee monitoring efforts and systems. (Sec. 309)
- 16. **Removed State Infrastructure Bank Report.** The Governor removed a subsection requiring MDOT to report on the balance of the State Infrastructure Bank. (Sec. 313)
- 17. Removed Rest Area Signage. The Governor removed a section requiring MDOT to post signs at rest areas. (Sec. 319)
- Removed Freedom of Information Act Compliance. The Governor removed a section requiring MDOT to report on Freedom of Information Act requests. (Sec. 328)
- 19. **Removed Contract Payment.** The Governor removed a section requiring MDOT to report on contractor payments. (Sec. 353)
- 20. **Removed Local Federal Aid Projects.** The Governor removed a section requiring MDOT to review all local Federal aid project submittals within 120 days after receipt. (Sec. 357)
- Removed Groundbreaking Ceremonies. The Governor removed a section prohibiting payments for groundbreaking ceremonies. (Sec. 375)
- 22. **Removed Signage Study Ban.** The Governor removed a section prohibiting MDOT from studying the relationship between signage and highway safety. (Sec. 376)
- 23. **Removed Contracting with Former Directors.** The Governor removed a section prohibiting MDOT from contracting with a vendor at which a former Director is employed for contracts in excess of \$100,000. (Sec. 377)
- 24. **Removed Hazardous Materials Routing.** The Governor removed a section requiring MDOT to produce a report on hazardous materials routing. (Sec. 378)
- 25. **Removed E-Verify Requirement.** The Governor removed a section requiring contractors and subcontractors to use the E-Verify system to verify employees are authorized to work in the US. (Sec. 381)
- 26. **Removed Final Cost-Sharing.** The Governor removed a section requiring MDOT to submit final cost-sharing bills to local governments within two years of contract payment. (Sec. 382)
- 27. **Removed Transporting Legislators.** The Governor removed a section prohibiting MDOT from transporting legislators without the approval of the Senate Majority Leader or the Speaker of the House. (Sec. 383)
- 28. *Removed Toll Credit Reporting.* The Governor removed a section requiring MDOT to report on the toll credit program. (Sec. 386)

- 29. Removed Traffic Study Reporting. The Governor removed a section requiring MDOT to report on traffic studies. (Sec. 387)
- 30. **Removed Long-Term Contract Reporting.** The Governor removed a section requiring MDOT to report on any contractor agreements over five years or \$5.0 million. (Sec. 389)
- 31. **Removed Restricted Fund Balances.** The Governor removed a section requiring MDOT to report on previous year restricted fund balances within 14 days of the release of the budget recommendation. (Sec. 390)
- 32. Removed Motor Fuel Quality. The Governor removed a section prohibiting motor fuel testing. (Sec. 391)
- 33. **Removed Best Transit Practices.** The Governor removed a section requiring MDOT to employ best practices related to transit services. (Sec. 393)
- 34. **Removed Preserving Existing Roadways.** The Governor removed a section requiring MDOT and local agencies to prioritize existing roadways. (Sec. 394)
- 35. **Removed Minimum Expenditure on Preventive Maintenance.** The Governor removed a section requiring MDOT to spend at least 10% of its road and bridge construction appropriation on capital preventive maintenance. (Sec. 399)
- 36. *Removed -* Informational Meetings for Local Governments. The Governor removed a section requiring that MDOT host informational meetings to help local governments understand State and Federal grant and loan programs. (Sec. 505)
- 37. **Removed Warranties.** The Governor removed a section requiring MDOT to evaluate and update existing warranty policies. (Sec. 601)
- Removed Contract Incentives & Disincentives. The Governor removed a section requiring MDOT establish and report on contract incentives and disincentives for trunkline projects. (Sec. 612)
- Removed Project Reporting. The Governor removed a section requiring MDOT to report on several aspects of all capital Federal aid participating construction projects. (Sec. 613)
- 40. **Removed Alternative Road Surface Materials.** The Governor removed a section requiring MDOT to report on the use of alternative road surface materials. (Sec. 660)
- 41. *Removed -* Innovative Stakeholder Group. The Governor removed a section creating the Innovative Stakeholder Group responsible for the review of innovative materials and design. (Sec. 661)
- 42. **Removed Rail Line Abandonment.** The Governor removed a section requiring MDOT to report to the Legislature when a railroad company has filed to abandon a line. (Sec. 703)
- 43. **Removed Rail Operations and Infrastructure Report.** The Governor removed a section requiring MDOT to report on rail operations and infrastructure programs. (Sec. 704)
- 44. **Removed Ride-sharing for Medical/Elderly.** The Governor removed a section requiring elderly and medical transit programs solicit proposals for ride-sharing companies to provide 50% service. (Sec. 719)
- 45. **Removed Farebox Goal.** The Governor removed a section encouraging transit agencies achieve a farebox recovery rate of 6%. (Sec. 720)
- 46. **NEW Upper Peninsula Propane.** The Governor added a section setting aside \$10.0 million for a rail freight project to deliver and distribute propane to the Upper Peninsula. (Sec. 736)
- 47. **Removed Meeting with Rail.** The Governor removed a section requiring MDOT to meet with the rail industry twice a year. (Sec. 752)
- 48. **Removed Marine Passenger Spending.** The Governor removed a section directing the expenditure of the Marine Passenger appropriation. (Sec. 753)

Date Completed: 3-22-21 Fiscal Analyst: Michael Siracuse





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Article 20

Committee: Appropriations

			CHANGES F FY 2020-21 YEAR	
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2020-21 YEAR-TO-DATE*	FY 2021-22 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	0.0	0.0	N/A	N/A
GROSS	113,735,000	99,064,000	(14,671,000)	(12.9)
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	113,735,000	99,064,000	(14,671,000)	(12.9)
Less:				
Federal Funds	0	0	0	0.0
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	113,735,000	99,064,000	(14,671,000)	(12.9)
Less:				
Other State Restricted Funds	0	0	0	0.0
GENERAL FUND/GENERAL PURPOSE	113,735,000	99,064,000	(14,671,000)	(12.9)
PAYMENTS TO LOCALS	0	0	0	0.0

^{*}As of February 8, 2021.

	Gross	GF/GP
FY 2020-21 Year-to-Date Appropriation	\$113,735,000	\$113,735,000
Changes from FY 2020-21 Year-to-Date:		
 Great Lakes Water Quality Bond. The Governor increased debt service payments to this bond because of projected new bond issuances for FY 2021-22. This would increase total debt service payments to \$71,983,000. 	24,383,000	24,383,000
 Clean Michigan Initiative. The Governor reduced debt service payments to this bond because of changes to existing debt service payments. This would decrease total debt service payments to \$23,771,000. 	(25,743,000)	(25,743,000)
 Quality of Life Bond. The Governor reduced debt service payments to this bond because of changes to existing debt service payments. This would decrease total debt service payments to \$3,310,000. 	(13,311,000)	(13,311,000)
Total Changes	(\$14,671,000)	(\$14,671,000)
FY 2021-22 Governor's Recommendation	\$99,064,000	\$99,064,000

Boilerplate Changes from FY 2020-21 Year-to-Date: None

Date Completed: 3-22-21 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

			CHANGES F FY 2020-21 YEAR	
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2020-21 YEAR-TO-DATE*	FY 2021-22 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	1,924.5	1,924.5	0.0	0.0
GROSS	758,483,500	625,135,900	(133,347,600)	(17.6)
Less:				
Interdepartmental Grants Received	13,112,800	13,073,500	(39,300)	(0.3)
ADJUSTED GROSS	745,370,700	612,062,400	(133,308,300)	(17.9)
Less:				
Federal Funds	27,421,800	27,361,400	(60,400)	(0.2)
Local and Private	13,088,400	13,063,000	(25,400)	(0.2)
TOTAL STATE SPENDING	704,860,500	571,638,000	(133,222,500)	(18.9)
Less:				
Other State Restricted Funds	447,428,300	447,723,800	295,500	0.1
GENERAL FUND/GENERAL PURPOSE	257,432,200	123,914,200	(133,518,000)	(51.9)
PAYMENTS TO LOCALS	247,351,800	238,834,700	(8,517,100)	(3.4)

^{*}As of February 8, 2021.

	Gross	GF/GP
FY 2020-21 Year-to-Date Appropriation	\$758,483,500	\$257,432,200
Changes from FY 2020-21 Year-to-Date:		
 Wrongful Imprisonment Compensation Fund. The Governor increased deposits into the Wrongful Imprisonment Compensation Fund from \$3.0 million GF/GP to \$10.0 million GF/GP in FY 2021-22. 	7,000,000	7,000,000
2. Recreational Marihuana Grants. The Governor increased the appropriations from the Marihuana Regulation Fund for grants to locals from \$23.4 million to \$30.0 million in FY 2021-22.	6,600,000	0
3. Local First Responder Training and Recruitment Grants. The Governor included \$5.0 million GF/GP in one-time appropriations to support local efforts to recruit and improve training for first responders.	5,000,000	5,000,000
4. Unisys Mainframe and Servers. The Governor included \$2.6 million GF/GP in Information Technology and Services to support increased costs associated with mainframe and maintenance costs.	2,600,000	2,600,000
 Payments in Lieu of Taxes. The Governor increased Payments in Lieu of Taxes \$2,183,200 Gross and \$1,774,500 GF/GP to align with estimated payments to locals in FY 2021-22. 	2,183,200	1,774,500
 Primary Information Technology System Support. The Governor included \$2.0 million GF/GP to support replacement of Treasury's legacy collections systems. 	2,000,000	2,000,000

7.	Senior Citizen Cooperative Housing. The Governor increased this line item \$500,000 GF/GP to account for two new qualified facilities in the City of Detroit and Farmington.	500,000	500,000
8.	Dual Enrollment Payments. The Governor included an increase of \$167,400 GF/GP to align with estimated costs.	167,400	167,400
9.	Home Heating Assistance. The Governor reversed an economic decrease to the Home Heating Assistance program to maintain funding.	2,000	0
10.	Compulsive Gaming Prevention Fund. The Governor transferred the distribution to the Compulsive Gaming Prevention Fund to boilerplate resulting in a \$2.0 million Gross decrease in part 1 appropriations.	(2,000,000)	0
11.	FY 2020-21 One-Time and Supplemental Removal. The Governor removed \$156,325,000 Gross and \$152,300,000 GF/GP in FY 2020-21 one-time and supplemental appropriations.	(156,325,000)	(152,300,000)
12.	Economic Adjustments. Includes an adjustment of negative \$1,075,200 Gross and \$259,900 GF/GP for total economic adjustments, of which an estimated negative \$5,595,200 Gross and \$914,200 GF/GP is for legacy retirement costs (pension and retiree health).	(1,075,200)	(259,900)
Tot	al Changes	(\$133,347,600)	(\$133,518,000)
FY	2021-22 Governor's Recommendation	\$625,135,900	\$123,914,200

- Deleted Sections. The Governor deleted a number of sections, including 934 (Michigan Finance Authority report), 947 (Financial Independence Team cooperation requirement), 949/ (Historic Preservation Tax Credit implementation), 949m (blight elimination grants), 949n (school district debt relief grants), 949o (disaster relief grants), 949p (teacher COVID-19 grants), 949q (school support staff COVID-19 grants).
- 2. **Contingency Funds.** The Governor doubled the contingency fund amounts for the Federal, Local, and Private funds. (Sec. 901)
- 3. **Notification of Revenue Administrative Bulletins.** The Governor modified the notification to the Legislature on Revenue Administrative Bulletins from the same day to five days after the guidance is posted. (Sec. 921)
- 4. **Good Jobs for Michigan Fund.** The Governor included a new section that requires that the funds in the Good Jobs for Michigan Fund be distributed in accordance with statute. (Sec. 949b)
- 5. **Marihuana Regulation and Taxation.** The Governor included a new section that requires that revenue generated from the Michigan Regulation and Taxation Act be used and distributed pursuant to the initiated law. (Sec. 949i)
- 6. **Horse Racing Regulatory Costs.** The Governor removed the directives if funding is higher or lower than the amount needed for the regulatory costs of conducting horse racing. (Sec. 978)
- 7. Millionaire Party Oversight Report. The Governor removed the Millionaire Party oversight report. (Sec. 979)
- 8. Local First Responder Recruitment and Training Grants. The Governor included a new section that appropriates the \$70.0 million for local first responder recruitment and training to support efforts to expand recruitment, improve training, and provide professional development and support to first responders. The section includes a cap of \$100,000 on the amount that a single applicant or program can receive. (Sec. 1201)
- 9. **Technical Modification.** The Governor updated amounts to reflect changes to appropriation in part one, dates, and the legacy cost estimates for FY 2021-22. (Secs. 915, 926, 948)

Date Completed: 3-22-21 Fiscal Analyst: Cory Savino





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Article 20

			CHANGES F FY 2020-21 YEAR	
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2020-21 YEAR-TO-DATE*	FY 2021-22 GOV.'S REC.	AMOUNT	PERCENT
FTE Positions	0.0	0.0	N/A	N/A
GROSS	1,382,187,300	1,367,563,900	(14,623,400)	(1.1)
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	1,382,187,300	1,367,563,900	(14,623,400)	(1.1)
Less:				
Federal Funds	0	0	0	0.0
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	1,382,187,300	1,367,563,900	(14,623,400)	(1.1)
Less:				
Other State Restricted Funds	1,382,187,300	1,367,563,900	(14,623,400)	(1.1)
GENERAL FUND/GENERAL PURPOSE	0	0	0	0.0
PAYMENTS TO LOCALS	1,382,187,300	1,367,563,900	(14,623,400)	(1.1)

^{*}As of February 8, 2021.

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	Gross	GF/GP
FY 2020-21 Year-to-Date Appropriation	\$1,382,187,300	\$0
Changes from FY 2020-21 Year-to-Date:		
1. Constitutional Revenue Sharing. The Governor recommended \$867,302,100 for constitutional revenue sharing for FY 2021-22, a 2.8% decrease from the January 2021 consensus revenue estimate for FY 2020-21.	(24,831,200)	0
 City, Village, and Township Revenue Sharing. The Governor recommended a total of \$266,245,100 in FY 2021-22 for nonconstitutional or "statutory" payments to CVTs, a 2.0% increase from FY 2020-21. The increased amount was designated as one-time funding. 	5,220,500	0
3. County Revenue Sharing and County Incentive Program. The Governor recommended \$231,516,700 for total payments to counties. This would be paid through two line items: \$188,097,900 for County Revenue Sharing and \$43,418,800 for the County Incentive Program. The Governor recommended increases of \$358,300 for County Revenue Sharing and \$89,500 for the County Incentive Program to cover the first full-year cost of Leelanau County, which re-entered State-paid revenue sharing in 2021. All counties would receive 106.6435% of statutory funding, a 2.0% increase from FY 2020-21. The 2.0% increase was designated as one-time funding.	4,987,300	0
Total Changes	(\$14,623,400)	\$0
FY 2021-22 Governor's Recommendation	\$1,367,563,900	\$0

- 1. **CVT Revenue Sharing.** The Governor set the amount that an eligible local government can receive at 102.0% of its payment under Sec. 952(1) of PA 166 of 2020. (Sec. 952(1)). The Governor 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 2021-22 be 106.6435% of the payments for which counties are eligible under the Glen Steil State Revenue Sharing Act, increased from 104.5619% in FY 2020-21 (Sec. 955(1)). The Governor also removed the requirement that 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: 3-22-21 Fiscal Analyst: Ryan M. Bergan