



Senate Fiscal Agency
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**House Bill 5396 (S-1) CR-1:
FY 2020-21 General Omnibus Appropriation Bill
FY 2019-20 and FY 2020-21**

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* General Government includes FY 2020-21 appropriations for the following budget areas: Attorney General; Civil Rights; Executive; Labor and Economic Opportunity; Legislature; State; Technology, Management, and Budget; and Treasury.

Date Completed: 9-23-20

**General Omnibus Appropriation Bill
House Bill 5396 (S-1) CR-1
FY 2020-21 Appropriations Compared to FY 2019-20**

	FY 2019-20 INITIAL		FY 2019-20 YEAR-TO-DATE		FY 2020-21 CONFERENCE REPORT	
Department/Budget Area	Gross Appropriation	GF/GP Appropriation	Gross Appropriation	GF/GP Appropriation	Gross Appropriation	GF/GP Appropriation
Agriculture and Rural Development	\$107,937,600	\$52,500,000	\$108,522,300	\$51,597,200	\$121,295,000	\$63,616,800
Attorney General	105,982,800	41,736,300	102,758,100	37,547,600	106,828,600	41,148,400
Capital Outlay	0	0	0	0	0	0
Civil Rights	16,388,300	13,195,700	15,329,800	12,137,200	18,037,400	14,792,200
Corrections	2,011,308,800	1,935,085,400	2,113,574,900	1,610,468,800	2,060,788,400	1,809,258,400
Education	419,783,700	87,212,000	664,136,100	82,065,700	451,695,700	90,067,100
Environment, Great Lakes and Energy	599,665,800	153,577,400	617,704,400	170,516,000	511,359,200	59,443,900
Executive	7,114,300	7,114,300	6,758,600	6,758,600	7,114,300	7,114,300
Health and Human Services	26,218,407,600	4,679,637,600	29,101,426,300	4,363,309,100	28,498,448,600	5,090,371,100
Insurance and Financial Services	68,814,800	150,000	71,912,800	0	73,315,700	0
Judiciary	310,713,500	201,043,600	308,193,500	198,893,600	313,641,200	201,934,300
Labor and Economic Opportunity	1,012,233,100	97,794,200	4,451,388,300	135,810,700	1,625,864,300	192,867,600
Legislature	201,425,900	188,366,300	201,425,900	188,366,300	202,453,800	189,026,600
Licensing and Regulatory Affairs	566,294,000	124,030,700	439,075,100	109,450,900	484,389,600	149,605,600
Military and Veterans Affairs	200,065,100	69,247,500	208,382,900	70,984,200	226,092,500	81,421,200
Natural Resources	438,685,400	46,985,000	448,341,400	45,138,800	469,594,100	50,697,300
Natural Resources (Trust Fund)	28,699,800	0	28,699,800	0	0	0
State	250,393,000	13,451,200	262,742,600	12,153,000	254,297,500	12,597,500
State Police	714,594,700	473,701,700	1,303,216,700	363,938,200	738,085,500	439,376,600
Technology, Management, and Budget	1,526,306,800	450,480,500	1,730,473,400	478,261,100	1,671,705,000	516,326,100
Transportation	5,011,408,000	25,000,000	5,340,053,600	11,999,900	5,107,470,600	0
Treasury (Debt Service)	104,335,000	104,335,000	104,335,000	104,335,000	113,735,000	113,735,000
Treasury (Operations)	562,715,300	84,150,600	992,509,800	127,894,600	710,983,500	209,932,200
Treasury (Revenue Sharing)	1,355,474,600	0	1,393,969,900	0	1,341,924,300	0
TOTAL GENERAL OMNIBUS APPROPRIATIONS	\$41,838,747,900	\$8,848,795,000	\$50,014,931,200	\$8,181,626,500	\$45,109,119,800	\$9,333,332,200

Education Omnibus Appropriation Bill Senate Bill 927 (H-1) CR-1 FY 2020-21 Appropriations Compared to FY 2019-20						
	FY 2019-20 INITIAL		FY 2019-20 YEAR-TO-DATE		FY 2020-21 CONFERENCE REPORT	
Department/Budget Area	Gross Appropriation	GF/GP Appropriation	Gross Appropriation	GF/GP Appropriation	Gross Appropriation	GF/GP Appropriation
Community Colleges	\$414,719,000	\$0	\$414,719,000	\$0	\$425,667,600	\$0
Higher Education	1,647,373,500	\$1,204,023,400	\$1,691,395,000	\$1,207,949,300	1,699,925,400	1,217,835,700
School Aid K-12	15,106,763,600	\$62,270,000	\$16,010,551,700	\$273,600,000	15,525,164,900	50,964,700
Total Education Omnibus Appropriations	\$17,168,856,100	\$1,266,293,400	\$18,116,665,700	\$1,481,549,300	\$17,650,757,900	\$1,268,800,400

	FY 2019-20 INITIAL		FY 2019-20 YEAR-TO-DATE		FY 2020-21 CONFERENCE REPORT	
	Gross Appropriation	GF/GP Appropriation	Gross Appropriation	GF/GP Appropriation	Gross Appropriation	GF/GP Appropriation
TOTAL COMBINED APPROPRIATIONS	\$59,007,604,000	\$10,115,088,400	\$68,131,596,900	\$9,663,175,800	\$62,759,877,700	\$10,602,132,600

Article 14: FY 2019-20 Supplemental Appropriations House Bill 5396 (S-1) CR-1 FY 2019-20 Appropriations				
Department/Budget Area	FY 2019-20 Gross Appropriation	FY 2019-20 Federal Appropriation	FY 2019-20 Other Appropriation	FY 2019-20 GF/GP Appropriation
Education	(\$10,000,000)	(\$10,000,000)	\$0	\$0
Health and Human Services	323,750,500	449,911,800	(94,632,100)	(31,529,200)
State	13,909,000	13,909,000	0	0
Treasury	(112,675,000)	(113,000,000)	0	325,000
Total Supplemental	\$214,984,500	\$340,820,800	(\$94,632,100)	(\$31,204,200)

General Omnibus Appropriations Bill House Bill 5396 (S-1) CR-1 Federal Coronavirus Relief Fund (CRF) Appropriations		
Department/Budget Area	FY 2019-20 CRF Appropriation	FY 2020-21 CRF Appropriation
Corrections	(\$13,400,000)	\$191,000,000
Education	(10,000,000)	0
Health and Human Services	(48,000,000)	42,500,000
Labor and Economic Opportunity	0	10,000,000
Military and Veterans Affairs	(186,000)	0
Natural Resources	(146,000)	0
State Police	(1,400,000)	45,500,000
Technology, Management, and Budget	(9,000,000)	0
Treasury (Operations)	(113,000,000)	0
Total CRF Appropriations	(\$195,132,000)	\$289,000,000

Remaining CRF balance for FY 2019-20, prior to HB 5396: \$94.4 million

FY 2020-21 CONFERENCE APPROPRIATIONS BY SOURCE OF FUNDS	
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DEPARTMENT	Gross	IDGs	Adjusted Gross	Federal Funds	Local & Private Funds	Total State Spending	Other State Restricted	General Funds	Payments To Locals
Agriculture & Rural Development	121,295,000	324,400	120,970,600	13,129,500	71,300	107,769,800	44,153,000	63,616,800	8,800,000
Attorney General	106,828,600	35,285,800	71,542,800	9,906,100	0	61,636,700	20,488,300	41,148,400	0
Capital Outlay	0	0	0	0	0	0	0	0	0
Civil Rights	18,037,400	299,800	17,737,600	2,868,200	18,700	14,850,700	58,500	14,792,200	0
Community Colleges	425,667,600	0	425,667,600	0	0	425,667,600	425,667,600	0	425,667,600
Corrections	2,060,788,400	0	2,060,788,400	196,370,900	9,680,600	1,854,736,900	45,478,500	1,809,258,400	123,330,800
Education	451,695,700	0	451,695,700	343,701,700	8,111,400	99,882,600	9,815,500	90,067,100	15,267,700
Environment, Great Lakes & Energy	511,359,200	3,337,700	508,021,500	171,973,000	1,412,800	334,635,700	275,191,800	59,443,900	44,000,600
Executive	7,114,300	0	7,114,300	0	0	7,114,300	0	7,114,300	0
Health and Human Services	28,498,448,600	13,829,900	28,484,618,700	20,066,172,200	338,595,300	8,079,851,200	2,989,480,100	5,090,371,100	1,673,960,400
Higher Education	1,699,925,400	0	1,699,925,400	126,026,400	0	1,573,899,000	356,063,300	1,217,835,700	0
Insurance and Financial Services	73,315,700	728,600	72,587,100	1,017,100	0	71,570,000	71,570,000	0	0
Judiciary	313,641,200	1,552,800	312,088,400	6,393,500	8,883,000	296,811,900	94,877,600	201,934,300	146,925,300
Labor and Economic Opportunity	1,625,864,300	0	1,625,864,300	1,138,389,800	22,217,800	465,256,700	272,389,100	192,867,600	39,115,200
Legislature	202,453,800	6,250,400	196,203,400	0	400,000	195,803,400	6,776,800	189,026,600	0
Licensing and Regulatory Affairs	484,389,600	46,664,600	437,725,000	28,823,700	0	408,901,300	259,295,700	149,605,600	137,967,400
Military and Veterans Affairs	226,092,500	101,800	225,990,700	123,626,100	630,000	101,734,600	20,313,400	81,421,200	4,136,500
Natural Resources	469,594,100	203,100	469,391,000	88,453,700	7,439,200	373,498,100	322,800,800	50,697,300	10,409,300
Natural Resources (Trust Fund)	0	0	0	0	0	0	0	0	0
School Aid	15,525,164,900	0	15,525,164,900	1,806,878,500	0	13,718,286,400	13,667,321,700	50,964,700	13,546,289,200
State	254,297,500	20,000,000	234,297,500	1,460,000	50,100	232,787,400	220,189,900	12,597,500	1,041,800
State Police	738,085,500	24,649,600	713,435,900	124,103,800	4,876,200	584,455,900	145,079,300	439,376,600	13,899,900
Technology, Management, and Budget	1,671,705,000	1,024,720,900	646,984,100	5,139,300	2,472,300	639,372,500	123,046,400	516,326,100	0
Transportation	5,107,470,600	4,063,100	5,103,407,500	1,424,196,100	81,682,000	3,597,529,400	3,597,529,400	0	2,125,342,100
Treasury (Debt Service)	113,735,000	0	113,735,000	0	0	113,735,000	0	113,735,000	0
Treasury (Operations)	710,983,500	13,112,800	697,870,700	27,421,800	13,088,400	657,360,500	447,428,300	209,932,200	247,351,800
Treasury (Revenue Sharing)	1,341,924,300	0	1,341,924,300	0	0	1,341,924,300	1,341,924,300	0	1,341,924,300
TOTAL APPROPRIATIONS	62,759,877,700	1,195,125,300	61,564,752,400	25,706,051,400	499,629,100	35,359,071,900	24,756,939,300	10,602,132,600	19,905,429,900

Source: Senate Fiscal Agency



Senate Fiscal Agency
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BILL ANALYSIS



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Article 1

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 CONFERENCE	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	508.0	519.0	11.0	2.2
GROSS	108,522,300	121,295,000	12,772,700	11.8
Less:				
Interdepartmental Grants Received	1,315,700	324,400	(991,300)	(75.3)
ADJUSTED GROSS	107,206,600	120,970,600	13,764,000	12.8
Less:				
Federal Funds	14,123,900	13,129,500	(994,400)	(7.0)
Local and Private	101,800	71,300	(30,500)	(30.0)
TOTAL STATE SPENDING	92,980,900	107,769,800	14,788,900	15.9
Less:				
Other State Restricted Funds	41,383,700	44,153,000	2,769,300	6.7
GENERAL FUND/GENERAL PURPOSE	51,597,200	63,616,800	12,019,600	23.3
PAYMENTS TO LOCALS	9,650,000	8,800,000	(850,000)	(8.8)

*As of September 15, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$108,522,300	\$51,597,200

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

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|--|-----------|-----------|
| <p>1. Conservation Reserve Enhancement Program. The Governor recommended \$10.0 million in one-time GF/GP and \$600,000 in ongoing GF/GP in MDARD to reestablish the Conservation Reserve Enhancement Program, a partnership between the State, the Federal government, and MDARD, designed to reduce nonpoint source pollution from crop production. The program, which began in 2000, once affected 76,219 acres, but because of a lack of State matching funds, dwindled to 29,600 acres when the program was suspended in 2016. One-time funds would be used to provide a 50% match required of producers for Federal dollars that would pay the cost of management practices that protect water quality. Federal funds would flow directly to producers to support conservation practices. The Department would use ongoing funds to administer the program and provide education and outreach. Initial goals would be to reduce algal blooms in the Lake Erie basin, and pollution in the Saginaw Bay, the Southeast Michigan River Basin, and Lake Macatawa watersheds. Conference concurred with program, but appropriated it at a level of \$4.4 million one-time and \$600,000 ongoing.</p> | 5,000,000 | 5,000,000 |
| <p>2. Michigan Animal and Agriculture Alliance. Conference included \$3.0 million GF/GP for an animal industry research grant program.</p> | 3,000,000 | 3,000,000 |
| <p>3. County Fairs, Shows, and Exhibitions Grant program. Conference included \$500,000 GF/GP for agriculture promotion grants.</p> | 500,000 | 500,000 |
| <p>4. Food/Dairy Inspections Enhancement. Conference added additional GF/GP funding for Food Safety and Quality Assurance (\$205,000), and Milk Safety and Quality Assurance (\$144,300).</p> | 349,300 | 349,300 |

5. Industrial Hemp Pesticide and Plant Pest Management. The Governor and Conference included 3.0 FTEs and \$602,900 Restricted to support a hemp program within the Pesticide and Plant Pest Management division.	602,900	0
6. Industrial Hemp Laboratory and Central licensing. The Governor and Conference included 2.5 FTE and \$469,000 Restricted to support licensing and testing requirements for industrial hemp regulation per PA 641 of 2018.	469,000	0
7. Feed and Fertilizer Audit Program. The Governor and Conference included 4.0 FTEs and \$504,000 Restricted to support auditor positions to monitor industry compliance with statutory reporting requirements.	504,000	0
8. Licensing and Inspection IT System. The Governor and Conference included \$225,000 Gross, \$15,000 Restricted, \$210,000 GF/GP, to support maintenance and hosting costs for Phase I of a consolidated licensing and inspections system upgrade.	225,000	210,000
9. Cervid Program Licensing. The Governor and Conference recommended 1.0 FTE and \$76,900 GF/GP to support chronic wasting disease certification for all breeding herds, per PA 132 of 2019.	76,900	76,900
10. Marihuana Edibles Inspection. Conference included 5.0 FTEs and \$700,000 Restricted to provide food inspections of marihuana infused food products, as part of overall marihuana regulatory program.	700,000	0
11. Food and Agriculture Investment Grants. Conference included a reduction of \$1,529,400 GF/GP, leaving a total appropriation of \$2,470,600 GF/GP for FY 2020-21.	(1,529,400)	(1,529,400)
12. Fair Food Network - Double Up Food Bucks. Conference reduced grant to Fair Food Network by \$100,000 GF/GP, leaving the FY 2020-21 appropriation level at \$900,000 GF/GP.	(100,000)	(100,000)
13. Other GF/GP Reductions, Conference also included GF/GP reductions to Farmland Preservation (\$20,600), Laboratory Services (\$90,000), and Indemnification - Livestock Depredation (\$10,000).	(120,600)	(120,600)
14. Qualified Forest Program. Conference reduced GP/GP funding by \$150,000 and increased available restricted support by \$100,000.	(50,000)	(150,000)
15. Food and Agriculture Investment Program. The Governor recommended the elimination of the \$4.0 million GF/GP grant program. Conference rejected elimination, continued funding for FY 2020-21 at \$4.0 million.	0	0
16. Elimination of FY 2019-20 One-Time Appropriations. The Governor recommended the elimination of FY 2019-20 one-time appropriations, including \$500,000 GF/GP for Farm Stress Program and \$360,000 Gross, \$210,000 Restricted, \$150,000 GF/GP and 4.5 FTEs for the Industrial Hemp Program. Conference concurred.	860,000	(650,000)
17. Technical Adjustment to Align Authorization with Revenues and Executive Order, Supplemental Appropriations and Legislative Transfers. FY 2019-20 adjustments.	472,900	4,179,000
18. Unclassified Salaries. The Governor and conference included an increase from \$596,700 GF/GP for FY 2019-20 to \$599,900 GF/GP for FY 2020-21.	3,200	3,200
19. Economic Adjustments. Includes \$1,809,500 Gross and \$1,251,200 GF/GP for total economic adjustments.	1,809,500	1,251,200
Total Changes	\$12,772,700	\$12,019,600
FY 2020-21 Conference Report Appropriation	\$121,295,000	\$63,616,800

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

1. **Acronyms and Definitions.** The Governor removed definition of "EPA," "FDA," "Fiscal Agencies," "HHS," "LARA," "LCC," "MDEGLE," "MDNR," "MOU," and "Subcommittee", terms currently used throughout FY 2019-20 boilerplate. Conference adjusted section appropriate for final bill. (Sec. 203)
2. **Reporting Requirements.** The Governor removed a subsection that required notification when a report has been placed on the Department website. Conference retained current year language. (Sec. 204-2)
3. **Purchase of Goods and Services.** The Governor amended language that required preferences, all things being equal, to purchase USA, Michigan, and veteran-owned business goods and services, by adding "to the extent possible under MCL 18.1261". Conference retained current year language. (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". Conference retained current year language. (Sec. 206)
5. **Out of State Travel Report.** The Governor amended language by adding reference to MCL 18.1217. Conference retained current year language. (Sec. 207)
6. **Contingency Fund Legislative Transfers.** The Governor amended language to increase the maximum of Federal fund transfers from \$3.0 million to \$5.0 million, increase the maximum for Restricted funds from \$2.0 million to \$6.0 million, and keep the local and private funds limit at \$100,000 that would be eligible for transfer. Conference retained current year language. (Sec. 210)
7. **Disciplinary Action.** The Governor recommended elimination of this section, which prohibited action against an employee for communicating with legislative staff. Conference retained prohibition, adjusting language to reflect proposed standing committee bill language. (Sec. 215)
8. **Quarterly Report on Employees.** Conference added new section requiring report on employee data, including by classification, by line item and any remote work activity and savings, if any. (Sec.216)
9. **Work Project Authorization.** Conference added new language requiring department to expend work project authorization prior to expending funds from part 1, to extent possible. (Sec.217)
10. **State Administrative Board.** Conference added new language that allows the legislature, should the Board transfer funds, to, by concurrent resolution, intertransfer funds. (Sec.218)
11. **Retention of Reports.** The Governor recommended elimination of this section, which requires the Department to receive and retain records. Conference retained current year language. (Sec. 219)
12. **Grant Notification to Legislature.** The Governor recommended elimination of this section, which requires notification of grants to local units of government, institutions of higher education, or nonprofit organizations no less than seven days before grant recipients are notified. Conference retained current year language. (Sec. 302)
13. **Michigan Animal Agriculture Alliance.** Conference included new language stating purpose of grant program for animal industry research. (Sec. 458)
14. **Food and Agriculture Investment Program.** The Governor recommended elimination of this section, which provides grant program guidelines for a program the Governor chose not to recommend for FY 2020-21. Conference retained current year language. (Sec. 701)
15. **Conservation Reserve Enhancement Program (CREP).** The Governor and Conference included new language outlining purpose of CREP project, with total cost being (\$4.4 million GF/GP. (Sec. 901)
16. **Farm Stress Program.** The Governor recommended elimination of this section, which provides program guidelines for the \$500,000 GF/GP program the Governor chose not to recommend to fund for FY 2020-21. Conference concurred. (Sec. 901 from PA 65 of 2019 - vetoed, and Sec. 302 from PA 154 of 2019)

Date Completed: 9-22-20

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Article 2

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 CONFERENCE	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	13,778.3	13,686.8	(91.5)	(0.7)
GROSS	2,113,574,900	2,060,788,400	(52,786,500)	(2.5)
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	2,113,574,900	2,060,788,400	(52,786,500)	(2.5)
Less:				
Federal Funds	444,306,400	196,370,900	(247,935,500)	(55.8)
Local and Private	11,687,200	9,680,600	(2,006,600)	(17.2)
TOTAL STATE SPENDING	1,657,581,300	1,854,736,900	197,155,600	11.9
Less:				
Other State Restricted Funds	47,112,500	45,478,500	(1,634,000)	(3.5)
GENERAL FUND/GENERAL PURPOSE	1,610,468,800	1,809,258,400	198,789,600	12.3
PAYMENTS TO LOCALS	122,635,700	123,330,800	695,100	0.6

*As of September 15, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$2,113,574,900	\$1,610,468,800

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

- | | | |
|---|--------------|---------------|
| 1. Elimination of FY 2019-20 One-Time Items. The Governor removed one-time funding totaling \$15.0 million, all General Fund. Funding removed as follows: \$10.4 million for New Custody Staff Training and \$4.6 million for the replacement of electronic monitoring devices and services. Conference: Concurred with Governor. | (15,033,900) | (15,033,900) |
| 2. Reversal of FY 2019-20 Supplemental Funding. Conference: Retained \$60.1 million of FY 2019-20 supplemental funding that was carried into FY 2020-21. A total of \$384.7 million of GF/GP supplemental funding was not retained and removed from FY 2020-21 total funding. | (56,313,600) | 384,669,100 |
| 3. Coronavirus Relief Fund (CRF). Conference: Reduced GF/GP funding by \$191.0 million by offsetting GF/GP expenditures for salaries that qualify as public safety payroll with Federal CRF dollars. | 0 | (191,000,000) |
| 4. New Custody Staff Training. The Governor provided additional support for the training of 330 new correctional officers annually to alleviate higher than anticipated attrition. Conference: Increased current year funding by \$4.0 million for total funding of \$13.9 million for FY 2020-21 to train approximately 700 new corrections officers. | 4,000,000 | 4,000,000 |
| 5. Corizon Health Care Contract Adjustment. The Governor included \$4.2 million in additional funding for inflationary contract adjustment. The current contract expires in May 2021. Conference: Reduced Governor's funding by \$1.0 million per target agreement. | 3,239,500 | 3,239,500 |

6. Substance Use Disorder (SUD) Program. Conference: Realized GF/GP savings due to the Department's elimination of most its community-based SUD network in favor of probationers and parolees using the Medicaid supported system that exists for Michigan's citizens.	(7,000,000)	(7,000,000)
7. Lake County Residential Contract. Conference: Savings realized due to the cancellation of the contract with the county following the closure of the site.	(4,000,000)	(4,000,000)
8. Hepatitis C Treatments. Conference: Reduced funding by \$2.2 million due to reduced need for testing.	(2,190,000)	(2,190,000)
9. Urine Test Monitoring. Conference: Realized savings due to Department switching to a more efficient oral swab test, eliminating the need for the contract to hire monitors to take urine samples.	(300,000)	(300,000)
10. Digital Dental X-Rays. Conference: Savings realized due to Department modernizing their dental X-Ray film system to a digital X-Ray system similar to most private practices.	(610,000)	(610,000)
11. Various Line Item Target Reductions. Conference: Reduced several line items totaling \$3.6 million due to administrative efficiencies per target agreement. Line items reduced include: Criminal Justice Reinvestment (\$2.0 million); Field Operations (\$800,000); Community Corrections Plans (\$300,000); Residential Probation Diversions (\$250,000); and Goodwill Flip the Script (\$250,000).	(3,600,000)	(3,600,000)
12. Water Rate Increase. The Governor provided additional funding for increased water rates in Jackson because of new lead and copper rules. Facilities affected include Charles E. Egeler, Parnall, G. Roberts Cotton, and Cooper Street Correctional Facilities. Conference: Concurred with Governor.	575,500	575,500
13. Employee Wellness Enhancements. The Governor provided new funding to support additional employee wellness resources and support services for Department employees. Ideas can be submitted by employees or by worksite. Conference: Concurred with Governor.	500,000	500,000
14. Green Oaks Training Facility Staff. The Governor transferred 1.0 FTE from DHHS to MDOC to support continued maintenance at the facility, which will become the new training academy for new corrections officers. The facility currently is operated by the DHHS along with the 1.0 FTE that provides maintenance. The MDOC will retain the 1.0 FTE through an interagency agreement between the DHHS and the MDOC for continued maintenance. Conference: Concurred with Governor.	109,200	109,200
15. Detroit Detention Center (DDC). The Governor included a negative adjustment for the final year of current contract with the Detroit Detention Center. The Department operates the DDC on behalf of the City of Detroit Police Department; the DDC serves as the initial lock-up for individuals arrested in the City of Detroit. Conference: Concurred with Governor.	(2,287,700)	0
16. Detroit Reentry Center. Conference: Partial-year savings resulting from the closure of the Center total a net \$12.3 million in FY 2020-21. Funding for the Center was reduced a total of \$22.8 million; however those savings were reduced by adjustments to other line items for costs related to the Center as follows: Funding was increased by \$5.0 million for Offender Success Programming and increased by \$3.0 million each for the Woodland Correctional Facility and the Southern Region Administration and Support. Additionally, Prison Food Services was reduced by \$544,400. Conference: Concurred with Governor.	(12,300,000)	(12,300,000)

17. Special Alternative to Incarceration Program. The Governor included the realization of the full-year savings from the relocation of the Special Alternative to Incarceration Program. Camp Cassidy Lake in Washtenaw County has been the location of this program (male boot camp) for several years; however, participation in this program has declined nearly in half because fewer offenders are eligible for and sentenced to the program. The program will be relocated to the Cooper Street Correctional Facility in Jackson in March 2020, resulting in a reduction of 92.5 FTE positions and \$10.0 million in annual savings. Conference: Concurred with Governor.	(10,046,700)	(10,046,700)
18. Economic Adjustments. Includes \$52,468,700 Gross and \$51,774,400 GF/GP for total economic adjustments, of which an estimated \$36,939,300 Gross and \$36,455,500 GF/GP are for legacy retirement costs (pension and retiree health). Conference: Concurred with Governor and added \$2,500 per target agreement.	52,471,200	51,776,900
Total Changes	(\$52,786,500)	\$198,789,600
FY 2020-21 Conference Report Appropriation	\$2,060,788,400	\$1,809,258,400

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

1. **Deletions.** The Governor proposed to eliminate the following sections from current-year boilerplate: 216, 225, 239, 248, 304, 309, 310, 313 (2), 314, 315, 316, 317, 405, 411, 412, 417, 419(1), 422, 602, 611, 612, 613, 802, 812, 816, 901, 913(2), 940, 943, 944, 1013, and 1100. These deletions include a variety of reporting requirements, record retention requirements, and statements of legislative intent. **Conference:** Retained all but Sec. 1100.
2. **Definitions.** Seventeen definitions were eliminated from the bill. These included acronyms that are no longer referenced in the bill, as well as the definitions of "cost per prisoner" and "offender who would likely be sentenced to imprisonment". **Conference:** Retained current definitions.
3. **Adding MCL Citations to Various Boilerplate Sections.** The **Governor** added "To the extent possible under MCL 18.1261" to various boilerplate sections. **Conference:** Concurred with Governor.
4. **Buy American.** The **Governor** rewrote section in a new format but no substantive change. **Conference:** Retained current law. (Sec. 205)
5. **Deprived and Depressed Communities.** The **Governor** eliminated language stating that the Department cannot take disciplinary action against an employee or prisoner for communicating with a legislator or his or her staff. Language replaced with new language requiring the Department to take all reasonable steps to ensure that business in deprived or depressed communities compete for and perform contracts to provide services or supplies, or both. **Conference:** Retained current language but moved to Sec. 215.
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. **Conference:** Retained current law. (Sec. 210)
7. **Updated amounts for Total Legacy Costs.** The **Governor** updated total legacy costs section. The pension-related costs for FY 2020-21 are \$156,416,200 and the retiree health care costs are \$169,578,300. **Conference:** Concurred with Governor. (Sec. 214)
8. **State Administrative Board Transfers.** **Conference:** Added new language as follows: If the state administrative board, acting under section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount appropriated under this act, the legislature may, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, intertransfer funds within this act for the particular department, board, commission, office, or institution. **NEW** (Sec. 218)
9. **Staff Ratio Report.** The **Governor** eliminated the specific reporting requirements and, instead, stated that the report must be submitted by March 1 and must include the Department's staff retention strategies. **Conference:** Retained

current language and modified. (Sec. 302)

10. **Employee Wellness.** The **Governor** eliminated the reporting requirement. The language states only that the Department must maintain an employee wellness programming, including programming focused on PTSD outreach. **Conference:** Retains and modifies language. (Sec. 312)
11. **Custody Staff Training. Conference:** New language requiring the Department to target the hiring of at least 700 new officers over the next fiscal year. **NEW** (Sec. 316)
12. **New Officer Training Academy Status Report. Conference:** New language requiring the department to submit a status report by November 1 on the new corrections officer training academy. **NEW** (Sec. 317)
13. **Professional Development. Conference:** New language requiring the department to submit a report about programs that offer professional development and training opportunities for all levels of custody supervisors and first line managers. **NEW** (Sec. 318)
14. **Offender Success Report.** The **Governor** removed the requirement to report details on planned expenditures and requires only the reporting of previous-year expenditures. **Conference:** Retained current law. (Sec. 402)
15. **Vocational Education Programs.** The **Governor** revised the language to remove the reporting requirement and to state only that the Department must ensure that the program provides relevant professional development opportunities. **Conference:** Retained current law. (Sec. 409)
16. **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. **Conference:** Retained current law. (Sec. 418)
17. **Tether Reimbursement Guidelines.** The **Governor** eliminated the requirement for prisoners, probationers, or parolees to reimburse the Department for costs associated with their participation in the program. **Conference:** Concurred with Governor. (Sec. 603)
18. **Residential Alternative to Prison Program.** The **Governor** removed the specific metrics and stated that the Department must measure and set metric goals. **Conference:** Concurred with Governor. (Sec. 617)
19. **Online Career High School. Conference:** New language requiring the department to establish a pilot online high school diploma and career certificate program to serve up to 400 inmates through a provider that offers career-based online high school diplomas. **NEW** (Sec. 908)
20. **Facility Closure Notification. Conference:** New language requiring the department to notify the senate and house appropriations subcommittees on corrections, the senate and house fiscal agencies, the legislative corrections ombudsman, and the state budget office of the department's plans to close, consolidate, or relocate any correctional facility in the state. Notice shall be provided at least 1 month prior to effective date of closure, consolidation, or relocation. **NEW** (Sec. 945)
21. **Former Correctional Facilities. Conference:** New language stating that the department consult with the legislature and other appropriate state agencies to develop a framework to provide investment in communities that have formerly operational state correctional facilities that have been closed. **NEW** (Sec. 946)

Date Completed: 9-22-20

Fiscal Analyst: Joe Carrasco, Jr.

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



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Article 3

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 CONFERENCE	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	614.5	614.5	0.0	0.0
GROSS	664,136,100	451,695,700	(212,440,400)	(32.0)
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	664,136,100	451,695,700	(212,440,400)	(32.0)
Less:				
Federal Funds	561,362,500	343,701,700	(217,660,800)	(38.8)
Local and Private	9,429,600	8,111,400	(1,318,200)	(14.0)
TOTAL STATE SPENDING	93,344,000	99,882,600	6,538,600	7.0
Less:				
Other State Restricted Funds	11,278,300	9,815,500	(1,462,800)	(13.0)
GENERAL FUND/GENERAL PURPOSE	82,065,700	90,067,100	8,001,400	9.7
PAYMENTS TO LOCALS	14,267,700	15,267,700	1,000,000	7.0

*As of September 15, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$664,136,100	\$82,065,700

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

- | | | |
|--|------------|---|
| 1. Child Development and Care (CDC) Public Assistance. The Governor and Conference increased the program by \$24.6 million Gross and Federal funds to increase the income entry threshold from 130% to 150% of the Federal Poverty Level (FPL) on January 1. The increase would provide funding for three quarters of FY 2020-21. | 24,622,000 | 0 |
| 2. PBS High Quality Supports. The Governor included \$1.8 million to PBS programming for PBS KIDS to support early childhood education. The Conference did not include the funding increase. | 0 | 0 |
| 3. CDC External Support. The Governor and Conference included \$1.3 million Gross and Federal funds to cover the cost to local child care providers for employee background checks. | 1,300,000 | 0 |
| 4. Camp Tuhsmeheeta. The Governor and Conference included an additional \$202,000 to Camp Tuhsmeheeta for upkeep of the camp's facilities. | 202,000 | 0 |
| 5. Michigan Online Educator Certification System (MOECS) IT System Maintenance. The Governor and Conference increased Information Technology funding \$200,000 Gross and Certification Fees for maintenance of the MOECS. | 200,000 | 0 |
| 6. Educator Excellence. The Governor included an additional \$180,000 Gross and GF/GP to address teacher shortage and retention. The Conference did not include the additional appropriations. | 0 | 0 |

7. Michigan School for the Deaf and Blind. The Governor and Conference maintained a \$112,800 increase from Senate Bill 151 in Gross and Restricted funds to allow Medicaid dollars to be used on eligible students at the school.	0	0
8. Poet Laureate. The Governor created a Poet Laureate program with 0.5 FTE and \$100,000 to promote poetry, the spoken word, and literary arts. The Conference did not include.	0	0
9. Special Grants. The Conference included two grants. The first was a \$1.5 million special education grant to MAASE for development of virtual learning models for students with special needs. The second was a \$1.0 million child cooperative grant for Genesee County.	2,500,000	2,500,000
10. State Aid to Libraries. The Conference included a \$1.0 million increase to State Aid to Libraries. This brings total State Aid to Libraries up to \$13.1 million for FY 2020-21.	1,000,000	1,000,000
11. Teacher Recruitment Placeholder. The Conference included a \$100 placeholder with Certification Fees for a teacher recruitment program outlined in Sec. 233.	100	0
12. CDC Matching Adjustment. The Governor and Conference shifted \$597,800 from GF/GP to Federal revenue to align with current Federal matching requirements.	0	(597,800)
13. Placeholder Removal. The Governor and Conference removed three \$100 placeholders for the three departmental administrative reserve funds.	(300)	0
14. Administrative Reductions. The Conference included administrative reductions throughout the budget totaling \$800,000 Gross and GF/GP	(800,000)	(800,000)
15. Removal of FY 2019-20 One-Time Adjustments. The Conference reversed one-time reductions throughout the department from Executive Order 2020-155 totaling \$3,280,800 Gross and GF/GP, removed a one-time contingency fund increase totaling \$1.5 million Gross and Private funds for Camp Tuhsmeheeta, removed one-time Federal dollars from the Coronavirus Relief Fund totaling \$249,020,400, reversed a fund shift of \$1,865,500 in Certification Fees, and a \$3.0 million Gross and Federal fund reduction from the May CREC.	(244,239,600)	5,146,300
16. Great Start Operations Rollup. The Governor rolled CDC Contract Services and TEACH Scholarship line items into the Great Start Operations line item. The Conference maintained current line items.	0	0
17. Economic Adjustments. Included \$2,775,400 Gross and \$752,900 GF/GP for total economic adjustments, of which an estimated increase of \$1,687,500 Gross and \$503,700 GF/GP are for legacy retirement costs.	2,775,400	752,900
Total Changes	(\$212,440,400)	\$8,001,400
FY 2020-21 Conference Report Appropriation	\$451,695,700	\$90,067,100

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

1. **Deleted Sections.** The Governor and Conference deleted a number of sections, which include 225 (2.5% penalty for failure to award grants in the School Aid Act in time), 227 (1% penalty for failure to report to the Legislature within 30 days), 235 (association/consortium report), 236 (administrative reserve fund 1), 237 (administrative reserve fund 2), 238 (administrative reserve fund 3), 239 (Labor Day study), 302 (State Board travel reimbursement cap), 325 (Federal and Private grant report), and 502 (alternative teacher credit).

2. **Retained Sections.** The Governor deleted and Conference retained a number of sections, which include 208 (Legal staff restrictions), 219 (GSRP identification on kindergarten entry assessments), 222 (protects employees who communicate with the Legislature), 223 (retention of reports), 229 (notification of changes to Federal Accountability Plans), 230 (nonpublic school mandate report), 409 (state administrative judges for MSD), 1003 (Early Childhood Investment Corporation Report), and 1004 (appropriation to the TEACH Scholarship program).
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. The Conference retained current law. (Sec. 205, 206, 207)
4. **Contingency Funds.** The Governor doubled the contingency fund amounts for the Federal, State Restricted, and Private funds. The Conference maintained current law language. (Sec. 210)
5. **New General Sections.** The Conference included four new general sections that are included in all other budgets, which includes 216 (quarterly FTE report), 218 (State Administrative Board transfers), 221 (Policy Implementation Report), and 224 (Work Projection Prioritization).
6. **DHHS Education Initiative.** The Conference included a new section that requires that the department work with the DHHS on education initiatives in schools for trauma-informed practices, human trafficking, and sexual abuse prevention. (Sec. 228)
7. **Teacher Recruitment Program.** The Conference included a \$100 placeholder to fund the Teacher Recruitment program. (Sec. 233)
8. **Postsecondary Report.** The Conference included a new report on enrollment and performance outcomes for the last two years on IB, AP, dual and concurrent enrollment, early/middle college high schools, and career and technical education programs. (Sec. 234)
9. **Special Education Virtual Learning Grant.** The Conference included a \$1.5 million grant to Michigan Association of Administrators of Special Education to develop virtual learning tools for parents, teachers, and students with special needs. The section would allow for the development of assessment tools for those models in cooperation with the department. (Sec. 351)
10. **Educator Excellence.** The Governor included a new section that would appropriate \$180,000 from Educator Excellence for teacher shortage, retention, and diversity in Michigan. The Conference did not include (Sec. 508)
11. **Poet Laureate.** The Governor included a new section that would appropriate \$100,000 to establish a Poet Laureate program to promote poetry, the spoken word, and literacy arts. The Conference did not include. (Sec. 804)
12. **Hourly Reimbursement Rate.** The Governor and Conference modified the section to remove the CDC hourly reimbursement rate increase. (Sec. 1002)
13. **Income Entry Threshold.** The Governor and Conference increased the CDC income entry threshold level from 130% to 150% of the FPL beginning on January 1. (Sec. 1009)
14. **Educare Grant.** The Conference included a \$1.0 million grant for the Early Childhood Collaboration in Genesee County. (Sec. 1101)
15. **PBS Support.** The Governor appropriated \$1.8 million to a community licensed public television station that provides direct services to educators, parents, and informal and formal caregivers to improve school readiness. The Conference did not include. (Sec. 1102)
16. **Technical Changes.** The Governor and Conference made a number of technical modifications that include date changes, Part 1 appropriation adjustments, definitions, and legacy cost adjustments, and removing legislative intent language. (Sec. 201, 203, 212, 214, 230, 231, 602, 701, 804, 1007, 1008, and 1011)

Date Completed: 9-22-20

Fiscal Analyst: Cory Savino

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



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Article 4

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 CONFERENCE	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	1,416.0	1,418.0	2.0	0.1
GROSS	617,704,400	511,359,200	(106,345,200)	(17.2)
Less:				
Interdepartmental Grants Received	3,176,600	3,337,700	161,100	5.1
ADJUSTED GROSS	614,527,800	508,021,500	(106,506,300)	(17.3)
Less:				
Federal Funds	178,269,900	171,973,000	(6,296,900)	(3.5)
Local and Private	1,201,800	1,412,800	211,000	17.6
TOTAL STATE SPENDING	435,056,100	334,635,700	(100,420,400)	(23.1)
Less:				
Other State Restricted Funds	264,540,100	275,191,800	10,651,700	4.0
GENERAL FUND/GENERAL PURPOSE	170,516,000	59,443,900	(111,072,100)	(65.1)
PAYMENTS TO LOCALS	19,646,000	44,000,600	24,354,600	124.0

*As of September 15, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$617,704,400	\$170,516,000

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

- | | | |
|--|-----------|-----------|
| 1. Environmental Contamination Rapid Response. The Governor included \$20.0 million of one-time GF/GP to support the identification, prioritization, and initial abatement of contaminated properties across the State. The Conference did not include this item. | 0 | 0 |
| 2. Oil and Gas Program Restoration. The Governor and Conference included GF/GP to restore GF/GP funding to the Oil and Gas Program. | 4,000,000 | 4,000,000 |
| 3. Renew Michigan Restoration. The Governor and Conference included increased Renew Michigan Fund authorization to restore program funding to the amount defined in statute. | 500,000 | 0 |
| 4. Increase MAHS IDG Authorization. The Governor and Conference included an adjustment to increase authorization to support additional billings for the Environmental Permit Review Committee from the Department of Licensing and Regulatory Affairs. | 500,000 | 129,000 |
| 5. Multistate Aquifer Study. The Conference included GF/GP funds to support Michigan's share of costs for a multistate aquifer study with Ohio and Indiana. | 500,000 | 500,000 |
| 6. Scrap Tire Project. The Conference included Scrap Tire Regulatory Fund revenue to fund a scrap tire cleanup project in Alpena County. | 3,000,000 | 0 |
| 7. Madison Heights Demolition. The Conference included GF/GP for the demolition of a former electroplating services building in Madison Heights. | 600,000 | 600,000 |

8. Parchment Water Treatment Plant. The Conference included GF/GP for a water treatment plant project in Parchment.	450,000	450,000
9. Michigan Geological Survey. The Conference included GF/GP for the Michigan Geological Survey at a Michigan university.	500,000	500,000
10. Lead and Copper Rule Support. The Conference included GF/GP for water line replacement in Clare and Burton.	2,750,000	2,750,000
11. Dam Safety. The Conference included new GF/GP funding to support 2.0 FTEs for dam safety.	350,000	350,000
12. Blanchard Dam Study. The Conference included GF/GP funds for a study on the maintenance needs of Blanchard Dam in Isabella County.	10,000	10,000
13. Cooperative Lakes Monitoring Program. The Conference included additional funds for the continuation of the Department's contract to operate this program.	150,000	150,000
14. Watershed Council Grants. The Conference included GF/GP funds for grants to watershed councils for education, administration and conservation. The maximum grant size would be \$40,000.	600,000	600,000
15. Conference Reductions. The Conference made GF/GP reductions as follows: \$300,000 to Mapping and Other Support, \$75,000 to the Office of the Great Lakes, and \$225,000 to Information Technology Services and Projects.	(600,000)	(600,000)
16. Increase Workshops and Conferences Authorization. The Governor and Conference included an adjustment to align authorization with anticipated revenue from increased conference and workshop fees.	335,900	0
17. Efficiency and Renewable Energy Revolving Loan Fund. The Governor and Conference included authorization for a Restricted fund source received as part of the Executive Order 2019-6 reorganization. This adjustment appropriates a portion of the Fund to accurately charge administrative costs.	250,000	0
18. Remediation and Redevelopment Authorization. The Governor and Conference included an adjustment to align authorization with anticipated revenue and statutorily allowable uses of funds.	243,900	0
19. Financial Support Transfer. The Governor and Conference included a transfer of a portion of the Financial Support appropriation to Executive Direction and Environmental Support.	0	218,000
20. Align Oil and Gas Program Authorization. The Governor and Conference included an adjustment to align authorization with anticipated revenue and to account for GF/GP restoration in the Oil and Gas Program.	(3,900,000)	0
21. Cost Allocation Plan. The Governor and Conference included adjustments across several administrative line items to align authorization with the Department's updated cost allocation plan.	0	(210,000)
22. Remove FY 2019-20 Supplemental and One-Time Appropriations. The Governor and Conference removed FY 2019-20 one-time funding for drinking water protection and innovation initiatives that were not included as part of the Department's base budget. This item also includes the removal of adjustments from a supplemental and the reversal of reductions made under Executive Reduction Order 2020-155.	(123,038,700)	(121,938,600)
23. Other Changes. The Governor and Conference included several program transfers and fund shifts with a net zero Gross and GF/GP impact.	0	0

24. Economic Adjustments. Includes \$6,453,700 Gross and \$1,419,500 GF/GP for total economic adjustments, of which an estimated \$4,240,600 Gross and \$922,500 GF/GP are for legacy retirement costs (pension and retiree health).	6,453,700	1,419,500
Total Changes	(\$106,345,200)	(\$111,072,100)
FY 2020-21 Conference Report Appropriation	\$511,359,200	\$59,443,900

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

1. **Contingency Funds.** The Governor included increased contingency fund authorization allowing the Department to draw down Federal, increased restricted, and private contingency funds. The Conference retained current-year language. (Sec. 210)
2. **Remote Work Report.** The Conference included a new report on various data regarding Department employees engaging in remote work. (Sec. 216)
3. **Prioritized Expenditure from Work Projects.** The Conference included new language that would require the Department to spend from existing work project authorization before spending a current-year appropriation for the same purpose. (Sec. 217)
4. **State Administrative Board Transfers.** The Conference included new language that asserts the power of the Legislature to transfer money within the budget. (Sec. 218)
5. **Report Retention.** The Conference included new language requiring the Department to abide by applicable State and Federal report retention guidelines. (Sec. 219)
6. **Policy Changes.** The Conference included new language requiring a report on policy changes made within the Department in response to changes to statute during the year. (Sec. 220)
7. **Communication with the Legislature.** The Governor removed a prohibition against taking disciplinary action against Department employees who communicate with the Legislature. The Conference retained this section. (Sec. 206)
8. **Rule Promulgation - Small Business Impact.** The Governor removed a prohibition against the promulgation of rules that would have a disproportionate impact on small businesses. The Conference retained this section. (Sec. 221)
9. **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. The Conference retained this section. (Sec. 237)
10. **Report on Fees Charged.** The Governor and Conference removed a reporting requirement containing information on all fees charged by the Department, associated revenues, and all State and Federal fund sources used by the Department. (Sec. 238)
11. **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. The Conference retained this section. (Sec. 305)
12. **Refined Petroleum Cleanup Program.** The Governor removed a site list reporting requirement for all refined petroleum product cleanup program projects. The Conference retained this section. (Sec. 306)
13. **Dam Safety Earmark.** The Conference included new language earmarking \$350,000 and 2.0 FTEs from Land and Water Interface Permit Programs for dam safety programs. (Sec. 401)
14. **Climate and Energy.** The Governor removed language allowing the Department to enter into a memorandum of understanding between the Public Service Commission and the Office of Climate and Energy. (Sec. 601)
15. **Renew Michigan Program.** The Governor included new work project language for the Renew Michigan Program allowing the Department to carry forward program funds. The Conference did not include this section. (Sec. 801)
16. **Volkswagen Settlement.** The Governor included new language allowing the Department to receive and expend funds related to the Volkswagen settlement and reporting requirements on related expenditures. The Conference included this section. (Sec. 901)

17. **Scrap Tire Grants.** The Conference included an earmark of \$3.0 million for a project in Alpena County. (Sec. 902)
18. **Environmental Contamination Rapid Response.** The Governor included new work project language for part 1 one-time Environmental contamination response funds allowing the Department to carry forward program funds. The Conference did not include this section. (Sec. 1001)
19. **Lead and Copper Rule Implementation.** The Governor and Conference removed a section directing allowable uses and grant amounts for the FY 2019-20 one-time Lead and Copper Rule implementation part 1 appropriation. (Sec. 1001)
20. **PFAS and Emerging Contaminants.** The Governor and Conference removed a section directing allowable uses and grant amounts for the FY 2019-20 one-time PFAS and emerging contaminants part 1 appropriation. (Sec. 1002)
21. **Drinking Water Infrastructure Grants.** The Governor and Conference removed a section directing allowable uses and grant amounts for the FY 2019-20 one-time Drinking water revolving fund loan forgiveness part 1 appropriation. (Sec. 1003)
22. **Affordability and Planning.** The Governor and Conference removed a section directing allowable uses and grant amounts for the FY 2019-20 one-time Affordability and planning part 1 appropriation. (Sec. 1004)
23. **Private Well Testing.** The Governor removed a section directing allowable uses and grant amounts for the FY 2019-20 one-time Private well testing part 1 appropriation. The Conference retained this section. (Sec. 1005)
24. **Blanchard Dam Study.** The Conference included language directing the expenditure of \$10,000 to conduct a study on the maintenance needs of Blanchard Dam in Isabella County. (Sec. 1006)
25. **Cooperative Lakes Management.** The Conference included language directing the expenditure of \$150,000 for a continuation of EGLE's contract to continue the operation of this program. (Sec. 1007)
26. **Madison Heights Demolition.** The Conference included language directing \$600,000 to be spent on demolition of a former electroplating services building in Madison Heights. (Sec. 1008)
27. **Lead and Copper Rule Support.** The Conference included language directing \$2.75 million for water line replacement in Clare and Burton. (Sec. 1009)
28. **Michigan Geological Survey.** The Conference included language directing \$500,000 to the Michigan Geological Survey at a Michigan university. (Sec. 1010)
29. **Multistate Aquifer Study.** The Conference included language directing \$500,000 to support Michigan's share of costs for a multistate aquifer study with Ohio and Indiana. (Sec. 1011)
30. **Parchment Water Treatment Plant.** The Conference included language directing \$450,000 for a water treatment plant project in Parchment. (Sec. 1012)
31. **Watershed Council Grants.** The Conference included language directing \$600,000 for grants to watershed councils for education, administration and conservation. The maximum grant size would be \$40,000. (Sec. 1013)

Date Completed: 9-22-20

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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 CONFERENCE	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	7,312.1	7,370.1	58.0	0.8
GROSS	4,810,303,100	4,427,079,400	(383,223,700)	(8.0)
Less:				
Interdepartmental Grants Received	1,024,134,300	1,099,669,700	75,535,400	7.4
ADJUSTED GROSS	3,786,168,800	3,327,409,700	(458,759,100)	(12.1)
Less:				
Federal Funds	760,757,000	46,795,400	(713,961,600)	(93.8)
Local and Private	17,664,400	16,029,500	(1,634,900)	(9.3)
TOTAL STATE SPENDING	3,007,747,400	3,264,584,800	256,837,400	8.5
Less:				
Other State Restricted Funds	2,040,294,000	2,159,912,500	119,618,500	5.9
GENERAL FUND/GENERAL PURPOSE	967,453,400	1,104,672,300	137,218,900	14.2
PAYMENTS TO LOCALS	1,586,326,600	1,590,317,900	3,991,300	0.3

*As of September 15, 2020.

See Individual Highlight Sheet for Department Detail

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

1. **Budget Stabilization Fund.** The Governor recommended zero deposits into the BSF. The Conference included a \$35.0 million deposit into the BSF and 100% of the FY 2019-20 GF/GP unassigned fund balance. (Sec. 210)
2. **Communications with Legislators.** The Governor deleted the prohibition of departments taking disciplinary action against employees communicating with Legislators or their staff. The Conference modified the section to specify civil service employee and make exception for when action is against the law. (Sec. 206)
3. **Transparency Report.** The Governor removed the quarterly update requirement to department webpages. The Conference retained current law language. (Sec. 211)
4. **Extent Permissible Modification.** The Governor/Conference included the phrase, "to the extent permissible under statute" to reasonable the section that requires that steps to ensure business in deprived areas. (Sec. 215)
5. **FTE Quarterly Report.** The Conference included a new quarterly report on FTEs and remote work. (Sec. 216)
6. **Work Project Appropriation.** The Governor deleted the requirement that work project appropriation be used prior to new appropriations. The Conference retained the section. (Sec. 217)
7. **State Administrative Board Transfers.** The Conference included a new section that allows the Legislature to vote in concurrent to funds transferred by the State Administrative Board. (Sec. 218)
8. **Retention of Report.** The Governor deleted the section requiring departments to retain copies of reports. The Conference retained the section. (Sec. 219)
9. **Policy Change Reporting Requirement.** The Governor deleted a report due April 1 that requires each department to specify policy changes made to implement enacted legislation. The Conference retained the section. (Sec. 220)
10. **General Fund Restrictions.** The Governor deleted the prohibition on the departments from using General Fund appropriations where Federal and Private Funds are available. The Conference retained the section. (Sec. 221)
11. **Coronavirus Work Project Notification.** The Conference included a new notification by the budget director on any changes in planned spending for work projects containing coronavirus relief funds. (Sec. 222)
12. **Coronavirus Relief Fund Deposit.** The Conference included a new section that deposits any unspent coronavirus funds on December 30 into the Unemployment Compensation Fund. (Sec. 223)
13. **Auditor General.** The Governor deleted the requirement that departments report within six months after an audit with implementation of any identified initiatives related to savings and efficiencies found by the Auditor General and required the auditor general to conduct another audit on any noncompliant departments and charge the corresponding department for the cost of performing another audit. The Conference retained the section. (Sec. 229)
14. **Contingency Plan.** The Governor removed the requirement that the State Budget Director issue a report that includes a contingency plan if Federal funding reduces \$10.0 million or a 10% reduction. The Conference retained. (Sec. 235)
15. **Return on Taxpayer Investment.** The Governor deleted the requirement that the Governor and State Budget Director, list new or increase program over \$500,000 in the Governor's budget recommendation, establish metrics for measuring new or increased appropriations over \$500,000, and providing a update on the metrics of those programs in two years. The Conference retained the section. (Sec. 240)
16. **Penalty for Late Reports.** The Governor/Conference deleted the section placing a 5% reduction on department operations if reports are more than 30 days late.
17. **Technical Modification.** The Governor made a number of technical adjustments such as revised dates, spending totals, and definitions. (Secs. 201, 203, 204, 210, and 240)

Date Completed: 9-22-20

Fiscal Analysts: Cory Savino, Joe Carrasco, Jr.
Ryan Bergan, and Elizabeth Raczkowski

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



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Article 5

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 CONFERENCE	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	536.4	537.4	1.0	0.2
GROSS	102,758,100	106,828,600	4,070,500	4.0
Less:				
Interdepartmental Grants Received	34,373,000	35,285,800	912,800	2.7
ADJUSTED GROSS	68,385,100	71,542,800	3,157,700	4.6
Less:				
Federal Funds	10,218,100	9,906,100	(312,000)	(3.1)
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	58,167,000	61,636,700	3,469,700	6.0
Less:				
Other State Restricted Funds	20,619,400	20,488,300	(131,100)	(0.6)
GENERAL FUND/GENERAL PURPOSE	37,547,600	41,148,400	3,600,800	9.6
PAYMENTS TO LOCALS	0	0	0	0.0

*As of September 15, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$102,758,100	\$37,547,600

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

- | | | |
|---|-------------|-------------|
| 1. Transfer of OK2SAY to Michigan State Police. The Governor transferred all funding and 2.0 FTEs for this program, including administration and outreach/public relations functions, to the MSP. The MSP already operates the 24-hour hotline and would add these functions from the Attorney General. | (1,481,000) | (1,011,400) |
| 2. Elder Abuse Task Force. As a result of the of the Elder Abuse Task Force the Governor provided funding to support three investigators to work on protecting vulnerable seniors from financial abuse. The Conference concurred. | 387,500 | 387,500 |
| 3. General Fund Reductions. The Conference reduced GF/GP appropriations related to the Sexual Assault Kit Initiative, Child Support Enforcement, and the Prosecuting Attorneys Coordinating Council by \$342,100. | (648,000) | (648,000) |
| 4. Removal of FY 2019-20 Supplemental Funding. A total of \$404,400 in Federal funding was included in Public Act 66 of 2020 for DNA testing and the NextGen Case Tracking System. The Conference did not include this funding for FY 2020-21. | (404,400) | 0 |
| 5. Public Safety Initiative. The Governor reduced funding for this item because of a significant reduction in the backlog of outstanding warrants. The focus of the project was to reduce the backlog in Wayne County, Saginaw, Flint, and Pontiac. The Conference included a GF/GP backfill of \$500,000, resulting in a net reduction of \$21,100 GF/GP. | (21,100) | (21,100) |

6. Elimination of Remaining \$100 Line Items. The Governor eliminated the 43 line items that remained budgeted at \$100, each of which were unrolled in the original legislatively approved budget. All but \$100 of each of the 43 line items were rolled into the Attorney General line item via Administrative Board action. The FTEs in the 43 line items were restored to the Attorney General line item.	(4,300)	(500)
7. Adjustments for FY 2019-20 Reductions. FY 2019-20 Year-to-Date figures reflect changes in appropriations made during the fiscal year due to pandemic-related revenue and spending adjustments. The Conference made appropriate adjustments to intended investments and reductions to account for these changes.	3,629,100	4,188,700
8. Operations Fund Shift. The Conference shifted \$352,000 GF/GP to Restricted funds.	0	(352,000)
9. Economic Adjustments. Includes \$2,612,700 Gross and \$1,057,600 GF/GP for total economic adjustments, of which an estimated \$2,016,700 Gross and \$798,600 GF/GP are for legacy retirement costs (pension and retiree health).	2,612,700	1,057,600
Total Changes	\$4,070,500	\$3,600,800
FY 2020-21 Conference Report Appropriation	\$106,828,600	\$41,148,400

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

1. **Litigation Expense Reimbursement.** The **Governor** reinstated previous language that appropriates up to \$1.0 million from litigation expense reimbursements awarded to the State for specific purposes. The **Conference** reduced the amount to \$500,000. (**NEW** Sec. 308)
2. **Report on Reimbursements.** Requires the Department to report the total amount of reimbursements received under Section 6 of the State Correctional Facility Reimbursement Act. The **Governor** deleted this language. The **Conference** retained. (Sec. 309a)
3. **Legacy Cost Estimates.** The **Governor** provided the following Legacy Costs estimates for FY 2020-21. Total legacy costs estimated at \$18,984,500. Of that total, \$9,109,000 is for pension-related legacy costs and \$9,875,500 is for retiree health care legacy costs for the fiscal year ending September 30, 2020. The **Conference** concurred. (Sec. 315)
4. **Notification of Lawsuit Settlements.** Requires the Department to notify the appropriations chairs and fiscal agencies of all lawsuit settlements with a fiscal impact of \$5.0 million or more and not to enter into any lawsuit contrary to the laws of the State. The **Governor** deleted this language. The **Conference** included the language and reduced the amount to require notification to \$2.0 million. (Sec. 320)
5. **Notification of Lawsuits Against Federal Government.** Requires the Department to notify the chairs of the appropriations subcommittees upon entering into a lawsuit against the Federal government. Requires the Attorney General to appear before the subcommittees within 30 days of filing such a suit upon request of the chairs. The notice includes estimated costs. The **Governor** deleted this language. The **Conference** retained, but deleted the requirement of an appearance by the Attorney General. (Sec. 321)
6. **Line Item Spending Detail.** The **Conference** included new language that requires the Department to report the amounts spent by line item appropriation and funding source. (**NEW** Sec. 322)

Date Completed: 9-22-20

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Elizabeth Raczkowski

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Article 5

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			AMOUNT	PERCENT
FTE Positions	110.0	110.0	0.0	0.0
GROSS	15,329,800	18,037,400	2,707,600	17.7
Less:				
Interdepartmental Grants Received	298,500	299,800	1,300	0.4
ADJUSTED GROSS	15,031,300	17,737,600	2,706,300	18.0
Less:				
Federal Funds	2,816,900	2,868,200	51,300	1.8
Local and Private	18,700	18,700	0	0.0
TOTAL STATE SPENDING	12,195,700	14,850,700	2,655,000	21.8
Less:				
Other State Restricted Funds	58,500	58,500	0	0.0
GENERAL FUND/GENERAL PURPOSE	12,137,200	14,792,200	2,655,000	21.9
PAYMENTS TO LOCALS	0	0	0	0.0

*As of September 15, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$15,329,800	\$12,137,200
Changes from FY 2019-20 Year-to-Date:		
1. Museums Support. The Conference included \$1.5 million GF/GP for three \$500,000 grants to museums in Michigan.	1,500,000	1,500,000
2. FY 2019-20 Reductions Restorations and Adjustments. The Conference adjusted investments to restore funding removed by Executive Order 2020-155 in FY 2019-20.	1,058,600	1,058,600
3. Complaint Investigation and Enforcement. The Conference removed a \$100 placeholder for Museums Support and made a reduction of \$150,000 GF/GP to this line.	(150,100)	(150,100)
4. Law and Policy. The Conference reduced this line by \$100,000 GF/GP.	(100,000)	(100,000)
5. Economic Adjustments. Includes \$399,100 Gross and \$346,500 GF/GP for total economic adjustments, of which an estimated \$299,900 Gross and \$259,000 GF/GP are for legacy retirement costs (pension and retiree health).	399,100	346,500
Total Changes	\$2,707,600	\$2,655,000
FY 2020-21 Conference Report Appropriation	\$18,037,400	\$14,792,200

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

1. **Limit on Certain Expenditures.** The **Conference** modified language allowing the Department to receive and expend funds from local and private sources for certain purposes by limiting the amount of receipt to \$85,000 total. (Sec. 402)
2. **Submission of Complaints to Federal Departments.** The **Governor** removed a requirement that the Department provide notification before submitting a report or complaint to the United States Commission on Civil Rights or other Federal departments. The **Conference** retained the language. (Sec. 405)
3. **Museums Support.** The **Governor** removed language appropriating funds to support grants to three museums. The **Conference** restored this language. (Sec. 411)

Date Completed: 9-22-20

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			AMOUNT	PERCENT
FTE Positions	79.2	79.2	0.0	0.0
GROSS	6,758,600	7,114,300	355,700	5.3
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	6,758,600	7,114,300	355,700	5.3
Less:				
Federal Funds	0	0	0	0.0
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	6,758,600	7,114,300	355,700	5.3
Less:				
Other State Restricted Funds	0	0	0	0.0
GENERAL FUND/GENERAL PURPOSE	6,758,600	7,114,300	355,700	5.3
PAYMENTS TO LOCALS	0	0	0	0.0

*As of September 15, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$6,758,600	\$6,758,600
Changes from FY 2019-20 Year-to-Date:		
1. Adjustment for FY 2019-20 Reduction. The Conference included \$355,700 over Year-to-Date in order to fund the Executive Office at initial FY 2019-20 levels. A reduction of this amount was made in FY 2019-20 via Executive Order 2020-155.	355,700	355,700
Total Changes	\$355,700	\$355,700
FY 2020-21 Governor's Recommendation	\$7,114,300	\$7,114,300

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

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

Date Completed: 9-22-20

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			AMOUNT	PERCENT
FTE Positions	2,531.4	2,545.4	14.0	0.6
GROSS	4,451,388,300	1,625,864,300	(2,825,524,000)	(63.5)
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	4,451,388,300	1,625,864,300	(2,825,524,000)	(63.5)
Less:				
Federal Funds	4,107,288,100	1,138,389,800	(2,968,898,300)	(72.3)
Local and Private	12,215,700	22,217,800	10,002,100	81.9
TOTAL STATE SPENDING	331,884,500	465,256,700	133,372,200	40.2
Less:				
Other State Restricted Funds	196,073,800	272,389,100	76,315,300	38.9
GENERAL FUND/GENERAL PURPOSE	135,810,700	192,867,600	57,056,900	42.0
PAYMENTS TO LOCALS	37,598,800	39,115,200	1,516,400	4.0

*As of September 15, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$4,451,388,300	\$135,810,700

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

- | | | |
|---|-------------|--------------|
| 1. Federal Revenue Adjustments. The Conference included \$174.9 million in Federal revenue adjustment due to anticipated increases. Of the total, \$159,883,800 is for the Unemployment Insurance Agency and \$15.0 million is for the Community Development Block Grant. | 174,883,800 | 0 |
| 2. Special Grants. The Conference included \$32.0 million for various special grants. Of the total, 33 grants totaling \$31.3 million is included in Michigan Enhancement Grants and a \$750,000 grant is in Going Pro. | 32,038,800 | 32,038,800 |
| 3. Michigan Reconnect. The Conference included \$30.0 million Gross and restricted funds and 12 FTEs for the Michigan Reconnect Program. | 30,000,000 | 0 |
| 4. Going Pro. The Governor restored funding to the Going Pro program at \$27.9 million Gross and GF/GP. The Conference restored funding to the Going Pro program at \$27.9 million Gross and \$18.4 million GF/GP. | 27,920,700 | 18,379,900 |
| 5. Pure Michigan. The Governor restored funding to the Pure Michigan Promotion Program at \$15.0 million Gross and GF/GP. The Conference Restored funding with \$25.0 million Gross, \$5.0 million in Local Promotion Funds, \$5.0 million in Private Promotion Funds, and \$15.0 million GF/GP. | 25,000,000 | 15,000,000 |
| 6. Business Attraction and Community Revitalization. The Governor and Conference increased Gross appropriations \$20.6 million and shifted \$10.4 million from GF/GP to 21 st Century Jobs Trust Fund dollars. This would bring FY 2020-21 appropriations to \$100.0 million Gross. | 20,620,100 | (10,379,900) |

7. Coronavirus Relief Grants. The Conference included eight Federal Coronavirus Relief Grants to eight recipients outlined in Sec. 1052.	10,000,000	0
8. First Responders Presumed Coverage Claims. The Governor and Conference replaced \$250,000 Gross and GF/GP with \$4.0 million Gross and Restricted due to dedicated revenue from the enactment of online sports and internet gaming.	3,750,000	(250,000)
9. Executive Order (EO) 2019-13 Adjustment. The Governor and Conference included \$2.6 million Gross and \$118,200 GF/GP to finalize EO 2019-13, which created the Department of Labor and Economic Opportunity.	2,570,200	118,300
10. Centers for Independent Living. The Governor included a \$2.0 million Gross and GF/GP increase to the Centers for Independent Living, which would bring total appropriations to \$14.0 million Gross and \$5.7 million GF/GP. The Conference included \$3.5 million for \$15.5 million Gross.	3,500,000	3,500,000
11. Nature, Science, and Culture Experience Grants. The Governor created a new competitive grant program at \$10.0 million Gross and GF/GP to promote cultural and science. The Conference did not include.	0	0
12. Postsecondary Best Practice Grants. The Governor included \$1.0 million Gross and GF/GP for a competitive grant program to promote best practices for college completion in higher education. The Conference did not include.	0	0
13. FY 2019-20 One-Time Adjustments. The Conference included the removal of FY 2019-20 One-Time Adjustments, which includes removing \$3,153,528,800 in Federal funds related to the Coronavirus, reversing \$6,497,600 in One-Time reductions from Executive Order 2020-155, and reversing a \$3.0 million Gross and Federal decrease from HB 5265.	(3,144,031,200)	6,497,600
14. Technical Revenue Adjustments. The Governor and Conference included a \$7.8 million Gross reduction to various line items to align with Federal and restricted revenue projections.	(7,753,900)	0
15. General Fund Reductions. The Conference included General Fund reductions throughout the department, which includes \$3,168,000 in Workforce Development, \$1.0 million in Compensation Supplement Fund, \$750,000 to Entrepreneurship Eco-system, \$650,000 to Arts and Culture Grants, and \$432,000 to Job Creation Services.	(6,000,000)	(6,000,000)
16. Special Grant Elimination. The Governor and Conference eliminated \$1.0 million to Focus Hope, \$500,000 to Alpena Community College, \$250,000 to Belleville Seawall Project, \$250,000 to Saginaw County Community Corrections, and \$250,100 for blight elimination.	(2,250,100)	(2,250,100)
17. Placeholders. The Governor and Conference eliminated six \$100 placeholders throughout the budget.	(600)	(200)
18. Economic Adjustments. Includes \$4,228,200 Gross and \$402,500 GF/GP for total economic adjustments, of which an estimated \$3,507,300 Gross and \$319,800 GF/GP is for legacy retirement costs (pension and retiree health).	4,228,200	402,500
Total Changes	(\$2,825,524,000)	\$57,056,900
FY 2020-21 Conference Report Appropriation	\$1,625,864,300	\$192,867,600

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

1. **Retained Sections.** The Governor deleted and Conference retained a number of sections, which include 983 (MSF/MSHDA restriction on appropriations for broadband), 984 (use of SIGMA), 990 (MSHDA report), 1004 (MSF statutory report), 1006 (Business Attraction amendment report), 1013 (private fundraising restriction), 1033 (Michigan Film Office activity report), 1041 (limit amount of Business Attraction and Community Revitalization transfers), 1065 (Going Pro award report), 1067 (Going Pro Talent Fund), 1070 (Graduation Alliance), 1071 (Jobs for Michigan's Graduates Program), 1072 (High School Equivalency-to-School Program), 1079 (TANF requirements), 1085 (appropriations for Federal funds for community-based rehabilitation organizations); 1082 (Michigan Rehabilitation Services report), and 1091 (restriction on appropriation to the various commissions).
2. **Deleted Sections.** The Governor and Conference deleted a number of other sections, which include 998 (blight elimination program), 1047 (Michigan enhancement grants), 1048 (deposit into the Rural Jobs and Capital Investment Fund), 1053 (Pure Michigan conference support), 1073 (GED-to-School work projects), and 1080 (Community Ventures).
3. **Sections Transferred from DHHS and LARA.** The Governor and Conference transferred a number of sections from DHHS and LARA due to EO 2019-13, which includes 985 (Private Grant Appropriation), 986 (Registration Fees), 987 (Documentation Public and Distribution Fee), 988 (Radiological Health Administration Fees), 1081 (Michigan Rehabilitation Services cooperation), 1084 (Legislative Intent), 1086 (Center for Independent Living), 1087 (Blind Persons Tuition Payments), 1088 (Bureau of Services to Blind Persons Fee), 1089 (Subregional Libraries), 1090 (Michigan Office for Global Michigan).
4. **Contingency Fund.** The Governor doubled the contingency fund amount for each fund source. The Conference maintained current law language. (Sec. 980)
5. **Worker's Compensation Legislative Intent.** The Conference included a new section that it is Legislative intent that the Department annually update its health care services and worker's disability compensation. (Sec. 989)
6. **Pure Michigan Promotion Program.** The Governor included a new section that allows the appropriation of additional revenue received by the Pure Michigan promotion campaign. The Conference included three new sections that specify State appropriations, create and place restrictions on the Local Promotion Fund, and create and place restrictions on the Private Promotion Fund. (Sec. 1005a, 1005b, and 1005c)
7. **Arts and Cultural Program.** The Governor removed the restriction on Arts and Cultural Program appropriations from being used for administration of the program. The Conference maintained current law language. (Sec. 1035)
8. **Michigan Enhancement Grant.** The Conference included \$31.3 million for 33 One-Time Michigan Enhancement Grants and a section that outlines the administration of the Michigan Enhancement Grants. (Sec. 1047 and 1048)
9. **Coronavirus Relief Grants.** The Conference includes \$10.0 Million in Federal funds for eight One-Time Coronavirus Relief Grants, which include (1) Wolverine Human Service \$2,452,900, (2) Spectrum Human Services \$1,902,300, (3) Orchard's Children Services \$81,900, (4) Oakland Family Service \$77,100, (5) Ennis Center \$85,800, (6) Hospital UV Air Cleaner Grant \$2,000,000, (7) MTU COVID Testing \$400,000, (8) Rapid COVID testing \$3,000,000. (Sec. 1052)
10. **Healthy Michigan Job Training Report.** The Governor modified the Healthy Michigan job training report from a monthly to biannual report. The Conference modified the report from a monthly to a quarterly report. (Sec. 1069)
11. **Michigan Reconnect Program.** The Conference included a new section that requires that Talent Investment Fund dollars be used for the Michigan Reconnect Program in accordance with the Higher Education Loan Authority Act and the allocation of 10.0 FTEs for navigators and 2.0 FTEs for oversight and implementation of the program. (Sec. 1074)
12. **Unemployment Insurance (UI) Report.** The Conference included a new monthly report that includes the 4-week average number of new claimants, the 4-week average number of claims paid, the total amount of UI payments made in the month, the total UI tax revenue generated in the quarter, and the Michigan UI Trust Fund balance at the end of the quarter. The section also requires that the previous 12 months be included. (Sec. 1075)
13. **Vocational Rehabilitation Appropriations.** The Governor removed a \$50,000 appropriation for vocational rehabilitation services for agricultural workers and modified "shall" to "may". The Conference maintained current law language. (Sec. 1083)

14. **Office of Global Michigan Report.** The Governor and Conference modified the Office of Global Michigan report to include a description of major programs and activities and the number of individuals served in each program, the number of job seekers and employers that have been served, and a description of activities the office conducted to attract international, advanced degree, and entrepreneurial talent. (Sec. 1090)
15. **Nature, Science, and Cultural Experiences Program.** The Governor included a new section that created the Nature, Science, and Cultural Experiences Grant program under the Michigan Council for Arts and Cultural Affairs. The Conference did not include.
16. **Focus: HOPE.** The Governor included a new section that appropriated \$1.0 million to Focus: HOPE for education and workforce development. The Conference did not include.
17. **Postsecondary Best Practices Grants.** The Governor included a new program that would have allocated funds to community colleges, public universities, and independent nonprofit colleges that implement best practices identified by Complete College America to improve graduation rates. The Conference did not include
18. **Technical Changes.** The Governor and Conference made a number of technical modifications that include date changes, changes in Part 1 appropriations, legacy cost adjustments, and name changes because of EO 2019-13. (Sec. 981, 1050, 1060, 1061, 1062, 1063, 1064, 1065, 1066, 1068, and 1079)

Date Completed: 9-22-20

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			AMOUNT	PERCENT
FTE Positions	0.0	0.0	N/A	N/A
GROSS	201,425,900	202,453,800	1,027,900	0.5
Less:				
Interdepartmental Grants Received	6,068,400	6,250,400	182,000	3.0
ADJUSTED GROSS	195,357,500	196,203,400	845,900	0.4
Less:				
Federal Funds	0	0	0	0.0
Local and Private	400,000	400,000	0	0.0
TOTAL STATE SPENDING	194,957,500	195,803,400	845,900	0.4
Less:				
Other State Restricted Funds	6,591,200	6,776,800	185,600	2.8
GENERAL FUND/GENERAL PURPOSE	188,366,300	189,026,600	660,300	0.4
PAYMENTS TO LOCALS	0	0	0	0.0

*As of September 15, 2020.

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

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

- | | | |
|---|-----------|-----------|
| 1. Census Tracking and Reapportionment. The Conference included \$340,000 for the purchase of equipment, supplies, and services needed for tracking and reporting census and reapportionment information. | 340,000 | 340,000 |
| 2. Independent Citizens Redistricting Commission. The Governor provided the statutorily required funding for the Commission. The State is required to provide funding equal to 25% of the GF/GP funding for the Department of State. The funding for the Department of State for FY 2020-21 increased by \$5,636,000; thus, an additional \$1.4 million is required for the Commission by the Governor. The Conference included a decrease of \$213,400 from Year-to-Date in order to appropriate 25% of the \$12,597,500 GF the Conference appropriated to the Department of State. | (213,400) | (213,400) |
| 3. Legislative Auditor General Increase. The Governor provided a 2% overall increase for the Legislative Auditor General. The Conference concurred. | 778,100 | 533,700 |
| 4. State Capitol Historic Site Increase. The Governor provided an increase totaling \$240,000 that consists of an increase of \$141,300 for General Operations, an increase of \$98,700 for Restoration, Renewal, and Maintenance, and removed the \$100 placeholder for bond/lease obligations. The Conference did not include the General Operations GF/GP increase but included \$98,700 restricted and retained the \$100 placeholder. | 98,700 | 0 |

5. Legislative Retirement System Increase. The Governor provided a 2% overall increase for the Legislative Retirement System. The Conference did not include a GF/GP increase but included a 2% restricted fund increase of \$24,500.	24,500	0
6. House Increase. The Governor provided a 2% overall increase for the Michigan House of Representatives. The Conference did not include an increase.	0	0
7. Senate Increase. The Governor provided a 2% overall increase for the Michigan Senate. The Conference did not include an increase.	0	0
8. Property Management. The Governor provided an increase totaling \$416,00 that consists of \$247,300 for the Cora Anderson House Building and \$168,700 for the Binsfeld Office Building and other properties. The Conference did not include the increases.	0	0
9. Legislative Council Increase. The Governor provided a 2% overall increase for the Legislative Council. The Conference did not include the increase.	0	0
Total Changes	\$1,027,900	\$660,300
FY 2020-21 Conference Report Appropriation	\$202,453,800	\$189,026,600

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

1. **Governor:** Moved boilerplate from the FY 2019-20 general sections that applied to all General Government budgets to the Article for the Legislature. Changes to those items can be found in the highlight sheet for the **General Sections**.
2. **Senate Census Tracking and Reapportionment.** The **Conference** included new language designating unexpended funds for the Senate census tracking and reapportionment project as a work project appropriation and stating the purpose of the project. (Sec. 613)
3. **Legacy Cost Estimates.** The **Governor** provided the following Legacy Costs estimates for FY 2020-21: Total legacy costs estimated at \$31,774,700. Of that total, \$15,245,800 is for pension-related legacy costs and \$16,528,900 is for retiree health care legacy costs for the fiscal year ending September 30, 2021. The **Conference** concurred. (Sec. 615)
4. **Council Administrator Assistance.** The **Conference** included language stating that the Council Administrator shall use funds appropriated in part 1 to assisting in administering compensation, benefits, and personnel support for the Independent Citizens Redistricting Commission. (Sec. 616)
5. **Legislative Auditor General Audit of Judicial Branch.** Current law requires the Legislative Auditor General to conduct an audit of the Judicial branch. The **Governor** added the Legislature and Executive Office to the list of audits that must be conducted by the Legislative Auditor General. The **Conference** concurred. (Sec. 620)
6. **Confidential Information.** Legislative intent language allowing the Legislative Auditor General to access and examine confidential information and to remain subject to the same duty of confidentiality imposed by law. The **Governor** deleted the language. The **Conference** retained. (Sec. 625)
7. **Performance Audit of MDOT.** The **Governor** deleted language requiring the Legislative Auditor General to conduct a performance audit of MDOT's use and procurement of contract consultants for evaluating construction material and specifications. The **Conference** concurred. (Sec. 626)
8. **CAFR Work Project.** The **Conference** included new language stating that unexpended funds for the Comprehensive Annual Financial Report will not lapse and will be available as a work project authorization. (Sec. 627)

Date Completed: 9-22-20

Fiscal Analyst: Joe Carrasco, Jr.
Elizabeth Raczkowski

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



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Article 5

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 CONFERENCE	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	1,586.0	1,586.0	0.0	0.0
GROSS	262,742,600	254,297,500	(8,445,100)	(3.2)
Less:				
Interdepartmental Grants Received	20,000,000	20,000,000	0	0.0
ADJUSTED GROSS	242,742,600	234,297,500	(8,445,100)	(3.5)
Less:				
Federal Funds	12,707,800	1,460,000	(11,247,800)	(88.5)
Local and Private	50,100	50,100	0	0.0
TOTAL STATE SPENDING	229,984,700	232,787,400	2,802,700	1.2
Less:				
Other State Restricted Funds	217,831,700	220,189,900	2,358,200	1.1
GENERAL FUND/GENERAL PURPOSE	12,153,000	12,597,500	444,500	3.7
PAYMENTS TO LOCALS	1,127,500	1,041,800	(85,700)	(7.6)

*As of September 15, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$262,742,600	\$12,153,000

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

- Branch Security Pilot Program.** The **Governor** provided funding for 10.0 FTE positions to provide security for the public and employees at the highest risk branch offices. The five branch offices affected include Detroit W. Seven Mile, Grand Rapids 28th Street, Kalamazoo, Taylor, and Wyoming. The **Conference** did not include this funding. 0 0
- General Fund Reduction.** The **Governor** reduced General Fund appropriations by \$663,200 by replacing the GF/GP funding with increased restricted revenue from enhanced driver license transactions. The **Conference** concurred with the Governor. 0 (663,200)
- Removal of FY 2019-20 Supplemental Funding.** The **Conference** removed a total of \$12.3 million (\$1.3 million GF/GP) in order to fund the Department at initial FY 2019-20 levels. A reduction of \$1.1 million was made in FY 2019-20 via Executive Order 2020-155. Additionally, \$11.2 million was added for Federal COVID funds and an additional \$2.2 million was added in additional contingency restricted funds. (12,349,600) 1,298,200
- Transportation Administration and Collection Fund (TACF) Replacement.** The **Governor** restored the General Fund/TACF fund shift from FY 2019-20 that replaced GF/GP funding with additional TACF funds. This fund shift increased GF/GP expenditures by \$4.7 million. The **Conference** did not include this funding. 0 0
- Branch Operations.** The **Conference** reduced funding by \$870,000 due to administrative savings per target agreement. (870,000) (870,000)

6. Information Technology. The Conference reduced funding by \$130,000 due to administrative savings per target agreement.	(130,000)	(130,000)
7. Economic Adjustments. Includes \$4,904,500 Gross and \$809,500 GF/GP for total economic adjustments, of which an estimated \$3,547,500 Gross and \$601,100 GF/GP are for legacy retirement costs (pension and retiree health).	4,904,500	809,500
Total Changes	(\$8,445,100)	\$444,500
FY 2020-21 Conference Report Appropriation	\$254,297,500	\$12,597,500

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

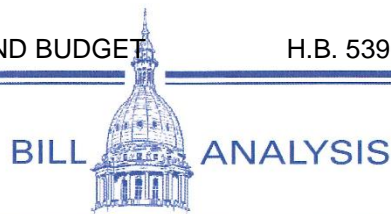
1. **Governor:** Moved boilerplate from the FY 2019-20 general sections that applied to all General Government budgets to the Article for the Department of State. Changes to those items can be found in the highlight sheet for the **General Sections**.
2. **Contingency Funds.** The **Governor** increased funding for contingency funds for State restricted funds, local funds, and private funds. State restricted increased from \$2.5 million to \$7.5 million; Local increased from \$25,000 to \$50,000; and Private funds were increased from \$50,000 to \$100,000. The **Conference** Reduced Federal and State Restricted limits to \$500,000. (Sec. 701)
3. **Record Look-Up Fees.** The **Governor** increased the look-up fee from \$11 per record to \$13 per record. The increased fee is estimated to bring in additional revenues totaling \$9.4 million annually. The **Conference** did not include this fee increase. (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. The **Conference** retained this section. (Sec. 714)
5. **Non-Monetary Gifts.** The **Governor** added language to allow the Department to solicit funds from any private or public source in addition to accepting nonmonetary gifts from same. The **Conference** retained current law. (Sec. 717)
6. **Redistricting Commission Report.** The **Governor** deleted the report required detailing the Department's expenditures associated with the role of the Secretary of State serving as the secretary of the Commission. The **Conference** retained current law. (Sec. 721)
7. **Voter Registration Report.** The **Governor** deleted the report required detailing the Department's expenditures associated with voter registrations. The **Conference** retained current law. (Sec. 721a)
8. **Legacy Cost Estimates.** The **Governor** provided the following Legacy Costs estimates for FY 2020-21: Total legacy costs estimated at \$33,185,900. Of that total, \$15,923,000 is for pension-related legacy costs and \$17,262,900 is for retiree health care legacy costs for the fiscal year ending September 30, 2020. The **Conference** concurred with the Governor. (Sec. 725)

Date Completed: 9-22-20

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Article 5

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 CONFERENCE	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	3,126.0	3,133.0	7.0	0.2
GROSS	1,730,473,400	1,671,705,000	(58,768,400)	(3.4)
Less:				
Interdepartmental Grants Received	950,488,800	1,024,720,900	74,232,100	7.8
ADJUSTED GROSS	779,984,600	646,984,100	(133,000,500)	(17.1)
Less:				
Federal Funds	177,271,600	5,139,300	(172,132,300)	(97.1)
Local and Private	3,952,300	2,472,300	(1,480,000)	(37.4)
TOTAL STATE SPENDING	598,760,700	639,372,500	40,611,800	6.8
Less:				
Other State Restricted Funds	120,499,600	123,046,400	2,546,800	2.1
GENERAL FUND/GENERAL PURPOSE	478,261,100	516,326,100	38,065,000	8.0
PAYMENTS TO LOCALS	0	0	0	0.0

*As of September 15, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$1,730,473,400	\$478,261,100

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

- | | | |
|---|------------|------------|
| 1. IT Services Adjustment. The Governor included \$59.4 million in IDG funding to align IT services for twenty-one State agencies and added 2.0 FTEs to support costs associated with new gaming regulations. The Conference concurred. | 59,425,400 | 0 |
| 2. Venture Michigan Fund II Voucher Purchase. The Governor included \$56.3 million GF/GP to purchase tax vouchers issued by the Venture Michigan Fund. Public Act 66 of 2020 included an appropriation of \$19.1 million for this purpose. The Conference included the remaining \$37.2 million GF/GP for an increase from Year-to-Date of \$18.1 million. | 18,100,000 | 18,100,000 |
| 3. State Psychiatric Hospitals. The Governor included \$30.0 million GF/GP in one-time funding for special maintenance projects at State psychiatric hospitals. The Conference included \$15.0 million GF/GP. | 15,000,000 | 15,000,000 |
| 4. Broadband Grant Initiative. The Conference included \$14.3 million in one-time GF/GP funding for a broadband grant initiative. | 14,305,000 | 14,305,000 |
| 5. Advanced Persistent Cyber Threats. The Governor included one-time funding of \$20.0 million to support efforts to protect the State from cybersecurity threats. The Conference did not include the funding. | 0 | 0 |
| 6. Paid Parental Leave. The Governor included \$10.0 million to support paid parental leave for State workers. The Conference did not include the funding. | 0 | 0 |

7. Green Revolving Fund. The Governor included \$5.0 million to capitalize a revolving fund to facilitate renewable energy and energy efficiency projects at State facilities. The Conference did not include the funding.	0	0
8. Retirement Services Customer Relationship Management. The Governor included \$2.5 million Gross for the replacement of the current Customer Relationship Management System for the Office of Retirement Services. The Conference concurred.	2,500,000	0
9. Rate Changes. The Governor included \$962,600 IDG to support rate agreements for vehicle travel services. The Conference concurred.	962,600	0
10. Jacobetti Home for Veterans. The Governor included \$710,000 IDG and 5.0 FTEs due to the transfer of the Jacobetti Home for Veterans Accounting Service Center from the DMVA to the DTMB. The Conference concurred.	710,000	0
11. Procurement Program Improvements. The Governor included \$400,000 to bring MiDeal operations into the DTMB budget, \$110,000 for Comprehensive Risk and Information Subscription, and \$75,000 for the Michigan Supplier Summit. All funding is restricted. The Conference concurred.	585,000	0
12. Financial Reporting and Compliance. The Governor included \$400,000 in restricted funding for the Office of Retirement Services to meet required accounting principles. The Conference concurred.	400,000	0
13. Procurement Fund Shift. The Governor included a fund shift of \$750,000 from GF/GP to restricted in the Business Support Services line item. The Conference concurred and made an additional \$750,000 shift.	0	(1,500,000)
14. Removal of Current Year One-Time Funding. The Governor removed \$21.9 million GF/GP in one-time funding from FY 2019-20.	(194,251,500)	(21,948,100)
15. FY 2019-20 Adjustments. FY 2019-20 Year-to-Date figures reflect changes in appropriations made during the fiscal year due to supplemental appropriations and pandemic-related revenue and spending adjustments. The Conference made appropriate adjustments to intended investments and reductions to account for these changes.	12,230,400	11,313,100
16. State Building Authority Debt Savings. The Conference reduced State Building Authority rent line items by \$15.0 million from initial FY 2019-20 appropriations. As these lines were reduced in FY 2019-20 by Executive Order 2020-155, some lines were increased compared to Year-to-Date.	8,100,000	8,100,000
17. Enterprisewide Special Maintenance. The Conference reduced the Enterprisewide Special Maintenance line by \$3.0 million GF/GP.	(3,000,000)	(3,000,000)
18. ITIF Reduction. The Conference reduced ITIF spending by \$2.5 million GF/GP.	(2,500,000)	(2,500,000)
19. Discretionary Savings and Contract Reductions. The Conference reduced GF/GP spending by an additional \$1,750,000 by extending hiring freezes, reducing contracting spending, and accounting for discretionary spending savings.	(1,750,000)	(1,750,000)
20. Removal of Public Private Partnership. The Governor removed the Public Private Partnership line item because of a lack of past and anticipated activity. The Conference concurred.	(1,500,000)	0
21. Cyber Command Center Funding. The Governor removed \$665,100 GF/GP to simplify funding for the Michigan Cyber Command Center by including it in the Michigan State Police budget rather than as an IDG from the DTMB. The Conference concurred.	(665,100)	(665,100)

22. Administrative Services. The Governor reduced the Administrative Services line item by \$500,000 to reflect administrative efficiencies. The Conference concurred.	(500,000)	(500,000)
23. SWCAP Adjustments. The Governor included a \$196,500 Gross increase reflecting the most recent Statewide Cost Allocation data. The Conference concurred.	0	196,500
24. MSP Retirement System Supplemental Payments. The Governor removed \$5,000 GF/GP for Michigan State Police Retirement System payments due to decreased payouts in FY 2019-20. The Conference concurred.	(5,000)	(5,000)
25. Removal of FY 2019-20 Placeholders. The Governor removed \$500 in GF/GP placeholders left over from FY 2019-20 State Administrative Board transfer actions. The Conference concurred.	(500)	(500)
26. Economic Adjustments. Includes \$13,085,300 Gross and \$2,919,100 GF/GP for total economic adjustments, of which an estimated \$9,987,400 Gross and \$1,991,100 GF/GP are for legacy retirement costs (pension and retiree health).	13,085,300	2,919,100
Total Changes	(\$58,768,400)	\$38,065,000
FY 2020-21 Conference Report Appropriation	\$1,671,705,000	\$516,326,100

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

1. **Computer Contract Adjustments.** Requires quarterly notice to Legislature of changes to contracts that result in increases or decreases of \$500,000 or more. The **Conference** revised the amount to \$250,000. (Sec. 809)
2. **Appropriation of Federal and State Restricted Funds.** Appropriates federal and state restricted funds for special maintenance, remodeling, and additions for state agencies up to amounts earned based on initiative undertaken with the related GF/GP funds from part 1. The **Governor** restored this language from previous budgets. The **Conference** did not include. (Sec. 815)
3. **RFP Privatization Factors Requirement.** Requires an RFP issued for the purpose of privatization include all factors for determining price. Declared the section unenforceable in FY 2019-20. The **Governor** deleted this language. The **Conference** retained. (Sec. 816)
4. **Deerfield Correctional Facility.** Requires \$750,000 in IDG funds to be used for the demolition of the former Deerfield Correctional Facility. The **Governor** deleted this language. The **Conference** deleted the language. (Sec. 817)
5. **Retirement Services Report.** Requires the Office of Retirement Services to produce a report on various State retirement systems. The **Governor** deleted this language. The **Conference** retained and modified to clarify the annual nature of the report. (Sec. 821)
6. **Public Private Partnership.** Language outlined criteria for investments made with the Public Private Partnership line item removed from part 1. The **Governor** deleted this language. The **Conference** deleted the language. (Sec. 822b)
7. **DTMB Rates and Fees Report.** Requires the DTMB report on its rates and fees. The **Governor** deleted this language. The **Conference** retained. (Sec. 822d)
8. **Regional Prosperity Grants.** Describes the use of funds appropriated for the regional prosperity initiative. The **Governor** vetoed this language and the Regional Prosperity Grants line item in FY 2019-20. The **Conference** retained the language. (Sec. 822f)
9. **New Proposals Posted to Webpage.** Requires the DTMB to ensure that all new requests for proposals are posted online. The **Governor** deleted this language. The **Conference** retained. (Sec. 822n)
10. **Northern Satellite Psychiatric Facility.** Identification of a location for the Northern Satellite Psychiatric Facility project as authorized by Public Act 107 of 2017. The **Governor** deleted this language. The **Conference** deleted. (Sec. 822o)
11. **Life Cycle Costs Report.** Requires the DTMB to produce a report analyzing and making recommendations regarding the life-cycle of IT hardware and software. The **Governor** deleted this language. The **Conference** retained. (Sec. 829)

12. **Child Support Enforcement System Penalty Reporting.** Requires the DTMB to report on Federal penalties related to the system as the system received full certification in 2003. The **Governor** deleted this language. The **Conference** retained. (Sec. 832)
13. **Clawback Provisions Requirement.** Requires the DTMB to develop policies and procedures that require new procurement contracts to include clawback repayment divisions. The **Governor** deleted this language. The **Conference** retained and updated the language to require DTMB to develop procedures and processes to meet the stipulations included. (Sec. 838)
14. **Broadband Grants.** Allows for the creation and Federal funding for a new broadband program focused on projects that expand broadband services to unserved areas of the state. The **Conference** included this as new language (Sec. 841)
15. **Capital Outlay Project Status Report.** Requires the DTMB to report on the status of previously authorized capital outlay projects. The **Governor** deleted this language. The **Conference** retained. (Sec. 862)
16. **Farnum Building Sale.** Directs proceeds from the sale of the Farnum Building, which was completed in 2019. The **Governor** deleted this language. The **Conference** deleted the language. (Sec. 867)
17. **Drinking Water Declaration of Emergency Reserve Fund.** Language for the creation and management of the Drinking Water Declaration of Emergency Reserve Fund. The **Governor** deleted this language. The **Conference** deleted the language. (Sec. 880)
18. **Caro Center.** States that the new State psychiatric hospital described in Public Act 107 of 2017 is to include construction of a new 100-bed facility at the location of the Caro Center. The **Governor** deleted this language. The **Conference** deleted the language. (Sec. 882)
19. **Northern Satellite Psychiatric Facility Changes.** Rescinds a previous planning authorization for a new psychiatric facility and creating a new authorization for a Chippewa County facility. The **Governor** vetoed this language in FY 2019-20. The **Conference** did not include. (Sec. 883)
20. **Green Revolving Fund.** The **Governor** added new language creating and capitalizing a green revolving fund in the Department of Treasury for the purpose of facilitating energy efficiency and renewable energy projects. The **Conference** did not include. (Sec. 901)
21. **Paid Parental Leave.** The **Governor** added new language specifying that the funds appropriated in part 1 for parental leave are to be used to offsets costs of the policy for departments that are disproportionately affected. The **Conference** did not include. (Sec. 902)

Date Completed: 9-22-20

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Article 5

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

*As of September 15, 2020.

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

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

Date Completed: 9-22-20

Fiscal Analyst: Cory Savino

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



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Article 5

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 CONFERENCE	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	1,874.5	1,924.5	50.0	2.7
GROSS	992,509,800	710,983,500	(281,526,300)	(28.4)
Less:				
Interdepartmental Grants Received	12,905,600	13,112,800	207,200	1.6
ADJUSTED GROSS	979,604,200	697,870,700	(281,733,500)	(28.8)
Less:				
Federal Funds	407,742,600	27,421,800	(380,320,800)	(93.3)
Local and Private	13,243,300	13,088,400	(154,900)	(1.2)
TOTAL STATE SPENDING	558,618,300	657,360,500	98,742,200	17.7
Less:				
Other State Restricted Funds	430,723,700	447,428,300	16,704,600	3.9
GENERAL FUND/GENERAL PURPOSE	127,894,600	209,932,200	82,037,600	64.1
PAYMENTS TO LOCALS	191,229,200	247,351,800	56,122,600	29.3

*As of September 15, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$992,509,800	\$127,894,600

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

- 1. Education COVID-19 Grants.** The Conference included General Fund grants to schools for the cost related to COVID-19. Of the total, \$53.0 million is for teachers (Sec. 949p) and \$20.0 million is for school support staff (Sec. 949q). 73,000,000 73,000,000
- 2. One-Time Grants.** The Conference included four one-time General Fund grants. Of the total, \$24.0 million is for disaster relief grants (Sec. 949), \$5.0 million is for historic preservation for implementation of SB 54 (949l), \$2.0 million is for school district debt relief (949n), and \$800,000 is for blight elimination grants (Sec. 949m). 31,800,000 31,800,000
- 3. Internet and Sports Gaming.** The Governor and Conference included additional funding and 38.0 FTEs for implementation of Sports and Internet Gaming. Of the total, \$4.6 million is for administration and \$850,000 is for IT. 5,450,000 0
- 4. Michigan Gaming Control Board IT.** The Governor and Conference included \$4.0 million in one-time appropriations to complete the Case Handling and Information Processing System project to consolidate and upgrade all gaming IT systems. 4,025,000 0
- 5. Marihuana Administration and Grants.** The Governor increased appropriations from the Marihuana Regulation Fund \$17.5 million. Of the total increase, \$16.7 million was for grants and \$725,800 was for administration. The Conference increased appropriations \$3.9 million based on the August CREC. Of the total increase, \$3.2 million is for grants and \$725,800 and 5.0 FTEs is for administration. 3,875,800 0

6. Convention Facility Development Fund. The Governor and Conference increased the line item to align with revenue projections, which would bring total distribution in FY 2020-21 to \$107.9 million.	2,531,600	0
7. Supervision of the General Property Tax Law. The Governor increased this line item \$2.6 million. The Conference increased this line item \$1.2 million, which would bring total FY 2020-21 appropriations to \$17.9 million Gross and \$14.1 million GF/GP.	1,150,000	1,150,000
8. Michigan Infrastructure Council. The Governor included \$860,000 Gross and \$610,000 GF/GP to the Council because of the depletion of work project appropriations. The Conference included \$850,000 Gross, \$600,000 GF/GP, and 3.0 FTEs.	850,000	600,000
9. State Lottery Administration. The Governor and Conference included an additional \$508,700 Gross and 4.0 FTEs to Lottery Operation because of increased gaming activity and iLottery.	508,700	0
10. Purchased Lands. The Conference increased Purchased Lands \$640,600 Gross and \$165,900 GF/GP to align with estimated costs.	640,600	165,900
11. Dual Enrollment. The Conference increased Dual Enrollment \$325,000 Gross and GF/GP to align with estimated costs.	325,000	325,000
12. Local Climate Resilient Infrastructure Grants. The Governor included \$40.0 million Gross and GF/GP to provide infrastructure and planning grants to local governments impacted by high water levels and shoreline erosion. The Conference did not include.	0	0
13. Collection Systems Upgrade. The Governor included an additional \$2.0 million to support annual costs for the new replacement system for collection services. The Conference did not include.	0	0
14. Senior Citizen Cooperative Housing. The Governor increased this line item \$500,000 to account for two new qualified facilities. The Conference maintained current appropriations based on new estimates.	0	0
15. FY 2019-20 One-Time Adjustments. The Conference removed various One-Time adjustments to the FY 2019-20 budget. Of the total, this included removing \$406,078,000 Gross and \$25,577,900 GF/GP in various supplementals related to COVID-19 (SB 151, SB 690, HB 5265, and SB 745), the reversal of \$3,825,100 Gross and GF/GP in reductions from EO 2020-155, and reversing a one-time Contingency Fund transfer of \$190,000 from 2020-01.	(402,442,900)	(21,752,800)
16. Wrongful Imprisonment Compensation Fund. The Governor reduced deposits into the Wrongful Imprisonment Compensation Fund from \$10.0 million to \$5.0 million Gross and GF/GP. The Conference reduced the deposit to \$3.0 million Gross and GF/GP for FY 2020-21.	(7,000,000)	(2,000,000)
17. General Fund Reductions. The Conference included \$1.5 million in General Fund reductions throughout the departmental budget.	(1,500,000)	(1,500,000)
18. Municipal Cost Sharing Grants. The Governor and Conference removed the Municipal Cost Sharing Grants line item.	(1,250,000)	(1,250,000)
19. Audit Charge Revenue. The Governor and Conference reduced Audit Charge revenue to align with current revenue projections.	(241,200)	0
20. Accounting Service Center Revenue. The Governor and Conference reduced Accounting Service Center revenue to align with current revenue projections.	(150,300)	0

21. Placeholders. The Governor and Conference removed the Drinking Water Declaration of Emergency \$100 placeholder, and four \$100 placeholders from the roll up the Supervision of the General Property Tax Law line item.	(500)	(400)
22. Economic Adjustments. Includes \$6,901,900 Gross and \$1,499,900 GF/GP for total economic adjustments, of which an estimated \$4,831,500 Gross and \$938,000 GF/GP is for legacy retirement costs (pension and retiree health).	6,901,900	1,499,900
Total Changes	(\$281,526,300)	\$82,037,600
FY 2020-21 Conference Report Appropriation	\$710,983,500	\$209,932,200

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

- Deleted Sections.** The Governor and Conference deleted a number of sections, which include 907b (tax assessor training expansion), 936 (Financial Data Analytic Tool Reimbursement), 942 (prioritization of spending in the Supervision of the General Property Tax Law line item), 949k (Municipal Cost Sharing Grants), and 949n (Student Loan Refinance Program Feasibility Study).
- Retained Sections.** The Governor deleted, and Conference retained, a number of sections, which include 926 (John R Justice Grant Program), 945 (property assessment audits), 947 (Financial Independence Team cooperation with Department of Education), 949a (city income tax administration expansion allowance).
- Contingency Funds.** The Governor doubled the contingency fund amounts for the Federal, Local, and Private Contingency funds. The Conference maintained current law language. (Sec. 901)
- None Appropriated Fund Report.** The Conference modified the due date for this report to 30 days after the Michigan Comprehensive Annual Financial Report is published. (Sec. 902b)
- Refundable Tax Credits.** The Conference modified the allowance for appropriations to cover income tax credits to include all tax credits, refunds, and interest. (Sec. 911)
- Personal Property Tax.** The Governor and Conference modified the personal property tax section to remove reference to "related property taxes levied" but maintained "current fiscal year payment". (Sec. 920)
- Notification of Revenue Administrative Bulletins.** The Conference included a new notification to the Legislature for Revenue Administrative Bulletins and Administrative Rules involving tax collection. The notification must include a summary of the changes, identifying industries who could be impacted, a discussion of the possible fiscal implications, and the reason for the proposed change. (Sec. 921a)
- Personal Property Audit Report.** The Governor and Conference removed "personal property tax audits" from the report but retained the essential service assessment audits. (Sec. 927)
- Income Tax Fraud Prevention.** The Governor and Conference increased appropriations for income tax fraud prevention from \$1.2 million to \$1.5 million. (Sec. 949)
- Historic Preservation.** The Conference included a new section that reserves \$5.0 million until passage of SB 54 and restricts those funds to implementation of the bill. (Sec. 949l)
- Blight Elimination Grants.** The Conference included a new section for \$800,000 in blight elimination grants for redevelopment ready communities certified by the MEDC and places a cap of \$200,000 per grant. (Sec. 949m)
- School District Debt Relief.** The Conference included a new section for \$2.0 million in school district debt relief grants to school districts that have long-term debt with the State and are in compliance with all necessary deficit elimination plans and academic plans. Individual grants are capped at \$1.0 million per district. (Sec. 949n)
- Disaster Relief Funds.** The Conference included eight disaster relief grants, which include (1) Midland/Gladwin Counties \$15.0 million, (2) Arenac county \$500,000, (3) Houghton/Baraga County \$4.0 million, (4) Newaygo County \$400,000, (5) Ionia County \$105,600, (6) City of Portland \$56,000, (7) City of Belding \$2,400, (8) Ecorse River Flood \$3.0 million. (Sec. 949o)

14. **Teacher COVID-19 Grants.** The Conference included a new section that appropriated \$53.0 million for Teacher COVID-19 Grants for costs related to COVID-19. Grants are awarded at \$500 per classroom teacher. (Sec. 949p)
15. **School Support Staff COVID-19 Grants.** The Conference included a new section that appropriated \$20.0 million for School Support Staff COVID-19 Grants for costs related to COVID-19. Grants are awarded at \$250 per full-time equated support staff position. (Sec. 949q)
16. **Compulsive Fund Deposit.** The Conference included the \$500,000 deposit from internet sports betting and the \$500,000 deposit from internet gaming into the Compulsive Gaming Prevention Fund. (Sec. 971)
17. **Horse Racing Regulatory Costs.** The Governor removed reference to "horsemen's organization fund" and the directives if funding is higher or lower than the regulatory costs for conducting horse racing. The Conference maintained current law language. (Sec. 978)
18. **Millionaire Party Oversight.** The Governor removed the Millionaire Party Oversight report. The Conference maintained current law language. (Sec. 979)
19. **Local Climate Resilient Infrastructure Grants.** The Governor included a new grant program that appropriates \$10.0 million for planning grants and \$30.0 million for infrastructure grants. The section included a cap of \$200,000 for planning grants and \$2.5 million for infrastructure grants with a 20% match requirement. The Conference did not include.
20. **Technical Modification.** The Governor and Conference updated dates and legacy cost estimates for FY 2020-21. (Sec. 945 & 948)

Date Completed: 9-22-20

Fiscal Analyst: Cory Savino



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Article 5

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 CONFERENCE	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	0.0	0.0	N/A	N/A
GROSS	1,393,969,900	1,341,924,300	(52,045,600)	(3.7)
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	1,393,969,900	1,341,924,300	(52,045,600)	(3.7)
Less:				
Federal Funds	150,000,000	0	(150,000,000)	(100.0)
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	1,243,969,900	1,341,924,300	97,954,400	7.9
Less:				
Other State Restricted Funds	1,243,969,900	1,341,924,300	97,954,400	7.9
GENERAL FUND/GENERAL PURPOSE	0	0	0	0.0
PAYMENTS TO LOCALS	1,393,969,900	1,341,924,300	(52,045,600)	(3.7)

*As of September 15, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$1,393,969,900	\$0

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

- Constitutional Revenue Sharing.** The **Governor** recommended \$902,628,100 for constitutional revenue sharing for FY 2020-21, an increase of 1.9% from the January 2020 consensus revenue estimate for FY 2019-20. **Conference** recommended \$851,870,300, an increase of 0.2% from the August 2020 consensus revenue estimate for FY 2019-20. 1,411,200 0
- City, Village, and Township (CVT) Revenue Sharing.** The **Governor** recommended a 2.5% increase from FY 2019-20. **Conference** recommended no increase from FY 2019-20. 0 0
- County Revenue Sharing and County Incentive Program.** The **Governor** recommended increases of \$17,200 for County Revenue Sharing and \$4,100 for the County Incentive Program to cover the first partial-year cost of Leelanau County, which will re-enter State-paid revenue sharing in 2021. All counties would receive 107.176% of statutory funding, a 2.5% increase from FY 2019-20. **Conference** recommended increases to cover the first partial-year cost for Leelanau County, and recommended all counties receive 104.5619% of statutory funding, the same as FY 2019-20. 21,300 0
- Restoration of FY 2019-20 cuts.** Public Act 144 of 2020 reduced CVT Revenue Sharing by \$43,505,400, County Revenue Sharing by \$45,795,700, and the County Incentive Program by \$7,220,800. **Conference** restored these cuts. 96,521,900 0

5. Removal of one-time funding. Conference removed one-time funding for Coronavirus Relief Local Government Grants that was added in Public Act 144 of 2020.	(150,000,000)	0
Total Changes	(\$52,045,600)	\$0
FY 2020-21 Conference Report Appropriation	\$1,341,924,300	\$0

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

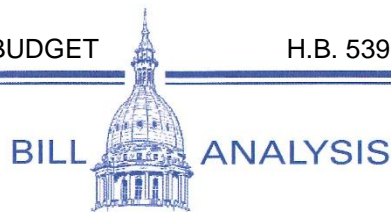
1. **CVT Revenue Sharing.** The **Governor** set the amount that an eligible local government can receive at 102.5% of its payment under Sec. 952(1) of PA 56 of 2019. (Sec. 952(1)). Also removed the requirement that any CVT with a retirement benefit system that was in underfunded status must dedicate any CVT Revenue Sharing increase to that system. (Sec. 952(6)). **Conference** set the amount that an eligible local government can receive at 100.0% of its payment under Sec. 952(1) of PA 56 of 2019. (Sec. 952(1)). Also retained the requirement that any CVT with a retirement benefit system that was in underfunded status must dedicate any CVT Revenue Sharing increase to that system. (Sec. 952(6))
2. **County Revenue Sharing.** The **Governor** recommended that payments in FY 2020-21 be 107.176% of the payments for which counties are eligible under the Glenn Steil State Revenue Sharing Act, increased from 104.5619% in FY 2019-20 (Sec. 955(1)). Also removed the requirement at any county with a retirement benefit system that was in underfunded status must dedicate any County Revenue Sharing increase to that system. (Sec. 955(3)). **Conference** recommended that payments in FY 2020-21 be 104.5619% of the payments for which counties are eligible under the Glenn Steil State Revenue Sharing Act, the same as in FY 2019-20 (Sec. 955(1)). Also retained the requirement at any county with a retirement benefit system that was in underfunded status must dedicate any County Revenue Sharing increase to that system. (Sec. 955(3))
3. **Financially Distressed Cities, Villages, or Townships.** The **Governor** removed "reduction of unfunded accrued liability" and "reduction in debt obligations" from the list of eligible projects. **Conference** retained existing language. (Sec. 956)

Date Completed: 9-22-20

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Article: 6

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 CONFERENCE.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	15,432.0	15,481.0	49.0	0.3
GROSS	29,101,426,300	28,498,448,600	(602,977,700)	(2.1)
Less:				
Interdepartmental Grants Received	13,819,300	13,829,900	10,600	0.1
ADJUSTED GROSS	29,087,607,000	28,484,618,700	(602,988,300)	(2.1)
Less:				
Federal Funds	21,352,085,100	20,066,172,200	(1,285,912,900)	(6.0)
Local and Private	335,433,300	338,595,300	3,162,000	0.9
TOTAL STATE SPENDING	7,400,088,600	8,079,851,200	679,762,600	9.2
Less:				
Other State Restricted Funds	3,036,779,500	2,989,480,100	(47,299,400)	(1.6)
GENERAL FUND/GENERAL PURPOSE	4,363,309,100	5,090,371,100	727,062,000	16.7
PAYMENTS TO LOCALS	1,479,064,700	1,673,960,400	194,895,700	13.2

*As of September 15, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$29,101,426,300	\$4,363,309,100

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

- | | | |
|---|-----------------|--------------|
| 1. Medicaid Match and Fund Source Adjustments. Traditional Medicaid match enhanced for one quarter after being enhanced for three quarters in FY 2019-20 (cost \$289.1 million GF/GP), SCHIP match will drop to 74.86%, and expansion match will be 90.0% for the full year. Shortfalls in Merit Award Trust Fund, Healthy Michigan Fund, and Medicaid Benefits Trust Fund will lead to increased GF/GP costs of almost \$120.0 million. | 0 | 404,569,300 |
| 2. Removal of Enhanced Food Assistance Program (FAP) Funding. Enhanced one-time funding in FY 2019-20 not available in FY 2020-21. | (600,000,000) | 0 |
| 3. Medicaid Actuarial Soundness Adjustments. Budget included 2.0% actuarial soundness adjustments for all Medicaid physical health and most Medicaid behavioral health along with a 6.0% adjustment for Medicaid autism services. | 207,813,000 | 61,615,900 |
| 4. Medicaid Special Financing Adjustments. Budget included minor adjustments to reflect available special financing mechanisms. | 4,589,500 | (7,047,900) |
| 5. Reversal of Executive Order 2020-155. One-time savings recognized in this FY 2019-20 Executive Order were removed. | 161,833,400 | 25,489,900 |
| 6. Reversal of one-time COVID-19 related funding. Budget reflected the expiration of FY 2019-20 COVID-19 Federal and GF/GP funding. | (1,694,953,800) | (25,000,000) |
| 7. Child Welfare Services Base and Caseload. Budget included adjustments for child welfare caseload accounts. | 4,760,400 | 13,683,700 |

8. Public Assistance Caseloads. Budget included minor adjustments for public assistance caseloads as the caseloads are relatively flat.	9,579,500	9,686,900
9. Medicaid Base and Caseload. Budget included large adjustments for Medicaid programs due to significant caseload growth tied to COVID-19 pandemic. Both the traditional Medicaid and the Healthy Michigan Plan caseload are expected to be at record levels in FY 2020-21.	1,167,365,700	310,015,700
10. Program Increases. Budget included a number of program expansions, including an outpatient hospital rate adjustor (\$352.6 million Gross), an increase in independent pharmacy managed care dispensing fee (\$45.3 million Gross, \$11.3 million GF/GP), the Healthy Moms/Healthy Babies initiative (\$23.5 million Gross and \$12.6 million GF/GP), and a 10.0% increase in Medicaid reimbursement for private duty nursing services (\$3.8 million Gross and \$1.3 million GF/GP).	487,115,500	45,787,600
11. Program Reductions and Savings. The budget included a number of minor savings items from projected lapses and other unspent funds, as well as the removal of staff used to implement the Healthy Michigan Plan work requirement (\$20.7 million Gross, \$15.2 million GF/GP).	(50,107,500)	(30,447,200)
12. Medicaid Managed Care Cost Reduction Measures. Budget included continuation of Medicaid health plan risk corridor and a dental services risk corridor to share savings from reduced demand for medical services, a new preferred drug list for managed care pharmaceuticals (savings of \$236.1 million Gross, \$59.1 million GF/GP), and assumed greater managed care third party liability collections (\$30.6 million Gross, \$11.0 million GF/GP).	(279,505,300)	(83,180,000)
13. Removal of FY 2019-20 One-Time Appropriations. The budget reflected the removal of most one-time appropriations from FY 2019-20.	(253,882,900)	(87,092,000)
14. FY 2020-21 One-Time Appropriations. The budget included several new one-time appropriations, including continuation of a direct care worker wage increase (\$150.0 million Gross and \$40.0 million GF/GP) and funding for nursing home personal protective equipment (\$20.0 million Gross and Federal).	184,154,800	53,404,800
15. Other Changes. Other changes result in a small adjustment to the overall budget.	(5,638,000)	887,000
16. Economic Adjustments. Includes \$53,898,000 Gross and \$34,688,300 GF/GP for total economic adjustments, of which an estimated \$40,456,000 Gross and \$26,800,000 GF/GP is for legacy retirement costs (pension and retiree health).	53,898,000	34,688,300

Total Changes	(\$602,977,700)	\$727,062,000
FY 2020-21 Conference Report Appropriation	\$28,498,448,600	\$5,090,371,100

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

1. **Deletions.** Conference eliminated the following sections from current year boilerplate: 257, 293, 294, 298, 532, 537, 596, 915, 950, 961, 963, 973, 994, 1053, 1057, 1141, 1144, 1150, 1152, 1153, 1154, 1155, 1156, 1158, 1228, 1307, 1340, 1350, 1502, 1504, 1508, 1659, 1730, 1793, 1800, 1805, 1806, 1807, 1908, 1911, 1912, 1913, 1914, 1916, 1917, 1921, 1922, 1924, 1926, 1927, 1928, 1929, 1931, 1933, 1934, 1935, 1936, and 1937.
2. **Renumbering.** The Governor renumbered Sec. 1910 as Sec. 1306, reflecting the movement of Flint Drinking Water Emergency Funding from one-time to ongoing. Conference concurred. Conference renumbered Sec. 231 as Sec. 802, and Sec. 1350 as Sec. 1183.

3. **Contingency Fund Authorization.** The Governor increased the Federal Contingency Fund limit from \$80.0 million to \$400.0 million, the State restricted contingency fund limit from \$45.0 million to \$90.0 million, the local contingency fund limit from \$5.0 million to \$40.0 million, and the private contingency fund limit from \$2.0 million to \$60.0 million. Conference decreased the Federal Contingency Fund limit from \$80.0 million to \$20.0 million, and the State restricted contingency fund limit from \$45.0 million to \$20.0 million. (Sec. 210)
4. **Legacy Costs.** The Governor modified language to specify legacy costs for FY 2020-21 to include \$172.4 million for pension-related costs and \$186.9 million for retiree health care costs. Conference concurred. (Sec. 214)
5. **State Administrative Board Prohibition.** Conference included new language that allows the Legislature to use a concurrent resolution to transfer funds within a department, board, commission, officer, or institution if the State Administrative Board transfers funds appropriated in the budget. (Sec. 233)
6. **Child Support Incentive Innovation Program.** The Governor modified language to allow for excess child support incentives to be used for a child support innovation program for grants to counties or to be used by the State for performance-based projects. Conference did not concur with the changes and maintained current year language. (Sec. 401).
7. **Child Advocacy Centers.** The Governor removed language that allocated a \$1.0 million grant to child advocacy centers for children who are victims of abuse; \$999,900 of the current year funding was removed as a part of the October 2019 administrative board transfers. Conference retained current year language with the \$1.0 million appropriation. (Sec. 450)
8. **Campus Sexual Assault.** The Governor included language and funding to prevent sexual assault at high schools and higher education institutions. Conference did not include this language. (Sec. 460)
9. **Integrated Trauma Recovery Services Pilot.** Conference included language that, if funding becomes available, would allocate \$4.0 million of Federal funding towards developing an evidence-informed integrated trauma recovery service model in 4 sites around the state. (Sec. 462)
10. **Adoption Rate Increase.** Conference included language that allocated \$1.0 million of GF/GP and any available Federal matching funds to increase rates paid to agencies that assist in adoption placement of children in foster care. (Sec. 509)
11. **Family Preservation Programs Rate Increase.** Conference included language that allocated \$1.75 million of GF/GP and any available Federal matching funds to increase the rates paid to agencies that offer the families first, family reunification, and families together building solutions programs. (Sec. 523)
12. **Court-Appointed Special Advocates.** Conference included language that allocated \$0.5 million for a program that assists in using volunteers to advocate for the best interests of children involved in child welfare judicial proceedings. (Sec. 526)
13. **Master Contract Changes Report.** The Governor modified language that provided notification when changes to a child welfare master contract template had been made. Conference did not concur with these changes. (Sec. 531)
14. **Unlicensed Relative Licensure Incentives.** The Governor removed language allocated funding to nonprofit private child placing agencies that successfully assisted in licensing a relative foster home. Conference concurred with these changes. (Sec. 574)
15. **Partial Child Care Fund Reimbursement.** The Governor modified language that described the procedures for the determination of disputed reimbursements for the Child Care Fund. Conference did not concur. (Sec. 598)
16. **Inappropriate Use of Electronic Benefit Card (EBT).** The Governor revised language associated with disallowed food assistance activity. Revised language refers to "food assistance trafficking" rather than "inappropriate use". Conference included most of proposed revised language, but also retained current year reporting language for a mixed report. (Sec. 672)
17. **Heat and Eat Program.** The Governor retained language supporting a \$20.01 annual standard utility allowance. Conference retained current year language. (Sec. 688)
18. **Vehicle Repair Program Limitation.** The Governor removed language that capped vehicle repairs funded through public assistance programs at \$500 (up to \$900 under Department discretion). Conference did not concur and added a report to detail the number of payments for vehicle repair that exceeded \$500. (Sec. 825)

19. **CMH Funding Using Local Funds as State Match.** The Governor modified language directing the use of local funds as State match for Medicaid mental health funding to remove language stating legislative intent that local funding used to pull down match be phased out over five years and replaced with GF/GP. Conference maintained current year language with clarification on the source of funds used for local match. (Sec. 928)
20. **Medicaid Health Home for Individuals with Intellectual/Developmental Disabilities (I/DD).** Conference included new language that requires the Department to explore the feasibility of implementing a Medicaid health home for individuals with I/DD and report by March 1. (Sec. 1006).
21. **Executive Order 2019-13.** The Governor removed several language sections to reflect the transfer of Michigan Rehabilitation Services, Centers for Independent Living, Michigan Civil Service Commission, and related administrative funding to the Department of Labor and Economic Opportunity. Conference concurred. (Secs. 1152, 1153, 1154, 1155, 1156, and 1158)
22. **Independent Pharmacist Dispensing Fee Increase.** The Governor rewrote existing language to require reimbursement to independent pharmacies include the lesser of a professional dispensing fee comparable to \$3, or the pharmacy's usual customary cash charge. Conference maintained current year language. (Sec. 1625)
23. **Hospice Room and Board.** The Governor modified language to require the Department to contract with qualifying hospice residencies that had been enrolled with Medicaid by October 1, 2014, to provide room and board for Medicaid recipients who meet hospice eligibility requirements. Conference maintained current year language. (Sec. 1856)
24. **Long-Term Support Service.** The Governor removed language requiring the Department to explore the implementation of a managed care long-term support service. Conference maintained current year language. (Sec. 1857)
25. **Single Preferred Drug List.** The Governor included new language requiring the Department to maintain a single, standard preferred drug list to be used by all Medicaid managed care programs. Conference renumbered the section as Sec. 1879, changed the report due date to April 1 and specified that the rebate and expenditures data must be by quarter. (Sec. 1879)
26. **Single Preferred Drug List Implementation Report.** Conference included new language requiring a report on estimated and actual pharmacy expenditures, federal and supplemental rebates, ingredient cost, and annual change in utilization. The Department must adjust the health plan capitation rates that reflect the difference between implemented rates and per enrollee health benefit expenses incurred outside of the May consensus process. (Sec. 1880)
27. **Managed Care Risk Corridor.** Conference recognized \$36.0 million GF/GP and \$141.4 million Gross from the 2-way risk corridor implemented in FY 2019-20 and requires a report on the actual amount of savings. The Department must adjust the health plan capitation rates outside of the May consensus process. States legislative intent that the capitation rates for FY 2021-22 not include a 2-way risk corridor. (Sec. 1881)
28. **MiSACWIS Workgroup.** The Governor removed language that provided reports from a workgroup established to recommend successor system to MiSACWIS. Conference retained current year language. (Sec. 1906)
29. **Information Technology Project Prioritization.** The Governor eliminated section that stated intent for investment in information technology be applied to certain public health activities. Conference concurred with removal. (Sec. 1908)
30. **First Responders Mental Health Grant Program.** The Governor included new language appropriating \$2.5 million to provide grants to behavioral health providers for services to first responders suffering from mental health conditions. Conference concurred. (Sec. 1911)
31. **Lead Poisoning Prevention Fund.** The Governor included new language appropriating \$10.0 million to establish a Lead Poisoning Prevention Fund to support loans to landlords and homeowners remediating lead hazards from their property. Conference reduced funding amount to \$2.0 million. (Sec. 1913)
32. **Opioid Crisis Response.** The Governor included new language appropriating \$12.2 million to establish a revolving fund to expand Substance Use Division (SUD) recovery housing, support criminal justice diversion efforts, provide SUD training to health and child welfare staff, and support data collection efforts to identify best practices to combat the opioid crisis. Conference removed. (Sec. 1918)

Date Completed: 9-22-20

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

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



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Article: 7

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 CONFERENCE	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	362.5	372.5	10.0	2.8
GROSS	71,912,800	73,315,700	1,402,900	2.0
Less:				
Interdepartmental Grants Received	723,100	728,600	5,500	0.8
ADJUSTED GROSS	71,189,700	72,587,100	1,397,400	2.0
Less:				
Federal Funds	1,017,600	1,017,100	(500)	(0.0)
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	70,172,100	71,570,000	1,397,900	2.0
Less:				
Other State Restricted Funds	70,172,100	71,570,000	1,397,900	2.0
GENERAL FUND/GENERAL PURPOSE	0	0	0	0.0
PAYMENTS TO LOCALS	0	0	0	0.0

*As of September 15, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$71,912,800	\$0
Changes from FY 2019-20 Year-to-Date:		
1. Additional FTEs. The Governor included an additional 20.0 FTEs to support activities related to No-Fault reform. The Conference included 10.0 FTEs for this purpose.	0	0
2. Economic Adjustments. Includes \$1,402,900 Gross and \$0 GF/GP for total economic adjustments, of which an estimated \$1,106,500 Gross and \$0 GF/GP is for legacy retirement costs (pension and retiree health).	1,402,900	0
Total Changes	\$1,402,900	\$0
FY 2020-21 Conference Report Appropriation	\$73,315,700	\$0

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

- Communication with Legislature.** The Governor removed language prohibiting the Department from taking disciplinary action against an employee for communicating with legislative members and/or staff. The Conference retained and modified the language. (Sec. 206)
- Out-of-State Travel Report.** The Governor revised the requirements for departmental out-of-state travel reports and removed language specifying the conditions under which travel is permissible. The Conference retained the current language. (Sec. 207)
- Contingency Funds Increase.** The Governor increased the amounts appropriated for contingency funds. The Conference retained the current amounts. (Sec. 210)

4. **Healthy Michigan Accounting Structure.** The Governor and the Conference removed language requiring the Department to maintain an accounting structure that allows Healthy Michigan expenditures to be identified. (Sec. 218)
5. **Healthy Michigan Report.** The Governor removed language regarding appropriations for the Healthy Michigan report. No funds were appropriated in part 1, as the report is completed by the DHHS. The Conference concurred. (Sec. 219)
6. **Prohibition on TV and Radio Production Contracts.** The Governor removed language prohibiting the Department from using appropriated funds to contract with third-party vendors for TV and radio productions. The Conference included language that permits productions but requires a report if a third-party vendor is used. (Sec. 222)
7. **Insurance Bureau Fund Expenditures.** The Governor removed language regarding expenditures from the Insurance Bureau Fund that is already reflected in statute. The Conference retained. (Sec. 223)
8. **Health Insurance Rate Filings Report.** The Governor removed language requiring the Department to submit a report on annual rate filings from health insurance issuers. The Conference retained. (Sec. 301)
9. **Cap on Appropriations of Received Funds.** The Conference limited the amount that may be appropriated in addition to those funds in part 1 from the collection of certain fees, charges, and other sources of funds to \$300,000 (Secs. 302 and 303)
10. **Auto Insurance Marketplace Feasibility Study.** The Governor vetoed language in FY 2019-20 requiring the Department to conduct a study of the feasibility of an auto insurance marketplace in Michigan. The Conference did not include. (Sec. 304)
11. **Out-of-Network Billing Complaints Report.** The Conference included a requirement for the Department to report on complaints received related to out-of-network billing. (Sec. 304)
12. **Anti-Fraud Unit Report.** The Governor vetoed language in FY 2019-20 requiring the Department to produce a report on the savings resulting from the Anti-Fraud Unit. The Conference retained and modified to require a mid-year update to the report required under MCL 500.6303. (Sec. 305)
13. **Complaint Report.** The Governor removed language requiring the Department to produce a report on the complaints received by the Office of Consumer Services. The Conference retained with minor modification. (Sec. 306)
14. **Marijuana Banking Guidelines.** The Governor vetoed language in FY 2019-20 requiring the Department to issue an examination manual and letter of guidance to State-chartered financial institutions serving marijuana businesses. The Conference retained and modified to require the Department to update manuals and letters as necessary. (Sec. 307)

Date Completed: 9-22-20

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Article 8

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 CONFERENCE	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	509.0	513.0	4.0	0.8
GROSS	308,193,500	313,641,200	5,447,700	1.8
Less:				
85 Interdepartmental Grants Received	1,551,700	1,552,800	1,100	0.1
ADJUSTED GROSS	306,641,800	312,088,400	5,446,600	1.8
Less:				
Federal Funds	5,948,400	6,393,500	445,100	7.5
Local and Private	7,573,800	8,883,000	1,309,200	17.3
TOTAL STATE SPENDING	293,119,600	296,811,900	3,692,300	1.3
Less:				
Other State Restricted Funds	94,226,000	94,877,600	651,600	0.7
GENERAL FUND/GENERAL PURPOSE	198,893,600	201,934,300	3,040,700	1.5
PAYMENTS TO LOCALS	146,351,300	146,925,300	574,000	0.4

*As of September 15, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$308,193,500	\$198,893,600

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

1. Branchwide Reductions. The Governor did not include cuts in February. The Conference and the Supreme Court Administrative Office (SCAO) agreed to reduce GF/GP by way of a hiring freeze and other cuts to multiple lines throughout the budget.	(2,000,000)	(2,000,000)
2. Community Dispute Resolution. The Conference included a small increase in private funding.	85,000	0
3. Direct Trial Court Automation Support. The Governor included a baseline increase of local funding. The Conference concurred.	920,500	0
4. Drug treatment courts. The Conference authorized \$250,000 in anticipated Federal funding above the Governor's recommendation.	250,000	0
5. Judicial Institute. The Conference included additional Federal funding above the Governor's recommendation.	100,000	0
6. Kalamazoo County Trauma Court. The Governor included continued funding for the program in the recommendation in February, but the program has not made steps to proceed. The Conference ended ongoing funding for the program and directed it to one-time specialty courts.	(250,000)	(250,000)
7. State Court Administrative Office. The Conference increased the appropriation amount of private investment above the Governor's recommendation.	126,900	0

8. Swift and Sure Sanctions Program Reduction. The Governor kept funding for the program flat in the February recommendation. The Conference reduced GF/GP and moved it to one-time specialty courts.	(250,000)	(250,000)
9. Judicial Tenure Commission. The Governor increased the baseline to assist the Commission with the Judicial complaint backlog. The Conference concurred.	100,000	100,000
10. Increased Federal Authorization for the State Appellate Defender Office. Authorization was increased \$217,500 over the Executive Recommendation for anticipated Federal grant awards.	17,500	0
11. Louisiana v. Montgomery Compliance. The Governor moved funding for the program to the ongoing section and included a minor increase. Conference retained the program in the one-time section and included the GF/GP increase.	39,200	39,200
12. One-Time Specialty Court Funding. The Conference authorized \$600,000 in additional one-time spending with reductions to prior-year spending for the Swift and Sure Sanctions program and the Kalamazoo County Trauma Court program. The one-time appropriation included \$100,000 for a saliva testing pilot program.	600,000	600,000
13. Pretrial Risk Assessment. The Governor moved \$325,700 GF/GP for this project from the one-time section to the ongoing section. The Conference maintained the funding in the one-time section.	0	0
14. Removal of FY 2019-20 One-Time. The Governor removed one-time GF/GP items, including Judicial Tenure Commission funding that was moved to ongoing, prior-fiscal year funding for specialty courts, and funding for upgrades to the Supreme Court's website.	(1,975,000)	(1,975,000)
15. Restore FY 2019-20 Reductions. Prior-year reductions in GF and restricted funds to balance the budget were restored by agreement between the Conference and SCAO.	3,120,000	2,550,000
16. Other Changes. The Governor added 7 FTEs to the Statewide E-file system line item. Funding for these FTEs was previously provided in Public Act 56 of 2019, but the FTEs were not added with the supplemental appropriation at that time. The Conference concurred.	0	0
17. Economic Adjustments. Governor included \$4,563,600 Gross and \$4,226,500 GF/GP for total economic adjustments, of which an estimated \$1,598,700 Gross and \$1,326,100 GF/GP were for legacy retirement costs (pension and retiree health). The Conference concurred.	4,563,600	4,226,500
Total Changes	\$5,447,700	\$3,040,700
FY 2020-21 Conference Report Appropriation	\$313,641,200	\$201,934,300

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

1. **Reporting Requirements.** The Conference amended reporting requirements to require direct email to named recipients and placement on an internet site. (Sec. 204)
2. **Disciplinary Action.** The Governor removed a section prohibiting the Judicial branch from taking disciplinary action against an employee for communicating with the Legislature. The Conference amended the section to allow for employee discipline that is otherwise prohibited by law. (Sec. 215)
3. **Foster Parent Input.** The Governor removed a section requiring judges to publicly request the input of foster parents during foster care hearings. The Conference retained. (Sec. 216)

4. **Explanation of Foster Care Service Plan Changes.** The Governor removed a section requiring judges to provide an explanation of changes to a foster care family service plan. The Conference retained. (Sec. 217)
5. **Interagency Collaboration for Swift & Sure.** The Governor removed a requirement that the State Court Administrative Office identify programs available for Swift and Sure participants. The Conference retained. (Sec. 218)
6. **Report Retention.** The Governor removed a requirement that the Judicial branch retain copies of all reports funded from appropriations. The Conference retained. (Sec. 219)
7. **Reporting on the Parental Rights Restoration Act.** The Governor removed a report requiring the State Court Administrator to report on the number of petitions filed and granted of minors seeking a waiver of parental consent. The Conference retained. (Sec. 312)
8. **Pretrial Risk Assessment Tool.** The Governor amended a reporting requirement, removing some additional reporting requirements that were added by the Legislature for FY 2019-20. The Conference retained existing language. (Sec. 316)
9. **Swift and Sure Sanctions Program.** The Governor amended a reporting requirement, removing subsections (2)(e) and (2)(f) that were added by the Legislature for FY 2019-20. The Conference retained the section in full. (Sec. 320)
10. **State Appellate Defender Office Federal Grants.** The Conference amended this section to clarify the existing federal grant authority for the State Appellate Defender Office. (Sec. 322)
11. **Kalamazoo County Trauma Court. - Removed.** The Conference removed this section. (Sec. 325)
12. **One-Time Removals.** The Governor removed both one-time boilerplate sections from FY 2019-20. One section provided direction on spending for *Louisiana v. Montgomery* compliance (Sec. 402) and the other directed the creation of a pilot program within a veteran court to perform saliva testing for medication compliance. The Conference concurred regarding Sec. 402. The Conference amended Sec. 403 to reflect current-year one-time appropriations for one-time specialty courts. The amendment also requires that \$100,000 of the one-time appropriation be expended on a veterans treatment or mental health program focused on compliance with required mental health medication. (Sec. 403)

Date Completed: 9-22-20

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Article: 9

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 CONFERENCE	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	1,819.9	1,827.9	8.0	0.4
GROSS	439,075,100	484,389,600	45,314,500	10.3
Less:				
Interdepartmental Grants Received	44,225,300	46,664,600	2,439,300	5.5
ADJUSTED GROSS	394,849,800	437,725,000	42,875,200	10.9
Less:				
Federal Funds	32,950,400	28,823,700	(4,126,700)	(12.5)
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	361,899,400	408,901,300	47,001,900	13.0
Less:				
Other State Restricted Funds	252,448,500	259,295,700	6,847,200	2.7
GENERAL FUND/GENERAL PURPOSE	109,450,900	149,605,600	40,154,700	36.7
PAYMENTS TO LOCALS	102,451,400	137,967,400	35,516,000	34.7

*As of September 15, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$439,075,100	\$109,450,900

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

- | | | |
|--|------------|------------|
| 1. Michigan Indigent Defense Commission (MIDC) Grants. The Governor increased grant funding by \$36.5 million GF/GP to reflect approved costs of local compliance plans for Standards 1-4. The Conference concurred. | 36,467,800 | 36,467,800 |
| 2. Michigan Saves Grant. The Governor included \$5.0 million one-time GF/GP for a grant to Michigan Saves, a green bank, to incentivize loans to businesses and individuals for energy-efficiency and renewable energy projects. The Conference included \$1.0 million GF/GP. | 1,000,000 | 1,000,000 |
| 3. Rightsizing of Marijuana Programs. The Governor included an additional \$1.7 million in restricted funds and 8.0 FTEs for right-sizing and expenditure alignments within the Marijuana Regulatory Agency. The Conference concurred. | 1,698,800 | 0 |
| 4. Childcare Licensing Background Checks. The Governor appropriated an additional \$1.3 million in IDG funding for staff background checks at licensed childcare centers. The Conference concurred. | 1,300,000 | 0 |
| 5. Corporation, Securities, and Commercial Licensing Bureau. The Governor included an additional \$925,100 in restricted funds to reflect anticipated expenditures by the Bureau. The Conference concurred. | 925,100 | 0 |
| 6. IT Support. The Governor included \$250,000 from the Marijuana Regulation Fund to support LARA's IT needs. The Conference concurred. | 250,000 | 0 |

7. Fireworks Safety Enforcement. The Governor authorized a \$200,000 increase for the Fireworks Safety Fund to align appropriations with enforcement-related expenditures. The Conference concurred.	200,000	0
8. Bureau of Professional Licensing. The Governor increased restricted spending by \$80,000 to reflect increased legal and enforcement costs due to Bureau activities. The Conference concurred and shifted an additional \$550,000 from GF/GP to restricted funds.	80,000	(550,000)
9. MIDC Grant Management System. The Governor added \$72,000 GF/GP to support IT costs for the MIDC's grant management system. The Conference concurred.	72,000	72,000
10. Removal of FY 2019-20 One-Time Funding. The Governor removed \$530,000 in one-time funding that was included for FY 2019-20. The Conference concurred and removed \$4,824,800 of one-time funding added in FY 2019-20.	(5,354,800)	0
11. Executive Order 2019-13. The Governor included adjustments related to the transfer of programs from LARA to LEO. The Conference concurred.	(1,096,700)	(141,500)
12. Urban Search and Rescue. The Governor removed funding for the Urban Search and Rescue program. The Conference included \$1,000,100.	400,000	400,000
13. FY 2019-20 Reduction Adjustments. FY 2019-20 Year-to-Date figures reflect changes in appropriations made during the fiscal year due to pandemic-related revenue and spending adjustments. The Conference made appropriate adjustments to intended investments and reductions to account for these changes.	1,035,300	2,155,500
14. Property Management Reduction. The Governor reduced the Property Management line item by \$410,300 in restricted funds to align appropriations with expected expenditures. The Conference made a further reduction of \$200,000 from Securities Fees.	(610,300)	0
15. Technical Adjustments. The Governor included technical adjustments to align IDGs with expenditures and adhere to statutory caps on certain programs. The Conference concurred.	(207,300)	0
16. Bureau of Construction Codes. The Governor replaced \$100,000 in GF/GP funding with restricted funding from the Construction Code Fund. The Conference concurred.	0	(100,000)
17. Bureau of Community and Health Systems Unroll. The Conference concurred with the Governor's economic adjustments for the Bureau of Community and Health Systems but unrolled the line item into four additional lines.	0	0
18. Economic Adjustments. Includes \$9,154,700 Gross and \$850,900 GF/GP for total economic adjustments, of which an estimated \$6,420,400 Gross and \$696,700 GF/GP is for legacy retirement costs (pension and retiree health).	9,154,700	850,900
Total Changes	\$45,314,600	\$40,154,700
FY 2020-21 Conference Report Appropriation	\$484,389,700	\$149,605,600

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

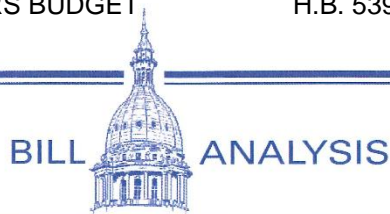
1. **Out-of-State Travel Report.** The Governor revised the requirements for out-of-state travel reports and removed language specifying the conditions under which travel is permissible. The Conference retained current law. (Sec. 207)
2. **Contingency Funds.** The Governor increased the amounts appropriated for contingency funds. The Conference retained current amounts. (Sec. 210)
3. **Communication with Legislature.** The Governor removed language prohibiting the Department from taking disciplinary action against an employee for communicating with legislative members or staff. The Conference included modified language specifying civil service employees and exempting illegal actions for the prohibition. (Sec. 206)
4. **Healthy Michigan Accounting Structure.** The Governor removed language requiring the Department to maintain an accounting structure that identifies Health Michigan expenditures. The Conference Committee concurred. (Sec. 220)
5. **Complaint Reporting.** The Governor consolidated complaint reporting into a single section (Sec. 514), resulting in the removal of Sec. 226. The Conference modified the language and consolidated the reporting into Sec. 226. (Sec. 226)
6. **Employee Monitoring Best Practices.** The Governor removed a section requiring the Department to establish an employee monitoring process and submit a report on the same. The Conference retained the language. (Sec. 227)
7. **Prohibition on TV and Radio Production Contracts.** The Governor removed language prohibiting the Department from using appropriated funds to contract with third-party vendors for TV and radio productions. The Conference included language that permits productions but requires a report if a third-party vendor is used. (Sec. 229)
8. **Michigan Liquor Control Commission (MLCC) Investigations.** The Governor modified language to expand the MLCC's investigative scope and removed reporting and notification requirements. The Conference included the modifications but retained reporting and notification requirements. (Sec. 401)
9. **Marijuana Programs Reporting.** The Governor consolidated several boilerplate sections to require a single comprehensive annual report on all programs administered by the Marijuana Regulatory Agency. The Conference concurred but modified the reporting requirements. (Sec. 505)
10. **Residential Detoxification Programs.** The Governor removed a section requiring residential detoxification programs to meet certain national standards. The Governor declared this language unenforceable in FY 2019-20. The Conference concurred with the removal. (Sec. 515)
11. **MIDC Local Compliance.** The Governor removed language making local systems' compliance dependent on legislative appropriations. This is already required by Public Act 214 of 2018. The Conference concurred. (Sec. 904)
12. **Michigan Saves Grant.** The Governor included new language specifying criteria related to the \$5.0 million grant for Michigan Saves. The Conference concurred but reduced the amount to \$1.0 million to reflect part 1 appropriations. (Sec. 1001)
13. **Programs Transferred to LEO.** The Governor removed several boilerplate sections pertaining to programs which were moved to the Department of Labor and Economic Opportunity by Executive Order 2019-13 in FY 2019-20. The Conference concurred.

Date Completed: 9-22-20

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Article 10

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 CONFERENCE	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	924.5	1,052.0	127.5	13.8
GROSS	208,382,900	226,092,500	17,709,600	8.5
Less:				
Interdepartmental Grants Received	101,800	101,800	0	0.0
ADJUSTED GROSS	208,281,100	225,990,700	17,709,600	8.5
Less:				
Federal Funds	111,765,700	123,626,100	11,860,400	10.6
Local and Private	1,622,600	630,000	(992,600)	(61.2)
TOTAL STATE SPENDING	94,892,800	101,734,600	6,841,800	7.2
Less:				
Other State Restricted Funds	23,908,600	20,313,400	(3,595,200)	(15.0)
GENERAL FUND/GENERAL PURPOSE	70,984,200	81,421,200	10,437,000	14.7
PAYMENTS TO LOCALS	4,315,000	4,136,500	(178,500)	(4.1)

*As of September 15, 20

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$208,382,900	\$70,984,200

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

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

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

6. Elimination of FY 2019-20 One-Time Appropriations. The Governor and Conference included the elimination of one-time funding for Armory Maintenance of \$65,100 GF/GP, leaving an ongoing appropriation of \$1.0 million for maintenance for FY 2020-21.	(65,100)	(65,100)
7. Michigan Veterans Facility Authority - Efficiencies. The Governor and Conference included a reduction to reflect efficiencies.	(250,000)	(250,000)
8. Military Retirement.	(342,000)	(342,000)
9. Other GF/GP Reductions.	(158,000)	(158,000)
10. Board of Managers - Elimination of Funding. The Governor and Conference included within the budget the eventual elimination of Restricted funding for the current veterans homes Board of Managers, and the shifting of all Board funds and responsibilities to the Michigan Veterans Homes Administration line.	(400,000)	0
11. County Veteran Service Fund. The Governor recommended a reduction of \$2.0 million GF/GP for the grant program for County veterans service offices, leaving a total recommended appropriation of \$2.0 million GF/GP for FY 2020-21. Conference rejected the reduction and kept funding at \$4.0 million.	0	0
12. Technical Adjustment to Align Authorization with Revenues and for FY 2019-20 Executive Order, Supplemental Appropriations, Legislative Transfers and COVID-19 Boilerplate Appropriations. The Governor and Conference included an adjustment across several budget lines to reflect actual funds received, reducing Federal funds authorization by \$2,576,000 and Restricted by \$3,161,700. The Governor also recommended the reduction of 5.0 FTEs to reflect transfer of accounting services personnel to the DTMB.	(9,805,500)	2,513,300
13. Unclassified Salaries. The Governor recommended an increase from \$1,558,300 GF/GP for FY 2019-20 to \$1,566,700 GF/GP for FY 2020-21.	8,400	8,400
14. Economic Adjustments. Includes \$6,645,000 Gross and \$1,081,400 GF/GP for total economic adjustments.	6,645,000	1,081,400
Total Changes	\$17,709,600	\$10,437,000
FY 2020-21 Conference Report Appropriation	\$226,092,500	\$81,421,200

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

1. **Acronyms and Definitions.** The Governor removed definition of "core services" and "subcommittee," "support services," and "work project" terms currently used throughout out FY 2019-20 boilerplate. Conference adjustment section, in accordance with final draft of bill. (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". Conference retained current year language. (Sec. 205)
3. **Contractual Services and Supplies in Deprived and Depressed Communities.** The Governor amended language requiring that steps be taken to ensure businesses in deprived and depressed communities compete for State business by adding "to the extent permissible under the management and budget act". Conference concurred. (Sec. 215)
4. **Out-of-State Travel Report.** The Governor amended language, adding reference to MCL 18.1217. Conference concurred. (Sec. 207)
5. **General Fund Lapse Report.** The Governor removed requirement to distribute report to subcommittees. Conference retained current year language. (Sec. 209)

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

6. **Contingency Fund Legislative Transfers.** The Governor amended language to decrease the maximum of Federal fund transfers from \$8.0 million to \$12.0 million, increase the maximum for Restricted funds from \$1.1 million to \$3.0 million, and add local funds (\$500,000) and private funds (\$100,000) that would be eligible for transfer. Conference retained current year language. (Sec. 210)
7. **Quarterly Report on Employees.** Conference added new section requiring report on employee data, including by classification, by line item and any remote work activity and savings, if any. (Sec.216)
8. **Work Project Authorization.** Conference added new language requiring department to expend work project authorization prior to expending funds from part 1, to extent possible. (Sec. 217)
9. **State Administrative Board.** Conference added new language that allows the legislature, should the Board transfer funds, to, by concurrent resolution, intertransfer funds. (Sec.218)
10. **Disciplinary Action.** The Governor eliminated language prohibiting action against an employee for communicating with legislative staff. Conference retained prohibition, adjusting language to reflect proposed standing committee bill language. (Sec. 206)
11. **Biannual Reports on Work Projects, Financial Status, and Performance Metrics Throughout Department.** The Governor recommended elimination of this requirement. Conference retained current year language. (Sec. 221)
12. **Listing of Core Services Provided by the Department Under Part 1.** The Governor recommended elimination. Conference retained current year language. (Sec. 222)
13. **Lawsuit Payment Report.** Conference added new language requiring department to report on pending court judgement payments and plans as to how they will be paid. (Sec.225)
14. **Receive and Expend Authorization for Veterans Homes.** The Governor recommended new language that would allow the Department to receive and spend private funds in excess of Part 1 appropriations. Conference included, with reporting requirement. (Sec. 226)
15. **Unclassified Salaries.** The Governor recommended elimination of a subsection that requires notification when an additional unclassified position is added or when a position undergoes a substantive change in duties. Conference retain current year language and required a report of positions. (Sec. 301-2)
16. **Interagency Agreement with Department of Health and Human Services.** The Governor recommended elimination of this section, which calls for a cooperative agreement with the Department of Health and Human Services to identify Medicaid recipients who are veterans and may be eligible for veterans benefits and requires a report. Conference retained current year language with additional section allowing cooperation between departments. (Sec. 409)
17. **Veterans Benefits Eligibility Study.** Conference added new language providing for a study to identify Medicaid recipients who are also eligible for veterans benefits, as funded in part 1 one-time appropriations of \$250,000 GF/GP. (Sec. 601)

Date Completed: 9-22-20

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Article 11

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 CONFERENCE	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	2,334.1	2,346.1	12.0	0.5
GROSS	448,341,400	469,594,100	21,252,700	4.7
Less:				
Interdepartmental Grants Received	197,200	203,100	5,900	3.0
ADJUSTED GROSS	448,144,200	469,391,000	21,246,800	4.7
Less:				
Federal Funds	77,201,400	88,453,700	11,252,300	14.6
Local and Private	7,431,600	7,439,200	7,600	0.1
TOTAL STATE SPENDING	363,511,200	373,498,100	9,986,900	2.7
Less:				
Other State Restricted Funds	318,372,400	322,800,800	4,428,400	1.4
GENERAL FUND/GENERAL PURPOSE	45,138,800	50,697,300	5,558,500	12.3
PAYMENTS TO LOCALS	8,122,200	10,409,300	2,287,100	28.2

*As of September 15, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$448,341,400	\$45,138,800

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

- | | | |
|---|-------------|-------------|
| 1. Increase Good Neighbor Authorization. The Governor and Conference included additional Federal spending authority to hire 7.0 FTEs to support growing timber sales. Funding would support contracted projects for tree planting, forest inventory and botany surveys, vegetation management, invasive species control, and wildlife habitat restoration. | 8,143,400 | 0 |
| 2. Newberry Mass Timber Building. The Governor and Conference included an increase in Forest Development Funds to support a new 32,000 sq. ft. multi-division building in Newberry to consolidate space for staff and to create heated and cold storage space. | 5,000,000 | 0 |
| 3. Shooting Range Development, Enhancement, and Restoration. The Governor and Conference included one-time Federal authorization for improvements to existing firearm and archery ranges through the State, as well as restoration of areas where unsanctioned target shooting is occurring. | 4,400,000 | 0 |
| 4. Milliken Visitor Center. The Governor and Conference included one-time GF/GP to support the construction of a new visitor center on Mackinac Island near Arch Rock. | 2,500,000 | 2,500,000 |
| 5. Chronic Wasting Disease Reduction. The Conference included a \$1.0 million GF/GP reduction to Wildlife Management to reduce funding for Chronic Wasting Disease. | (1,000,000) | (1,000,000) |
| 6. Marine Patrol Grants. The Conference included an additional \$1,750,000 GF/GP for grants to county sheriffs for marine safety patrols. Grants would be for a maximum of \$100,000 each. | 1,750,000 | 1,750,000 |

7. Northern Lower Michigan Deer Private Land Assistance Network. The Conference included additional GF/GP for this program.	145,800	145,800
8. Northeast Lower Michigan Doe License Discount. The Conference included \$505,000 GF/GP to replace lost revenue from a discount on antlerless deer licenses sold in deer management units 452 and 487.	505,000	505,000
9. Fish Hatchery Infrastructure Improvement. The Governor and Conference included increased Game and Fish Protection fund authorization to address the backlog of deferred maintenance projects at the State's six fish production facilities.	2,500,000	0
10. Repair and Replace Aging Wildfire Equipment. The Governor and Conference included \$375,000 in ongoing Forest Development Funds to support 1.0 FTE mechanic position and \$1.0 million in one-time Forest Development Funds for fire equipment repair and new equipment purchase and modification for increasing firefighting demands.	1,375,000	0
11. Michigan Conservation Corps Restoration. The Governor included \$1.0 million GF/GP to restore the program to previous funding levels. The Conference included \$934,400 for this purpose.	934,400	934,400
12. Wetland Restoration, Enhancement, and Acquisition. The Governor and Conference included an increase in Waterfowl Hunt Stamp authorization to acquire wetland/waterfowl property throughout the State with an emphasis on southern Michigan, as well as to restore existing wetlands around the State.	1,000,000	0
13. Improve State Park Employee Retention. The Governor and Conference included an increase in Restricted authorization to create new park supervisor positions and to support the reclassification of existing supervisor positions.	567,800	0
14. Improve Sustainability of Cedar Forests. The Governor and Conference included one-time Forest Development Fund authorization to support research to explore alternatives needed to diversify the age of white cedar stands.	500,000	0
15. Local Boating Infrastructure Maintenance and Improvements. The Governor and Conference included an increase in Michigan State Waterways authorization to allow the DNR to partner with local communities in the repair, maintenance, development, and expansion of 63 locally-owned mooring facilities and 183 locally owned boating access sites.	472,500	0
16. Minimum Wage Increase. The Governor and Conference included additional Restricted authorization to support a minimum wage increase scheduled to occur January 1, 2021, for short-term workers.	277,500	0
17. Increase Belle Isle Authorization. The Governor and Conference included increased authorization to align spending authority with projected revenue for the Park Improvement - Belle Isle subaccount.	200,000	0
18. Increase Sportsmen Against Hunger Authorization. The Governor and Conference included an increase in spending authority to process and transport increased venison donations to local food banks and shelters.	173,600	0
19. State Boating Infrastructure Maintenance. The Governor and Conference included an increase in Michigan State Waterways authorization to address State boating facility maintenance, repair, and improvement needs at the State's 19 state harbors and over 1,100 State boating access sites.	27,500	0
20. Recognize Conservation Officer Travel Savings. The Governor and Conference included GF/GP savings to reflect the permanent assignment of conservation officers to Belle Isle State Park.	(91,700)	(91,700)

21. State Parks Repair and Maintenance Adjustment. The Governor and Conference included an adjustment to the Restricted funds that support the program. These adjustments are made annually by the Department based on needs and projected revenue.	(1,975,000)	0
22. Forest Development Infrastructure Adjustment. The Governor and Conference included an adjustment to Forest Development Funds that support the program. These adjustments are made annually by the Department based on needs and projected revenue.	(1,650,000)	0
23. Remove FY 2019-20 Supplemental and One-Time Appropriations. The Conference did not include various one-time and supplemental items that were included in the FY 2019-20 budget that were not intended to be carried forward into the next fiscal year. This includes the reversal of changes made from Executive Reduction Order 2020-155.	(11,856,000)	(353,800)
24. Other Changes. The Governor included other changes including debt service, fund shifts, and the removal of fund authorization no longer needed.	(118,500)	0
25. Economic Adjustments. Includes \$7,471,400 Gross and \$1,168,800 GF/GP for total economic adjustments, of which an estimated \$5,503,200 Gross and \$770,100 GF/GP are for legacy retirement costs (pension and retiree health).	7,471,400	1,168,800
Total Changes	\$21,252,700	\$5,558,500
FY 2020-21 Conference Report Appropriation	\$469,594,100	\$50,697,300

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

1. **Contingency Funds.** The Governor included language allowing the Department to draw down Federal, increased Restricted, and Private contingency funds. The Conference did not concur with the Governor's changes and retained current-year language for this section. (Sec. 210)
2. **Communication with the Legislature.** The Governor removed a prohibition against taking disciplinary action against Department employees who communicate with the Legislature. The Conference retained this section. (Sec. 206)
3. **Remote Work Report.** The Conference included a new report on various data regarding Department employees engaging in remote work. (Sec. 216)
4. **Prioritized Expenditure from Work Projects.** The Conference included new language that would require the department to spend from existing work project authorization before spending a current-year appropriation for the same purpose. (Sec. 217)
5. **State Administrative Board Transfers.** The Conference included new language that asserts the power of the Legislature to transfer money within the budget. (Sec. 218)
6. **Report Retention.** The Conference included new language requiring the Department to abide by applicable State and Federal report retention guidelines. (Sec. 219)
7. **Policy Changes.** The Conference included new language requiring a report on policy changes made within the Department in response to changes to statute during the year. (Sec. 220)
8. **Land Transaction Report.** The Governor removed a report on all land transactions approved by the Natural Resources Commission during the previous fiscal year. The Conference retained this report. (Sec. 408)
9. **Portage Restaurant Future Use.** The Conference included a new report requirement on the future use of the Portage Restaurant at Presque Isle State Harbor. (sec. 409)
10. **Land Acquired After January 1, 2019 Report.** The Conference included a new report on land acquired or in the process of being acquired since January 1, 2019. (Sec. 410)
11. **Cervid Operation Licensing Fees.** The Governor and Conference removed a report on the use of cervidae licensing and inspection fees as well as a requirement that those fees be used only for regulation of private cervid operations. (Sec. 504)

12. **United States Department of Agriculture Wildlife Services.** The Governor removed a section encouraging the United States Department of Agriculture Wildlife Services to harvest all deer during targeted removal required under the Enhanced Wildlife Biosecurity Program. The Conference retained this section. (Sec. 506)
13. **Northeast Lower Michigan Antlerless License Discount.** The Conference included a new earmark of \$505,000 to supplant lost revenue from a discount on antlerless deer licenses sold in deer management units 452 and 487. (Sec. 507)
14. **Stream Habitat Improvement Grants.** The Governor removed and Conference retained a requirement directing Stream Habitat Improvement Grants allocations. (Sec. 601)
15. **Water Control Structure Certification.** The Governor removed and Conference retained a requirement that the Department not impede the certification process for water control structures on Michigan waterways. (Sec. 602)
16. **Fish Hatcheries Report.** The Governor removed and Conference retained an annual reporting requirement on fish hatchery performance. (Sec. 603)
17. **Snowmobile Law Enforcement Grants.** The Governor removed and Conference retained a section directing the Department to provide snowmobile law enforcement grants to counties from appropriations for that purpose. (Sec. 901)
18. **Marine Safety Grant Program Report.** The Governor removed and Conference a reporting requirement for watercraft registration revenues, expenditures, and grant distribution. (Sec. 902)
19. **Water Trails Grants.** The Governor and Conference removed language directing the Department to work with the Waterways Commission to develop a plan for implementing water trails grants. (Sec. 1002)
20. **Northern Lower Michigan Deer PLAN.** The Conference included a new earmark of \$145,800 for the Northern Lower Peninsula Deer Private Land Assistance Network. (Sec 1002)
21. **Marine Patrol Grants.** The Conference included language requiring the \$1,750,000 appropriated for this purpose be used for grants to local sheriffs to enforce no wake zones. The language specifies that individual grants be no more than \$100,000. (Sec. 1003)
22. **Lake Level Assessments.** The Conference included a \$35,000 earmark for reimbursement to local units of government for lake level assessments. This section had been previously vetoed. (Sec. 1202)
23. **Chronic Wasting Disease Research.** The Governor and Conference removed work project language for one-time FY 2019-20 wildlife management funds dedicated to research surrounding Chronic Wasting Disease. (Sec. 1203)
24. **Wildlife and Fisheries Health Study.** The Governor and Conference removed language referencing the one-time FY 2019-20 appropriation for a wildlife and fisheries health study. (Sec. 1206)

Date Completed: 9-22-20

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Article 12

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 CONFERENCE	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	3,580.0	3,596.0	16.0	0.4
GROSS	1,303,216,700	738,085,500	(565,131,200)	(43.4)
Less:				
Interdepartmental Grants Received	24,933,900	24,649,600	(284,300)	(1.1)
ADJUSTED GROSS	1,278,282,800	713,435,900	(564,846,900)	(44.2)
Less:				
Federal Funds	754,691,800	124,103,800	(630,588,000)	(83.6)
Local and Private	6,801,200	4,876,200	(1,925,000)	(28.3)
TOTAL STATE SPENDING	516,789,800	584,455,900	67,666,100	13.1
Less:				
Other State Restricted Funds	152,851,600	145,079,300	(7,772,300)	(5.1)
GENERAL FUND/GENERAL PURPOSE	363,938,200	439,376,600	75,438,400	20.7
PAYMENTS TO LOCALS	16,078,600	13,899,900	(2,178,700)	(13.6)

*As of September 15, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$1,303,216,700	\$368,938,200

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

- | | | |
|--|-----------|-----------|
| 1. Michigan Joint Task Force on Jail and Pretrial Incarceration - One-Time. The Governor recommended one-time appropriations of \$7.2 million GF/GP for the Michigan Council on Law Enforcement Standards (MCOLES) to train various law enforcement personnel relating to task force recommendation 7 ("provide behavioral health crisis response training for law enforcement, dispatch, and jail officers") and recommendation 17 ("invest in services and supports for crime victims"). Conference included \$4.2 million GF/GP in one-time funding. | 4,200,000 | 4,200,000 |
| 2. Attrition Trooper Recruit Schools One-Time Costs. The Governor recommended funding for training costs for two trooper schools that would total 120 graduates (one to start in January; the second in July) and maintain enlisted strength at current levels. Additional ongoing and one-time costs of these schools (approximately \$15.0 million GF/GP) would be funded by existing revenues in the FY20 base made available because of projected attrition from enlisted personnel, mostly through retirements. Conference concurred. | 2,509,100 | 2,509,100 |
| 3. Added Trooper Recruit School Costs. Conference included new funding for an additional trooper school to graduate 50, providing \$1.0 million in one-time and \$3.5 million in ongoing funds. The projected 170 recruit school grads for FY 2020-21 -- including the attrition and new schools -- will result in an estimated total of 2,018 enlisted personnel for MSP, the highest such total since 2003. | 4,500,000 | 4,500,000 |
| 4. Annualize FY 2019-20 Trooper School Costs. The Governor recommended funding for the full year costs of FY 2019-20 trooper recruit school graduates. Conference concurred. | 2,012,200 | 2,012,200 |

5. OK2Say Administration and Outreach - Transfer from Department of Attorney General. The Governor recommended the transfer of \$906,000 Gross, \$469,600 Restricted, \$436,400 GF/GP to the Department of State Police, where communications associated with the program are received. Conference concurred,	906,000	436,400
6. Secondary Road Patrol Grant Program. The Governor recommended the removal of GF/GP support (\$2.0 million) for the grant program to counties, leaving restricted revenue (\$11,074,300) as its sole fund source for FY 2020-21. Conference rejected the reduction.	0	0
7. Fund Shift - State Services Fee Fund to GF/GP. The Governor recommended shifting support of \$2.9 million in State Services Fee Fund revenue to GF/GP. Conference adjusted shift to a \$1.9 million, based upon available revenue.	0	1,900,000
8. Fund Shift - Interdepartmental Grant to GF/GP. The Governor recommended shifting support of \$665,100 from an IDG from the Department of Technology, Management, and Budget to GF/GP.	0	665,100
9. Elimination of FY 2019-20 One-Time Appropriations. The Governor recommended elimination of FY 2019-20 one-time appropriations, including \$5,321,600 GF/GP for Trooper School, \$2,766,500 GF/GP for In-Car Camera Video Streaming Network, \$1,321,000 GF/GP for Sexual Assault Prevention and Education Initiative, and \$100 for First Responder Communications Network.	(9,409,200)	(9,409,200)
10. Disaster and Emergency Assistance and COVID-19 Relief Fund (CRF) - Boilerplate Expenditures. Adjustment for FY 2019-20 expenditures (\$683,463,300 Gross, \$678,963,500 Federal, \$2.0 million Local, \$2.5 million Restricted) for disaster assistance and COVID-19 response made from receive-and-expend boilerplate language.	(683,463,300)	0
11. Technical Adjustment to Align Authorization with Revenues. The Governor recommended an adjustment across several budget lines to reflect actual funds received, including a reduction of \$2,808,600 Restricted and increases of \$2.3 million Federal and \$19,300 Local. Conference included.	(489,300)	0
12. CRF Personnel Savings. Conference included \$45.5 million in available Federal COVID-19 response funds to supplant GF/GP across budget lines with COVID-19 response costs.	0	(45,500,000)
13. Michigan Commission on Law Enforcement Standards (MCOLES). Conference included a fund shift for MCOLES, switching \$1.0 million GF/GP funding to the Marijuana Regulatory Fund.	0	(1,000,000)
14. Commercial Vehicle Enforcement. Conference reduced GF/GP support for the Commercial Vehicle Enforcement Division.	(1,000,000)	(1,000,000)
15. Adjustment for Executive Order 2020-15, supplementals and transfers.	108,570,100	106,763,500
16. Unclassified Salaries. The Governor recommended an economic adjustment of \$3,700 Gross, \$2,100 Restricted, \$1,600 GF/GP, and with other adjustments, provides an appropriation of \$623,900 for FY 2020-21 from an appropriation of \$627,700 for FY 2019-20.	3,700	1,600
17. Economic Adjustments. Includes \$6,533,200 Gross and \$4,361,300 GF/GP for total economic adjustments.	6,529,500	4,359,700
Total Changes	(\$565,131,200)	\$70,438,400
FY 2020-21 Conference Report Appropriations	\$738,085,500	\$439,376,600

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

1. **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". Conference concurred. (Sec. 215)
2. **Quarterly Report on Employees.** Conference added new section requiring report on employee data, including by classification, by line item and any remote work activity and savings, if any. (Sec.216)
3. **Work Project Authorization.** Conference added new language requiring department to expend work project authorization prior to expending funds from part 1, to extent possible. (Sec.217)
4. **State Administrative Board.** Conference added new language that allows the legislature, should the Board transfer funds, to, by concurrent resolution, intertransfer funds. (Sec.218)
5. **Contingency Fund Legislative Transfers.** The Governor amended language to set the maximum of Federal fund transfers at \$8.5 million, the maximum for Restricted funds at \$5.0 million, and adding Local funds (\$1.0 million) and Private funds (\$200,000) that would be eligible for transfer. Conference rejected amendment, retained FY 2019-20 limits for Federal at \$2.0 million and \$4,0 million for Restricted only. (Sec. 210)
6. **Disciplinary Action.** The Governor eliminated language prohibiting action against an employee for communicating with legislative staff. Conference retained prohibition, adjusting language to reflect proposed standing committee bill language. (Sec. 206)
7. **Biannual Reports on Work Projects, Financial Status, and Performance Metrics Throughout Department.** The Governor recommended elimination of this requirement. Conference rejected the elimination of the requirement. (Sec. 222)
8. **Listing of Core Services Provided by the Department Under Part 1.** The Governor recommended elimination. Conference retained section. (Sec. 223)
9. **Requires Notification Report Not Less Than 90 Days Prior to Closure or Consolidation of Any State Police Post.** The Governor recommended elimination. Conference retained. (Sec. 224)
10. **Privatization Notification.** The Governor eliminated section which required the submission of a privatization plan to the Legislature at least 90 days before beginning efforts to privatize. Conference retained. (Sec. 225)
11. **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. (Conference retained. Sec. 231)
12. **Requires Using Savings for new Trooper Recruit School of 70 Troopers.** Governor and Conference eliminated language section. (Sec. 227)
13. **Ticket Quotas.** The Governor recommended eliminating language prohibiting ticket quotas for infractions of the Vehicle Code. Conference retained. (Sec. 232)
14. **Receive and Expend Allowance for Federal Revenues.** Conference amended receive and expend language to limit such action to \$25.0 million. (Sec.230)
15. **Lawsuit Payment Report.** Conference added new language requiring department to report on pending court judgement payments and plans as to how they will be paid. (Sec.233)
16. **Coronavirus Relief Funds.** Conference added new language directing unspent funds as of December 30, 2020 shall be reappropriated into the unemployment compensation fund, to support costs incurred from March 1, 2020 through December 30, 2020. (Sec. 234)
17. **Core Service Description/Performance Metrics/Reporting Requirements for Training Division.** The Governor recommended elimination of entire section. Conference retained and amended language, updating metric requirement. (Sec. 401)
18. **Core Service Description/Performance Metrics/Reporting Requirements for Criminal Justice Information Systems.** The Governor recommended adding language raising the traffic crash report fee from \$10 to \$15, removed performance metrics requiring 30 outreach activities, a report on concealed weapons licensing activities and finances, and a report on the use of the Internet Criminal History Access Tool (ICHAT). Conference retained language, but rejected fee increase. (Secs. 402-2, 5, 8, 9)

19. **Core Service Description/Performance Metrics/Reporting Requirements for MSP Forensic Science.** The Governor recommended amending description of services, removing performance metric to require lab services to a 55-day turnaround and reporting requirements involving average turnaround times, lab staffing levels, and backlog numbers. Conference retained language, specifying that the department shall "work to achieve" a 30-day turnaround among all disciplines. (Sec. 403 - 1, 3, 4, 5)
20. **Core Service Description/Performance Metrics/Reporting Requirements for MSP Biometrics and ID.** The Governor recommended removing service description and metrics, leaving only requirement to notify when DNA protocol is changed. Conference retained current-year language. (Secs. 404-1, 2, 3)
21. **School Safety Report.** The Governor recommended removal of a subsection of boilerplate which requires a report on school safety grants. (Sec. 407-a)
22. **Core Service Description/Performance Metrics/Reporting Requirements for MCOLES.** The Governor recommended removal of performance metric requirement to update law enforcement within 120 days of enactment of new standards. Conference retained current year language. (Sec. 501-2)
23. **Core Service Description/Performance Metrics/Reporting Requirements for Post Operations.** The Governor recommended elimination of performance metrics, including requiring a minimum number of patrolling hours and checks on registered sex offenders. Conference removed metric requiring a minimum number of sex offender checks, and to simply report the number that they have made. (Secs. 601-2, 3)
24. **Core Service Description/Performance Metrics/Reporting Requirements for Investigative Services.** The Governor recommended the elimination of this entire section, including performance metrics relating to the minimum number of hours investigating, percent of case clearance rates, training provided to local law enforcement and increased investigation of opioid investigations. Conference retained current year language. (Sec. 602)
25. **Core Service Description/Performance Metrics/Reporting Requirements for Tobacco Tax Enforcement.** The Governor recommended elimination of the performance metric requiring a minimum number of hours dedicated to enforcement. Conference retained current year language. (Sec. 603-3)
26. **Core Service Description/Performance Metrics/Reporting Requirements for Fire Investigation Services.** The Governor recommended elimination of a performance metric requiring the capability to respond to requests for services, and that the service should be available for statewide call out 100% of the time. Conference retained current year language. (Sec. 604-2)
27. **Core Service Description/Performance Metrics/Reporting Requirements for Intelligence Operations.** The Governor recommended elimination of performance metrics including providing increased casework assistance for the Cyber Command Center, Computer Crimes Unit, Internet Crimes Against Children Task Force, and criminal justice agencies statewide, and to maintain resources toward a goal of a 60-day turnaround time for digital forensic analysis services. Conference retained current year language. (Secs. 701-3, 4)
28. **Core Service Description/Performance Metrics/Reporting Requirements for Special Operations.** The Governor recommended the elimination of performance metrics, including the readiness to respond to requests for services, including for the Canine Unit, Bomb Squad, emergency support teams, aviation services, and a goal for an annual minimum number of property inspections by Capitol Security of State-owned and leased facilities. Conference retained current year language. (Secs. 702-2, 3, 4, 5, 6, 7, 8)
29. **Core Service Description/Performance Metrics/Reporting Requirements for Commercial Vehicle Regulation.** The Governor recommended eliminating a section that established a Commercial Vehicle Enforcement Operations Reserve Fund, requiring evidence to use, and only by legislative transfer. Conference concurred. (Sec. 703-4)
30. **Emergency Management and Homeland Security.** Conference placed a cap on current year receive and expend language for emergency management purposes, at \$45.0 million for Federal funds and \$15.0 million for Restricted revenue. (Sec. 704)
31. **Michigan Task Force on Jail and Pretrial Incarceration.** The Governor recommended new language that provides guidelines for expenditure of one-time funds of \$7.2 million GF/GP in accordance with Task Force training recommendations, provides for work project status and a completion date of September 30, 2025. Conference concurred, but adjusted the expenditure to \$4.2 million. (Sec. 801)

32. **Sexual Assault Prevention and Education Initiative.** The Governor and Conference recommended the elimination of this section, which provided guidelines for the one-time program, which has a completion date of September 30, 2020. (Sec. 801)
33. **Intent Language for FY 2020-21 Appropriations.** The Governor recommended elimination of this section. Conference retained. (Sec. 1001)

Date Completed: 9-22-20

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Article 13

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE*	FY 2020-21 CONFERENCE	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	2,818.3	2,818.3	0.0	0.0
GROSS	5,340,053,600	5,107,470,600	(232,583,000)	(4.4)
Less:				
Interdepartmental Grants Received	3,974,300	4,063,100	88,800	2.2
ADJUSTED GROSS	5,336,079,300	5,103,407,500	(232,671,800)	(4.4)
Less:				
Federal Funds	1,696,995,800	1,424,196,100	(272,799,700)	(16.1)
Local and Private	51,932,000	81,682,000	29,750,000	57.3
TOTAL STATE SPENDING	3,587,151,500	3,597,529,400	10,377,900	0.3
Less:				
Other State Restricted Funds	3,575,151,600	3,597,529,400	22,377,800	0.6
GENERAL FUND/GENERAL PURPOSE	11,999,900	0	(11,999,900)	(100.0)
PAYMENTS TO LOCALS	2,480,251,500	2,125,342,100	(354,909,400)	(14.3)

*As of September 15, 2020.

	Gross	GF/GP
FY 2019-20 Year-to-Date Appropriation	\$5,340,053,600	\$11,999,900

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

- | | | |
|---|------------|---|
| 1. Road and Bridge Adjustments. The Governor recommended nearly an additional \$200.0 million in the original executive recommendation released in February. Adjustments based on August revenue estimates reduced the total increases. Counties: \$22,625,900. Trunkline: (\$3,801,600). Cities/Villages: \$12,615,000. The Conference concurred. | 31,439,300 | 0 |
| 2. Airport Improvement Program. The Governor included additional Federal authorization (\$27.0 million) and matching State Aeronautics Fund funds (\$1.2 million) in anticipation of the receipt of competitive Federal grants. The Conference reduced the State Aeronautics Fund (SAF) authorization to reflect available revenue. | 25,598,300 | 0 |
| 3. Local Federal Aid Road and Bridge. The Governor included increased Federal authorization for local Federal aid projects. The Conference concurred. | 12,187,500 | 0 |
| 4. Rail Operations and Infrastructure. The Governor included an additional \$12.0 million Comprehensive Transportation Fund (CTF) from the balance of FY 2019-20 to support one-time track and bridge improvements throughout the State and for application-based freight projects. The Conference removed \$8.8 million of the CTF increase to reflect available revenue and increased Federal authorization by \$10.0 million. | 13,171,300 | 0 |
| 5. Highway Maintenance. The Governor included additional State Trunkline Fund (STF) for increased materials costs. The Conference concurred. | 7,625,600 | 0 |

6. Transit Capital. The Governor included additional CTF for vehicles, equipment, and facility improvements for local transit agencies to support safety and service efficiency. The Conference reduced CTF by \$12.0 million to reflect available revenue, increased local fund authorization by \$29.75 million, and increased Federal authorization by \$21.7 million.	39,450,000	0
7. Transportation Planning. The Governor included an additional \$2.0 million in Federal authorization. The Conference concurred.	2,000,000	0
8. Marine Passenger. The Governor included an additional \$5.0 million CTF in the original recommendation to support vessel replacement for two ferry service providers in the Upper Peninsula. The Conference removed the increase for vessel replacement and revised the CTF appropriation to reflect available revenue.	(572,000)	0
9. Service Initiatives. Additional CTF was included by the Governor to upgrade and implement new technology. The Conference removed \$3.0 million of the increase to reflect available revenue.	886,000	0
10. Rebuilding Michigan Office of Accountability and Transparency. The Governor included \$3.0 million STF and 8 FTEs for a new office intended to track and communicate the expenditures through the Department's new bonding programs. The Conference removed this line item.	0	0
11. Removal of Federal CARES Act Funds. Prior-year Federal assistance payments in response to COVID-19 were removed for FY 2020-21.	(344,645,700)	0
12. Traffic Signal Billing Improvements. The Governor added additional Michigan Transportation Fund (MTF) intended to support billing process improvements for State-owned traffic signals operated under cost-sharing agreements with local governments. The Conference concurred.	2,400,000	0
13. Intercity Services Safety. The Governor added \$2.0 million to increase the safety of intercity bus passengers. The Conference agreed to reduce the line after receiving revised revenue estimates from the Governor.	(600,000)	0
14. Detroit Airport Revenue Increase. The Governor directed additional Qualified Airport Fund revenue to the Detroit Airport (\$1.8 million). The Conference reduced the gross appropriation to reflect reduced available SAF.	(1,547,000)	0
15. Interdepartmental Grants. The Governor adjusted for a slight increase in interdepartmental spending to other Departments. The Conference concurred.	872,800	0
16. Movable Bridge. The statutory earmark was adjusted by inflation.	106,800	0
17. Local Bus Operating. The Conference and the Governor agreed to reduce CTF for this line by \$3.0 million after August revenue estimates.	(3,000,000)	
18. Aeronautics Services. Reduced State Aeronautics Fund (SAF) revenue lowered the appropriation amount, as agreed to by the Governor and the Conference.	(1,150,000)	
19. Van Pooling. The Conference reduced this line by 23.1%.	(45,000)	
20. Detroit/Wayne County Port Authority. The Governor retained prior-year funding. The Conference reduced the appropriation.	(18,200)	
21. Rail Grade Separation Project Removal. The Governor removed one-time funding for the FY 2019-20 project. The Conference concurred.	(22,700,000)	(11,999,900)
22. Debt Service Adjustment. The Governor included an adjustment that reflects a drop in the use of Federal funds used for debt payments (-\$26.0 million) and an increase of STF funds for anticipated debt payments (+\$12.4 million). The Conference appropriated additional STF (+\$15.0 million) for FY 2020-21 that reflect additional payments for bonds issued and refinanced in FY 2019-20.	1,198,800	0

23. General Fund Fixing Roads and Bridges. The Governor removed the FY 2019-20 GF/GP assigned to fixing Michigan bridges. The reduction was subsequently reduced to \$0 because the GF was removed by Executive Order 155 on July 22, 2020.	0	0
24. Economic Development Reduction. The Governor reduced the spending authorization of certain economic development programs to reflect reduced fee and fine revenue. The Conference concurred.	(2,464,300)	0
25. Carbide Dock/Soo Locks Project. The Governor removed one-time funding for the project. The Conference concurred.	(1,000,000)	0
26. Local Bridge Program. Revised revenue estimates from August reduced this appropriation amount.	(2,077,700)	0
27. Other Changes. The Governor restored FY 2019-20 defined calculations that were not included for the current fiscal year (\$207,300), restored funding for boilerplate reporting requirements that were vetoed for the current fiscal year (\$122,000), and slightly increased the appropriation for unclassified salaries (\$4,500).	333,800	0
28. Economic Adjustments. Includes \$9,966,700 Gross and \$0 GF/GP for total economic adjustments, of which an estimated \$7,944,700 Gross and \$0 GF/GP are for legacy retirement costs (pension and retiree health).	9,966,700	0
Total Changes	(\$232,583,000)	(\$11,999,900)
FY 2020-21 Conference Report Appropriation	\$5,107,470,600	\$0

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

1. **Reporting Requirements.** The Conference amended this section to require reports to be sent to identified recipients by email and that reports be posted on an internet site. (Sec. 204)
2. **Contingency Fund Increase.** The Governor increased Federal and State contingency fund authorization to \$200.0 million and \$40.0 million, respectively, after they were reduced to \$40.0 million and \$5.0 million for FY 2019-20. The Conference retained the section but kept contingency fund authorization at FY 2019-20 levels. (Sec. 210)
3. **Disciplinary Action.** The Governor removed a section that prohibited the Department from taking disciplinary action against an employee for communicating with the Legislature. The Conference amended the section to allow for discipline in cases in which the communication is otherwise prohibited by law. (Sec. 215)
4. **Remote Work.** The Conference added a section requiring reporting by the Department on FTE pay status, authorized positions, and remote work. (Sec. 216)
5. **Work Project Spending.** The Conference added a section requiring the Department to expend work project funds before spending new appropriations. (Sec. 217)
6. **Administrative Board Transfers.** The Conference added a section that permits the Administrative Board transfers by concurrent resolution. (Sec. 218)
7. **Report Copies.** The Conference added a section giving direction on record retention. (Sec. 219)
8. **Department Policy Changes.** The Conference added a reporting requirement on policy changes. (Sec. 220)
9. **Remanufactured Parts for Vehicle Fleet.** The Governor removed a section stating legislative intent for the Department to prioritize the use of remanufactured parts for the Department's vehicle fleet. The Conference retained. (Sec. 270)
10. **General Fund for Road and Bridge - Removed.** The Governor removed a new section for FY 2019-20 that directed the spending of \$25.0 million General Fund. The Conference concurred. (Sec. 280)
11. **Bridge Authority Tolling/Hearings.** The Governor removed subsection (2) as unenforceable. The subsection required three public hearing be conducted before any toll increases. The Conference retained the section. (Sec. 301)

12. **Commercial Lease of Department Property.** The Governor removed a section granting the Department permission to lease Department space at a competitive rate. The Conference retained the section and amended it to require the Department to lease space at fair market rates. (Sec. 305)
13. **Interdepartmental Grant Reporting - Removed.** The Governor declared subsections (2) & (3) unenforceable. The subsections required reports on interdepartmental contracts. The Conference retained all subsections. (Sec. 306)
14. **Department-owned Real Estate.** The Conference added a section requiring the Department to report on real estate owned by the Department. (Sec. 308)
15. **Employee Accountability Systems.** The Conference added a section requiring the Department to report on employee accountability. (Sec. 309)
16. **Infrastructure Bank Reporting.** The Governor removed a subsection requiring the Department to report to the Legislature on the balance, loan amounts, and outstanding loans from the State infrastructure bank. The Conference retained the report and amended the section to require legislative approval to increase the program. (Sec. 313)
17. **Rest Area Signage.** The Governor removed a section requiring the Department to post signs at rest areas that include a number to call for unsafe or unclear conditions at those rest areas. The Conference retained the section. (Sec. 319)
18. **Rail Sale Between Graying and Gaylord - Removed.** The Governor deleted a section requiring the Department to solicit proposals for the sale of a State-owned rail line. The Conference concurred. (Sec. 323)
19. **Airport Sale - Removed.** The Governor deleted a section requiring the Department to solicit proposals for the sale of the Romeo State Airport and the Linden Airport. The Conference concurred. (Sec. 324)
20. **FOIA Reporting.** The Conference included a section requiring the Department to report on FOIA requests and Departmental responses. (Sec. 328)
21. **Prompt Payment of Contractors.** The Governor removed a section requiring the prompt payment of prime contractors. The Conference retained the section and added a reporting requirement. (Sec. 353)
22. **Deadline for Federal Aid Project Review.** The Governor removed a section requiring the Department to complete the review process for Federal Aid Project submittals within 120 days after receipt of the request. The Conference retained the section. (Sec. 357)
23. **Groundbreaking Ceremonies.** The Governor removed a section prohibiting the reimbursement of contractors or consultants for the costs of groundbreaking procedures. The Conference retained the section. (Sec. 375)
24. **Signage Study Ban.** The Governor removed a section prohibiting the Department from spending appropriations to study the effects of outdoor advertising on driver safety. The Conference retained the section. (Sec. 376)
25. **Former Director Conflicts.** The Conference added a section that prohibits the Department from contracting with vendors that employ former directors of the Department under certain circumstances. (Sec. 377)
26. **Hazardous Materials Routing.** The Conference added a section that requires a report from the Department on hazardous materials routing. (Sec. 378)
27. **E-Verify Requirement.** The Governor removed a section that required contractors and subcontractors use Homeland Security's E-Verify system to verify that all individuals hired for construction, maintenance, or engineering services be legally present and authorized to work within the United States. The Conference retained. (Sec. 381)
28. **Local Billing Deadline.** The Governor removed a section requiring the Department to send cost sharing bills to local units within two years of the Department's final contract payment. The Conference retained. (Sec. 382)
29. **Legislative Air Travel Prohibition.** The Governor deleted a subsection prohibiting legislators or staff from traveling on State-owned aircraft without prior approval from the legislative leadership. The Conference retained the subsection. (Sec. 383)
30. **Gordie Howe Bridge Report.** The Conference added a subsection to require the Department to report on the use of eminent domain powers. (Sec. 385)
31. **Toll Credits.** The Governor removed a section on the use of toll credits. The Conference retained the section and amended the list of priority uses of toll credits. (Sec. 386)
32. **Traffic Study Availability.** The Governor removed a section requiring the Department to post on its website within 60 days the results of any formal traffic study. The Conference retained the section. (Sec. 387)

33. **Long-term Contract Notification.** The Governor removed a section requiring the Department to notify the Legislature of the details of long-term contracts within 30 days of the agreement. The Conference retained the section. (Sec. 389)
34. **Fund Balance Reporting.** The Governor removed a section requiring the Department to report to the State Budget Director and the Legislature the previous fiscal year balances for a number of funds it manages. The Conference retained the section. (Sec. 390)
35. **Ban on Motor Fuel Testing.** The Governor removed a funding restriction on motor fuel quality testing by the Department. The Conference retained the section. (Sec. 391)
36. **Best Practices.** The Governor removed a section requiring the Department to promote certain best practices related mostly to transit services and costs. The Conference retained the section. (Sec. 393)
37. **Road Preservation Prioritization.** The Governor removed a section requiring the Department and local jurisdictions to make the preservation of existing road networks a funding priority. The Conference retained the section. (Sec. 394)
38. **Contract Eligibility Assurance - Removed.** The Governor removed a section requiring the Department to obtain assurances from contractors for nonconstruction contracts that they have the requisite experience, labor, and financial capability to perform the contracts. The Conference concurred. (Sec. 396)
39. **Capital Preventive Maintenance.** The Conference added a section that requires the Department to spend not less than 10% of funds appropriated for the state trunkline on capital preventive maintenance. (Sec. 399)
40. **Available Funds for Transit Buses - Removed.** The Governor removed a section requiring the Department to apply for Federal aid for replacement buses after meeting existing needs for 5310 program recipients. The Conference concurred. (Sec. 403)
41. **Fund Lapse.** The Conference amended a section that requires transportation economic development funds (TEDF) lapse back to the TEDF and local bridge funds lapse to the MTF. (Sec. 503)
42. **Local Grant Opportunities.** The Conference added a section that requires the department to host informational meetings for local units of government on the availability of grants and loans for road construction. (Sec. 505)
43. **Warranties.** The Governor deleted a section requiring the Department to evaluate and update existing warranty policies and procedures. The Conference retained the section. (Sec. 601)
44. **Flooding Mitigation - Removed.** The Governor removed a section directing the Department to address and report on flooding mitigation in southeast Michigan for FY 2018-19. The Conference concurred. (Sec. 605)
45. **Dead Deer Removal - Removed.** The Governor removed a section directing the Department to prioritize the removal of dead deer. The Conference concurred. (Sec. 610)
46. **Contract Incentives and Disincentives.** The Governor removed a section directing the Department to establish and report on contract incentives and disincentives for trunkline projects. The Conference retained the section. (Sec. 612)
47. **Project Reporting.** The Governor removed a section requiring a report on several aspects of all capital Federal aid participating construction projects. The Conference retained the section. (Sec. 613)
48. **Alternative Road Surface Materials.** The Governor removed a section directing the Department to report on the use of alternative road surface materials. The Conference retained the section with amendment. (Sec. 660)
49. **Innovative Stakeholder Group.** The Governor removed a section creating the Innovative Stakeholder group responsible for the review of innovative materials and design. The Conference retained the section. (Sec. 661)
50. **Rail Line Abandonment.** The Governor removed a section requiring the Department to report to the Legislature when a railroad company has filed to abandon a line. The Conference retained the section. (Sec. 703)
51. **Rail Operations and Infrastructure Report.** The Governor removed a section requiring the Department to report on rail operations and infrastructure programs. The Conference retained the section. (Sec. 704)
52. **5-Year Rail Plan.** The Conference added a section that requires the Department to develop and report on a rolling 5-year strategic rail plan. (Sec. 707)
53. **Amtrak Report - Removed.** The Governor removed a section requiring the Department to report on rail passenger service provided by Amtrak. The Conference concurred. (Sec. 711)

54. **Grand Rapids to Chicago Round Trip Rail - Removed.** The Governor removed a section requiring the Department to solicit proposals for daily round-trip service from Grand Rapids to Chicago. The Conference concurred. (Sec. 712)
55. **Ride-Sharing for Medical/Elderly Transit.** The Governor removed a section requiring elderly and medical transit systems solicit proposals for ride-sharing companies to provide 100% service. The Conference retained the section and amended it to require RFPs for 50% service. (Sec. 719)
56. **Farebox Recovery.** The Conference added a section stating the intent that all transit agencies achieve a 6% farebox recovery rate. (Sec. 720)
57. **Meetings with the Rail Industry Trade Associations.** The Governor removed a section requiring the Department to meet with representatives of the rail industry twice a year. The Conference retained the section. (Sec. 752)
58. **Marine Passenger Spending.** The Governor removed a section that directed the spending of the Marine Passenger appropriation. The Conference retained the section. (Sec. 753)
59. **Department-owned Airports.** The Governor removed a section that encouraged the Department to find private or local entities to assume ownership and operation of Department-owned airports. The Conference retained the section. (Sec. 802)
60. **Airfleet and Airfleet Operations - Removed.** The Governor removed sections requiring the Department sell a Cessna 206 aircraft, to sell any aircraft with less than 50 logged hours, to report on the number of FTEs needed to maintain airfleet operations, and to review and report on needed changes to the Aeronautics Code. The Conference concurred. (Secs. 804, 805, & 806)
61. **One-Time Removals.** The Governor removed one-time sections that directed spending for one-time road and bridge construction, the Soo Locks project, and the Rail Grade Separation project for FY 2019-20. The Conference concurred. (Secs. 1001-1003)

Date Completed: 9-22-20

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CONTENT

The supplemental would provide appropriations for fiscal year (FY) 2019-20. The supplemental includes line-item appropriations of \$215.0 million Gross and (\$31.2) million in General Fund/General Purpose (GF/GP) funding. Table 1 summarizes the appropriations in the supplemental.

Table 1

FY 2019-20 Supplemental Appropriations				
Budget Area	Gross	Federal	Other	GF/GP
Education	\$(10,000,000)	\$(10,000,000)	\$0	\$0
Health & Human Services	323,750,500	449,911,800	(94,632,100)	(31,529,200)
State	13,909,000	13,909,000	0	0
Treasury	(112,675,000)	(113,000,000)	0	325,000
TOTAL	\$214,984,500	\$340,820,800	\$(94,632,100)	\$(31,204,200)

FISCAL IMPACT

The bill provides line-item appropriations of \$215.0 million Gross and (\$31.2) million GF/GP, with most of the funding reflecting adjustments in Federal Coronavirus Relief Fund (CRF) programming and base/caseload adjustments in the Department of Health and Human Services (DHHS). Table 2 summarizes the details of the appropriations in the supplemental.

FY 2019-20 BOILERPLATE LANGUAGE SECTIONS-PART 2

Sec. 201. General. Records amount of total State spending and payments to local units of government.

Sec. 202. General. Subjects appropriations and expenditures in the article to the provisions of the Management and Budget Act.

Sec. 203. General. Directs that, if the State Administrative Board transfers funds appropriated in the Act, the Legislature may, by concurrent resolution requiring a majority vote in each chamber, transfer funds within a particular department, board, commission, officer, or institution.

Sec. 301. Corrections. Reduces the CRF appropriation for hazard and premium pay in the Department of Corrections by \$13.4 million.

Sec. 351. Education. Creates a new CRF-funded child care rate reduction stipend as an add-on to the Child Care Relief Fund grant. Makes program available to all licensed child care providers that receive grants from the relief fund. Stipends would cover the months of June, July, and August 2020. Requires providers to provide information on the amount of tuition charged to families and directs the Department of Education to reimburse the provider up to 30% of the tuition amount charged to families. Requires that the weekly rate charged to families during those months not exceed the rate charged before March 2020. Requires providers to reduce the monthly amount billed to families by the amount received for each child. Requires distribution within 15 business days of receiving an application if the

application meets the requirements. Directs the Department of Education to use funding to reimburse eligible child care providers for care provided to school-age children enrolled in virtual education when virtual education is the only option, to allow a one-time increase in absence hours to 60 hours, and to provide one additional round of Child Care Relief Fund. Designates the appropriation as a work project.

Sec. 401. Environment, Great Lakes, and Energy. Permits the Department of Environment, Great Lakes, and Energy to receive and spend funding from the Volkswagen Environmental Mitigation Trust Agreement to support the State's mitigation plan. Requires a report to the Legislature by September 30, 2020, on expenditures incurred.

Sec. 451. Health and Human Services. Reduces the CRF appropriation for hazard and premium pay in the DHHS by \$8.0 million.

Sec. 452. Health and Human Services. Reduces the CRF appropriation for additional future response activities in the DHHS by \$40.0 million.

Sec. 501. Military and Veterans Affairs. Reduces the CRF appropriation for hazard and premium pay in the Department of Military and Veterans Affairs by \$186,000.

Sec. 502. Military and Veterans Affairs. Increases Federal authorization for provider relief payments by \$1,533,000 to recognize additional Federal funding.

Sec. 551. Natural Resources. Reduces the CRF appropriation for hazard and premium pay in the Department of Natural Resources by \$146,000.

Sec. 601. State. Designates Federal Help America Vote Act funding appropriated in part 1 as a work project. Requires quarterly reports to legislative leadership on status of activities funded with the appropriations. Bars the use of funds authorized in the section for ballot applications or absentee ballot mailings but permits grants to local and county election clerks for mailing-related expenses. Requires the Secretary of State to use information from previous ballot application mailings for qualified voter file maintenance in accordance with Michigan Election Law.

Sec. 651. State Police. Reduces the CRF appropriation for hazard and premium pay in the Department of State Police by \$1.4 million.

Sec. 701. Technology, Management, and Budget. Reduces the CRF appropriation for additional future response activities in the Department of Technology, Management, and Budget by \$8.0 million.

Sec. 751. Treasury. Appropriates an amount sufficient to recognize and pay refundable tax credits, tax refunds, and interest as provided by law and requires those appropriations to be funded by restricting tax revenue in an amount sufficient to record those payments.

Sec. 752. Treasury. Rewrites local first responder hazard pay premiums language to change the application deadline to September 30 and the payment deadline to October 31, with a report due to the Legislature by December 1.

Repealers. Repeals Sec. 911 of Public Act (PA) 56 of 2019 (replaced by Sec. 751 in this bill). Repeals Sec. 301 of PA 123 of 2020 (replaced by Sec. 351 in this bill). Repeals Sec. 801 of PA 144 of 2020 (replaced by Sec. 752 in this bill). Repeals Sec. 802 of PA 144 of 2020 (teacher premium pay, which would be moved to the FY 2020-21 budget).

Table 2

FY 2019-20 Supplemental Appropriations				
Department/Program	Gross	Federal	Local/Rest.	GF/GP
Education				
Remove child care CRF rate reduction stipend	(\$115,000,000)	(\$115,000,000)	\$0	\$0
Create new CRF child care support program	105,000,000	105,000,000	0	0
Total Education	(\$10,000,000)	(\$10,000,000)	\$0	\$0
Health and Human Services				
Food assistance program reinvestment	\$10,466,000	\$0	\$0	\$10,466,000
Child welfare consensus base and caseload	4,130,700	11,293,700	0	(7,163,000)
Public assistance consensus base and caseload	(7,400,700)	0	(600,000)	(6,800,700)
Behavioral health consensus base and caseload	115,082,300	93,581,300	(862,200)	22,363,200
Medicaid consensus base, caseload, and financing	201,472,200	345,036,800	(93,169,900)	(50,394,700)
Total Health and Human Services	\$323,750,500	\$449,911,800	(\$94,632,100)	(\$31,529,200)
State				
Help American Vote Act funding	\$13,909,000	\$13,909,000	\$0	\$0
Total State	\$13,909,000	\$13,909,000	\$0	\$0
Treasury				
First responder hazard pay - lower utilization	(\$60,000,000)	(\$60,000,000)	\$0	\$0
Shift teacher hazard pay to FY 2020-21	(53,000,000)	(53,000,000)	0	0
Dual enrollment payments	325,000	0	0	325,000
Total Treasury	(\$112,675,000)	(\$113,000,000)	\$0	\$325,000
Total FY 2019-20 Supplemental Appropriations	\$214,984,500	\$340,820,800	(\$94,632,100)	(\$31,204,200)

Fiscal Analyst: Steve Angelotti

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