



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

BILL ANALYSIS



Telephone: (517) 373-2768  
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Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2018-19 YEAR-TO-DATE*	FY 2019-20 GOV.'S REC.	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions .....	502.5	503.5	1.0	0.2
<b>GROSS</b> .....	<b>110,198,100</b>	<b>109,830,500</b>	<b>(367,600)</b>	<b>(0.3)</b>
Less:				
Interdepartmental Grants Received .....	313,900	318,400	4,500	1.4
<b>ADJUSTED GROSS</b> .....	<b>109,884,200</b>	<b>109,512,100</b>	<b>(372,100)</b>	<b>(0.3)</b>
Less:				
Federal Funds .....	11,775,200	11,836,400	61,200	0.5
Local and Private .....	101,800	101,800	0	0.0
<b>TOTAL STATE SPENDING</b> .....	<b>98,007,200</b>	<b>97,573,900</b>	<b>(433,300)</b>	<b>(0.4)</b>
Less:				
Other State Restricted Funds .....	37,172,000	39,653,700	2,481,700	6.7
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>60,835,200</b>	<b>57,920,200</b>	<b>(2,915,000)</b>	<b>(4.8)</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>6,350,000</b>	<b>8,450,000</b>	<b>2,100,000</b>	<b>33.1</b>

\*As of March 5, 2019

	Gross	GF/GP
<b>FY 2018-19 Year-to-Date Appropriation</b> .....	<b>\$110,198,100</b>	<b>\$60,835,200</b>

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

- |   |             |             |
|---|-------------|-------------|
| 1. <b>Agriculture Preservation Conservation Easement Grant Program Funding.</b> Governor recommended \$2.0 million in Michigan Agriculture Preservation Funds to re-establish a statutory grant program for local government acquisition of permanent easements on farmland.  | 2,000,000   | 0           |
| 2. <b>Double Up Food Bucks Expansion.</b> Governor recommended a \$4.0 million GF/GP expansion of the Double Up Food Bucks Program (which provides support for the purchase of healthier foods by food assistance program recipients) from the \$300,000 GF/GP appropriated in DHHS in FY 2018-19 and targeted to Flint, but managed by MDARD. Funds recommended include \$2.0 million ongoing and \$2.0 million onetime funding to expand the program through the Fair Food Network from current 65 Counties to statewide. | 4,000,000   | 4,000,000   |
| 3. <b>Alignment of Restricted Authorization with Available Revenues.</b> Governor recommended alignment of Restricted funding amounts across several budget lines to reflect actual funds received.   | 211,800     | 0           |
| 4. <b>Food and Agriculture Investment Grant Program.</b> Governor recommended a reduction in the grant program of \$2.6 million GF/GP, leaving a total recommended appropriation for FY 2019-20 of \$2,477,900 GF/GP.   | (2,600,000) | (2,600,000) |

5. <b>County Fairs, Shows and Exhibitions Grants Reduction.</b> Governor recommended a reduction in the grant program, including \$200,000 from ongoing appropriations and \$925,000 from onetime, to a recommended appropriation amount of \$200,000 GF/GP for FY 2019-20.	(1,125,000)	(1,125,000)
6. <b>Animal Agriculture Initiative One-time Grant Elimination.</b> Governor recommended elimination.	(2,000,000)	(2,000,000)
7. <b>Dairy Industry Assistance Program One-time Grant Elimination.</b> Governor recommended elimination.	(1,000,000)	(1,000,000)
8. <b>Agriculture Industry Research and Development One-time Grant Elimination.</b> Governor recommended elimination.	(550,000)	(550,000)
9. <b>ACRE Agriculture Incubator One-time Grant Elimination.</b> Governor recommended elimination.	(260,000)	(260,000)
10. <b>ODC Network - Project Clarity One-time Grant Elimination.</b> Governor recommended elimination.	(120,000)	(120,000)
11. <b>Unclassified Salaries.</b> Governor recommended economic increase from \$573,500 from FY 2018-19 to \$596,700 for FY 2019-20.	23,200	23,200
12. <b>Economic Adjustments.</b> Includes \$1,052,400 Gross and \$716,800 GF/GP for total economic adjustments, of which an estimated negative \$778,900 Gross and \$543,800 GF/GP is for legacy retirement costs (pension and retiree health).	1,052,400	716,800
<b>Total Changes</b> .....	<b>(\$367,600)</b>	<b>(\$2,915,000)</b>
<b>FY 2019-20 Governor's Recommendation</b> .....	<b>\$109,830,500</b>	<b>\$57,920,200</b>

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

- Disciplinary Action.** Governor eliminated language-prohibiting action against an employee for communicating with legislative staff. (Sec. 215)
- Retain Reports.** Governor eliminated a requirement that all reports be kept and retained by MDARD. (Sec. 234)
- County Fairs, Shows, and Expositions Grant Program.** Governor revised language and removed individual projects that had been earmarked for funding. (Sec. 301 from PA 618 of 2018; Sec. 805 from Governor's recommendation)
- Agriculture Development.** Governor eliminated language which provided \$150,000 in Agriculture Development appropriations be used for activities under the Industrial Hemp Research Act. (Sec. 302 of PA 618 of 2018)
- Department Contracting and Granting in Support of Department Activities.** Governor added language stipulating that notices to the legislature for contracts or grants be from line items not specifically authorized to award grants. (Sec, 302)
- Agriculture Industry Research and Development.** Governor eliminated language which provided \$550,000 in Agriculture Development appropriations be used for upgrades to mobile fruit and vegetable processing teaching labs. (Sec. 303 of PA 618 of 2018)
- Dairy Industry Assistance Program.** Governor eliminated language which provided guidelines for \$1.0 million grant program. (Sec. 304 of PA 618 of 2018)
- TB Testing Costs.** Governor eliminated this section which required that the MDARD pay for all whole herd and individual TB testing in modified accredited zones. (Sec. 451)
- Bovine TB Activity and Status Report.** Governor removed annual and quarterly report requirement of the MDARD activities and status of bovine TB in the state. (Sec. 457)
- Whole Herd TB Testing.** Governor eliminated language prohibiting whole herds from being tested more often than every four years or not re-tested until all other county herds have been tested, except under certain circumstances. (Sec. 459)
- Apiaries Grants.** Governor removed Sec. 462 which earmarked \$20,000 in funds for a grant program to assist in the construction of protective systems for apiaries. (Sec. 462)

12. **Agriculture Equine Industry Development Fund (AEID).** Governor removed language requiring up to \$395,000 in AEID funds be allocated to the Purses and Supplements - Fairs/Licensed Tracks line item and adds "fairs and licensed tracks" to those who would receive prorated funds after obligations to the Department of Treasury's Michigan Gaming Control Board have been met. (Sec.802)

Date Completed: 3-12-19

Fiscal Analyst: Bruce R. Baker

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



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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2018-19 YEAR-TO-DATE*	FY 2019-20 GOV.'S REC.	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions .....	0.0	0.0	N/A	N/A
<b>GROSS</b> .....	<b>408,215,500</b>	<b>421,164,000</b>	<b>12,948,500</b>	<b>3.2</b>
Less:				
Interdepartmental Grants Received .....	0	0	0	0.0
<b>ADJUSTED GROSS</b> .....	<b>408,215,500</b>	<b>421,164,000</b>	<b>12,948,500</b>	<b>3.2</b>
Less:				
Federal Funds .....	0	0	0	0.0
Local and Private .....	0	0	0	0.0
<b>TOTAL STATE SPENDING</b> .....	<b>408,215,500</b>	<b>421,164,000</b>	<b>12,948,500</b>	<b>3.2</b>
Less:				
Other State Restricted Funds .....	408,215,500	408,215,500	0	0.0
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>0</b>	<b>12,948,500</b>	<b>12,948,500</b>	<b>0.0</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>408,215,500</b>	<b>421,164,000</b>	<b>12,948,500</b>	<b>3.2</b>

\*As of March 5, 2019.

	Gross	GF/GP
<b>FY 2018-19 Year-to-Date Appropriation</b> .....	<b>\$408,215,500</b>	<b>\$0</b>

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

- |  |             |           |
|--|-------------|-----------|
| <p>1. <b>Community College Operations Increase.</b> The Governor included a 3% increase in community college operations. The increase would be distributed through the existing performance funding formula developed by the 2016 Performance Indicators Review Task Force. The formula allocates the money as follows: 30% proportional to FY 2018-19 base appropriation, 30% weighted contact hours, 10% performance improvement, 10% performance completion number, 10% performance completion rate, 5% administrative costs, 5% local strategic value.</p> | 9,667,500   | 9,667,500 |
| <p>2. <b>Michigan Public School Employees' Retirement System (MPSERS) Normal Cost Offset.</b> The Governor moved the \$6.4 million one-time FY 2018-19 item for this purpose to an ongoing appropriation and increased the amount by an additional \$5.8 million for a total normal cost offset of \$12.2 million. This amount will support the additional costs associated with bringing the assumed rate of return for MPSERS investments from 8% to 7.05%.</p>  | 5,781,000   | 3,281,000 |
| <p>3. <b>MPSERS Unfunded Accrued Liability (UAAL) Stabilization Adjustment.</b> The Governor reduced this item to reflect a reduction in the amount of the State's share of costs above the statutory cap. This reduction would bring total MPSERS UAAL payments to \$74.8 million.</p>  | (2,200,000) | 0         |

4. **Renaissance Zone Reimbursements.** The Governor reduced these payments to reflect a reduced estimate for the amount necessary to reimburse community colleges for lost property tax revenue due to renaissance zones. (300,000) 0

Total Changes .....	\$12,948,500	\$12,948,500
<b>FY 2019-20 Governor's Recommendation .....</b>	<b>\$421,164,000</b>	<b>\$12,948,500</b>

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

- Schedule of Payments to Community Colleges.** The Governor removed language requiring the State Budget Director to notify the House and Senate Subcommittees before funds are withheld due to a failure to report certain information as required by statute. (Sec. 206)
- Use and Finance Noncompliance Penalty.** The Governor removed a section that imposes a 1% reduction in State funding to a community college for each violation of certain requirements of the Management and Budget Act. (Sec. 208)
- Transparency Reporting - Noncompliance Penalty.** The Governor removed language that allows the State Budget Director to withhold monthly payments to community colleges if the colleges do not comply with statutory transparency reporting requirements. (Sec. 209)
- Academic Program Partnerships.** The Governor removed a section requiring the Michigan Community College Association (MCCA), Michigan Independent Colleges and Universities, and the Michigan Association of State Universities to submit a report on academic partnership programs. (Sec. 210f)
- Cost Containment.** The Governor removed a section requiring community colleges to pursue various efficiencies in their operations. (Sec. 212)
- Michigan Community College Data Inventory - Advisory Committee Selection.** The Governor removed language requiring the MCCA members selected to serve on the MCCDI Advisory Committee to be from various community college classification groups. (Sec. 217)
- Tuition and Fees Report.** The Governor removed language requiring community colleges to include the annual cost of tuition and fees based on a full-time course load of 30 credits in their tuition and fees report. (Sec. 225)
- Purchase of Foreign Automobiles.** The Governor removed a prohibition on the purchase of foreign automobiles using State funds. (Sec. 228)
- Tuition Restraint.** The Governor included a new section that would make the receipt of performance funding contingent upon keeping increases in tuition and fee rates for the 2019-20 academic year less than the greater of 3.2% or \$128. (Sec. 231)

Date Completed: 3-12-19

Fiscal Analyst: Josh Sefton

**Table 1: FY 2019-20 Community College Appropriations: Governor's Recommendation**

College	FY 2018-19 Year-To-Date	FY 2019-20		
		Total Adjustments	Appropriation	Percent Change
Alpena	\$5,707,600	\$158,500	\$5,866,100	2.8%
Bay de Noc	5,624,800	145,100	5,769,900	2.6%
Delta	15,104,300	424,900	15,529,200	2.8%
Glen Oaks	2,620,000	89,400	2,709,400	3.4%
Gogebic	4,844,300	128,400	4,972,700	2.7%
Grand Rapids	18,709,300	614,400	19,323,700	3.3%
Henry Ford	22,463,600	634,200	23,097,800	2.8%
Jackson	12,698,200	315,000	13,013,200	2.5%
Kalamazoo Valley	13,046,600	379,500	13,426,100	2.9%
Kellogg	10,214,400	280,100	10,494,500	2.7%
Kirtland	3,321,600	126,800	3,448,400	3.8%
Lake Michigan	5,672,100	165,300	5,837,400	2.9%
Lansing	32,725,800	828,200	33,554,000	2.5%
Macomb	34,124,000	980,200	35,104,200	2.9%
Mid Michigan	5,112,400	172,000	5,284,400	3.4%
Monroe	4,708,600	165,500	4,874,100	3.5%
Montcalm	3,542,900	120,200	3,663,100	3.4%
Mott	16,381,600	475,100	16,856,700	2.9%
Muskegon	9,264,700	243,000	9,507,700	2.6%
North Central	3,402,600	129,300	3,531,900	3.8%
Northwestern	9,625,400	263,200	9,888,600	2.7%
Oakland	22,093,000	751,200	22,844,200	3.4%
Schoolcraft	13,112,900	486,500	13,599,400	3.7%
Southwestern	6,946,900	191,200	7,138,100	2.8%
St. Clair	7,358,700	230,200	7,588,900	3.1%
Washtenaw	13,764,000	530,600	14,294,600	3.9%
Wayne County	17,487,200	557,100	18,044,300	3.2%
West Shore	2,573,400	82,400	2,655,800	3.2%
<b>Subtotal Operations:</b>	<b>\$322,250,900</b>	<b>\$9,667,500</b>	<b>\$331,918,400</b>	<b>3.0%</b>
MPSERS Normal Cost Offset	\$0	\$12,212,000	\$12,212,000	N/A
MPSERS Retiree Health Care	1,733,600	0	1,733,600	0.0%
MPSERS Reform Costs	75,300,000	(2,200,000)	73,100,000	(2.9%)
Renaissance Zone Reimbursements	2,500,000	(300,000)	2,200,000	(12.0%)
MPSERS Normal Cost Hold Harmless (one-time)	6,431,000	(6,431,000)	0	(100.0%)
<b>Total Appropriations:</b>	<b>\$408,215,500</b>	<b>\$12,948,500</b>	<b>\$421,164,000</b>	<b>3.2%</b>
<b>State School Aid Fund</b>	<b>408,215,500</b>	<b>0</b>	<b>\$408,215,500</b>	<b>0.0%</b>
<b>GF/GP</b>	<b>\$0</b>	<b>\$12,948,500</b>	<b>\$12,948,500</b>	<b>N/A</b>



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			AMOUNT	PERCENT
FTE Positions .....	13,963.2	13,793.8	(169.4)	(1.2)
<b>GROSS</b> .....	<b>2,019,056,200</b>	<b>2,049,998,200</b>	<b>30,942,000</b>	<b>1.5</b>
Less:				
Interdepartmental Grants Received .....	0	0	0	0.0
<b>ADJUSTED GROSS</b> .....	<b>2,019,056,200</b>	<b>2,049,998,200</b>	<b>30,942,000</b>	<b>1.5</b>
Less:				
Federal Funds .....	5,315,200	5,323,700	8,500	0.2
Local and Private .....	8,960,100	11,687,200	2,727,100	30.4
<b>TOTAL STATE SPENDING</b> .....	<b>2,004,780,900</b>	<b>2,032,987,300</b>	<b>28,206,400</b>	<b>1.4</b>
Less:				
Other State Restricted Funds .....	40,939,600	41,112,500	172,900	0.4
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>1,963,841,300</b>	<b>1,991,874,800</b>	<b>28,033,500</b>	<b>1.4</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>122,169,600</b>	<b>123,385,700</b>	<b>1,216,100</b>	<b>1.0</b>

\*As of March 5, 2019.

	Gross	GF/GP
<b>FY 2018-19 Year-to-Date Appropriation</b> .....	<b>\$2,019,056,200</b>	<b>\$1,963,841,300</b>

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

- |  |             |             |
|--|-------------|-------------|
| 1. <b>Removal of FY 2018-19 Supplemental Funding.</b> Governor removed supplemental funding totaling \$2.0 million provided for education, skilled trades, and career readiness programs added via P.A. 618 of 2018.   | (2,000,000) | (2,000,000) |
| 2. <b>New Custody Staff Training.</b> Governor provided one-time funding for an officer academy with an expected graduating class of 408 officers to address higher than anticipated attrition.  | 10,466,800  | 10,466,800  |
| 3. <b>Hepatitis C Treatment.</b> Governor increased funding to continue treatment costs and expand treatment to F1 and F0 offenders.   | 6,965,200   | 6,965,200   |
| 4. <b>Corizon Health Care Contract.</b> Governor increased funding due to inflationary contract costs increases.   | 5,446,500   | 5,446,500   |
| 5. <b>Electronic Tether Replacement.</b> Governor provided one-time funding for the replacement of nearly 6,700 electronic tether monitoring devices due to moving from a 3G to a 4G cellular system.  | 4,567,100   | 4,567,100   |
| 6. <b>Detroit Detention Center.</b> Governor included a cost adjustment for contract with City of Detroit for the operation of the Center.   | 2,623,600   | 0           |
| 7. <b>Aging Prisoner Population.</b> Governor increased funding to support additional staff and renovations at the Thumb Correctional Facility to better serve the health care needs of the aging prisoner population. Total funding is \$2,100,000, all GF/GP, of which \$350,000 one-time. | 2,100,000   | 2,100,000   |

8. <b>Milage Rate Increase.</b> Governor increased funding due to increased millage reimbursement rate set by DTMB.	324,100	324,100
9. <b>Prisoner Transportation.</b> Governor increased funding for lease cost increases for prisoner transportation vehicles.	102,300	102,300
10. <b>Water/Sewer Rate Increase.</b> Governor increased funding due to rate increases for the St. Louis Correctional Facility.	97,000	97,000
11. <b>Grandview Plaza Security.</b> Governor increased funding due to increased cost of replacing unarmed security guards with armed guards at MDOC headquarters in Lansing.	42,000	42,000
12. <b>Prison Industries Transportation Costs.</b> Governor increased funding for transportation costs as Michigan State Industries has increased utilization of the transportation line item to move MSI goods between correctional facilities.	10,000	0
13. <b>Goodwill Flip-the-Script.</b> Governor eliminated the program.	(1,500,000)	(1,500,000)
14. <b>Substance Abuse Parole Certain Sanction Program.</b> Governor eliminated the program.	(1,440,000)	(1,440,000)
15. <b>Supervising Region Incentive Program.</b> Governor eliminated the program.	(1,000,000)	(1,000,000)
16. <b>High School Online Equivalency Pilot.</b> Governor eliminated the pilot program.	(500,000)	(500,000)
17. <b>Federally Qualified Health Centers Pilot.</b> Governor eliminated the pilot program.	(250,000)	(250,000)
18. <b>Prison Kitchen Inspections.</b> Governor eliminated the pilot program.	(50,000)	(50,000)
19. <b>Ojibway Correctional Facility Closure Savings.</b> Governor included the remaining balance of the full-year savings resulting from the closing of the Ojibway facility.	(6,805,700)	(6,805,700)
20. <b>Removal of FY 2018-19 One-Time Savings.</b> Governor removed a total of \$11.6 million in one-time funding that included the following items: higher custody level (\$2.4 million) and new officer school (\$9.2 million).	(11,627,700)	(11,627,700)
21. <b>Economic Adjustments.</b> Includes \$23,370,800 Gross and \$23,095,900 GF/GP for total economic adjustments, of which an estimated negative \$19,777,200 Gross and negative \$19,562,700 GF/GP is for legacy retirement costs (pension and retiree health).	23,370,800	23,095,900
<b>Total Changes</b> .....	<b>\$30,942,000</b>	<b>\$28,033,500</b>
<b>FY 2019-20 Governor's Recommendation</b> .....	<b>\$2,049,998,200</b>	<b>\$1,991,874,800</b>

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

1. **Deletions.** Governor proposed to eliminate the following sections from current-year boilerplate: 216, 217, 239, 248, 304, 308, 309, 310, 312, 402, 405, 406, 411, 412, 417, 421, 422, 437, 602, 604(2), 611, 612, 802, 803, 812, 816, 901, 902, 903, 905, 908, 913(2), 940, 942, 943, 944, 1009, 1011, and 1013. These deletions include a variety of reporting requirements, record retention requirements, statements of legislative intent, and language pertaining to health services, the Consensus Revenue Estimating Conference, Goodwill Flip-the-Script, the Supervising Region Incentive Program, a federally qualified health centers pilot, the Substance Abuse Parole Certain Sanction program, parole board policies, future facility and staff transition costs, per prisoner/per day costs, the leased beds program, an online high school pilot program, religious programming and faith-based initiatives, one-time reports, contracting requirements, and anticipated appropriations.



2. **Definitions.** Twelve definitions were eliminated from the bill. These included acronyms that are no longer referenced in the bill, as well as the definitions of "cost per prisoner" and "offender who would likely be sentenced to imprisonment".
3. **Deprived and Depressed Communities.** The Governor eliminated language stating that a Department cannot take disciplinary action against an employee or prisoner for communicating with a legislator or their staff. Language replace with new language requiring the Department to take all reasonable steps to ensure that business in deprived or depressed communities compete for and perform contracts to provide services or supplies, or both. (Sec. 206)
4. **Updated amounts for Total Legacy Costs.** Governor updated total legacy costs section. The pension-related costs for FY 2019-20 are \$143,458,300 and the retiree health care costs are \$151,648,700. (Sec. 214)
5. **Recidivism Rates.** Governor revised language for measurement of recidivism rates to state that the measure shall be the reincarceration recidivism rate based on available state data. (Sec. 408)
6. **Reporting Requirements.** Governor reduced the frequency of reporting for prisoner populations (Sec. 419), Hepatitis C treatment (Sec. 807), correctional officer to prisoner ratios (Sec. 912), and Holmes Youthful Trainee status. (Sec. 930)

Date Completed: 3-12-19

Fiscal Analyst: Joe Carrasco, Jr.



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			AMOUNT	PERCENT
FTE Positions .....	614.5	614.5	0.0	0.0
<b>GROSS .....</b>	<b>406,134,900</b>	<b>436,344,500</b>	<b>30,209,600</b>	<b>7.4</b>
Less:				
Interdepartmental Grants Received .....	0	0	0	0.0
<b>ADJUSTED GROSS .....</b>	<b>406,134,900</b>	<b>436,344,500</b>	<b>30,209,600</b>	<b>7.4</b>
Less:				
Federal Funds .....	298,074,500	332,152,900	34,078,400	11.4
Local and Private .....	7,888,600	7,929,600	41,000	0.5
<b>TOTAL STATE SPENDING .....</b>	<b>100,171,800</b>	<b>96,262,000</b>	<b>(3,909,800)</b>	<b>(3.9)</b>
Less:				
Other State Restricted Funds .....	8,668,200	9,050,000	381,800	4.4
<b>GENERAL FUND/GENERAL PURPOSE .....</b>	<b>91,503,600</b>	<b>87,212,000</b>	<b>(4,291,600)</b>	<b>(4.7)</b>
<b>PAYMENTS TO LOCALS .....</b>	<b>14,567,700</b>	<b>14,267,700</b>	<b>(300,000)</b>	<b>(2.1)</b>

\*As of March 5, 2019.

	Gross	GF/GP
<b>FY 2018-19 Year-to-Date Appropriation .....</b>	<b>\$406,134,900</b>	<b>\$91,503,600</b>

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

- |  |            |         |
|--|------------|---------|
| 1. <b>Child Development and Care Public Assistance.</b> The Governor increased appropriations to increase the child care provider reimbursement rate between \$0.30 and \$0.50 (\$16.4 million) and increase the entry threshold to 140% of the Federal Poverty Level (\$13.6 million). The funding would be for implementation on January 1 <sup>st</sup> . | 30,000,000 | 0       |
| 2. <b>Office of Great Start Operations.</b> The Governor increased appropriations for administration and oversight of the Child Development and Care program to meet Federal requirements.   | 3,600,000  | 0       |
| 3. <b>Child Development and Care External Support.</b> The Governor increased IDG payments to LARA to account for economic adjustments.  | 323,200    | 0       |
| 4. <b>Information Technology.</b> The Governor increased teacher certification fees to support increased IT charges from the DTMB.   | 300,000    | 0       |
| 5. <b>Child Development and Care Matching Requirement.</b> The Governor shifted Federal funds to GF/GP to meet Federal matching requirements.  | 0          | 599,400 |
| 6. <b>Adolescent and School Health.</b> The Governor continued a \$319,900 supplemental appropriation that replaced lost Federal funding to support HIV/STD education prevention programs in schools.  | 0          | 0       |

7. <b>Supplemental Appropriation Removal.</b> The Governor removed a \$5.0 million supplemental appropriation for E-rate enhancements to increase the connection speed for schools and libraries.	(5,000,000)	(5,000,000)
8. <b>Renaissance Zone Reimbursement.</b> The Governor reduced Renaissance Zone Reimbursement to libraries to align with current projections.	(300,000)	(300,000)
9. <b>Drinking Water Declaration of Emergency Placeholder.</b> The Governor removed the placeholder.	(100)	0
10. <b>Other.</b> The Governor created the Office of Systems, Evaluation, and Technology, the Office of Financial Management, the Office of Strategic Planning and Implementation, the Office of Educator Excellence, and the Office of Educational Supports by reorganizing existing funds and FTEs throughout the Department.	0	0
11. <b>Economic Adjustments.</b> Includes \$1,286,500 Gross and \$409,000 GF/GP for total economic adjustments, of which an estimated decrease of \$586,400 Gross and \$187,100 GF/GP is for legacy retirement costs (pension and retiree health).	1,286,500	409,000
<b>Total Changes</b> .....	<b>\$30,209,600</b>	<b>(\$4,291,600)</b>
<b>FY 2019-20 Governor's Recommendation</b> .....	<b>\$436,344,500</b>	<b>\$87,212,000</b>

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

- Deleted Reports.** The Governor deleted a number of sections related to reporting/notification requirements, which include: 221 (retention of sexual misconduct records), 223 (retention of all reports), 227 (responding to requests from the Legislature within 30 days and reporting on due dates), 229 (notification when entering into contracts above \$1.0 million or when changes are made to Federal accountability plans), 230 (nonpublic school report), 325 (notification of grants received), 1003 (ECIC report), and 1010 (notification of Federal CDC changes).
- Other Deleted Sections.** The Governor deleted a number of other sections, which include: 222 (protects employees who testify to the Legislature), 225 (School Aid grant award date requirement), 234 (restrictions of Administrative Rules), 302 (State Board travel expenditure cap), 409 (Administrative hearing requirements), 502 (allowable teacher experience), 602 (Adolescent and School Health funding), 803 (Legislative intent for the Library of Michigan), 1005 (LARA funding requirements), 1011 (CDC biweekly block reimbursement implementation), and 1101 (Drinking Water Declaration of Emergency, CDC pilot program).
- Sexual Abuse Report Modification.** The Governor modified the sexual abuse report requirement, by removing the requirement to issue the sexual abuse report to all schools, but retained language requiring the collection of information on policies adopted by school districts, ISDs, and charter school academies. (Sec. 231)
- Low Incidence Outreach Fund.** The Governor modified the Low Incidence Outreach Fund to allow the department to spend funds in addition to those appropriated in Part 1. (Sec. 408)
- Child Development and Care Reimbursement Rate Increase.** The Governor increased the CDC reimbursement rate for providers. The increase includes a \$0.20 increase to all provides serving children between the ages of 0-5, a \$0.20 increase to all 0 to 2 star-rated providers, and a \$0.30 increase to all 3 to 5 star-rated providers. (Sec. 1002)
- Child Development and Care Income Entry Level Increase.** The Governor increased the income entry threshold for the CDC program from 130% to 140% of the FPL. (sec. 1009)
- Technical Changes.** The Governor made a number of technical modifications that include date changes, changes in Part 1 appropriations, legacy costs, and name changes. (Sec. 201, 203, 212, 201, 501, 701, 804, 1004, 1007)

Date Completed: 3-12-19

Fiscal Analyst: Cory Savino

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



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Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2018-19 YEAR-TO-DATE*	FY 2019-20 GOV.'S REC.	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions .....	1,257.0	1,281.0	24.0	1.9
<b>GROSS .....</b>	<b>501,302,600</b>	<b>478,273,300</b>	<b>(23,029,300)</b>	<b>(4.6)</b>
Less:				
Interdepartmental Grants Received .....	3,143,700	3,176,600	32,900	1.0
<b>ADJUSTED GROSS .....</b>	<b>498,158,900</b>	<b>475,096,700</b>	<b>(23,062,200)</b>	<b>(4.6)</b>
Less:				
Federal Funds .....	160,225,400	160,895,300	669,900	0.4
Local and Private .....	1,061,700	1,061,800	100	0.0
<b>TOTAL STATE SPENDING .....</b>	<b>336,871,800</b>	<b>313,139,600</b>	<b>(23,732,200)</b>	<b>(7.0)</b>
Less:				
Other State Restricted Funds .....	278,325,300	259,346,600	(18,978,700)	(6.8)
<b>GENERAL FUND/GENERAL PURPOSE .....</b>	<b>58,546,500</b>	<b>53,793,000</b>	<b>(4,753,500)</b>	<b>(8.1)</b>
<b>PAYMENTS TO LOCALS .....</b>	<b>9,701,000</b>	<b>23,346,000</b>	<b>13,645,000</b>	<b>140.7</b>

\*As of March 5, 2019

	Gross	GF/GP
<b>FY 2018-19 Year-to-Date Appropriation .....</b>	<b>\$501,302,600</b>	<b>\$58,546,500</b>

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

- |  |              |             |
|--|--------------|-------------|
| 1. <b>Drinking Water Compliance Assistance.</b> The Governor included GF/GP funds to establish a drinking water compliance assistance unit to provide technical expertise to the lead and copper rule requirements with 10.0 new FTEs. | 1,900,000    | 1,900,000   |
| 2. <b>Coal Ash Care Fund.</b> The Governor included authorization for the new Coal Ash Care Fund established in PA 640 of 2018 to collect and expend revenue received from owners or operators of active coal ash landfills.           | 260,000      | 0           |
| 3. <b>Remove Annual SWQIF Bond Appropriation.</b> The Governor removed appropriations for the Strategic Water Quality Initiative Fund as bond proceeds have been fully appropriated.   | (15,000,000) | 0           |
| 4. <b>Lawsuit Settlement Fund.</b> The Governor eliminated lawsuit settlement proceeds related to the Drinking Water Emergency Declaration.  | (3,000,000)  | 0           |
| 5. <b>SBO Initiative - Vapor Intrusion.</b> The Governor removed GF/GP funds for the 2017 initiative as the Renewing Michigan's Environment program contains Restricted funding for emerging contaminants.                             | (1,655,300)  | (1,655,300) |
| 6. <b>SBO Initiative - Water Quality and Use Initiative.</b> The Governor removed GF/GP funds for the 2015 initiative and moved 5.0 FTEs to the Renewing Michigan's Environment program.   | (1,522,900)  | (1,522,900) |

7. <b>SBO Initiative - Recycling.</b> The Governor removed GF/GP funds for the 2015 initiative as the Renewing Michigan's Environment program contains \$15 million in Restricted funding for recycling grants.	(1,032,000)	(1,032,000)
8. <b>SBO Initiative - Lead Remediation Grants.</b> The Governor removed GF/GP funds for the 2019 initiative.	(1,000,000)	(1,000,000)
9. <b>Wetlands Mitigation Banking Program.</b> The Governor removed funding for the Wetlands Mitigation Banking Program as bond proceeds have been fully appropriated.	(1,000,000)	0
10. <b>Water Withdrawal Assessment Program.</b> The Governor removed funding for the Water Withdrawal Assessment Program as bond proceeds have been fully appropriated.	(800,000)	0
11. <b>Aquifer Protection Revolving Fund.</b> The Governor removed aquifer protection revolving funds that were intended to be one-time.	(524,000)	0
12. <b>Remove FY 2018-19 Supplemental and One-Time Appropriations.</b> The Governor removed several items that were not included as part of the Department's base budget.	(2,120,000)	(2,120,000)
13. <b>Other Changes.</b> The Governor included other technical changes including aligning State Restricted funding authorization with anticipated revenue.	(603,400)	0
14. <b>Economic Adjustments.</b> Includes \$3,068,300 Gross and \$676,700 GF/GP for total economic adjustments, of which an estimated negative \$1,920,400 Gross and \$478,400 GF/GP is for legacy retirement costs (pension and retiree health).	3,068,300	676,700
<b>Total Changes</b> .....	<b>(\$23,029,300)</b>	<b>(\$4,753,500)</b>
<b>FY 2019-20 Governor's Recommendation</b> .....	<b>\$478,273,300</b>	<b>\$53,793,000</b>

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

- 1. Communication with the Legislature.** The Governor removed a prohibition against taking disciplinary action against Department employees who communicate with the Legislature. (Sec. 220)
- 2. Rule Promulgation - Small Business Impact.** The Governor removed a prohibition against the promulgation of rules that would have a disproportionate impact on small businesses. (Sec. 221)
- 3. Report on Fees Charged.** The Governor removed a report containing information on all fees charged by the Department, associated revenues, and all state and federal fund sources utilized by the Department. (Sec. 238)
- 4. Refined Petroleum Fund (RPF) Repayment.** The Governor removed a statement of legislative intent that the \$70.0 million transferred to the Environmental Protection Fund from the Refined Petroleum Fund in FY 2006-07 be repaid. (Sec. 305)
- 5. Environmental Cleanup and Redevelopment Program.** The Governor removed work project language for this program as it has no funding remaining. (Sec. 307)
- 6. Vapor Intrusion Program.** The Governor removed metric language on the Vapor Intrusion Program as funding was not included. (Sec. 313)
- 7. Lead Remediation Grants.** The Governor removed boilerplate language on Lead Remediation Grants as funding was not included. (Sec. 315)
- 8. Environmental Cleanup and Redevelopment Program (One-Time).** The Governor removed boilerplate language for one-time funding for FY 2019. (Sec. 316)
- 9. Aquifer Protection Program.** The Governor removed work project language for the Aquifer Protection Program as funding was not included. (Sec. 412)

10. **Cooperative Lakes Monitoring Program.** The Governor removed boilerplate language on the Cooperative Lakes Monitoring Program as it was a one-time grant in the Department of Talent and Economic Development budget for FY 2019. (Sec. 413)
11. **Renew Michigan's Environment.** The Governor included work project language for the Renew Michigan Environment program. (Sec. 501)
12. **Drinking Water Infrastructure.** The Governor included work project language for the Drinking Water Infrastructure program. (Sec. 801)
13. **Drinking Water Infrastructure Grants.** The Governor included language directing Drinking Water Infrastructure Grant allocations. (Sec. 802)
14. **Lead and Copper Rule.** The Governor removed boilerplate language for one-time funding for FY 2019. (Sec. 604)
15. **Landfill Research, Design, and Demonstration Project.** The Governor removed boilerplate language for one-time funding for FY 2019. (Sec. 801)

Date Completed: 3-12-19

Fiscal Analyst: Abbey Frazier



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BILL ANALYSIS



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Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2018-19 YEAR-TO-DATE*	FY 2019-20 GOV.'S REC.	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions .....	7,284.7	7,319.7	35.0	0.5
<b>GROSS .....</b>	<b>4,034,430,000</b>	<b>4,235,359,200</b>	<b>200,929,200</b>	<b>5.0</b>
Less:				
Interdepartmental Grants Received .....	821,066,200	1,024,424,300	203,358,100	24.8
<b>ADJUSTED GROSS .....</b>	<b>3,213,363,800</b>	<b>3,210,934,900</b>	<b>(2,428,900)</b>	<b>(0.1)</b>
Less:				
Federal Funds .....	46,431,700	46,201,500	(230,200)	(0.5)
Local and Private .....	16,103,000	16,164,400	61,400	0.4
<b>TOTAL STATE SPENDING .....</b>	<b>3,150,829,100</b>	<b>3,148,569,000</b>	<b>(2,260,100)</b>	<b>(0.1)</b>
Less:				
Other State Restricted Funds .....	2,109,324,000	2,160,211,800	50,887,800	2.4
<b>GENERAL FUND/GENERAL PURPOSE .....</b>	<b>1,041,505,100</b>	<b>988,357,200</b>	<b>(53,147,900)</b>	<b>(5.1)</b>
<b>PAYMENTS TO LOCALS .....</b>	<b>1,558,925,300</b>	<b>1,574,764,600</b>	<b>15,839,300</b>	<b>1.0</b>

\*As of March 5, 2019.

**See Individual Highlight Sheet for Department Detail**

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

1. **Budget Stabilization Fund.** The Governor added a \$150.0 million deposit into the BSF, recommended the deposit of 25% of the lapsed FY 2018-19 GF/GP unassigned ending balance, did not provide an estimate of that amount. (Sec. 210)
2. **Retention of Reports.** The Governor deleted the requirement that all departments and agencies retain all reports funded from appropriations in Part 1. (Sec. 216)
3. **General Fund Restrictions.** The Governor deleted the prohibition on the departments from using General Fund appropriations where Federal and Private Funds are available for the same purpose. (Sec. 217)
4. **Communications with Legislators.** The Governor deleted the prohibition of departments taking disciplinary action against employees communicating with Legislators or their staff. (Sec. 218)
5. **Policy Change Reporting Requirement.** The Governor deleted a report due April 1 that requires each department to specify policy changes made in order to implement enacted legislation. (Sec. 221)
6. **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. (Sec. 229)
7. **Technical Modification.** The Governor made a number of technical adjustments such as revised dates, spending totals, and definitions. (Secs. 201, 203, 212, and 240)

Date Completed: 3-12-19

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Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2018-19 YEAR-TO-DATE*	FY 2019-20 GOV.'S REC.	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions .....	531.0	539.0	8.0	1.5
<b>GROSS .....</b>	<b>104,027,700</b>	<b>106,517,800</b>	<b>2,490,100</b>	<b>2.4</b>
Less:				
Interdepartmental Grants Received .....	30,386,400	34,908,000	4,521,600	14.9
<b>ADJUSTED GROSS .....</b>	<b>73,641,300</b>	<b>71,609,800</b>	<b>(2,031,500)</b>	<b>(2.8)</b>
Less:				
Federal Funds .....	10,007,300	9,713,700	(293,600)	(2.9)
Local and Private .....	0	0	0	0.0
<b>TOTAL STATE SPENDING .....</b>	<b>63,634,000</b>	<b>61,896,100</b>	<b>(1,737,900)</b>	<b>(2.7)</b>
Less:				
Other State Restricted Funds .....	22,427,200	20,159,800	(2,267,400)	(10.1)
<b>GENERAL FUND/GENERAL PURPOSE .....</b>	<b>41,206,800</b>	<b>41,736,300</b>	<b>529,500</b>	<b>1.3</b>
<b>PAYMENTS TO LOCALS .....</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>

\*As of March 5, 2019.

	Gross	GF/GP
<b>FY 2018-19 Year-to-Date Appropriation .....</b>	<b>\$104,027,700</b>	<b>\$41,206,800</b>

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

- |  |           |           |
|--|-----------|-----------|
| 1. <b>Removal of FY 2018-19 Supplemental Funding.</b> Governor removed supplemental funding for the Prosecuting Attorneys Coordinating Council (PACC) totaling \$378,800 added via P.A. 618 of 2018.   | (378,800) | 0         |
| 2. <b>Marihuana Legal Services.</b> Governor increased IDG funding to provide legal services for marihuana regulation due to adoption of Proposal 1 in November 2018.  | 935,400   | 0         |
| 3. <b>MSHDA Legal Services.</b> Governor increased IDG funding and added 2.0 FTEs to provide adequate funding for legal staffing for MSHDA.  | 335,500   | 0         |
| 4. <b>Child Abuse and Neglect.</b> Governor provided additional IDG funding and added 2.0 FTEs for attorneys for DHHS for investigations and prosecutions of child abuse and neglect cases in Wayne County.  | 340,000   | 0         |
| 5. <b>DTMB Legal Services.</b> Governor provided additional IDG funding and added 4.0 FTEs for additional attorneys for DTMB related activities.   | 670,000   | 0         |
| 6. <b>Elimination of FY 2018-19 One-Time Items.</b> Governor removed one-time funding totaling \$800,000; \$100,000 GF/GP. Funding removed as follows: \$700,000 in Restricted lawsuit settlement funds for PACC for juvenile life without parole cases and \$100,000 in GF/GP for PACC for forensic interviewing trainings. | (800,000) | (100,000) |

7. <b>Economic Adjustments.</b> Includes \$1,388,000 Gross and \$629,500 GF/GP for total economic adjustments, of which an estimated negative \$1,089,100 Gross and \$447,700 GF/GP is for legacy retirement costs (pension and retiree health).	1,388,000	629,500
Total Changes .....	\$2,490,100	\$529,500
<b>FY 2019-20 Governor's Recommendation .....</b>	<b>\$106,517,800</b>	<b>\$41,736,300</b>

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

1. **Boilerplate Structure. Governor:** Moved boilerplate from the FY 2018-19 general sections that applied to all General Government budgets to the Article for the Department of Attorney General. Changes to those items can be found in the highlight sheet for the **General Sections**.
2. **Juvenile Life without Parole.** Language states that the \$700,000 appropriated in Part 1 is to be used for investigations, crime victim rights, prosecutions and appeals for retroactive juvenile life without parole cases. Also requires a report to be submitted by September 30. **Governor:** Deleted section. (Current Law Sec. 314a)
3. **Address Confidentiality Program.** Requires the Attorney General to develop the address confidentiality program that allows individuals to participate if he or she is a victim of domestic violence, stalking, human trafficking, sexual assault, or is at risk of physical harm if his or her address is disclosed. Section becomes effective upon enactment of Senate Bill 655 of the 99th Legislature. **Governor:** SB 655 was not enacted thus section is deleted. (CL Sec. 316a)
4. **Forensic Interviewing.** Requires the one-time funding provided in Part 1 to be used to provide additional forensic interviewing training sessions to meet demand. Funding is intended to fund trainings for Child Advocacy Centers and local prosecutors. **Governor:** Deleted. (CL Sec. 318)
5. **Legacy Cost Estimates.** Total legacy costs are estimated at \$18,049,500. Of the total, pension-related legacy costs are estimated at \$8,321,100 and retiree health care legacy costs are estimated at \$9,728,400 for fiscal year ending September 30, 2019. **Governor:** Provided the following Legacy Costs estimates for FY 2020: Total legacy costs estimated at \$17,223,800. Of that total, \$8,372,900 are for pension-related legacy costs and \$8,850,900 are for retiree health care legacy costs for the fiscal year ending September 30, 2020. (Gov. Sec. 214, CL Sec. 315)

Date Completed: 3-12-19

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Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2018-19 YEAR-TO-DATE*	FY 2019-20 GOV.'S REC.	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions .....	110.0	110.0	0.0	0.0
<b>GROSS</b> .....	<b>16,201,100</b>	<b>16,388,300</b>	<b>187,200</b>	<b>1.2</b>
Less:				
Interdepartmental Grants Received .....	299,100	298,500	(600)	(0.2)
<b>ADJUSTED GROSS</b> .....	<b>15,902,000</b>	<b>16,089,800</b>	<b>187,800</b>	<b>1.2</b>
Less:				
Federal Funds .....	2,802,700	2,816,900	14,200	0.5
Local and Private .....	18,700	18,700	0	0.0
<b>TOTAL STATE SPENDING</b> .....	<b>13,080,600</b>	<b>13,254,200</b>	<b>173,600</b>	<b>1.3</b>
Less:				
Other State Restricted Funds .....	58,500	58,500	0	0.0
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>13,022,100</b>	<b>13,195,700</b>	<b>173,600</b>	<b>1.3</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>

\*As of March 5, 2019.

	Gross	GF/GP
<b>FY 2018-19 Year-to-Date Appropriation</b> .....	<b>\$16,201,100</b>	<b>\$13,022,100</b>
<b>Changes from FY 2018-19 Year-to-Date:</b>		
1. <b>Economic Adjustments.</b> Includes \$187,200 Gross and \$173,600 GF/GP for total economic adjustments, of which an estimated negative \$166,000 Gross and \$148,000 GF/GP is for legacy retirement costs (pension and retiree health).	187,200	173,600
Total Changes .....	\$187,200	\$173,600
<b>FY 2019-20 Governor's Recommendation</b> .....	<b>\$16,388,300</b>	<b>\$13,195,700</b>

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

- 1. Governor:** Moved boilerplate from the FY 2018-19 general sections that applied to all General Government budgets to the Article for the Department of Civil Rights. Changes to those items can be found in the highlight sheet for the **General Sections**.
- 2. Legacy Cost Estimates.** Total legacy costs are estimated at \$2,558,000. Of the total, pension-related legacy costs are estimated at \$1,179,300 and retiree health care legacy costs are estimated at \$1,378,700 for fiscal year ending September 30, 2019. **Governor:** Provided the following Legacy Costs estimates for FY 2020: Total legacy costs estimated at \$2,516,500. Of that total, \$1,223,300 are for pension-related legacy costs and \$1,293,200 are for retiree health care legacy costs for the fiscal year ending September 30, 2020. (CL Sec. 410)

Date Completed: 3-12-19

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Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2018-19 YEAR-TO-DATE*	FY 2019-20 GOV.'S REC.	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions .....	79.2	79.2	0.0	0.0
<b>GROSS</b> .....	<b>6,980,100</b>	<b>7,114,300</b>	<b>134,200</b>	<b>1.9</b>
Less:				
Interdepartmental Grants Received .....	0	0	0	0.0
<b>ADJUSTED GROSS</b> .....	<b>6,980,100</b>	<b>7,114,300</b>	<b>134,200</b>	<b>1.9</b>
Less:				
Federal Funds .....	0	0	0	0.0
Local and Private .....	0	0	0	0.0
<b>TOTAL STATE SPENDING</b> .....	<b>6,980,100</b>	<b>7,114,300</b>	<b>134,200</b>	<b>1.9</b>
Less:				
Other State Restricted Funds .....	0	0	0	0.0
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>6,980,100</b>	<b>7,114,300</b>	<b>134,200</b>	<b>1.9</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>

\*As of March 5, 2019.

	Gross	GF/GP
<b>FY 2018-19 Year-to-Date Appropriation</b> .....	<b>\$6,980,100</b>	<b>\$6,980,100</b>
<b>Changes from FY 2018-19 Year-to-Date:</b>		
1. <b>Executive Office Operations.</b> Governor recommended a 2.0% overall increase for Executive Operations.	107,500	107,500
2. <b>Unclassified Salaries.</b> Governor increased GF/GP funding by \$26,700 for total funding of \$1,360,200 for FY 2019-20.	26,700	26,700
Total Changes .....	\$134,200	\$134,200
<b>FY 2019-20 Governor's Recommendation</b> .....	<b>\$7,114,300</b>	<b>\$7,114,300</b>

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

1. There is no boilerplate for the Executive Office.

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Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2018-19 YEAR-TO-DATE*	FY 2019-20 GOV.'S REC.	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions .....	0.0	0.0	N/A	N/A
<b>GROSS</b> .....	<b>211,450,500</b>	<b>192,700,500</b>	<b>(18,750,000)</b>	<b>(8.9)</b>
Less:				
Interdepartmental Grants Received .....	5,823,400	5,823,400	0	0.0
<b>ADJUSTED GROSS</b> .....	<b>205,627,100</b>	<b>186,877,100</b>	<b>(18,750,000)</b>	<b>(9.1)</b>
Less:				
Federal Funds .....	0	0	0	0.0
Local and Private .....	400,000	400,000	0	0.0
<b>TOTAL STATE SPENDING</b> .....	<b>205,227,100</b>	<b>186,477,100</b>	<b>(18,750,000)</b>	<b>(9.1)</b>
Less:				
Other State Restricted Funds .....	6,403,100	6,403,100	0	0.0
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>198,824,000</b>	<b>180,074,000</b>	<b>(18,750,000)</b>	<b>(9.4)</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>

\*As of March 5, 2019.

	Gross	GF/GP
<b>FY 2018-19 Year-to-Date Appropriation</b> .....	<b>\$211,450,500</b>	<b>\$198,824,000</b>
<b>Changes from FY 2018-19 Year-to-Date:</b>		
1. <b>Removal of FY 2018-19 Supplemental Funding.</b> Governor removed supplemental funding totaling \$28.4 million added via P.A. 618 of 2018. Funding included \$4.6 million to each the Senate and the House; \$1.2 million for the Legislative Council; and \$18.0 million for the Senate to purchase the Townsend parking ramp.	(28,400,000)	(28,400,000)
2. <b>Senate Increase.</b> Governor increased funding by \$4.6 million for total FY 2019-20 funding of \$41,810,700.	4,600,000	4,600,000
3. <b>House Increase.</b> Governor increased funding by \$4.6 million for total FY 2019-20 funding of \$61,666,900.	4,600,000	4,600,000
4. <b>Legislative Council Increase.</b> Governor increased funding by \$1.2 million for total FY 2019-20 funding of \$13,981,900.	1,200,000	1,200,000
5. <b>Removal of Legislative Council IT Redesign Funding.</b> Governor removed a total of \$750,000 in GF/GP of one-time funding provided for the completion of the Legislative Council IT redesign project.	(750,000)	(750,000)
Total Changes .....	(\$18,750,000)	(\$18,750,000)
<b>FY 2019-20 Governor's Recommendation</b> .....	<b>\$192,700,500</b>	<b>\$180,074,000</b>

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

1. **Governor:** Moved boilerplate from the FY 2018-19 general sections that applied to all General Government budgets to the Article for the Legislature. Changes to those items can be found in the highlight sheet for the **General Sections**.
2. **Legacy Cost Estimates.** Total legacy costs are estimated at \$29,587,600. Of the total, Pension-related legacy costs are estimated at \$13,640,400 and retiree health care legacy costs are estimated at \$15,947,200 for fiscal year ending September 30, 2019. **Governor:** Provided the following Legacy Costs estimates for FY 2020: Total legacy costs estimated at \$24,415,800. Of that total, \$13,327,500 are for pension-related legacy costs and \$14,088,300 are for retiree health care legacy costs for the fiscal year ending September 30, 2020. (Sec. 615)
3. **Legislative System IT Upgrade.** Language states that the funds appropriated shall be used for the design, development, and implementation of a legislative computer system. Funds cannot be used without written approval from the Speaker of the House, the Senate Majority Leader, and the Legislative Council Administrator. Also states that the purpose of the work project will be for the continued design, development, and implementation of the legislative computer system and lists the total estimated cost at \$12.75 million and a completion date of September 30, 2023. **Governor:** Deleted section. (Current Law Sec. 616)

Date Completed: 3-12-19

Fiscal Analyst: Joe Carrasco, Jr.





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Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2018-19 YEAR-TO-DATE*	FY 2019-20 GOV.'S REC.	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions .....	1,586.0	1,586.0	0.0	0.0
<b>GROSS</b> .....	<b>247,062,800</b>	<b>255,209,600</b>	<b>8,146,800</b>	<b>3.3</b>
Less:				
Interdepartmental Grants Received .....	20,000,000	20,000,000	0	0.0
<b>ADJUSTED GROSS</b> .....	<b>227,062,800</b>	<b>235,209,600</b>	<b>8,146,800</b>	<b>3.6</b>
Less:				
Federal Funds .....	1,460,000	1,460,000	0	0.0
Local and Private .....	50,100	50,100	0	0.0
<b>TOTAL STATE SPENDING</b> .....	<b>225,552,700</b>	<b>233,699,500</b>	<b>8,146,800</b>	<b>3.6</b>
Less:				
Other State Restricted Funds .....	207,086,400	210,732,000	3,645,600	1.8
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>18,466,300</b>	<b>22,967,500</b>	<b>4,501,200</b>	<b>24.4</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>1,129,000</b>	<b>1,127,500</b>	<b>(1,500)</b>	<b>(0.1)</b>

\*As of March 5, 2019.

	Gross	GF/GP
<b>FY 2018-19 Year-to-Date Appropriation</b> .....	<b>\$247,062,800</b>	<b>\$18,466,300</b>

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

- |   |           |           |
|---|-----------|-----------|
| 1. <b>Removal of FY 2018-19 Supplemental Funding.</b> Governor removed supplemental funding provided for the administration of the motorcycle safety education program via P.A. 618 of 2018.  | (400,000) | 0         |
| 2. <b>Redistricting Commission.</b> Governor provided funding for the creation of the commission as well as the compensation for commission members as required by the implementation of Proposal 2 as adopted by Michigan voters in November 2018.   | 4,616,600 | 4,616,600 |
| 3. <b>Branch Office Economics.</b> Governor increased funding totaling \$830,000 due to contract rate increases and general maintenance. Contract rates for janitorial, security, and telecommunications increased by a total of \$500,000 while the remaining \$330,000 is appropriated for maintenance cost increases for branch offices. | 830,000   | 0         |
| 4. <b>Motorcycle Safety.</b> Governor increased funding to create and maintain the "Look Twice Save a Life" program to increase motorcycle rider safety.  | 300,000   | 0         |
| 5. <b>Elections Compliance.</b> Increases funding to provide maintenance and support of the election system that ensure compliance core applications systems for the Bureau of Elections.   | 200,000   | 200,000   |

6. <b>General Fund Reduction.</b> Governor reduced GF/GP expenditures by 4% as a budgetary savings measure and replaced funding with restricted Transportation Administration Collection Fund (TACF) dollars.	0	(738,700)
7. <b>Economic Adjustments.</b> Includes \$2,600,200 Gross and \$423,300 GF/GP for total economic adjustments, of which an estimated negative \$1,864,800 Gross and \$153,800 GF/GP is for legacy retirement costs (pension and retiree health).	2,600,200	423,300
<b>Total Changes</b> .....	<b>\$8,146,800</b>	<b>\$4,501,200</b>
<b>FY 2019-20 Governor's Recommendation</b> .....	<b>\$255,209,600</b>	<b>\$22,967,500</b>

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

1. **Governor:** Moved boilerplate from the FY 2018-19 general sections that applied to all General Government budgets to the Article for the Department of State. Changes to those items can be found in the highlight sheet for the **General Sections**
2. **Buena Vista Branch Office.** Requires the Department to maintain a full service branch office in Buena Vista Township. **Governor:** Eliminated section. (Current Law Sec. 718)
3. **Post-Election Audits.** Requires the Department of State to develop a plan to enhance post-election audit procedures to ensure machine-tabulated vote accounts are counted and reported accurately. **Governor:** Eliminated section as the recommended plan will be completed by July 2019. (CL Sec. 720)
4. **Legacy Cost Estimates.** Total legacy costs are estimated at \$30,655,900. Of the total, Pension-related legacy costs are estimated at \$14,132,900 and retiree health care legacy costs are estimated at \$16,523,000 for fiscal year ending September 30, 2019. **Governor:** Provided the following Legacy Costs estimates for FY 2020: Total legacy costs estimated at \$29,065,400. Of that total, \$14,129,400 are for pension-related legacy costs and \$14,936,000 are for retiree health care legacy costs for the fiscal year ending September 30, 2020. (Sec. 725)

Date Completed: 3-12-19

Fiscal Analyst: Joe Carrasco, Jr.





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Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2018-19 YEAR-TO-DATE*	FY 2019-20 GOV.'S REC.	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions .....	3,116.0	3,135.0	19.0	0.6
<b>GROSS .....</b>	<b>1,433,443,600</b>	<b>1,580,268,900</b>	<b>146,825,300</b>	<b>10.2</b>
Less:				
Interdepartmental Grants Received .....	751,777,000	950,488,800	198,711,800	26.4
<b>ADJUSTED GROSS .....</b>	<b>681,666,600</b>	<b>629,780,100</b>	<b>(51,886,500)</b>	<b>(7.6)</b>
Less:				
Federal Funds .....	5,033,700	4,968,400	(65,300)	(1.3)
Local and Private .....	2,471,000	2,452,300	(18,700)	(0.8)
<b>TOTAL STATE SPENDING .....</b>	<b>674,161,900</b>	<b>622,359,400</b>	<b>(51,802,500)</b>	<b>(7.7)</b>
Less:				
Other State Restricted Funds .....	122,117,400	117,916,800	(4,200,600)	(3.4)
<b>GENERAL FUND/GENERAL PURPOSE .....</b>	<b>552,044,500</b>	<b>504,442,600</b>	<b>(47,601,900)</b>	<b>(8.6)</b>
<b>PAYMENTS TO LOCALS .....</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>

\*As of March 5, 2019.

	Gross	GF/GP
<b>FY 2018-19 Year-to-Date Appropriation .....</b>	<b>\$1,433,443,600</b>	<b>\$552,044,500</b>

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

- 1. Removal of FY 2018-19 Supplemental Funding.** Governor removed supplemental funding totaling \$73.1 million provided via P.A. 618 of 2018. Funding was provided for a variety of items, the three largest being: \$43.1 million for military and judicial retirement system funding; \$20.0 million for statewide broadband; and \$8.2 million for the Inkster School District debt payments. (86,335,000) (78,255,000)
- 2. Removal of FY 2018-19 One-Time Funding.** The Governor did not include one-time funding appropriated in FY 2018-19 for the drinking water declaration of emergency, census-related services, and Office Retirement Services actuarial analyses. (10,200) (10,100)
- 3. Technical Adjustments for IT.** Governor included alignment of funding of the IDGs with department and agency actual current year appropriations which increased restricted funding by \$191.9 million and 15.0 FTEs. Of this increase, \$179.9 million if for DHHS which includes moving \$100.0 million from their operations line item to the IT line item as well as funding for child protective services. 191,899,900 0
- 4. MPSCS Upgrades and Maintenance.** The Governor included \$5.9 million in one-time and \$8.2 million in ongoing GF/GP for upgrades, staffing, and maintenance costs for the Michigan Public Safety Communications System. 14,093,700 14,093,700

5. <b>Demolition Costs.</b> Governor included funding in the enterprise special maintenance line item for demolition costs associated with maintenance of state-owned buildings.	5,000,000	5,000,000
6. <b>IT Investment Fund (ITIF) Increase.</b> Governor included a General Fund increase of \$5.0 million to the ITIF line item. This line item supports state-wide IT projects.	5,000,000	5,000,000
7. <b>Microsoft Enterprise License Agreement.</b> The Governor included \$5.0 million to support a licensing agreement for the Microsoft 365 G5 product bundle for use by state agencies.	5,000,000	5,000,000
8. <b>Special Maintenance Projects.</b> The Governor included one-time funding for special maintenance projects at state-owned facilities.	5,000,000	5,000,000
9. <b>MiLogin Support.</b> The Governor included funding for additional MiLogin integrations and the continued migration of this technology to allow for a single sign-on connectivity to state-run platforms.	3,299,000	3,299,000
10. <b>SIGMA Support.</b> Governor included additional funding to support the ongoing support for the SIGMA system.	1,700,000	0
11. <b>Motor Vehicle Fleet Increase.</b> The Governor included a \$1.5 million increase and 4.0 FTEs to align appropriations with an increase in vehicle miles traveled and an anticipated increase in fuel costs.	1,500,000	0
12. <b>CGI Contract and Staffing.</b> The Governor included funding to cover contract costs for higher data storage capacity and additional accounting staff.	1,200,000	1,200,000
13. <b>Attorney General Legal Counsel.</b> The Governor recommended \$670,000 in State Restricted funds to align funding for Attorney General legal services.	670,000	0
14. <b>Michigan State Police (MSP) Accounting Service Center Adjustment.</b> Governor included increased IDG funding from the MSP to align actual costs with the accounting service center activities on behalf of the MSP.	374,900	0
15. <b>Michigan Team to End Drug Addiction.</b> The Governor included \$300,000 GF/GP to support the Michigan Team to End Drug Addiction, a multi-agency effort to address substance use disorder issues.	300,000	300,000
16. <b>Professional Development Funds.</b> Governor included funding for professional development funds for Michigan Public Employees, SEIU Scientific and engineering unit, and AFSCME represented employees per bargaining agreements with the Office of the State Employer.	200,000	0
17. <b>MSP Retirement System Payments.</b> The Governor included \$10,000 GF/GP to support supplemental payments to the Michigan State Police Retirement System as required by PA 168 of 2015.	10,000	10,000
18. <b>Drinking Water Declaration of Emergency Placeholder.</b> The Governor included a placeholder for a potential drinking water declaration of emergency transfer.	100	0
19. <b>Transfer of Military Retirement to DMVA.</b> Governor transferred the Military Retirement System to the Department of Military and Veterans Affairs to align obligations with the employer.	(5,244,800)	(5,244,800)
20. <b>Regional Prosperity Grants.</b> The Governor eliminated funding for the Regional Prosperity Initiative.	(4,000,000)	(4,000,000)
21. <b>Revenue Alignments and Reduction of Overstated Deducts.</b> The Governor made technical adjustments to align authorization levels to available revenues.	(115,400)	

22. <b>Business Support Services Fund Shift.</b> Governor included a net-zero gross fund shift between GF/GP and Restricted contract revenue for the business support services line item that resulted in a loss in GF/GP revenue.	0	(138,400)
23. <b>Statewide Cost Allocation (SWCAP) Adjustments.</b> Governor included the annual adjustments for DTMB central functions related to the SWCAP. State Restricted and General Fund charges are adjusted annually as part of the budget development process based on the most recent SWCAP data. Changes net to a zero gross change but result in a decrease in GF/GP revenue.	0	(131,300)
24. <b>Annual Adjustment of Indirect Charges and Fund Sources.</b> Governor included a net-zero gross annual adjustment of the DTMB indirect charges and fund sources based on the most recent SSWCAP data. Adjustment results in a loss in GF/GP revenue.	0	(35,800)
25. <b>Economic Adjustments.</b> Includes \$7,283,100 Gross and \$1,310,800 GF/GP for total economic adjustments, of which an estimated negative \$5,318,100 Gross and \$1,037,000 GF/GP is for legacy retirement costs (pension and retiree health).	7,283,100	1,310,800
<b>Total Changes</b> .....	<b>\$146,825,300</b>	<b>(\$47,601,900)</b>
<b>FY 2019-20 Governor's Recommendation</b> .....	<b>\$1,580,268,900</b>	<b>\$504,442,600</b>

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

- Boilerplate Structure.** The Governor moved boilerplate from the FY 2016-17 general sections that applied to all General Government budgets to the Article for the Department of Technology, Management, and Budget. Changes to those items can be found in the highlight sheet for the **General Sections**.
- State Surplus Proceeds.** Allows the use of federal surplus proceeds to offset costs of surplus property program. **Governor:** Modifies to allow for use of proceeds regardless of whether property sold was state or federal. (Sec. 802).
- Related Federal and State Restricted Funds for Special Maintenance. Governor:** Adds new language stating that in addition to the GF/GP appropriation in Part 1 for special maintenance and remodeling, related Federal and State restricted funds will be appropriated up to the amounts that will be earned based upon the initiatives undertaken with the funds in Part 1. (**NEW** Sec. 815)
- Unclassified Salaries Report.** Requires the Department to compile a report by January 1 pertaining to the salaries of unclassified employees and gubernatorial appointees. **Governor:** Eliminates section. (Sec. 822)
- DTMB Fees and Rates.** Requires the Department to provide a report to the Legislature that identifies fee and rate schedules to be used by State departments and agencies for services. **Governor:** Eliminates section. (Sec. 822d)
- Regional Prosperity Grants.** Describes the use of funds appropriated for the regional prosperity initiative. **Governor:** Eliminates section due to removal of these grants in the Executive Recommendation. (Sec. 822f)
- Placement of all Contract Proposals on Department Website.** Requires the Department to establish a publicly accessible portal on the Department's website that displays all contract proposals for all State departments and agencies. **Governor:** Eliminates section. (Sec. 822h)
- School Reform Office Coordination with Department of Education.** Requires the School Reform Office to coordinate with the Department of Education to streamline State services and resources, reduce duplication, and increase efficiency. **Governor:** Eliminates section; Office was transferred to MDE as part of E.O. 2017-5. (Sec. 822o)
- Spatial Information/Technical Services.** Allows Department to enter into agreements to supply spatial information and technical services to other departments, local units of government, and organizations. Provides for receipt and expenditure of funds relating to providing services, publications, and maps, and other products in addition to amounts appropriated in Part 1. Includes annual reporting requirement regarding receipt and expenditure of funds under this section. **Governor:** Deletes reporting requirement. (Sec. 824)

10. **Carryforward of MPSCS Funds.** Requires funds appropriated for the Michigan Public Safety Communications System to be expended according to a plan approved by the State Budget Director. Requires the Department to assess reasonable fees for deposit into the fund and requires this revenue to be used for the support and maintenance of the MPSCS system. **Governor:** Added language allowing for the carryforward of funds. (Sec. 827)
11. **MPSCS and Local Payments.** One-time language for Fiscal Year 2018-19 stating requirements for the use of funds appropriated for the Michigan Public Safety Communications System. **Governor:** Eliminates section. (Sec. 827a)
12. **Report on IT Services and Projects.** Requires the Department to submit a report to the legislative appropriations subcommittees on General Government stating the total funding appropriated for IT services and projects by funding source for all principal executive departments and agencies as well as a listing of all expenditures from these amounts. **Governor:** Eliminates section. (Sec. 828)
13. **Report on Recommendations for IT Hardware and Software.** Requires the Department to provide a report to the appropriations subcommittees on General Government that analyzes and makes recommendations on the life cycle of IT technology hardware and software. **Governor:** Eliminates section. (Sec. 829)
14. **Report on IT Projects.** Requires the Enterprise Portfolio Management Office to provide a quarterly report on executive branch department and enterprise information technology projects. **Governor:** Eliminates section. (Sec. 830)
15. **ORS Actuarial Analyses.** One-time language stating that funds appropriated for retirement services for actuarial analysis shall be used to conduct an analysis to determine the costs incurred by the state employees retirement system as a result of implementing provisions of HB 5411 of the 99<sup>th</sup> legislature, contingent on that bill's passage. **Governor:** Eliminates section. (Sec. 831)
16. **Report on Federal Child Support Enforcement System Penalties.** Requires the Department to inform the legislative appropriations subcommittees on General Government of any potential or actual penalties assessed by the federal government for the failure of the Michigan Child Support Enforcement System to achieve certification. **Governor:** Eliminates section. (Sec. 832)
17. **Census-Related Funds for Necessary Expenses.** States that the funds collected by the Department for supplying census-related information and technical services, estimates, and studies are appropriated for all expenses necessary to provide these services. Requires the Department to submit a report by March 1 providing the amount of revenue collected via the authorization of this section. **Governor:** Deletes reporting requirement. (Sec. 835)
18. **Census-Related One-Time Funding.** Requires the funds provided as one-time funding for census-related services be provided to the Michigan Nonprofit Association to mobilize nonprofits across the state to achieve a fair and accurate count in the 2020 census. States that any funds remaining at the end of the fiscal year are to be placed in a work project account to be used at such time that the actual census takes place. **Governor:** Eliminates section. (Sec. 835a)
19. **Modernization of State IT Systems and Integration.** Requires the Department to provide for the modernization of state information technology systems and integrate state system interfaces to improve customer service using funds appropriated for the Information Technology Investment Fund. **Governor:** Eliminates section. (Sec. 836)
20. **Related Federal and State Restricted Funds for Enterprisewide IT Investments.** **Governor:** Adds new language stating that in addition to the GF/GP appropriation in Part 1 enterprisewide information technology investments, related Federal and State restricted funds will be appropriated up to the amounts that will be earned based upon the initiatives undertaken with the funds in Part 1. (**NEW** Sec. 837)
21. **EPMO Metrics.** States that the Department shall identify specific outcomes and performance measures from the funds appropriated for enterprise portfolio management. **Governor:** Eliminates section. (Sec. 840)
22. **Reports on Capital Outlay Projects.** Requires that the Department provide reports as considered necessary relative to the status of each planning or construction project financed by the state building authority. Describes details required to be included in the report. **Governor:** Eliminates section. (Sec. 862)

Date Completed: 3-12-19

Fiscal Analyst: Elizabeth Raczowski

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



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

\*As of March 5, 2019.

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

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

Date Completed: 3-12-19

Fiscal Analyst: Cory Savino

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



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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2018-19 YEAR-TO-DATE*	FY 2019-20 GOV.'S REC.	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions .....	1,862.5	1,870.5	8.0	0.4
<b>GROSS .....</b>	<b>570,041,500</b>	<b>590,416,900</b>	<b>20,375,400</b>	<b>3.6</b>
Less:				
Interdepartmental Grants Received .....	12,780,300	12,905,600	125,300	1.0
<b>ADJUSTED GROSS .....</b>	<b>557,261,200</b>	<b>577,511,300</b>	<b>20,250,100</b>	<b>3.6</b>
Less:				
Federal Funds .....	27,128,000	27,242,500	114,500	0.4
Local and Private .....	13,163,200	13,243,300	80,100	0.6
<b>TOTAL STATE SPENDING .....</b>	<b>516,970,000</b>	<b>537,025,500</b>	<b>20,055,500</b>	<b>3.9</b>
Less:				
Other State Restricted Funds .....	413,088,700	422,533,700	9,445,000	2.3
<b>GENERAL FUND/GENERAL PURPOSE .....</b>	<b>103,881,300</b>	<b>114,491,800</b>	<b>10,610,500</b>	<b>10.2</b>
<b>PAYMENTS TO LOCALS .....</b>	<b>219,653,600</b>	<b>191,229,200</b>	<b>(28,424,400)</b>	<b>(12.9)</b>

\*As of March 5, 2019.

	Gross	GF/GP
<b>FY 2018-19 Year-to-Date Appropriation .....</b>	<b>\$570,041,500</b>	<b>\$103,881,300</b>

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

- |   |                   |                  |
|---|-------------------|------------------|
| <p>1. <b>Marihuana Proposal 1 Changes.</b> The Governor removed 3.0 FTEs and replaced the Medical Marihuana administration (\$601,400) and excise fund grants (\$10,890,000) with recreational Marihuana programming (\$3,632,200) and grants to qualify counties and cities (\$20,250,000) to account for passage of Proposal 1.</p> | <p>12,390,800</p> | <p>0</p>         |
| <p>2. <b>Wrongful Imprisonment Compensation Fund.</b> The Governor increased the deposit to the Wrongful Imprisonment Compensation Fund to reflect claims that may be paid out in FY 2019-20. This would bring the total deposit to \$10.0 million Gross and GF/GP.</p>   | <p>8,500,000</p>  | <p>8,500,000</p> |
| <p>3. <b>Business Pass-Through Administration.</b> The Governor included additional funding and 11.0 FTEs for ongoing administration of the proposed pass-through entity tax.</p>   | <p>2,000,000</p>  | <p>2,000,000</p> |
| <p>4. <b>Information Technology.</b> The Governor increased appropriations to information technology to reflect additional charges associated with the use of the Unisys mainframe and servers.</p>   | <p>1,450,000</p>  | <p>1,450,000</p> |
| <p>5. <b>Michigan Finance Authority.</b> The Governor increased appropriations to the Michigan Finance Authority using restricted revenue to align with increased costs from information technology legacy systems replacement and attorney general charges.</p>  | <p>300,000</p>    | <p>0</p>         |



6. <b>Senior Citizen Cooperative Housing.</b> The Governor increased appropriations to provide full funding for the inclusion of two new facilities in Ingham and Saginaw counties that became eligible for the program.	250,000	250,000
7. <b>Contingency Fund Transfer Removal.</b> The Governor removed funding from Contingency Fund Transfer 2019-1 associated with the Drinking Water Declaration of Emergency.	(5,613,000)	0
8. <b>One-Time Appropriations Removal.</b> The Governor removed several FY 2018-19 one-time appropriations, which include: Beat the Streets (\$100,000), Courageous Cadets (\$50,000), Financial Data Analytic Tool Reimbursement (\$500,000), Urban Search and Rescue (\$900,000), and a Forensic Science Commission placeholder (\$100).	(1,550,100)	(1,550,100)
9. <b>Administrative Efficiencies.</b> The Governor decreased appropriations due to administrative efficiencies in the following line items: Executive Direction (\$100,000), Supervision of the General Property Tax Law (\$100,000), Tax Administration (\$100,000), Tax Compliance (\$250,000), and Department Services (\$100,000).	(650,000)	(650,000)
10. <b>Drinking Water Declaration of Emergency.</b> The Governor maintained the placeholder in one-time appropriations.	0	0
11. <b>Internal FTE and Fund Transfers.</b> The Governor transferred numerous FTEs and funding throughout the department that net to zero.	0	0
12. <b>Economic Adjustments.</b> Includes \$3,297,700 Gross and \$610,600 GF/GP for total economic adjustments, of which an estimated decrease of \$1,396,300 Gross and \$312,800 GF/GP is for legacy retirement costs (pension and retiree health).	3,297,700	610,600
<b>Total Changes</b> .....	<b>\$20,375,400</b>	<b>\$10,610,500</b>
<b>FY 2019-20 Governor's Recommendation</b> .....	<b>\$590,416,900</b>	<b>\$114,491,800</b>

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

- Deleted Reports.** The Governor deleted a number of sections related to reporting/notification requirements, which include: 902a (notification of bond refinancing), 927 (personality property tax audit Report), and 934 (Michigan Finance Authority report on additional appropriations).
- Other Deleted Sections.** The Governor deleted a number of other sections, which include: 936 (Financial Data Analytic Tool reimbursement), 940 (feasibility study on homeowners filing principal residency exemptions directly with the Department of Treasury), 943 (closed-loop payment system), 949g (Urban Search and Rescue), and 949l (request for proposals for data analytics).
- Collections Contract.** The Governor modified the language regarding collections contracts by removing language requiring that second place collection services issue a separate RFP in the event that an RFP is issued for primary collection services. (Sec. 903)
- Personal Property Tax Report.** The Governor modified the language for the personal property tax report, by changing the date from September 30 to June 30 and removed the language requiring that the Department of Treasury and local community stabilization authority notify all municipalities that adjustments could be made to future payments based on changes in estimates. (Sec. 920)
- Technical Changes.** The Governor made a number of technical modifications that include date changes, changes in Part 1 appropriations, and legacy costs adjustments. (Secs. 201, 926, and 948)

Date Completed: 3-12-19

Fiscal Analyst: Cory Savino

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



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Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2018-19 YEAR-TO-DATE*	FY 2019-20 GOV.'S REC.	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions .....	0.0	0.0	N/A	N/A
<b>GROSS</b> .....	1,338,142,700	1,382,407,900	44,265,200	3.3
Less:				
Interdepartmental Grants Received .....	0	0	0	0.0
<b>ADJUSTED GROSS</b> .....	1,338,142,700	1,382,407,900	44,265,200	3.3
Less:				
Federal Funds .....	0	0	0	0.0
Local and Private .....	0	0	0	0.0
<b>TOTAL STATE SPENDING</b> .....	1,338,142,700	1,382,407,900	44,265,200	3.3
Less:				
Other State Restricted Funds .....	1,338,142,700	1,382,407,900	44,265,200	3.3
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	0	0	0	0.0
<b>PAYMENTS TO LOCALS</b> .....	1,338,142,700	1,382,407,900	44,265,200	3.3

\*As of March 5, 2019.

	Gross	GF/GP
<b>FY 2018-19 Year-to-Date Appropriation</b> .....	<b>\$1,338,142,700</b>	<b>\$0</b>

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

- 1. Constitutional Revenue Sharing.** Governor recommended \$886,539,200 for constitutional revenue sharing for FY 2019-20, an increase of 3.2% from the January 2019 consensus revenue estimate for FY 2018-19. 27,468,000      0
- 2. City, Village, and Township (CVT) Revenue Sharing.** Governor recommended \$262,810,700 in FY 2019-20 for nonconstitutional or "statutory" payments to cities, villages, and townships, a 3% increase in total payments from FY 2018-19. Governor removed one-time funding for per-capita payments under CVT Revenue Sharing and Supplemental CVT Revenue Sharing and moved funding into the ongoing line. All CVTs would then receive 103% of their total statutory FY 2018-19 funding level. 19,770,700      0
- 3. County Revenue Sharing and County Incentive Program.** Governor recommended \$228,058,000 for total payments to counties. This would be paid through two line items: \$184,732,800 for County Revenue Sharing and \$43,325,200 for the County Incentive Program. Governor recommended increases of \$443,500 for County Revenue Sharing and \$106,400 for the County Incentive Program to cover the first full-year cost of three counties (Antrim, Keweenaw, and Mackinac) that re-entered State-paid revenue sharing in 2019. Governor also removed one-time funding for Supplemental County Revenue Sharing and rolled funding into County Revenue Sharing. In total, all counties would receive 105.3% of full funding in FY 2019-20, up from 102.5% in FY 2018-19. 7,642,500      0



4. <b>Community Opportunities for Renewal.</b> Governor created a grant program to assist cities, villages, and townships to pay for projects or services to move the local unit toward financial stability. Grants must be used for infrastructure and equipment repair or replacement, public safety enhancements, blight removal, or for other community revitalization projects (a broad term to include other projects that meet the goals of the program).	5,000,000	0
5. <b>Supplemental County Revenue Sharing.</b> Governor eliminated the program and added funding to ongoing county revenue sharing. Funding under this program must be used to pay down pension, debt, or other post-employment benefit (OPEB) obligations if the county has any.	(1,000,000)	0
6. <b>Financially Distressed Cities, Villages, or Townships.</b> Governor replaced this grants program with Community Opportunities for Renewal. The financially distressed CVTs program provides grants to make payments toward unfunded accrued liabilities, infrastructure and equipment repair or replacement, reduce debt obligations, costs associated with a transition to shared services with another jurisdiction, or other projects to move a CVT toward financial stability.	(2,500,000)	0
7. <b>CVT Revenue Sharing (One-Time).</b> Governor eliminated the program and added funding to ongoing CVT revenue sharing. Funding is used for alternative per-capita payments to certain CVTs and also allows CVTs with less than \$4,500 in payments in FY 2009-10 to receive statutory payments.	(5,916,000)	0
8. <b>Supplemental City, Village, and Township Revenue Sharing.</b> Governor eliminated the program and added funding to ongoing CVT revenue sharing. The program is a per-capita distribution and funding must be used to pay down pension, debt, or OPEB obligations if the CVT has any.	(6,200,000)	0
<b>Total Changes</b> .....	<b>\$44,265,200</b>	<b>\$0</b>
<b>FY 2019-20 Governor's Recommendation</b> .....	<b>\$1,382,407,900</b>	<b>\$0</b>

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

1. **CVT Revenue Sharing.** Governor set the amount that an eligible local government can receive at 103.0% of their payment under Sec. 901(1) of PA 618 of 2018 and Sec. 957(1) of PA 207 of 2018. (Sec. 952(1)).
2. **County Revenue Sharing.** Governor recommended that payments in FY 2019-20 be 105.277% of the payments for which counties are eligible under the Glen Steil State Revenue Sharing Act, increased from of 102.0% in FY 2018-19 (Sec. 955(1)).
3. **Community Opportunities for Renewal.** Governor replaced the Financially Distressed Cities, Villages, or Townships program with Community Opportunities for renewal, and added language to include the following as eligible projects: public safety, blight removal, and other community revitalization projects (a broad term to include other projects that meet the goals of the program). Also removed language that would allow grants to make payments to reduce unfunded accrued liability, to reduce debt obligations, for costs associated with a transition to shared services with another jurisdiction, or for other projects that move the city, village, or township toward financial stability (Sec. 956).
4. **Supplemental Revenue Sharing.** Governor removed supplemental CVT revenue sharing (Sec. 957) and supplemental county revenue sharing (Sec. 958).

Date Completed: 3-12-19

Fiscal Analyst: Ryan M. Bergan

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



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Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2018-19 YEAR-TO-DATE*	FY 2019-20 GOV.'S REC.	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions .....	15,941.7	16,001.0	59.3	0.4
<b>GROSS .....</b>	<b>25,527,390,900</b>	<b>26,178,757,500</b>	<b>651,366,600</b>	<b>2.6</b>
Less:				
Interdepartmental Grants Received .....	13,813,700	13,857,600	43,900	0.3
<b>ADJUSTED GROSS .....</b>	<b>25,513,577,200</b>	<b>26,164,899,900</b>	<b>651,322,700</b>	<b>2.6</b>
Less:				
Federal Funds .....	18,041,010,700	18,221,270,400	180,259,700	1.0
Local and Private .....	274,022,500	299,341,200	25,318,700	9.2
<b>TOTAL STATE SPENDING .....</b>	<b>7,198,544,000</b>	<b>7,644,288,300</b>	<b>445,744,300</b>	<b>6.2</b>
Less:				
Other State Restricted Funds .....	2,758,754,600	2,864,946,300	106,191,700	3.8
<b>GENERAL FUND/GENERAL PURPOSE .....</b>	<b>4,439,789,400</b>	<b>4,779,342,000</b>	<b>339,552,600</b>	<b>7.6</b>
<b>PAYMENTS TO LOCALS .....</b>	<b>1,486,146,300</b>	<b>1,554,203,600</b>	<b>68,057,300</b>	<b>4.6</b>

\*As of March 5, 2019.

	Gross	GF/GP
<b>FY 2018-19 Year-to-Date Appropriation .....</b>	<b>\$25,527,390,900</b>	<b>\$4,439,789,400</b>

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

- |  |               |              |
|--|---------------|--------------|
| 1. <b>Medicaid and Related Match Rates.</b> Traditional Medicaid match dropped to 64.06%, SCHIP match to 86.34%, expansion match to 90.0% effective January 1, 2020. There was also a \$10.0 million decrease in Medicaid Benefits Trust Fund revenue. | 0             | 149,474,800  |
| 2. <b>Changes in Federal Authorization.</b> Budget reflected a net increase in Federal funds, largely crime victims and substance abuse funding.   | 81,980,700    | 0            |
| 3. <b>Medicaid Actuarial Soundness Adjustments.</b> Budget included 2.75% for behavioral health, 2.0% for physical health, 5.75% for autism, and decreased funding for PACE.   | 211,452,000   | 61,886,700   |
| 4. <b>Special Financing/Quality Assurance Assessment Programs Adjustments.</b> Budget reflected increases in special payments to hospitals, nursing homes, and physicians, with increased State retainer savings.                                      | 282,341,400   | (12,627,700) |
| 5. <b>Food Assistance Program (FAP) Base and Caseload.</b> Budget reflected a continued decline in the FAP caseload.   | (170,911,300) | 0            |
| 6. <b>Child Welfare Services Base and Caseload.</b> Budget reflected increases for foster care and Child Care Fund and a decrease for adoption subsidies.  | 21,014,400    | 13,363,300   |

7. <b>Public Assistance Caseloads.</b> Budget reflected minor reductions for Family Independence Program and other public assistance programs.	(12,122,100)	(2,848,400)
8. <b>Traditional Medicaid Base and Caseload.</b> Budget included increased funding to reflect growth in Medicaid costs for physical and behavioral health.	167,974,800	66,289,100
9. <b>Healthy Michigan Plan (HMP) Base and Caseload.</b> Budget reflected relative flat funding for HMP.	(3,824,100)	(1,164,500)
10. <b>Program Increases.</b> Budget included funding for environmental hazards services (23.0 FTEs), forensic center staff (12.0 FTEs), minimum wage increases for Adult Home Help, and an anticipated increase in eligible population for Medicare Premium Payments.	90,994,300	45,915,800
11. <b>Program Reductions.</b> Budget included cuts to multiple legislative initiatives, hospice funding, the MiDocs GME consortium, rural hospital funding, the nursing home variable cost limit, and the pharmacy administrative component of HMO rates. The budget also included assumed savings from expanded inspector general efforts to reduce inaccurate payments made by managed care entities.	(99,019,800)	(37,314,800)
12. <b>Insurance Provider Assessment (IPA) Adjustments.</b> Budget reflected updated estimate of the impact of the new IPA.	(49,289,700)	(2,986,600)
13. <b>HMP Work Engagement Legislation.</b> Budget included \$36.2 million Gross, \$23.1 million GF/GP to implement the legislation and assumes savings of \$50.0 million Gross, \$4.6 million GF/GP from caseload reduction.	(13,784,600)	18,482,700
14. <b>Transfer of Refugee Services to Licensing and Regulatory Affairs.</b> Budget reflected the Executive Order transfer of this line to LARA.	(24,978,100)	0
15. <b>Removal of FY 2018-19 One-Time Appropriations.</b> Budget reflected removal of one-time appropriations.	(57,820,100)	(39,237,100)
16. <b>FY 2019-20 One-Time Appropriations.</b> Budget included a number of one-time items, including \$180.5 million Gross and \$50.0 million GF/GP to cover HMO costs of the potential reinstatement of the Federal Health Insurer Fee and \$7.0 million for continuation of the State Innovation Model.	190,358,700	59,878,500
17. <b>Other Changes.</b> Other changes lead to a slight increase in funding.	8,190,700	1,305,400
18. <b>Economic Adjustments.</b> Includes \$28,809,400 Gross and \$19,135,400 GF/GP for total economic adjustments, of which an estimated negative \$22,581,200 Gross and \$15,603,400 GF/GP is for legacy retirement costs (pension and retiree health).	28,809,400	19,135,400
<b>Total Changes</b> .....	<b>\$651,366,600</b>	<b>\$339,552,600</b>
<b>FY 2019-20 Governor's Recommendation</b> .....	<b>\$26,178,757,500</b>	<b>\$4,779,342,000</b>

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

1. **Deletions.** Governor eliminated the following sections from current year boilerplate: 264, 299, 450, 460, 517, 520, 527, 528, 531, 532, 537, 559, 590, 596, 625, 650, 721, 851,912, 925, 926, 950, 959, 994, 1060, 1061, 1146, 1147, 1170, 1183, 1228, 1234, 1235, 1303, 1305, 1307, 1507, 1510, 1621, 1646, 1696, 1763, 1792, 1800, 1803, 1810, 1851, 1855, 1856, 1857, 1861, 1866, 1882, 1905, 1907, 1908, 1909, 1912, 1913, 1914, 1916, 1917, 1918, 1919, 1920, 1921, and 1922.
2. **Renumbering.** Governor renumbered the following sections from current year boilerplate: 597 moved to 996, 801 moved to 1158, 802 moved to 1152, 803 moved to 1153, 804 moved to 1154, 805 moved to 1155, 806 moved to 1156, 1223 moved to 1315, 1224 moved to 1316, 1229 moved to 1317, 1230 moved to 1318, and 1904 moved to 598.
3. **Contingency Fund Authorization.** Governor increased the state restricted contingency fund limit from \$44.0 million to \$90.0 million. (Sec. 210)
4. **Legacy Costs.** Governor modified language to specify legacy costs for FY 2019-2020 to include \$170.3 million for pension-related costs and \$180.0 million for retiree health care costs. (Sec. 214)
5. **Information Technology Expenditures.** Governor included new language that requires three reports a year on the year-to-date IT expenditures, planned IT expenditures for the remainder of the fiscal year, and planned IT expenditures for the subsequent fiscal year. (Sec. 250)
6. **Communication with the Legislature.** Governor removed section that prohibits the department from punishing an employee for communicating with a member of the legislature of their staff. (Sec. 264)
7. **Behavioral Health Integration Pilots.** Governor modified language to make a technical correction to subsection (4) regarding saving reinvestment. Additionally, the Governor deleted subsection (7), which required a report by November 1 on the progress of the pilot project implementation including a summary of all the projects, and any necessary policy changes. (Sec. 298)
8. **Requests for Proposal, Information, and Qualification.** Governor removed language requiring the Department to consider issuing a request for information or qualification before issuing a request for proposal in excess of \$5.0 million. (Sec. 299)
9. **Child Support Incentive Innovation Program.** Governor modified language to allow for excess child support incentives to be used for a child support innovation program for grants to counties or to be used by the state for performance-based projects. (Sec. 401)
10. **School Success Partnership Program.** Governor removed language that allocated \$525,000 grant to the Northeast Michigan Community Service Agency for a prevention program that identifies students at-risk for academic failure. (Sec. 450)
11. **Child Protective Service Report.** Governor modified reporting language dealing with certain attributes of child protection cases. (Sec. 514)
12. **Title IV-E Appeals Policy.** Governor removed language that required the Department to retain the same Title IV-E appeals policy that was in place as of September 30, 2017. Conference concurred with Senate. (Sec. 517)
13. **Master Contract Changes Report.** Governor removed language that provided notification when changes to a child welfare master contract template had been made. (Sec. 537)
14. **Legal Services Association of Michigan.** Governor removed language that provided \$250,000 grant to LSAM for providing assistance to current or potential recipients disability assistance who have applied for or wish to apply for SSI or other federal disability benefits. (Sec. 625)
15. **Heat and Eat Program.** Governor retained language supporting a \$20.01 annual standard utility allowance, but removed language that allocated \$6,766,800.00 in Federal funding to support the Heat and Eat program. (Sec. 688)
16. **Deemed Status for CMHSPs, PIHPs, and Subcontractors.** Governor removed language directing the Department to seek federal approval to deem CMHSPs, PIHPs, and subcontractors that have been accredited by a national agency to be in compliance with program review and audit requirements. (Sec. 994)
17. **Center for Forensic Psychiatry Report.** Governor expanded language requiring a report on wait times and the number of people waiting at CFP to apply to all state psychiatric hospitals, and added the average wait time between being deemed ready for discharge and actual discharge to the report requirements. (Sec. 1059)

18. **State Psychiatric Hospital Staffing Report.** Governor included new language requiring a report on the measures implemented to hire qualified staff, address overtime and turnover, improve retention, and the number of direct care and clinical staff positions that are vacant. (Sec. 1062)
19. **HMP Employment and Training Supports.** Governor included new language appropriating funds for employment and training-related services for HMP beneficiaries. Allows the Department to partner with TED to leverage existing employment-related services and allows the funds to be used to hire additional field staff. (Sec. 1511)
20. **Nursing Home Capital Costs.** Governor included new language that directs the Department to establish that the capital cost component of nursing facility reimbursement be based on a rolling 15-year history of new construction and limits the FY 2020 increases in the asset value bed limit to 4.0% of the FY 2019 limit. (Sec. 1645)
21. **Obstetrical and Newborn Care Lump Sum Payment.** Governor modified language to specify that \$5.0 million shall be used to provide a lump-sum payment to rural hospitals access payment qualifying hospitals providing obstetrical care. Governor included language from Sec. 1866 regarding Rural/Sole Hospital Pool payments. (Sec. 1802).
22. **GME Quality Data Reporting.** Governor removed penalty language requiring 25% of a hospital's graduate medical education payment to be withheld if the hospital does not submit data by January 1. (Sec. 1805)

Date Completed: 3-12-19

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Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2018-19 YEAR-TO-DATE*	FY 2019-20 GOV.'S REC.	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions .....	0.0	0.0	N/A	N/A
<b>GROSS</b> .....	<b>1,669,732,600</b>	<b>1,711,321,800</b>	<b>41,589,200</b>	<b>2.5</b>
Less:				
Interdepartmental Grants Received .....	0	0	0	0.0
<b>ADJUSTED GROSS</b> .....	<b>1,669,732,600</b>	<b>1,711,321,800</b>	<b>41,589,200</b>	<b>2.5</b>
Less:				
Federal Funds .....	123,526,400	123,526,400	0	0.0
Local and Private .....	0	0	0	0.0
<b>TOTAL STATE SPENDING</b> .....	<b>1,546,206,200</b>	<b>1,587,795,400</b>	<b>41,589,200</b>	<b>2.7</b>
Less:				
Other State Restricted Funds .....	500,188,300	0	(500,188,300)	(100.0)
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>1,046,017,900</b>	<b>1,587,795,400</b>	<b>541,777,500</b>	<b>51.8</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>

\*As of March 5, 2019.

	Gross	GF/GP
<b>FY 2018-19 Year-to-Date Appropriation</b> .....	<b>\$1,669,732,600</b>	<b>\$1,046,017,900</b>

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

- |  |             |             |
|--|-------------|-------------|
| 1. <b>University Operations Increase.</b> The Governor included a 3% across-the-board increase based on each university's FY 2018-19 operations funding.   | 43,707,400  | 43,707,400  |
| 2. <b>School Aid Fund Shift.</b> The Governor removed all School Aid Fund revenue in the Higher Education budget and replaced it with GF/GP. Under the Governor's proposal, this fund shift would be made possible through amendments to the Income Tax Act that would remove the \$600.0 million earmark of income tax revenue for transportation. Removal of that earmark would cause that revenue to revert to the State General Fund. Lost transportation funding would then be replaced with revenue from increased fuel taxes. | 0           | 499,419,300 |
| 3. <b>Michigan State University (MSU) AgBioResearch Increase.</b> The Governor included a 3% increase for this program to mirror increases provided for university operations.   | 1,037,700   | 1,037,700   |
| 4. <b>MSU Extension Increase.</b> The Governor included a 3% increase for this program to mirror increases provided for university operations.   | 895,100     | 895,100     |
| 5. <b>Tuition Incentive Program.</b> The Governor reduced this program to reflect boilerplate that would limit payments to three times the average rate for in-district tuition at community colleges. This reduction would bring total funding for the program to \$59.8 million.   | (4,500,000) | (4,500,000) |

6. <b>Michigan Public School Employees' Retirement System (MPERS) Normal Cost Offset.</b> The Governor moved the \$669,000 one-time FY 2018-19 item for this purpose to an ongoing appropriation and increased the amount by an additional \$565,000 for a total normal cost offset of \$1.2 million for the seven universities that are part of MPERS. This amount will support the additional costs associated with bringing the assumed rate of return for MPERS funds from 8% to 7.05%.	565,000	1,234,000
7. <b>MPERS Unfunded Accrued Liability Stabilization Adjustment.</b> The Governor reduced this item to reflect a reduction in the amount of the State's share of costs above the statutory cap. This reduction would bring total MPERS UAAL payments to \$5.0 million.	(116,000)	(116,000)
8. <b>Children of Veterans Tuition Grant - Supplant Income Tax Checkoff.</b> The Governor replaced \$100,000 in income tax checkoff revenue with GF/GP as this item no longer appears on tax forms. Total appropriations for this program would remain unchanged at \$1.4 million.	0	100,000
<b>Total Changes</b> .....	<b>\$41,589,200</b>	<b>\$541,777,500</b>
<b>FY 2019-20 Governor's Recommendation</b> .....	<b>\$1,711,321,800</b>	<b>\$1,587,795,400</b>

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

- 1. Receipt of Federal and Private Funds.** Specifies that Federal and private funds received by the State for use by a college or university are appropriated for the purposes for which they are received. The Governor removed a sentence that specifies that the acceptance of funds does not obligate the Legislature to continue the purposes for which the funds are made available. (Sec. 242)
- 2. Transparency Reporting.** The Governor removed language that allows the State Budget Director to withhold monthly payments to universities if they fail to comply with statutory financial transparency requirements. (Sec. 245)
- 3. Tuition Grant Limitation.** The Governor removed a sentence that specifies that the \$4.2 million institutional limit placed on Tuition Grants does not apply to any other student financial aid program or in combination with any other student financial aid program. (Sec. 252)
- 4. Tuition Incentive Program - Limit Payment Size.** The Governor included new language that would limit payments made to universities under this program to a per-credit payment that does not exceed three times the average community college in-district tuition rate. (Sec. 256)
- 5. Tuition Incentive Program - Data Reporting.** The Governor removed language that would require an institution that does not report certain data to the P-20 longitudinal data system to report that data to the Department of Treasury. (Sec. 256)
- 6. University of Michigan Douglas Lake Biological Station.** The Governor removed a section that designates Douglas Lake a special reserve and states the intent of the Legislature that no State programs or policies be developed that would have a deleterious impact on the research value of Douglas Lake. (Sec. 261)
- 7. Tuition Restraint - Lower Threshold.** The Governor reduced the allowable tuition increase under this section from 3.8% or \$490, to 3.2% or \$427. (Sec. 265)
- 8. Tuition Restraint - Exceeding Limit.** The Governor removed language that restricts a university that exceeds the rate cap from receiving a capital outlay planning or construction authorization, as well as language that specifies that the Legislature may adjust the appropriation to any university that exceeds the rate cap. (Sec. 265)
- 9. Performance Funding.** The Governor changed the name of 'performance funding' to 'student affordability funding', and replaced the funding formula with an increase of 3% for all universities based on their FY 2018-19 funding. (Sec. 265a)
- 10. Academic Program Partnerships.** The Governor removed a section requiring the Michigan Community College Association, Michigan Independent Colleges and Universities, and the Michigan Association of State Universities to submit a report on academic partnership programs. (Sec. 265c)
- 11. Indian Tuition Waiver - Remove Intent Language.** The Governor removed language stating the intent of the Legislature that for FY 2018-19 funds be allocated for unfunded North American Indian tuition waiver costs. (Sec. 268)



12. **Discouraged Instruction Activity.** The Governor removed a section stating the intent of the Legislature that public universities not use State funds to offer instructional activities that target companies or groups of companies for unionization or decertification of a union.
13. **Human Embryonic Stem Cell Research.** The Governor removed a section stating the intent of the Legislature that public and private organizations' stem cell research provide certain information to the director of the Department of Health and Human Services. (Sec. 274)
14. **Use and Finance Noncompliance Penalty.** The Governor removed a section that imposes a 1% reduction in State funding to a university for each violation of certain requirement of the Management and Budget Act. (Sec. 275a)
15. **HEIDI Data - Allow Counting of Distance Education and Inmates.** The Governor modified the HEIDI data audit requirements to allow distance learning and inmate programs to count toward university student credit hours. (Sec. 289)

Date Completed: 3-12-19

Fiscal Analyst: Josh Sefton

Table 1: FY 2019-20 Higher Education Appropriation Governor's Recommendation Detail

University	FY 2018-19 Year-To-Date Appropriation	Formula Adjustments		Other Changes	FY 2019-20 Gov. Rec.	Dollar Change From FY 2018-19	Percent Change	Appropriation Per FYES
		3% Across the Board from FY19	Total Formula Distribution					
Central	\$87,415,000	\$2,622,500	\$2,622,500		\$90,037,500	\$2,622,500	3.0%	\$ 4,606
Eastern	76,979,300	2,309,400	2,309,400		79,288,700	2,309,400	3.0	\$ 4,921
Ferris	54,950,700	1,648,500	1,648,500		56,599,200	1,648,500	3.0	\$ 5,031
Grand Valley	72,056,600	2,161,700	2,161,700		74,218,300	2,161,700	3.0	\$ 3,300
Lake Superior	13,987,000	419,600	419,600		14,406,600	419,600	3.0	\$ 7,890
Michigan State	286,274,200	8,588,200	8,588,200		294,862,400	8,588,200	3.0	\$ 6,408
Michigan Tech	49,949,600	1,498,500	1,498,500		51,448,100	1,498,500	3.0	\$ 7,761
Northern	47,998,400	1,440,000	1,440,000		49,438,400	1,440,000	3.0	\$ 7,365
Oakland	52,819,200	1,584,600	1,584,600		54,403,800	1,584,600	3.0	\$ 3,125
Saginaw Valley	30,528,000	915,800	915,800		31,443,800	915,800	3.0	\$ 4,227
UM-Ann Arbor	320,782,400	9,623,400	9,623,400		330,405,800	9,623,400	3.0	\$ 7,052
UM-Dearborn	26,071,800	782,200	782,200		26,854,000	782,200	3.0	\$ 3,811
UM-Flint	23,585,400	707,600	707,600		24,293,000	707,600	3.0	\$ 3,940
Wayne State	202,363,200	6,070,900	6,070,900		208,434,100	6,070,900	3.0	\$ 9,222
Western	111,151,000	3,334,500	3,334,500		114,485,500	3,334,500	3.0	\$ 5,916
<b>Subtotal University Operations:</b>	<b>\$1,456,911,800</b>	<b>\$43,707,400</b>	<b>\$43,707,400</b>	<b>\$0</b>	<b>\$1,500,619,200</b>	<b>\$43,707,400</b>	<b>3.0%</b>	<b>\$ 5,829</b>
MPSERS Reimbursement	\$5,133,000			(\$116,000)	\$5,017,000	(\$116,000)	(2.3%)	
MPSERS Normal Cost Offset	0			1,234,000	\$1,234,000	\$1,234,000	N/A	
MSU AgBioResearch	34,591,400			1,037,700	35,629,100	1,037,700	3.0	
MSU Extension	29,837,700			895,100	30,732,800	895,100	3.0	
Higher Education Database	200,000			0	200,000	0	0.0	
Midwest Higher Ed Compact	115,000			0	115,000	0	0.0	
King-Chavez-Parks	2,691,500			0	2,691,500	0	0.0	
MPSERS Normal Cost Hold Harmless (one-time)	669,000			(669,000)	0	(669,000)	(100.0)	
<b>Total Universities</b>	<b>\$1,530,149,400</b>	<b>\$43,707,400</b>	<b>\$43,707,400</b>	<b>\$2,381,800</b>	<b>\$1,576,238,600</b>	<b>\$46,089,200</b>	<b>3.0%</b>	
<b>School Aid Fund</b>	<b>500,088,300</b>		<b>0</b>	<b>(500,088,300)</b>	<b>0</b>	<b>(500,088,300)</b>	<b>(100.0)</b>	
<b>State GF/GP</b>	<b>\$1,030,061,100</b>	<b>\$43,707,400</b>	<b>\$43,707,400</b>	<b>\$502,470,100</b>	<b>\$1,576,238,600</b>	<b>\$546,177,500</b>	<b>53.0%</b>	
<b>Grants and Financial Aid</b>								
State Competitive Scholarships	\$32,361,700			\$0	\$32,361,700	\$0	0.0%	
Tuition Grants	38,021,500			0	38,021,500	0	0.0	
Tuition Incentive Program (TIP)	64,300,000			(4,500,000)	59,800,000	(4,500,000)	(7.0)	
Children of Veterans & Officer's Tuition	1,400,000			0	1,400,000	0	0.0	
Project Gear-Up	3,200,000			0	3,200,000	0	0.0	
North American Indian Tuition Waiver	300,000			0	300,000	0	0.0	
<b>Total Grants/Financial Aid</b>	<b>\$139,583,200</b>			<b>(\$4,500,000)</b>	<b>\$135,083,200</b>	<b>(\$4,500,000)</b>	<b>(3.2%)</b>	
<b>Federal Higher Ed Act</b>	<b>3,200,000</b>			<b>0</b>	<b>3,200,000</b>	<b>0</b>	<b>0.0</b>	
<b>Federal TANF</b>	<b>120,326,400</b>			<b>0</b>	<b>120,326,400</b>	<b>0</b>	<b>0.0</b>	
<b>Veterans Tax Check-off</b>	<b>100,000</b>			<b>(100,000)</b>	<b>0</b>	<b>(100,000)</b>	<b>(100.0)</b>	
<b>State GF/GP</b>	<b>\$15,956,800</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$4,400,000)</b>	<b>\$11,556,800</b>	<b>(\$4,400,000)</b>	<b>(27.6)</b>	
<b>TOTAL HIGHER EDUCATION</b>								
<b>TOTAL ALL FUNDS</b>	<b>\$1,669,732,600</b>	<b>\$43,707,400</b>	<b>\$43,707,400</b>	<b>(\$2,118,200)</b>	<b>\$1,711,321,800</b>	<b>\$41,589,200</b>	<b>2.5%</b>	
<b>TOTAL FEDERAL</b>	<b>123,526,400</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>123,526,400</b>	<b>0</b>	<b>0.0</b>	
<b>TOTAL STATE RESTRICTED</b>	<b>500,188,300</b>	<b>0</b>	<b>0</b>	<b>(500,188,300)</b>	<b>0</b>	<b>(500,188,300)</b>	<b>(100.0)</b>	
<b>TOTAL STATE GF/GP</b>	<b>\$1,046,017,900</b>	<b>\$43,707,400</b>	<b>\$43,707,400</b>	<b>\$498,070,100</b>	<b>\$1,587,795,400</b>	<b>\$541,777,500</b>	<b>51.8%</b>	



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BILL ANALYSIS



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Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2018-19 YEAR-TO-DATE*	FY 2019-20 GOV.'S REC.	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions .....	336.5	346.5	10.0	3.0
<b>GROSS</b> .....	<b>67,971,900</b>	<b>68,889,800</b>	<b>917,900</b>	<b>1.4</b>
Less:				
Interdepartmental Grants Received .....	713,800	723,100	9,300	1.3
<b>ADJUSTED GROSS</b> .....	<b>67,258,100</b>	<b>68,166,700</b>	<b>908,600</b>	<b>1.4</b>
Less:				
Federal Funds .....	2,017,300	1,017,600	(999,700)	(49.6)
Local and Private .....	0	0	0	0.0
<b>TOTAL STATE SPENDING</b> .....	<b>65,240,800</b>	<b>67,149,100</b>	<b>1,908,300</b>	<b>2.9</b>
Less:				
Other State Restricted Funds .....	64,690,800	66,999,100	2,308,300	3.6
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>550,000</b>	<b>150,000</b>	<b>(400,000)</b>	<b>(72.7)</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>

\*As of March 5, 2019.

	Gross	GF/GP
<b>FY 2018-19 Year-to-Date Appropriation</b> .....	<b>\$67,971,900</b>	<b>\$550,000</b>
<b>Changes from FY 2018-19 Year-to-Date:</b>		
1. <b>Anti-Fraud Unit.</b> The Governor included \$499,300 in Restricted funds and 4.0 FTEs for the Anti-Fraud Unit created by Executive Order 2018-9. The Anti-Fraud Unit will investigate fraud and criminal activity in the insurance and financial services sectors.	499,300	0
2. <b>Removal of One-Time Actuarial Study.</b> The Governor removed a one-time \$400,000 GF/GP appropriation for an evaluation of the State's pursuit of a health care innovation waiver under the Patient Protection and Affordable Care Act.	(400,000)	(400,000)
3. <b>Economic Adjustments.</b> Includes \$818,600 Gross and \$0 GF/GP for total economic adjustments, of which an estimated negative \$575,500 Gross and \$0 GF/GP is for legacy retirement costs (pension and retiree health).	818,600	0
Total Changes .....	\$917,900	(\$400,000)
<b>FY 2019-20 Governor's Recommendation</b> .....	<b>\$68,889,800</b>	<b>\$150,000</b>

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

1. **Out-of-State Travel Report.** The Governor replaced this report with a less detailed version that is consistent with the report found in most other budget bills. The replacement section also removed restrictions on the circumstances for such travel. (Sec. 207)

2. **Communication with the Legislature.** The Governor removed a prohibition against taking disciplinary action against Department employees who communicate with the Legislature. (Sec. 218)
3. **TV or Radio Productions.** The Governor removed a prohibition against the Department producing radio or TV productions. (Sec. 219)
4. **Healthy Michigan Plan Accounting Structure.** The Governor removed a section requiring LARA and DHHS to maintain an accounting structure allowing for identification of expenditures related with the administration of the Health Michigan Plan. (Sec. 220)
5. **Healthy Michigan Reporting.** The Governor removed a section that limited GF/GP expenditures for executive director programs to uses necessary to comply with Healthy Michigan reporting requirements. (Sec. 221)
6. **Insurance Bureau Fund Expenditures.** The Governor removed a section noting that funds in the Insurance Bureau Fund may be expended to support legislative participation in insurance activities coordinated by insurance and legislative associations. This use is already permitted by statute. (Sec. 222)
7. **Health Insurance Rate Filings Report.** The Governor removed a section requiring the Department to report annual rate filings to the Legislature. (Sec. 301)
8. **Innovation Waiver Actuarial Study.** The Governor removed language specific to a one-time actuarial study of the State's pursuit of a health care innovation waiver under the Patient Protection and Affordable Care Act. (Sec. 401)

Date Completed: 3-12-19

Fiscal Analyst: Elizabeth Raczkowski



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Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2018-19 YEAR-TO-DATE*	FY 2019-20 GOV.'S REC.	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions .....	502.0	503.0	1.0	0.2
<b>GROSS</b> .....	<b>304,079,100</b>	<b>309,341,000</b>	<b>5,261,900</b>	<b>1.7</b>
Less:				
Interdepartmental Grants Received .....	1,551,300	1,551,700	400	0.0
<b>ADJUSTED GROSS</b> .....	<b>302,527,800</b>	<b>307,789,300</b>	<b>5,261,500</b>	<b>1.7</b>
Less:				
Federal Funds .....	5,987,400	6,028,400	41,000	0.7
Local and Private .....	7,481,400	7,573,800	92,400	1.2
<b>TOTAL STATE SPENDING</b> .....	<b>289,059,000</b>	<b>294,187,100</b>	<b>5,128,100</b>	<b>1.8</b>
Less:				
Other State Restricted Funds .....	92,979,500	93,044,900	65,400	0.1
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>196,079,500</b>	<b>201,142,200</b>	<b>5,062,700</b>	<b>2.6</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>148,614,500</b>	<b>144,425,200</b>	<b>(4,189,300)</b>	<b>(2.8)</b>

\*As of March 5, 2019.

	Gross	GF/GP
<b>FY 2018-19 Year-to-Date Appropriation</b> .....	<b>\$304,079,100</b>	<b>\$196,079,500</b>

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

- |   |           |           |
|---|-----------|-----------|
| <p>1. <b>Cybersecurity for Michigan Supreme Court Website.</b> The Governor included additional funding for cybersecurity for the supreme court website, as well as new customer relationship management software. The bulk of the additional funding was included as one-time, \$1,475,000, with the remaining amount, \$454,100, added to the Judicial Information Systems line item.</p> | 1,929,100 | 1,929,100 |
| <p>2. <b>State Appellate Defender Office Public Defender Caseload Enhancement.</b> The Governor included a 5% increase the Appellate Public Defender program.</p>   | 457,200   | 457,200   |
| <p>3. <b>Expansion of Online Dispute Resolution.</b> The Governor included a 16% increase in Community Dispute Resolution funding for the expansion of online dispute resolution from 17 counties to 83 counties.</p>   | 450,000   | 450,000   |
| <p>4. <b>Judicial Tenure Commission.</b> The Governor included a 17% increase in funding for the Commission to address backlog reduction, ongoing investigations, and salary adjustments. Half of the increase is one-time funding.</p>   | 200,000   | 200,000   |
| <p>5. <b>SADO Funding for Montgomery v. Louisiana Compliance.</b> The Governor included a slight increase in funding for the resentencing of Michigan's juvenile lifers, as required by the Supreme Court. The line for this funding was also moved from the one-time section to the Indigent Defense - Criminal section of the budget.</p>   | 141,900   | 141,900   |

6. <b>Pretrial Risk Assessment Tool.</b> The Governor included a slight increase in funding for development of the pretrial risk assessment tool. The funding was moved from one-time for the current fiscal year to the State Court Administrative Office line-item of the ongoing budget.	20,000	20,000
7. <b>Removal of One-time Funding for Problem Solving Courts.</b> The Governor removed current year one-time for drug treatment, mental health, and veterans problem solving courts. Despite the reduction, those programs are still funded in the ongoing section of the budget at \$18.2 million.	(750,000)	(750,000)
8. <b>Judicial Position Adjustments.</b> The Governor included the elimination of two Court of Appeals Judge positions in District 3 and District 4, the elimination of two District Court Judge positions in Livingston and Wayne Counties, and the addition of two part-time Circuit Court Judge positions in Oakland and Macomb Counties and one full-time Circuit Court Judge position in Livingston County.	(436,300)	(451,900)
9. <b>Program Elimination.</b> The Governor did not include funding for the current year's pilot program: Youthful Sex Offender Treatment.	(75,000)	(75,000)
10. <b>Economic Adjustments.</b> Includes \$3,325,000 Gross and \$3,141,400 GF/GP for total economic adjustments, of which an estimated negative \$189,800 Gross and \$115,300 GF/GP is for legacy retirement costs (pension and retiree health).	3,325,000	3,141,400
<b>Total Changes</b> .....	<b>\$5,261,900</b>	<b>\$5,062,700</b>
<b>FY 2019-20 Governor's Recommendation</b> .....	<b>\$309,341,000</b>	<b>\$201,142,200</b>

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

- Definitions.** The Governor removed boilerplate definitions for the following terms: "DOJ", "DOT", "HHS", "SADO", "Title IV D", "Title IV E". (Sec. 203)
- Depressed Communities - New.** The Governor added a section directing the Judicial branch to take reasonable steps to contract or subcontract with businesses in deprived and depressed communities. (Sec. 206)
- Disciplinary Action - Removed.** The Governor removed a section prohibiting the Judicial branch from taking disciplinary action against an employee for communicating with the Legislature. (Sec. 215)
- Foster Parent Input - Removed.** The Governor removed a section requiring judges to publicly request the input of foster parents during foster care hearings. (Sec. 216)
- Explanation of Foster Care Service Plan Changes - Removed.** The Governor removed a section requiring judges to provide an explanation of changes to a foster care family service plan. (Sec. 217)
- Interagency Collaboration for Swift & Sure - Removed.** The Governor removed a requirement that the State Court Administrative Office (SCAO) identify programs available for Swift & Sure participants. (Sec. 218)
- Report Retention - Removed.** The Governor removed a requirement that the Judicial branch retain copies of all reports funded from appropriations. (Sec. 219)
- Reporting on Restitution Payments - Removed.** The Governor removed an SCAO reporting requirement regarding collected and uncollected restitution payments, court fees and applicable judgments. (Sec. 306)
- Reporting on the Parental Rights Restoration Act - Removed.** The Governor removed a report requiring the State court administrator to report on the number of petitions filed and granted of minors seeking a waiver of parental consent. (Sec. 312)
- Juvenile Lifers Compliance and Reporting - Removed.** The Governor removed one-time funding and reporting language associated with the State's required compliance with the Supreme Court's Montgomery v. Louisiana decision. Funding for compliance in part 1 of the recommendation was moved to ongoing. (Sec. 402)

11. **Youthful Sex Offender Treatment Pilot Program - *Removed*.** The Governor removed language regarding the one-time funding for the pilot program. The program was not funded in part 1 of the budget recommendation. (Sec. 403)
12. **Second Year Appropriations - *Removed*.** The Governor removed language expressing legislative intent to provide appropriations for the upcoming two fiscal years. (Sec. 1201)

Date Completed: 3-12-19

Fiscal Analyst: Michael Siracuse





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Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2018-19 YEAR-TO-DATE*	FY 2019-20 GOV.'S REC.	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions .....	2,322.3	2,347.3	25.0	1.1
<b>GROSS</b> .....	<b>527,212,200</b>	<b>572,612,500</b>	<b>45,400,300</b>	<b>8.6</b>
Less:				
Interdepartmental Grants Received .....	48,414,300	49,014,200	599,900	1.2
<b>ADJUSTED GROSS</b> .....	<b>478,797,900</b>	<b>523,598,300</b>	<b>44,800,400</b>	<b>9.4</b>
Less:				
Federal Funds .....	66,244,400	95,852,500	29,608,100	44.7
Local and Private .....	411,800	351,800	(60,000)	(14.6)
<b>TOTAL STATE SPENDING</b> .....	<b>412,141,700</b>	<b>427,394,000</b>	<b>15,252,300</b>	<b>3.7</b>
Less:				
Other State Restricted Funds .....	276,471,400	303,125,900	26,654,500	9.6
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>135,670,300</b>	<b>124,268,100</b>	<b>(11,402,200)</b>	<b>(8.4)</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>105,251,900</b>	<b>101,999,600</b>	<b>(3,252,300)</b>	<b>(3.1)</b>

\*As of March 5, 2019.

	Gross	GF/GP
<b>FY 2018-19 Year-to-Date Appropriation</b> .....	<b>\$527,212,200</b>	<b>\$135,670,300</b>

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

- |   |            |             |
|---|------------|-------------|
| 1. <b>Refugee Services Transfer.</b> The Governor included \$25.0 million and 5.0 FTEs to reflect the transfer of refugee services functions from DHHS to LARA's Michigan Office for New Americans (MONA), pursuant to Executive Order 2018-7.                      | 24,978,100 | 0           |
| 2. <b>Marihuana Research.</b> The Governor included \$20.0 million in funding to support research on the use of marihuana to treat veterans' health conditions, as required by Initiated Law (IL) 1 of 2018, the Michigan Regulation and Taxation of Marijuana Act. | 20,000,000 | 0           |
| 3. <b>Recreational Marihuana Regulation.</b> The Governor included an additional \$1.0 million and 30.0 FTEs to support the implementation and administration of IL 1 of 2018 and shifted \$5.0 million in funding from GF/GP to Restricted.                        | 1,000,000  | (5,000,000) |
| 4. <b>Unaccompanied Refugee Minors.</b> The Governor included \$3.8 million in Federal funds to enable MONA's support of service providers who assist unaccompanied refugee minors.   | 3,790,900  | 0           |

FY 2019-20 LICENSING AND REGULATORY AFFAIRS BUDGET

GOVERNOR'S RECOMMENDATION

5. <b>Child Care and Adult Foster Care Revenue.</b> The Governor included \$500,000 in restricted funds to reflect the availability of revenues to be collected from Child Day Care Centers and Homes, and \$410,000 in restricted funds to reflect the availability of revenues to be collected from Adult Foster Care facilities.	910,000	0
6. <b>Medical Marihuana Regulation.</b> The Governor included \$900,000 and eliminated 13.0 FTEs to reflect anticipated costs associated with the Medical Marihuana Facilities Licensing Act (Public Act 281 of 2016).	900,000	0
7. <b>Bureau of Fire Services.</b> The Governor included \$500,000 to allow for the receipt of Federal funds for firefighter training and fire prevention as well as \$289,900 in State Restricted funds to support new testing requirements for fire services members.	789,900	0
8. <b>One-Time Refugee Services Database Funding.</b> The Governor included \$520,000 in Federal funds for the development of a database for the Refugee Services Program within the Michigan Office for New Americans.	520,000	0
9. <b>Marihuana Regulatory Fund Adjustment.</b> The Governor included \$422,000 from the Marihuana Regulatory Fund for administrative functions.	422,000	0
10. <b>Firefighter Training Grants.</b> The Governor included an additional \$300,000 in restricted funds for Firefighter Training Grants.	300,000	0
11. <b>Indigent Defense Training Evaluation.</b> The Governor included funding for the Michigan Indigent Defense Commission (MIDC) for the implementation of a system to evaluate indigent defense training.	205,200	205,200
12. <b>Vehicle Supply Equipment Program.</b> The Governor included private funds to support the Light-Duty Zero Emission Vehicle Supply Equipment Program. This program is pursuant to the Volkswagen Settlement Beneficiary Mitigation Plan agreement.	140,000	0
13. <b>First Responder Presumed Coverage Fund Revenue.</b> The Governor removed \$5.4 million in restricted funds for the First Responder Presumed Coverage Fund. The enactment of IL 1 of 2018 resulted in the elimination of the Medical Marihuana Excise Tax, the Fund's only ongoing, dedicated revenue stream.	(5,445,000)	0
14. <b>MIDC Grants.</b> The Governor removed \$5.9 million in one-time GF/GP costs for Fiscal Year 2019 indigent defense compliance plans but retained \$2.8 million as ongoing funding. This included \$200,000 in local indigent defense reimbursements.	(5,850,400)	(5,850,400)
15. <b>Reversal of FY 2018-19 Adjustments.</b> The Governor removed \$1.2 million one-time supplemental funding for an opioid treatment and community resource locator and adjusted out a \$500,000 Federal fire services grant included in an FY 2018-19 contingency fund transfer.	(1,700,000)	(1,200,000)
16. <b>State Restricted Deducts.</b> The Governor made technical adjustments to align authorization levels to available revenues.	(643,800)	0
17. <b>Economic Adjustments.</b> Includes \$5,083,400 Gross and \$443,000 GF/GP for total economic adjustments, of which an estimated negative \$3,443,100 Gross and \$375,600 GF/GP is for legacy retirement costs (pension and retiree health).	5,083,400	443,000
<b>Total Changes</b> .....	<b>\$45,400,300</b>	<b>(\$11,402,200)</b>
<b>FY 2019-20 Governor's Recommendation</b> .....	<b>\$572,612,500</b>	<b>\$124,268,100</b>

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

1. **Out-of-State Travel Report.** The Governor replaced this report with a less detailed version that is consistent with the report found in most other budget bills. The replacement section also removed restrictions on the circumstances for such travel. (Sec. 207)
2. **Communication with the Legislature.** The Governor removed a prohibition against taking disciplinary action against Department employees who communicate with the Legislature. (Sec. 218)
3. **TV or Radio Productions.** The Governor removed a prohibition against the Department producing radio or TV productions. (Sec. 219)
4. **Healthy Michigan Plan Accounting Structure.** The Governor removed a section requiring LARA and DHHS to maintain an accounting structure allowing for identification of expenditures related with the administration of the Health Michigan Plan. (Sec. 220)
5. **Regulatory Activities Report.** The Governor removed a report providing details on licensing/regulatory activities undertaken by each agency or bureau in the Department. (Sec. 226)
6. **Employee Performance Monitoring.** The Governor removed a section stating the intent of the Legislature that the Department establish an employee performance monitoring process in addition to what is required by the Civil Service Commission. (Sec. 227)
7. **Fast Charging Stations Study.** The Governor removed a section requiring the Michigan Agency for Energy to complete a study assessing optimal siting locations for direct current fast charging stations. The study is expected to be complete by September 30, 2019. (Sec. 302)
8. **Medical Marihuana Registry Program Report.** The Governor deleted language specifying information to be included in the Department's annual report to the Legislature regarding the State's medical marihuana program. (Sec. 505)
9. **Child Care and Adult Foster Care Fee Revenue.** The Governor deleted a section requiring the Department to assess, collect, and report fees for the licensing and regulation of certain child care organizations and adult foster care facilities. (Sec. 509)
10. **Department Reporting for Suspended Facilities.** The Governor deleted a section requiring the Department to serve an order of suspension to a licensed adult foster care home, home for the aged, or nursing home and notify legislators representing the district where the facility is located. (Sec. 511)
11. **Bureau of Services for Blind Persons (BSBP).** The Governor removed a requirement that BSBP work with service organizations to identify qualified Federal match dollars. (Sec. 702)
12. **First Responder Presumed Coverage Fund.** The Governor deleted a section appropriating excess funds for first responder presumed coverage claims. The ongoing dedicated revenue source for this Fund was eliminated by the passage of Initiated Law 1 of 2018. (Sec. 704)
13. **MIDC Performance Metrics.** The Governor deleted a section requiring the MIDC to develop and implement performance metrics. This language is included in Public Act 214 of 2018. (Sec. 803)
14. **MIDC Grant Compliance.** The Governor deleted a section stating that an indigent criminal defense system's obligation to comply with MIDC standards is contingent on sufficient state grant funding, as appropriations for funds were addressed by Public Act 214 of 2018. (Sec. 904)

Date Completed: 3-12-19

Fiscal Analyst: Elizabeth Raczkowski



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BILL ANALYSIS



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Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2018-19 YEAR-TO-DATE*	FY 2019-20 GOV.'S REC.	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions .....	912.5	924.5	12.0	1.3
<b>GROSS .....</b>	<b>199,639,300</b>	<b>201,102,500</b>	<b>1,463,200</b>	<b>0.7</b>
Less:				
Interdepartmental Grants Received .....	101,800	101,800	0	0.0
<b>ADJUSTED GROSS .....</b>	<b>199,537,500</b>	<b>201,000,700</b>	<b>1,463,200</b>	<b>0.7</b>
Less:				
Federal Funds .....	98,170,200	106,177,200	8,007,000	8.2
Local and Private .....	2,175,400	630,000	(1,545,400)	(71.0)
<b>TOTAL STATE SPENDING .....</b>	<b>99,191,900</b>	<b>94,193,500</b>	<b>(4,998,400)</b>	<b>(5.0)</b>
Less:				
Other State Restricted Funds .....	23,279,500	23,908,600	629,100	2.7
<b>GENERAL FUND/GENERAL PURPOSE .....</b>	<b>75,912,400</b>	<b>70,284,900</b>	<b>(5,627,500)</b>	<b>(7.4)</b>
<b>PAYMENTS TO LOCALS .....</b>	<b>2,242,400</b>	<b>2,415,000</b>	<b>172,600</b>	<b>7.7</b>

\*As of March 5, 2019.

	Gross	GF/GP
<b>FY 2018-19 Year-to-Date Appropriation .....</b>	<b>\$199,639,300</b>	<b>\$75,912,400</b>

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

- |   |           |           |
|---|-----------|-----------|
| 1. <b>D.J. Jacobetti Home for Veterans CMS Certification Revenue Adjustment.</b> Governor recommended a funding adjustment reflecting the impact of CMS certification for the D.J. Jacobetti Home for Veterans, allowing for an increase in \$1.8 million in Federal support and a \$900,000 reduction in required GF/GP support. | 900,000   | (900,000) |
| 2. <b>Selfridge Air National Guard Base Support Increase.</b> Governor recommended appropriating GF/GP matching funds to support 12.0 FTEs for maintenance at Selfridge   | 400,000   | 400,000   |
| 3. <b>Land Purchases and Appraisals Increase.</b> Governor recommended authorization of land acquisitions funds from anticipated Armory Construction Fund revenues from land sales.   | 400,000   | 0         |
| 4. <b>IT/Desk Top Fee Increases.</b> Governor recommended additional funds to cover impact of new user fee structure.   | 105,000   | 105,000   |
| 5. <b>Michigan Youth Challenge Program Fund Shift.</b> Governor recommended the removal of local school aid funds used for a Federal match for the program, to be supplanted by GF/GP.  | 0         | 1,557,800 |
| 6. <b>Alignment of Federal/Restricted Authorization with Available Revenues.</b> Governor recommended the alignment of Federal and Restricted funding levels across several budget lines to reflect actual funds received.  | 5,527,800 | 0         |

7. <b>Operational Support for Military Training Sites and Support Facilities Reduction.</b> Governor recommended a reduction in appropriated GF/GP support.	(1,500,000)	(1,500,000)
8. <b>Military Retirement Program Transfer from DTMB.</b> Governor recommended transfer of retirement function from DTMB to the DMVA, with actuarial adjustment from \$5,244,800 GF/GP down to \$1.0 million GF/GP for FY 2019-20.	1,000,000	1,000,000
9. <b>National Guard Tuition Assistance Program Reduction.</b> Governor recommended a reduction in support for program, leaving a total of \$6,509,900 GF/GP recommended for FY 2019-20.	(2,500,000)	(2,500,000)
10. <b>County Veteran Service Fund Reduction.</b> Governor recommended a reduction in support for program, leaving a total of \$2.1 million GF/GP recommended for FY2019-20.	(2,100,000)	(2,100,000)
11. <b>Armory Maintenance Elimination.</b> Governor recommended the elimination of FY 2018-19 one-time GF/GP appropriations for armory maintenance projects.	(1,000,000)	(1,000,000)
12. <b>Vietnam Veterans Outreach Project Elimination.</b> Governor recommended the elimination of the one-time FY 2018-19 GF/GP appropriations for a veterans outreach project.	(600,000)	(600,000)
13. <b>Targeted Grants Program for County Veterans Service Officers Elimination.</b> Governor recommended elimination.	(200,000)	(200,000)
14. <b>Grand Rapids Veterans Home for Veterans Video Monitoring Pilot Project.</b> Governor recommended elimination of the one-time appropriation.	(275,000)	(275,000)
15. <b>Unclassified Salaries.</b> Governor recommended an increase from \$1,497,700GF/GP for FY 2018-19 to \$1,558,300 GF/GP for FY 2019-20.	60,600	60,600
16. <b>Economic Adjustments.</b> Includes \$1,244,800 Gross and \$324,100 GF/GP for total economic adjustments, of which an estimated negative \$1,137,000 Gross and \$397,600 GF/GP is for legacy retirement costs (pension and retiree health).	1,244,800	324,100
<b>Total Changes</b> .....	<b>\$1,463,200</b>	<b>(\$5,627,500)</b>
<b>FY 2019-20 Governor's Recommendation</b> .....	<b>\$201,102,500</b>	<b>\$70,284,900</b>

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

1. **Disciplinary Action.** Governor eliminated Sec. 215, which prohibited action against employee who communicates with Legislature. (Sec. 215)
2. **Quarterly Reporting to Legislature.** Governor revised department reporting requirement regarding metrics, finances, from a quarterly to a biannual basis. (Sec. 216)
3. **Unclassified Positions.** Governor struck Sec.301 which lists the titles of unclassified employees and requires notice if additional unclassified positions are created. (Sec. 301)
4. **National Guard Armories.** Governor revised language concerning the reporting of the status of armories from quarterly to biannually. (Sec. 302)
5. **National Guard Tuition Assistance Program.** Governor revised performance metric for program from increasing program participation to 1,100 during the fifth year of program to "National Guard members who have received a credential or are still enrolled in the program after their initial term of enlistment with a goal of 55% of program participants." (Sec. 307)

6. **Management and Oversight of State Homes for Veterans.** Governor revised language to require homes to release resident member funds within 30 days of departure rather than within three business days and that a full accounting of deceased member's funds be provided with 30 calendar days, rather than 10 business days. Governor also deleted a requirement requiring a report on CMS and Medicaid certification efforts at homes and an earmark appropriation for a Grand Rapids Home for Veterans video monitoring project. (Sec.402)
7. **Medicaid and Medicare Certification Standards for D.J. Jacobetti Home for Veterans.** Governor eliminated Sec. 403 which directed the department to pursue CMS and Medicaid certification for the completion of certification by October 1, 2018. (Sec. 403)
8. **Homes for Veterans Quality of Care.** Governor eliminated Sec. 404 which required that CMS and Medicaid certification efforts result in higher level of care, including a quarterly report to the legislature. (sec.404)
9. **Michigan Veterans Trust Fund.** Governor revised language clarifying expense reporting to legislature and combining language concerning the program from current year sec. 408. (Sec. 405)
10. **Michigan Veterans Affairs Agency (MVAA).** Governor revised language by adding a subsection which requires a report on the percentage of veterans contacted (with a goal of 100%); to coordinate "with" rather than simply coordinate, veteran benefit counselors throughout a region; requiring a report that rather than states the percentage of county counselors requesting training, but the number of percentage trained by the MVAA and the number and percentage received funding from the MVAA to attend training. Governor also struck a subsection outlining guidelines for targeted grants. (Sec. 406)
11. **Veterans Service Organization (VSO) Grant Guidelines.** Governor added language requiring no less than quarterly reports from VSOs, including the number and type of claims in their entity that the VSO submitted to the USDVA, the number and type of claims above which were initiated or begun by an organization other than the one submitting the claim to the USDVA, and specifying that "fully developed claims" are those that are thusly defined by the USDVA. (Sec. 407)
12. **Michigan Veterans Trust Fund.** Governor eliminated Sec. 408, combining FY 2018-19 Sec. 408 guideline language for the fund with FY 2019-20 language in Sec.405. (Sec. 408)
13. **County Veterans Service Fund.** Governor added a new section requiring GF/GP appropriations for the fund be deposited to the restricted County Veteran Service Fund created under PA 210 of 2018, adding the all funds in the fund are appropriated and available for expenditure to support County Veterans Service Grants. (Sec. 409)
14. **Special Maintenance Appropriations Guidelines.** Governor revised department reporting requirement from a quarterly to a biannual basis. (Sec. 502)
15. **Special Maintenance Appropriations - Armories Guidelines.** Governor revised department reporting requirement from a quarterly to a biannual basis. (Sec. 503)
16. **Armory Maintenance - Onetime Appropriations Guidelines.** Governor eliminated Sec.601. (Sec. 601)
17. **Vietnam Veterans Outreach - Onetime Appropriations Guidelines.** Governor eliminated Sec. 602. (Sec. 602).
18. **Budget Year Two - General Guidelines.** Governor eliminated Sec. 701. (Sec. 701)
19. **Budget Year Two - Veterans Outreach.** Governor eliminated Sec. 702 and moved requirement that the department report on the percentage of veterans contacted, with a goal of 100%, to Sec. 406. (sec. 702)
20. **Budget Year Two - Fully Developed Claims.** Governor eliminated Sec. 703 and moved a requirement that a certain percentage of fully developed claims be obtained to Sec. 407. (Sec.703)

Date Completed: 3-12-19

Fiscal Analyst: Bruce R. Baker

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





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Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2018-19 YEAR-TO-DATE*	FY 2019-20 GOV.'S REC.	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions .....	2,334.3	2,360.1	25.8	1.1
<b>GROSS</b> .....	<b>484,430,900</b>	<b>474,444,700</b>	<b>(9,986,200)</b>	<b>(2.1)</b>
Less:				
Interdepartmental Grants Received .....	232,200	232,200	0	0.0
<b>ADJUSTED GROSS</b> .....	<b>484,198,700</b>	<b>474,212,500</b>	<b>(9,986,200)</b>	<b>(2.1)</b>
Less:				
Federal Funds .....	85,339,700	86,011,600	671,900	0.8
Local and Private .....	12,431,400	7,431,600	(4,999,800)	(40.2)
<b>TOTAL STATE SPENDING</b> .....	<b>386,427,600</b>	<b>380,769,300</b>	<b>(5,658,300)</b>	<b>(1.5)</b>
Less:				
Other State Restricted Funds .....	309,185,800	329,545,300	20,359,500	6.6
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>77,241,800</b>	<b>51,224,000</b>	<b>(26,017,800)</b>	<b>(33.7)</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>9,725,200</b>	<b>17,921,400</b>	<b>8,196,200</b>	<b>84.3</b>

\*As of March 5, 2019.

	Gross	GF/GP
<b>FY 2018-19 Year-to-Date Appropriation</b> .....	<b>\$484,430,900</b>	<b>\$77,241,800</b>

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

- |  |                   |                  |
|--|-------------------|------------------|
| <p>1. <b>Fix Michigan Roads.</b> The Governor included a new capital outlay subsection and line-item for projects funded by the increased gasoline tax revenues that are statutorily dedicated to the Waterways, Snowmobile Trail Development, and Recreation Improvement Funds from the Recreation Improvement Fund's Constitutional 2% off-the-top gasoline tax revenues. These increased revenues would be the result of the Fix Michigan Roads plan.</p> | <p>21,372,800</p> | <p>0</p>         |
| <p>2. <b>Improve State Park Infrastructure and Employee Recruitment and Retention.</b> The Governor included an alignment in Restricted authorization to reflect available revenue. Funds would be used for repair and maintenance projects throughout the state parks system, boating access sites, state forest campgrounds, and trails, and improvement at Belle Isle Park (12.8 FTEs).</p>   | <p>2,452,300</p>  | <p>0</p>         |
| <p>3. <b>Protect Wildlife and Public Health by Fighting Chronic Wasting Disease.</b> The Governor included \$300,000 in ongoing funding and \$2,000,000 in one-time funds for laboratory costs associated with the increase in the number of deer tested for the disease and research related to Chronic Wasting Disease.</p>  | <p>2,300,000</p>  | <p>2,300,000</p> |



<p>4. <b>Ensure Healthy and Productive Forests.</b> The Governor included an alignment in Restricted forest development fund authorization to reflect available revenue. Funds would be used for multi-year research projects on regenerating lowland conifers and upland hardwoods impacted by invasive species and to eliminate competing vegetation from red and jack pine timber stands.</p>	<p>2,200,000</p>	<p>0</p>
<p>5. <b>State Boating Infrastructure Maintenance (Capital Outlay).</b> The Governor included an increase in Restricted funding to allow for increased maintenance, repair, and improvement projects at state boating facilities.</p>	<p>2,122,500</p>	<p>0</p>
<p>6. <b>Identify Where Pipelines Cross Waterways.</b> The Governor included one-time GF/GP funds to complete an environmental sensitivity inventory of hazardous materials pipelines that cross waterways in Michigan to determine which priority water crossings need attention.</p>	<p>1,350,000</p>	<p>1,350,000</p>
<p>7. <b>Local Boating Infrastructure Maintenance and Improvements (Capital Outlay).</b> The Governor included an increase in Restricted funding for a grant-in-aid program to allow for increased maintenance, repair, and improvement projects at local boating facilities.</p>	<p>1,270,500</p>	<p>0</p>
<p>8. <b>Improve State Forest Camping &amp; Trail Experiences.</b> The Governor included an alignment in Restricted authorization to reflect available revenues. Funds would be used to maintain state forest campgrounds and trails, provide improved customer service to state forest campground visitors, and equipment to maintain state forest campgrounds and trails (6.0 FTEs).</p>	<p>1,160,800</p>	<p>0</p>
<p>9. <b>Preserve Historical &amp; Cultural Resources.</b> The Governor included an alignment in Federal authorization with available Federal funds.</p>	<p>850,000</p>	<p>0</p>
<p>10. <b>Forest Development Infrastructure.</b> The Governor included an increase in State Restricted funding for use in the construction of roads, bridges, and culverts to maintain and improve access to state forest land.</p>	<p>650,000</p>	<p>0</p>
<p>11. <b>Increase Efficiency by Deploying Mobile Devices.</b> The Governor included an alignment in Restricted forest development fund authorization to reflect available revenue. Funds would be used for mobile devices for all forestry and fire staff including software upgrades and replacement costs.</p>	<p>550,000</p>	<p>0</p>
<p>12. <b>Promote Outdoor Recreation.</b> The Governor included an alignment in recreation passport authorization to reflect available revenue to fund local grants and marketing.</p>	<p>350,000</p>	<p>0</p>
<p>13. <b>Replace Aging Forest Management and Survey Equipment.</b> The Governor included an alignment in forest development fund authorization to reflect available revenue. Funds would be used to replace aging and unreliable forest management and survey equipment.</p>	<p>250,000</p>	<p>0</p>
<p>14. <b>ORV Safety Education.</b> The Governor included an adjustment in Restricted off-road vehicle (ORV) safety education authorization with available revenue. Fund would be used to provide grants for ORV safety education and training courses.</p>	<p>30,800</p>	<p>0</p>
<p>15. <b>Michigan Registered Forester Program.</b> The Governor included the transfer of Restricted authorization to administer the Michigan Registered Forester Program currently housed in LARA.</p>	<p>30,000</p>	<p>0</p>

16. <b>Capital Outlay Project Appropriations.</b> The Governor removed funding for 4 waterways project appropriations that are no longer needed as the projects are underway, as well as Wetland Restoration/Acquisition line-item funded with Waterfowl Hunt Stamp revenues to align with revenue projections.	(3,536,000)	0
17. <b>State Parks Repair and Maintenance (Capital Outlay).</b> The Governor included a funding alignment to reflect estimated Restricted revenues. The \$2.5 million reduction is to Recreation Passport Fees.	(2,500,000)	0
18. <b>Dam Management Grants.</b> The Governor reduced GF/GP support for dam management grants by \$150,000, leaving an ongoing appropriation of \$200,000 for dam management grants to be allocated for emergency dam repairs.	(150,000)	(150,000)
19. <b>Non-Motorized Trail Development and Maintenance Grants.</b> The Governor reduced GF/GP support for non-motorized trail development and maintenance grants by \$150,000 leaving an ongoing appropriation of \$200,000 for non-motorized trail development and maintenance grants.	(150,000)	(150,000)
20. <b>Other Changes.</b> The Governor included several technical changes including restricted authorization alignments and a fund shift to remove GF/GP funds with available forest development funds.	(498,200)	(574,300)
21. <b>Remove FY 2018-19 Supplemental and One-Time Appropriations.</b>	(43,805,000)	(29,385,000)
22. <b>Economic Adjustments.</b> Includes \$3,713,300 Gross and \$591,500 GF/GP for total economic adjustments, of which an estimated negative \$2,998,400 Gross and \$386,000 GF/GP is for legacy retirement costs (pension and retiree health).	3,713,300	591,500
<b>Total Changes</b> .....	<b>(\$9,986,200)</b>	<b>(\$26,017,800)</b>
<b>FY 2019-20 Governor's Recommendation</b> .....	<b>\$474,444,700</b>	<b>\$51,224,000</b>

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

- 1. Communication with the Legislature.** The Governor removed a prohibition against taking disciplinary action against Department employees who communicate with the Legislature. (Sec. 220)
- 2. Contract Grant Recipients.** The Governor included a new boilerplate section to allow the Department to contract with local units of government, higher education institutions, or nonprofit organizations to support Department activities. (Sec. 221)
- 3. Land Transaction Report.** The Governor removed a report on all land transactions approved by the Natural Resources Commission during the prior fiscal year. (Sec. 408)
- 4. Invasive Species Order - Swine.** The Governor removed a report on efforts and expenditures related to the enforcement of the invasive species order against swine. (Sec. 503)
- 5. Cervid Operation Licensing Fees.** The Governor removed a report on the use of cervidae licensing and inspection fees as well as a requirement that those fees be used only for regulation of private cervid operations. (Sec. 504)
- 6. Steam Habitat Improvement Grants.** The Governor removed a requirement directing Stream Habitat Improvement Grants allocations. (Sec. 601)
- 7. Water Control Structure Certification.** The Governor removed a requirement that the Department not impede the certification process for water control structures on Michigan waterways. (Sec. 602)
- 8. Cormorant Management.** The Governor removed a report on the use of funding provided for cormorant management. (Sec. 603)
- 9. Snowmobile Law Enforcement Grants.** The Governor removed a section directing the Department to provide snowmobile law enforcement grants to counties from appropriations for that purpose. (Sec. 901)

10. **Marine Safety Grant Report.** The Governor removed a report on marine safety grants to county law enforcement. (Sec. 902)
11. **Off-road Vehicle Seasonal Law Enforcement.** The Governor removed a section directing how off-road vehicle trail improvement grants should be spent. (Sec. 1002)
12. **Pipeline Inventory.** The Governor included work project language for an environmental sensitivity inventory of hazardous liquid pipelines. (Sec. 1201)
13. **Chronic Wasting Disease Research.** The Governor included work project language for one-time wildlife management funds dedicated to research surrounding Chronic Wasting Disease. (Sec. 1202)
14. **One-Time Sections.** The Governor removed the following sections referencing one-time appropriations in FY 2018-19: Sec. 1201, Sec. 1202, Sec. 1203, Sec. 1204, Sec. 1205, Sec. 1205, Sec. 1206, and Sec. 1207.

Date Completed: 3-12-19

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Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2018-19 YEAR-TO-DATE*	FY 2019-20 GOV.'S REC.	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions .....	0.0	0.0	N/A	N/A
<b>GROSS .....</b>	<b>14,844,588,800</b>	<b>15,371,238,900</b>	<b>526,650,100</b>	<b>3.5</b>
Less:				
Interdepartmental Grants Received .....	0	0	0	0.0
<b>ADJUSTED GROSS .....</b>	<b>14,844,588,800</b>	<b>15,371,238,900</b>	<b>526,650,100</b>	<b>3.5</b>
Less:				
Federal Funds .....	1,745,943,500	1,749,578,500	3,635,000	0.2
Local and Private .....	0	0	0	0.0
<b>TOTAL STATE SPENDING .....</b>	<b>13,098,645,300</b>	<b>13,621,660,400</b>	<b>523,015,100</b>	<b>4.0</b>
Less:				
Other State Restricted Funds .....	13,010,725,300	13,576,660,400	565,935,100	4.3
<b>GENERAL FUND/GENERAL PURPOSE .....</b>	<b>87,920,000</b>	<b>45,000,000</b>	<b>(42,920,000)</b>	<b>(48.8)</b>
<b>PAYMENTS TO LOCALS .....</b>	<b>12,900,901,000</b>	<b>13,406,340,600</b>	<b>505,439,600</b>	<b>3.9</b>

\*As of March 5, 2019.

	Gross	GF/GP
<b>FY 2018-19 Year-to-Date Appropriation .....</b>	<b>\$14,844,588,800</b>	<b>\$87,920,000</b>

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

- |   |             |   |
|---|-------------|---|
| <p>1. <b>Foundation Allowance.</b> Governor increased foundation allowances between \$120 and \$180 per pupil using a 1.5x formula, which would cost \$235.0 million.</p>   | 235,000,000 | 0 |
| <p>2. <b>Special Education.</b> Governor increased special education reimbursement by an estimated 4% of costs. (The State is required to reimburse 28.6% of the cost of special education programming; this funding would be in addition to the required reimbursement.)</p>   | 120,000,000 | 0 |
| <p>3. <b>At Risk.</b> Governor increased at risk funding by \$102.0 million and restructured the formula to provide a payment equal to 11% of the minimum foundation allowance for each economically-disadvantaged pupil. (For hold harmless districts, the payment would be one-half of this amount.) Total funding for economically-disadvantaged students would be \$619.0 million. (An economically-disadvantaged pupil is one who is eligible for free or reduced-price meals, in a household receiving supplemental nutrition assistance or temporary assistance for needy families, or who is homeless, migrant, or in foster care.)</p> | 102,000,000 | 0 |
| <p>4. <b>Great Start Readiness Program (GSRP).</b> Governor increased funding by \$84.0 million for GSRP preschool for at-risk four-year-olds to pay for an increase in eligibility (changing from 250% to 300% of the Federal poverty level) and to increase payment for a full day of programming from \$7,250 to \$8,500. Total funding for this program would be \$328.9 million.</p>   | 84,000,000  | 0 |

<p><b>5. Michigan Public School Employees' Retirement System (MPERS) - Hold Harmless for Changes in Assumed Rate of Return (AROR).</b> Governor increased funding to continue to hold districts harmless from costs arising due to changes in the AROR. Total hold harmless funding related to AROR would be \$172.1 million.</p>	<p>83,930,000</p>	<p>35,000</p>
<p><b>6. Technical Special Education Cost Adjustments.</b> Governor increased standard funding for special education programs to meet constitutionally-required reimbursement levels.</p>	<p>62,300,000</p>	<p>0</p>
<p><b>7. Career and Technical Education (CTE).</b> Governor increased CTE funding and changed the formula to pay an estimated 6% of the minimum foundation allowance for each high school student in a CTE program. Total CTE funding would be \$55.0 million. (Current law provides up to \$50 per pupil enrolled in a high-demand CTE program.)</p>	<p>50,000,000</p>	<p>0</p>
<p><b>8. Technical Adjustments - Cash Flow Borrowing, Promise Zones, Renaissance Zones.</b> Governor increased cash flow borrowing \$32.0 million, promise zones \$5.4 million, and renaissance zones \$300,000.</p>	<p>37,700,000</p>	<p>0</p>
<p><b>9. Literacy Coaches.</b> Governor added funding to triple the number of literacy coaches and to eliminate local cost sharing for the coaches. Total funding for literacy coaches would be \$31.5 million.</p>	<p>24,500,000</p>	<p>0</p>
<p><b>10. MPERS Costs from Public Act 92 of 2017.</b> Governor included funding to reimburse districts for the costs related to PA 92 of 2017 (a new defined contribution option and different pension assumptions for the new defined benefit option). Total costs would be \$42.6 million.</p>	<p>4,971,000</p>	<p>0</p>
<p><b>11. Flint Declaration of Emergency.</b> Governor increased funding for Flint from \$3.2 million to \$8.1 million.</p>	<p>4,845,000</p>	<p>0</p>
<p><b>12. Federal Grants.</b> Governor increased Federal grants based on anticipated funding levels.</p>	<p>3,635,000</p>	<p>0</p>
<p><b>13. Intermediate School District (ISD) Operations.</b> Governor increased operational funding for ISDs by 3.5%, to \$70.8 million.</p>	<p>2,396,000</p>	<p>0</p>
<p><b>14. Technical Foundation Allowance Cost Adjustments.</b> Governor recognized \$240.0 million in savings due to fewer pupils and higher taxable values than estimated for the current year.</p>	<p>(218,000,000)</p>	<p>0</p>
<p><b>15. Program Eliminations.</b> Governor eliminated a number of categoricals: Imagine Learning (\$3.0 million); value-added assessment growth tool (\$2.5 million); CTE equipment upgrades (\$2.5 million); information technology certifications (\$2.3 million); dual enrollment incentive payments (\$1.75 million); strict discipline academies (\$1.6 million); online algebra tool (\$1.5 million); kindergarten readiness assessment (\$1.5 million); financial data analysis tools (\$1.5 million); Shiawassee ISD virtual CTE program (\$1.2 million); CTE counselors and restaurant association culinary grant (\$1.1 million); school bus safety program (\$810,000); year-round schools (\$750,000); dropout recovery (\$750,000); summer reading project (\$500,000); Michigan Fitness Foundation (\$500,000); digital assessment preparation (\$500,000); Detroit Precollege Engineering Program (\$400,000); Teach for America (\$300,000); reimbursement for nonpublic mandates (\$250,000); district and dyslexia center grant (\$250,000); conductive learning center study (\$250,000); Pipeline 2 Promise (\$200,000); early learning collaborative (\$175,000); Grand Rapids dropout prevention program (\$100,000); STEM and entrepreneurship program (\$60,000); St. Clair ISD high demand jobs grant (\$50,000); and, Dana Center (\$25,000).</p>	<p>(26,320,000)</p>	<p>(14,875,000)</p>
<p><b>16. Cyber Schools' Foundation Allowances.</b> Governor reduced cyber schools' foundation allowances by 20%, or \$22.0 million.</p>	<p>(22,000,000)</p>	<p>0</p>

17. <b>Computer Adaptive Tests.</b> Governor eliminated reimbursement to districts for the purchase of computer adaptive tests.	(9,200,000)	0
18. <b>School Mental Health - 'Train-the-Trainer'.</b> Governor eliminated funding for the 'train-the-trainer' portion of school mental health grants.	(8,000,000)	0
19. <b>Program Reductions.</b> Governor reduced FIRST Robotics \$1.8 million (and removed nonpublic schools from eligibility) and MPSERS rate cap costs by \$1.8 million.	(3,600,000)	(300,000)
20. <b>Youth ChalleNGe.</b> Governor transferred this program to the Department of Military and Veterans Affairs (where it resided before FY 2006-07).	(1,625,400)	0
21. <b>Fund Shift.</b> Governor reduced GF/GP support of the budget from \$87.9 million to \$45.0 million, resulting in a fund shift.	0	(27,880,500)
22. <b>Economic Adjustments.</b> Includes \$118,500 Gross and \$100,500 GF/GP for total economic adjustments, of which an estimated \$132,500 Gross and \$117,500 GF/GP is for legacy retirement costs (pension and retiree health).	118,500	100,500
<b>Total Changes</b> .....	<b>\$526,650,100</b>	<b>(\$42,920,000)</b>
<b>FY 2019-20 Governor's Recommendation</b> .....	<b>\$15,371,238,900</b>	<b>\$45,000,000</b>

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

- Hardship and Audits.** Governor reduced the timeframe by which overpayments can be repaid, from nine years to four years, and extended the period of time by three years for which the department may conduct audits. (Sec. 15)
- Removal of Report on Allocations to Associations.** Governor removed a report due October 1 annually that itemizes allocations to any association or consortium of associations. (Sec. 18)
- Reduction for Cyber Schools.** Governor included language reducing cyber schools' foundation allowances by 20%, resulting in State savings of approximately \$22.0 million. (Sec. 20)
- Partnership Districts.** Governor removed language making discretionary payments for partnership districts contingent on compliance with Section 22p, and removed Section 22p, which required partnership districts to amend the partnership agreement to include measurable academic outcomes, and to amend the agreement to include accountability measures to be imposed if specified academic outcomes were not achieved. (Sections 22b and 22p)
- Report on Pupils Moving in and out of the State.** Governor removed intent language that the Center for Educational Performance and Information determine the number of pupils who did not reside in the state on the count day but newly enrolled in a district after the count day and before the supplemental count day, as well as determine the number of pupils who were counted in membership on the count day but left the state after the count day. (Sec. 25e)
- Pupil-Weighted Allocations.** Governor included a new section that includes language to implement a weighted per-pupil education funding model for a per-pupil base amount and weights for additional resources. Language added further specifies that funds allocated must be spent on resources that are shown through research and best practice to improve student learning. The section includes funding, and estimated weights of 4% for special education, 11% (of the minimum foundation allowance) for at risk, and 6% for career and technical education (CTE). (Sec. 28)
- At Risk.** Governor increased the funding to hold harmless districts for at risk payments, from 30% to 50% of the amount that a non-hold harmless district would receive. In addition, Governor added language requiring districts to use at risk funds to show progress toward meeting the goals of providing tutors, pupil support, summer school teachers, expanding professional development, and providing additional supports to complete the FAFSFA. Governor increased the amount of at risk funds that can be used for professional development from 5% to 10%. Governor removed the ability for a district to demonstrate proficiency by achieving at least one year's growth as measured by a local benchmark assessment (but retained the state benchmark to demonstrate proficiency). (Sections 28 and 31a)
- Great Start Readiness Program.** Governor increased the Federal poverty level threshold used to determine eligibility from 250% to 300% (and to 350% if all families in an ISD are being served), eliminated a \$2.0 million earmark for professional development, and increased full-day funding from \$7,250 to \$8,000. (Sections 32d and 39)

9. **Literacy Coaches.** Governor increased per-coach funding from \$75,000 to \$112,500 and removed the requirement that intermediate school districts (ISDs) provide at least 50% in matching funds for the grant. (Sec. 35a)
10. **MiSTEM to MiSTEAM.** Governor added Arts to the Michigan Science Technology Engineering and Mathematics Network (MiSTEM) and programs. (Sec. 99s)
11. **Professional Development as Hours of Instruction Guidelines.** Governor restored language allowing districts to count up to 38 hours of qualifying professional development as hours of pupil instruction. (This was allowed until FY 2014-15.) Governor added language stating that qualifying professional development exceeding five hours in a single day may be counted as a day of pupil instruction, and eight hours of qualifying professional development counted as hours of pupil instruction must be recommended by a districtwide professional development advisory committee. Governor also changed the definition of "qualifying professional development" to be that which is aligned to the school district improvement plan, is linked to one or more criteria in a teacher evaluation tool, is approved by the department as continuing education credits, occurs after school starts and before school ends, and where at least 75% of teachers are in attendance. (Sec. 101)
12. **Changes to Kindergarten Entry Observation.** Governor removed the existing pilot kindergarten entry observation tool and assessment and replaced it with a program for the department to implement, on a sample basis statewide, a Michigan kindergarten entry observation tool. Governor included a requirement for the department to implement a "train-the-trainer" professional development model on the usage of this observation tool. (Sec. 104)
13. **Michigan Merit Exam.** Governor removed language allowing the scores for the statewide assessment and the graduation rate for consortium pupils to be included with the scores for the school building in the participating district in which the consortium pupil is enrolled or would otherwise attend. (Sec. 104b)
14. **English Language Arts (ELA) and Math Tests for K-2.** Governor removed a requirement for the department to offer benchmark assessments in the fall and spring to measure ELA and math in each of grades K-2. (Sec. 104c)
15. **Michigan Public School Employees' Retirement System (MPERS) Retirement Obligation Reform Reserve Fund.** Governor included a requirement to deposit \$40.0 million from the School Aid Fund into the MPERS reform reserve fund for 2019-20. (Sec. 147b)

Date Completed: 3-12-19

Fiscal Analyst: Kathryn Summers





**FY 2018-19 Year-to-Date and Governor's Recommended Supplemental, and FY 2019-20 Governor's Recommendation**

<u>Line Item Description</u>	FY 2018-19	FY 2018-19	Gov's Rec	FY 2019-20	Change from	Change from
	Year-to-Date	Gov's Rec Supp Changes	FY 2018-19 Budget	Gov's Rec Budget	Year-to-Date	Gov's Rec for FY 2018-19
Sec. 11j School Bond Loan Fund Payments - Debt Service	\$125,500.0		\$125,500.0	\$125,500.0	\$0.0	\$0.0
Sec. 11m Cash Flow Borrowing Costs	\$24,000.0	\$19,000.0	\$43,000.0	\$56,000.0	\$32,000.0	\$13,000.0
Sec. 11s Flint Declaration of Emergency	\$3,230.1		\$3,230.1	\$8,075.1	\$4,845.0	\$4,845.0
Sec. 20f Categorical Offset Payments	\$18,000.0		\$18,000.0	\$18,000.0	\$0.0	\$0.0
Sec. 21h Partnership Model Districts	\$7,000.0		\$7,000.0	\$7,000.0	\$0.0	\$0.0
Sec 22a Proposal A Obligation Payment	\$5,107,000.0	(\$58,000.0)	\$5,049,000.0	\$4,953,000.0	(\$154,000.0)	(\$96,000.0)
Sec. 22b Discretionary Payment - State	\$4,324,000.0	(\$29,000.0)	\$4,295,000.0	\$4,473,000.0	\$149,000.0	\$178,000.0
Sec. 22d Isolated Districts Funding	\$6,000.0		\$6,000.0	\$6,000.0	\$0.0	\$0.0
Sec. 22m Technology Regional Data Hubs	\$2,200.0		\$2,200.0	\$2,200.0	\$0.0	\$0.0
Sec. 22n High School Per-Pupil Bonus	\$11,000.0		\$11,000.0	\$11,000.0	\$0.0	\$0.0
Sec. 24 Court-Placed Pupils	\$7,150.0		\$7,150.0	\$7,150.0	\$0.0	\$0.0
Sec. 24a Juvenile Detention Facilities	\$1,355.7		\$1,355.7	\$1,355.7	\$0.0	\$0.0
Sec. 24c Challenge Program	\$1,625.4		\$1,625.4	\$0.0	(\$1,625.4)	(\$1,625.4)
Sec. 25f Strict Discipline Academies	\$1,600.0		\$1,600.0	\$0.0	(\$1,600.0)	(\$1,600.0)
Sec. 25g Dropout Recovery	\$750.0		\$750.0	\$0.0	(\$750.0)	(\$750.0)
Sec. 25h Dropout Prevention Program - NEW	\$100.0		\$100.0	\$0.0	(\$100.0)	(\$100.0)
Sec. 26a Renaissance Zone Costs	\$15,000.0	(\$1,200.0)	\$13,800.0	\$15,300.0	\$300.0	\$1,500.0
Sec. 26b PILT Reimbursement	\$4,405.1		\$4,405.1	\$4,405.1	\$0.0	\$0.0
Sec. 26c Promise Zone	\$3,000.0	\$400.0	\$3,400.0	\$8,400.0	\$5,400.0	\$5,000.0
Sec. 28(3) Pupil Weighted Allocations - Special Education	\$0.0		\$0.0	\$120,000.0	\$120,000.0	\$120,000.0
Sec. 28(4) Pupil Weighted Allocations - Economically Disadvantaged	\$0.0		\$0.0	\$619,000.0	\$619,000.0	\$619,000.0
Sec. 28(5) Pupil Weighted Allocations - Career and Technical Education	\$0.0		\$0.0	\$55,000.0	\$55,000.0	\$55,000.0
Sec. 31a "At Risk" Pupil Support	\$517,000.0		\$517,000.0	\$0.0	(\$517,000.0)	(\$517,000.0)
Sec. 31a Child and Adolescent Health Centers	\$6,057.3		\$6,057.3	\$6,057.3	\$0.0	\$0.0
Sec. 31a Vision/Hearing Screening	\$5,150.0		\$5,150.0	\$5,150.0	\$0.0	\$0.0
Sec. 31b Year-Round Schools Grants	\$750.0		\$750.0	\$0.0	(\$750.0)	(\$750.0)
Sec. 31d School Lunch Programs - State Share	\$23,144.0		\$23,144.0	\$23,144.0	\$0.0	\$0.0
Sec. 31d School Lunch Programs - Federal Share	\$523,200.0		\$523,200.0	\$537,200.0	\$14,000.0	\$14,000.0
Sec. 31f School Breakfast	\$4,500.0		\$4,500.0	\$4,500.0	\$0.0	\$0.0
Sec. 31j Support of Local Produce in School Meals	\$575.0		\$575.0	\$575.0	\$0.0	\$0.0
Sec. 31n School Mental Health	\$31,300.0		\$31,300.0	\$23,300.0	(\$8,000.0)	(\$8,000.0)
Sec. 31p Hydration Stations - NEW	\$0.0	\$61,500.0	\$61,500.0	\$0.0	\$0.0	(\$61,500.0)
Sec. 32d Great Start - School Readiness	\$244,900.0		\$244,900.0	\$328,900.0	\$84,000.0	\$84,000.0
Sec. 32p Great Start Early Childhood Block Grants	\$13,400.0		\$13,400.0	\$13,400.0	\$0.0	\$0.0
Sec. 32q Early learning Cooperative	\$175.0		\$175.0	\$0.0	(\$175.0)	(\$175.0)
Sec. 35a(4) Investment in Literacy Coaches for K-3 Teachers	\$7,000.0		\$7,000.0	\$31,500.0	\$24,500.0	\$24,500.0
Sec. 35a(5) Early Literacy District Grants	\$19,900.0		\$19,900.0	\$19,900.0	\$0.0	\$0.0
Sec. 35a(6) Michigan Education Corps	\$3,000.0		\$3,000.0	\$3,000.0	\$0.0	\$0.0
Sec. 35a(7) Summer Reading Project	\$500.0		\$500.0	\$0.0	(\$500.0)	(\$500.0)
Sec. 35a(9) Literacy Essentials	\$1,000.0		\$1,000.0	\$1,000.0	\$0.0	\$0.0



**FY 2018-19 Year-to-Date and Governor's Recommended Supplemental, and FY 2019-20 Governor's Recommendation**

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	Year-to-Date	Gov's Rec Supp Changes	FY 2018-19 Budget	Gov's Rec Budget	Year-to-Date	Gov's Rec for FY 2018-19
Sec. 35b District and Dyslexia Center Collaboration Grant	\$250.0		\$250.0	\$0.0	(\$250.0)	(\$250.0)
Sec. 39a(1) NCLB Federal DOE Grants	\$730,600.0		\$730,600.0	\$725,600.0	(\$5,000.0)	(\$5,000.0)
Sec 39a(2) Other Non-NCLB Federal DOE Grants	\$51,200.0		\$51,200.0	\$49,100.0	(\$2,100.0)	(\$2,100.0)
Sec. 41 Bilingual Education	\$6,000.0		\$6,000.0	\$6,000.0	\$0.0	\$0.0
Sec. 51a Special Education - Federal IDEA	\$370,000.0		\$370,000.0	\$370,000.0	\$0.0	\$0.0
Sec. 51a(2) Spec. Ed. Foundations - State Share	\$273,100.0	\$13,700.0	\$286,800.0	\$297,800.0	\$24,700.0	\$11,000.0
Sec. 51a(3) Spec. Ed. Hold Harmless to ISDs - State Share	\$1,300.0	(\$100.0)	\$1,200.0	\$1,000.0	(\$300.0)	(\$200.0)
Sec. 51a(6) Spec. Ed. Rules Change - State Share	\$2,200.0		\$2,200.0	\$2,200.0	\$0.0	\$0.0
Sec. 51a(11) Spec. Ed. Non Sec. 52 to ISDs - State Share	\$3,400.0	(\$500.0)	\$2,900.0	\$2,800.0	(\$600.0)	(\$100.0)
Sec. 51a(16) Spec. Ed. ISD Compliance Reimbursement - State Share	\$500.0		\$500.0	\$500.0	\$0.0	\$0.0
Sec. 51c Special Education Headlee - State Share	\$651,000.0	\$12,500.0	\$663,500.0	\$689,500.0	\$38,500.0	\$26,000.0
Sec. 51d Special Education - Other Federal	\$61,000.0		\$61,000.0	\$61,000.0	\$0.0	\$0.0
Sec. 53a Court-Placed Spec. Ed. FTEs - State Share	\$10,500.0		\$10,500.0	\$10,500.0	\$0.0	\$0.0
Sec. 54 MI School for Deaf and Blind - State Share	\$1,688.0		\$1,688.0	\$1,688.0	\$0.0	\$0.0
Sec. 54b Integrated Behavior and Learning Support (MiBLSi)	\$1,600.0		\$1,600.0	\$1,600.0	\$0.0	\$0.0
Sec. 54d Special Ed Taskforce - Early On	\$5,000.0		\$5,000.0	\$5,000.0	\$0.0	\$0.0
Sec. 55 Conductive Learning Center Study	\$250.0		\$250.0	\$0.0	(\$250.0)	(\$250.0)
Sec. 56 Spec. Ed. Millage Equalization - State Share	\$40,008.1		\$40,008.1	\$40,008.1	\$0.0	\$0.0
Sec. 61a Vocational Education	\$37,711.3		\$37,711.3	\$36,611.3	(\$1,100.0)	(\$1,100.0)
Sec. 61b Career and Technical Education/Dual Enrollment	\$8,000.0		\$8,000.0	\$8,000.0	\$0.0	\$0.0
Sec. 61c Career and Technical Education Equipment Upgrades	\$2,500.0		\$2,500.0	\$0.0	(\$2,500.0)	(\$2,500.0)
Sec. 61d CTE Incentive Payments	\$5,000.0		\$5,000.0	\$0.0	(\$5,000.0)	(\$5,000.0)
Sec. 61f Pipeline 2 Promise	\$200.0		\$200.0	\$0.0	(\$200.0)	(\$200.0)
Sec. 61g St Clair RESA High Demand Jobs Startup Costs	\$50.0		\$50.0	\$0.0	(\$50.0)	(\$50.0)
Sec. 61h Shiawassee ISD Virtual CTE Program	\$1,200.0		\$1,200.0	\$0.0	(\$1,200.0)	(\$1,200.0)
Sec. 62 ISD Vocational Ed Millage Equalization	\$9,190.0		\$9,190.0	\$9,190.0	\$0.0	\$0.0
Sec. 64b Dual Enrollment Incentive Payments	\$1,750.0		\$1,750.0	\$0.0	(\$1,750.0)	(\$1,750.0)
Sec. 64d Information Technology Certifications	\$2,300.0		\$2,300.0	\$0.0	(\$2,300.0)	(\$2,300.0)
Sec. 65 Detroit Precollege Engineering	\$400.0		\$400.0	\$0.0	(\$400.0)	(\$400.0)
Sec. 67 College and Career Readiness Tools	\$3,000.0		\$3,000.0	\$3,000.0	\$0.0	\$0.0
Sec. 74 Bus Driver Safety Instruction	\$2,025.0		\$2,025.0	\$2,025.0	\$0.0	\$0.0
Sec. 74 School Bus Inspections	\$1,729.9		\$1,729.9	\$1,747.9	\$18.0	\$18.0
Sec. 74a Statewide School Bus Driver Safety Program - ALICE	\$810.0		\$810.0	\$0.0	(\$810.0)	(\$810.0)
Sec. 81 ISD General Operations Support	\$68,453.0		\$68,453.0	\$70,849.0	\$2,396.0	\$2,396.0
Sec. 94 Advanced Placement (AP) Incentive Program	\$1,000.0		\$1,000.0	\$1,000.0	\$0.0	\$0.0
Sec. 94a Center for Educ. Perf. and Information - State Share	\$16,356.7		\$16,356.7	\$16,457.2	\$100.5	\$100.5
Sec. 94a Center for Educ. Perf. and Information - Federal	\$193.5		\$193.5	\$193.5	\$0.0	\$0.0
Sec. 95b Value-Added Growth and Projection Analytics System	\$2,500.0		\$2,500.0	\$0.0	(\$2,500.0)	(\$2,500.0)
Sec. 98 Michigan Virtual High School - State	\$7,387.5		\$7,387.5	\$7,387.5	\$0.0	\$0.0
Sec. 99h FIRST Robotics	\$4,800.0		\$4,800.0	\$3,000.0	(\$1,800.0)	(\$1,800.0)



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	Year-to-Date	Gov's Rec Supp Changes	FY 2018-19 Budget	Gov's Rec Budget	Year-to-Date	Gov's Rec for FY 2018-19
Sec. 99s(2) Comprehensive STEM Initiative (Administration)	\$300.0		\$300.0	\$300.0	\$0.0	\$0.0
Sec. 99s(3) Comprehensive STEM Grants	\$3,050.0		\$3,050.0	\$3,050.0	\$0.0	\$0.0
Sec. 99s(4) Math/Science Centers - Federal	\$3,500.0		\$3,500.0	\$235.0	(\$3,265.0)	(\$3,265.0)
Sec. 99s(4) MiSTEM Network Regions	\$3,834.3		\$3,834.3	\$3,834.3	\$0.0	\$0.0
Sec. 99s(6) MiSTEM Professional Development and Curriculum	\$750.0		\$750.0	\$750.0	\$0.0	\$0.0
Sec. 99t Online Algebra Tool	\$1,500.0		\$1,500.0	\$0.0	(\$1,500.0)	(\$1,500.0)
Sec. 99u Imagine Learning - math, Espanol, literacy	\$3,000.0		\$3,000.0	\$0.0	(\$3,000.0)	(\$3,000.0)
Sec. 99v Dana Center	\$25.0		\$25.0	\$0.0	(\$25.0)	(\$25.0)
Sec. 99w Michigan Fitness Foundation	\$500.0		\$500.0	\$0.0	(\$500.0)	(\$500.0)
Sec. 99x Teach for America	\$300.0		\$300.0	\$0.0	(\$300.0)	(\$300.0)
Sec. 99y STEM and Entrepreneurship Program	\$60.0		\$60.0	\$0.0	(\$60.0)	(\$60.0)
Sec. 102d Reimbursement for Purchase of Financial Data Analysis Tool(s)	\$1,500.0		\$1,500.0	\$0.0	(\$1,500.0)	(\$1,500.0)
Sec. 104 MEAP Testing - State Share	\$32,509.4		\$32,509.4	\$31,009.4	(\$1,500.0)	(\$1,500.0)
Sec. 104 MEAP Testing - Federal Share	\$6,250.0		\$6,250.0	\$6,250.0	\$0.0	\$0.0
Sec. 104d Computer Adaptive Test	\$9,200.0		\$9,200.0	\$0.0	(\$9,200.0)	(\$9,200.0)
Sec. 104e Digital Assessment Preparation	\$500.0		\$500.0	\$0.0	(\$500.0)	(\$500.0)
Sec. 107 Adult Education - State	\$30,500.0		\$30,500.0	\$30,500.0	\$0.0	\$0.0
Sec. 147a(1) MPSERS District Reimbursement	\$100,000.0		\$100,000.0	\$100,000.0	\$0.0	\$0.0
Sec. 147a(2) MPSERS Normal Cost Reimbursement for Lower AROR/Dedicated Gains	\$88,139.0		\$88,139.0	\$172,069.0	\$83,930.0	\$83,930.0
Sec. 147c(1) MPSERS Rate Cap (Section 41 of MPSERS Act)	\$1,032,700.0		\$1,032,700.0	\$1,030,900.0	(\$1,800.0)	(\$1,800.0)
Sec. 147e MPSERS Additional Normal/DC Costs for PA 92 of 2017	\$37,600.0	(\$7,600.0)	\$30,000.0	\$42,571.0	\$4,971.0	\$12,571.0
Sec. 152a Adair v State of Michigan	\$38,000.5		\$38,000.5	\$38,000.5	\$0.0	\$0.0
Sec. 152b Reimbursement for Nonpublic Mandates	\$250.0		\$250.0	\$0.0	(\$250.0)	(\$250.0)
<b>TOTAL SCHOOL AID APPROPRIATIONS</b>	<b>\$14,844,588.8</b>	<b>\$10,700.0</b>	<b>\$14,855,288.8</b>	<b>\$15,371,238.9</b>	<b>\$526,650.1</b>	<b>\$515,950.1</b>

<b>TOTAL REVENUE</b>						
Federal Aid	\$1,745,943.5		\$1,745,943.5	\$1,749,578.5	\$3,635.0	\$3,635.0
School Aid Fund (SAF)	\$12,876,825.2	\$42,600.0	\$12,919,425.2	\$13,504,660.3	\$627,835.1	\$585,235.1
School Mental Health Services Fund	\$30,000.0		\$30,000.0	\$0.0	(\$30,000.0)	(\$30,000.0)
MPSERS Reforms Fund	\$31,900.0	(\$31,900.0)	\$0.0	\$0.0	(\$31,900.0)	\$0.0
General Fund/General Purpose	\$87,920.0		\$87,920.0	\$45,000.0	(\$42,920.0)	(\$42,920.0)
Community District Education Trust Fund (\$72.0 m)/Other (\$100 Flint Reserve)	\$72,000.1		\$72,000.1	\$72,000.1	\$0.0	\$0.0
<b>TOTAL REVENUE</b>	<b>\$14,844,588.8</b>	<b>\$10,700.0</b>	<b>\$14,855,288.8</b>	<b>\$15,371,238.9</b>	<b>\$526,650.1</b>	<b>\$515,950.1</b>



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Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2018-19 YEAR-TO-DATE*	FY 2019-20 GOV.'S REC.	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions .....	3,518.0	3,541.0	23.0	0.7
<b>GROSS .....</b>	<b>777,936,400</b>	<b>718,629,000</b>	<b>(59,307,400)</b>	<b>(7.6)</b>
Less:				
Interdepartmental Grants Received .....	24,748,300	24,933,900	185,600	0.7
<b>ADJUSTED GROSS .....</b>	<b>753,188,100</b>	<b>693,695,100</b>	<b>(59,493,000)</b>	<b>(7.9)</b>
Less:				
Federal Funds .....	100,648,800	75,728,500	(24,920,300)	(24.8)
Local and Private .....	5,261,800	4,801,200	(460,600)	(8.8)
<b>TOTAL STATE SPENDING .....</b>	<b>647,277,500</b>	<b>613,165,400</b>	<b>(34,112,100)</b>	<b>(5.3)</b>
Less:				
Other State Restricted Funds .....	154,103,700	144,658,200	(9,445,500)	(6.1)
<b>GENERAL FUND/GENERAL PURPOSE .....</b>	<b>493,173,800</b>	<b>468,507,200</b>	<b>(24,666,600)</b>	<b>(5.0)</b>
<b>PAYMENTS TO LOCALS .....</b>	<b>19,231,300</b>	<b>14,078,600</b>	<b>(5,152,700)</b>	<b>(26.8)</b>

\*As of March 5, 2019.

	Gross	GF/GP
<b>FY 2018-19 Year-to-Date Appropriation .....</b>	<b>\$777,936,400</b>	<b>\$493,173,800</b>

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

- |   |           |           |
|---|-----------|-----------|
| 1. <b>Recreational Marihuana Law Implementation.</b> Governor recommended \$3.0 million in Marijuana Regulatory Funds and 9.0 FTEs for investigative functions associated with the legalization of recreational marihuana   | 3,000,000 | 0         |
| 2. <b>Annualize FY 2018-19 Trooper School Costs.</b> Governor recommended full year costs of 75 troopers graduating from FY 2018-19 trooper recruit schools.  | 8,098,300 | 8,098,300 |
| 3. <b>Trooper School for FY 2019-20.</b> Governor recommended ongoing (\$3,907,300) and onetime (\$4,737,600) costs to conduct a trooper recruit school to begin January, 2020, with a target of 50 graduates. A second FY 2019-20 school, with a target graduation of 70, is proposed, to be funded through existing base appropriations made available by enlisted attrition. The two schools would result in a net year-to-year gain of approximately 15 enlisted personnel. | 8,644,900 | 8,644,900 |
| 4. <b>In-Car Camera Video Streaming Network.</b> Governor recommended onetime funding to create a realtime in-car streaming network for MSP patrol vehicles.  | 2,300,000 | 2,300,000 |
| 5. <b>Automated Biometrics Identification System.</b> Governor recommended funding for cost increases associated with maintenance of the Automated Biometrics Identification System.  | 510,200   | 510,200   |

6. <b>Breath Alcohol Testing Devices Cost Increase.</b> Governor recommended funding for inflationary contract increases and maintenance of portable breath alcohol testing devices.	300,100	300,100
7. <b>Ammunition Increased Costs.</b> Governor recommended funding for increased department costs of department ammunition.	258,600	258,600
8. <b>Accounting Service Center Increased Costs.</b> Governor recommended funding for increased costs associated with Accounting Service Center operations.	179,100	179,100
9. <b>eWarrent System Increased Costs.</b> Governor recommended funding for increased costs associated with hosting and maintenance of the statewide eWarrent system.	130,000	130,000
10. <b>Ongoing Costs for Combined Strategic Support Module.</b> Governor recommended funding for ongoing support for licensing and server costs for geo-mapping/computer	123,000	123,000
11. <b>Credit Card Fee Payments.</b> Governor recommended funding for authorization necessary to pay fees associated with credit card transactions processed by the department.	578,700	4,200
12. <b>Marihuana Funding Authorization.</b> Governor recommended the adjustment of (reducing by 32.0 FTEs and \$8,988,700 Restricted) of anticipated revenues following the legalization of recreational marihuana. Includes the removal of \$1,815,000 Restricted from Medical Marihuana Excise Fund, as revenue is no longer collected,	(10,803,700)	0
13. <b>Fleet Leasing Reduction - Patrol and Administrative Vehicles.</b> Governor recommended reducing ("right-sizing") department's fleet of vehicles, both patrol (275 vehicles for a savings of \$2.0 million) and administrative (50 vehicles for a savings of \$300,000).	(2,300,000)	(2,300,000)
14. <b>Special Operations Reduction.</b> Governor recommended reduction of funding due to savings from lower anticipated special protection costs.	(677,600)	(677,600)
15. <b>Operating Supplies and Materials Savings.</b> Governor recommended a reduction of support for miscellaneous operating supplies and material from eight of the department's major operating appropriations.	(450,000)	(450,000)
16. <b>Grants &amp; Community Services Reduction in Outreach and Education.</b> Governor recommended a reduction in funding for outreach and awareness initiatives.	(255,400)	(255,400)
17. <b>Discretionary Overtime Reduction.</b> Governor recommended a reduction in budgeted overtime for eight of the department's major payroll appropriations, with post operations being held harmless.	(100,000)	(100,000)
18. <b>Emergency Management and Homeland Security Training Center Reduction.</b> Governor recommended a technical adjustment reducing GF support for center.	(29,600)	(29,600)
19. <b>Secondary Road Patrol Grant Program - Elimination of FY 2018-19 GF/GP Support.</b> Governor recommended the removal of FY 2018-19 GF/GP support of \$2.0 million for grant program, leaving \$11,074,300 in restricted funding for FY 2019-20.	(2,000,000)	(2,000,000)
20. <b>School Safety Grants Elimination.</b> Governor recommended the elimination of a one-time FY 2018-19 \$25.0 million GF/GP grant program for public and private schools.	(25,000,000)	(25,000,000)
21. <b>Roadside Saliva Testing Project Elimination.</b> Governor recommended the elimination of statewide roadside testing project.	(626,000)	(626,000)

22. <b>Michigan International Speedway (MIS) Grant Elimination.</b> Governor recommended the elimination of one-time Traffic Control Support for MIS.	(725,000)	(725,000)
23. <b>OK2SAY One-time Information Technology Update Elimination (placeholder).</b> Governor recommended elimination.	(100)	(100)
24. <b>Trooper School FY 2018-19 One-time Cost Elimination.</b> Governor recommended elimination.	(7,751,300)	(7,751,300)
25. <b>Disaster and Emergency Contingency Fund One-time Deposit Elimination.</b> Governor recommended elimination.	(7,500,000)	(7,500,000)
26. <b>Civil Air Patrol One-time Grant Elimination.</b> Governor recommended elimination.	(20,000)	(20,000)
27. <b>Align Federal and Restricted Authorization with Available Revenue.</b> Governor recommended alignment of Federal and Restricted funding amounts across several budget lines to reflect actual funds received.	(1,243,600)	0
28. <b>Adjustment for FY 2018-19 Boilerplate Receive and Expend Authority for Disaster and Emergency Support from Federal and Restricted Funds.</b>	(27,350,900)	0
29. <b>Unclassified Salaries.</b> Governor recommended an increase from \$598,000 for FY 2018-19 to \$621,700 for FY 2019-20.	23,700	11,500
30. <b>Economic Adjustments.</b> Includes \$3,379,200 Gross and \$2,208,500 GF/GP for total economic adjustments, of which an estimated negative \$7,406,900 Gross and \$5,758,300 GF/GP is for legacy retirement costs (pension and retiree health).	3,379,200	2,208,500
<b>Total Changes .....</b>	<b>(\$59,307,400)</b>	<b>(\$24,666,600)</b>
<b>FY 2019-20 Governor's Recommendation .....</b>	<b>\$718,629,000</b>	<b>\$468,507,200</b>

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

- Contingency Funds.** Governor decreased the authorization for the transfer of Federal contingency funds from a maximum of \$10.0 million allowed to a maximum of \$8.5 million and increased the maximum allowed for transfer from restricted revenues from \$3.5 million to \$5.0 million. (Sec. 210)
- Disciplinary Action.** Governor eliminated language prohibiting action against an employee for communicating with legislative staff. (Sec. 215)
- Quarterly Reporting to Legislature.** Governor revised department reporting requirement regarding metrics, finances, from a quarterly to a biannual basis. (Sec. 216)
- Privatization Notification.** Governor eliminated Sec. 220 which required the submission of a privatization plan to the legislature at least 90 days prior to beginning efforts to privatize. (Sec. 220)
- Capitol Complex Security.** Governor eliminated Sec. 301 and moved language which outlined security services at the Capitol and other buildings to Sec. 702. (Sec. 301)
- Concealed Weapons Licensing Financial Report.** Governor removed a subsection which required a report to the legislature on concealed weapons licensing, including the actual revenue received from licensing applications and the cost of administering the licensing program. (Sec.402)
- Grants and Community Service Programs.** Governor updated responsibilities for the program, removed a reference to oversight and administration of 9-1-1 operations statewide and adding administration of school safety grants. (Sec.406)
- School Safety Report.** Governor eliminated Sec. 407, which required a report to the legislature on the status of school safety grants, reports of school violence reported to police, reports of OK2SAY-based incidences, and recommendations on best practices to ensure school safety. (sec.407)

9. **Traffic Safety.** Governor removed a traffic patrol metric requiring a minimum of 2,000 hours of patrol be committed to Belle Isle. (Sec.601)
10. **School Safety Grants.** Governor eliminated Sec, 701 from PA 618 of 2018, which provided guidelines for the appropriation of \$25.0 million GF/GP in school safety grants for FY 2018-19. (Sec.701 of PA 618 of 2018)
11. **Specialized Services.** Governor removed a requirement that a study of drone laws be made and added language from Sec.301, outlining the duties and metrics of Capitol complex security operations. (Sec.702)
12. **Emergency Management.** Governor removed a requirement of a quarterly report on the status of infrastructure vulnerabilities in the State and a provision that, upon declaration of a State emergency and approval of the State budget director and legislative notification, the department director may expend funds from any source to any line item for necessary expenses incurred in response to an emergency or disaster. (Sec. 704)
13. **Sexual Assault Prevention and Education Grants.** Governor eliminated Sec. 901 which provided guidelines for the administration of onetime sexual assault prevention and education grants, which by FY 2018-19 supplemental appropriation PA 618 of 2018, was transferred to the DHHS budget and repealed this boilerplate section. (Sec.901)
14. **Budget Year Two - General Guidelines.** Governor eliminated Sec. 1001. (Sec. 1001)

Date Completed: 3-12-19

Fiscal Analyst: Bruce R. Baker





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Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2018-19 YEAR-TO-DATE*	FY 2019-20 GOV.'S REC.	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions .....	1,450.0	1,450.0	0.0	0.0
<b>GROSS</b> .....	<b>1,260,746,100</b>	<b>1,088,257,000</b>	<b>(172,489,100)</b>	<b>(13.7)</b>
Less:				
Interdepartmental Grants Received .....	0	0	0	0.0
<b>ADJUSTED GROSS</b> .....	<b>1,260,746,100</b>	<b>1,088,257,000</b>	<b>(172,489,100)</b>	<b>(13.7)</b>
Less:				
Federal Funds .....	762,645,800	762,145,800	(500,000)	(0.1)
Local and Private .....	6,121,700	6,128,300	6,600	0.1
<b>TOTAL STATE SPENDING</b> .....	<b>491,978,600</b>	<b>319,982,900</b>	<b>(171,995,700)</b>	<b>(35.0)</b>
Less:				
Other State Restricted Funds .....	205,432,300	175,074,600	(30,357,700)	(14.8)
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>286,546,300</b>	<b>144,908,300</b>	<b>(141,638,000)</b>	<b>(49.4)</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>31,400,000</b>	<b>37,598,800</b>	<b>6,198,800</b>	<b>19.7</b>

\*As of March 5, 2019.

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

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

- |   |               |               |
|---|---------------|---------------|
| 1. <b>Michigan State Housing Development Authority Legal Fees.</b> The Governor increased appropriations to reflect increased legal fees charged by the Attorney General. The increase was supported by MSHDA restricted revenue.   | 335,500       | 0             |
| 2. <b>Land Bank Fund Shift.</b> The Governor shifted \$1.5 million from GF/GP to Land Bank Fast Track funds.  | 0             | (1,500,000)   |
| 3. <b>Supplemental Appropriations Removal.</b> The Governor removed FY 2018-19 supplemental appropriations, which included: Michigan Enhancement Grants (\$113,450,500), Business Attraction and Community Revitalization (\$20.0 million), Northern Michigan Tourism and Sports fund (\$10.0 million), and GEAR-UP reappropriations (\$2.0 million). | (145,450,500) | (145,450,500) |
| 4. <b>Going Pro.</b> The Governor eliminated Going Pro one-time appropriations, reducing the total program by \$10.0 million, and shifted \$25.9 million from Penalties and Interest revenue to GF/GP.  | (10,000,000)  | 15,918,800    |
| 5. <b>One-Time Appropriations Removal.</b> The Governor eliminated several FY 2018-19 one-time appropriations, which included: Arts and Culture grants (\$1.0 million), Entrepreneurship Eco-System (\$2.5 million), Project Rising Tide (\$1.0 million), and special grants (\$1,350,000).   | (5,850,100)   | (5,850,000)   |

6. <b>Pure Michigan.</b> The Governor reduced Pure Michigan \$5.0 million Gross (\$4.0 million 21 <sup>st</sup> Century Jobs Trust Fund dollars and \$1.0 million GF/GP) and shifted the \$4.0 million of 21 <sup>st</sup> Century Jobs Trust fund revenue to Business Attraction and Community Revitalization, thereby freeing up \$4.0 million GF/GP in that line.	(5,000,000)	(5,000,000)
7. <b>Community Ventures.</b> The Governor removed this line item, which was entirely supported by penalties and interest revenue.	(4,000,000)	0
8. <b>At Risk Youth Grants.</b> The Governor removed this line item, which was entirely supported by penalties and interest revenue.	(3,000,000)	0
9. <b>Defined Calculation Technical Adjustment.</b> The Governor removed economic adjustments to line items and fund sources that do not allow for economic adjustments.	(1,747,400)	0
10. <b>Talent Investment Agency Federal Fund Adjustment.</b> The Governor reduced Federal fund appropriations to align with current projections.	(485,600)	0
11. <b>Going Pro.</b> The Governor did not include FY 2018-19 supplemental changes that split Going Pro appropriations with the deposit to the Going Pro Fund.	0	0
12. <b>Economic Adjustments.</b> Includes \$2,709,000 Gross and \$243,700 GF/GP for total economic adjustments, of which an estimated decrease of \$910,600 Gross and \$88,500 GF/GP is for legacy retirement costs (pension and retiree health).	2,709,000	243,700
<b>Total Changes</b> .....	<b>(\$172,489,100)</b>	<b>(\$141,638,000)</b>
<b>FY 2019-20 Governor's Recommendation</b> .....	<b>\$1,088,257,000</b>	<b>\$144,908,300</b>

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

- Deleted Reports.** The Governor deleted a number of sections related to reporting/notification requirements, which include: 216 (retention of all reports), 221 (policy implementation report), 990 (MSHDA production goal report), 1004 (MSF statutory reports), 1006 (award amendment report), 1033 (Michigan Film Office activity report), 1035 (One-time Arts and Culture Grant metric report), 1081 (TIA implementation report for statewide systems for data integration), 1082 (sustainable employment pilot program report), and 1084 (one-time Going Pro metric report).
- Other Deleted Sections.** The Governor deleted a number of other sections, which include: 217 (fund expenditure prioritization), 218 (protects employees who testify to the Legislature), 983 (MSF/MSHDA restriction on issuing bonds related to broadband), 984 (SIGMA requirement), 1041 (restriction from expending more than 60% of Business Attraction and Community Revitalization funding before April 1), 1047 (one-time special grants), 1052 (one-time Project Rising Tide), 1070 (Graduation Alliance grant), 1071 (Jobs for Michigan Graduates grant), 1074 (TANF requirements with DHHS), and 1080 (Community Ventures matching funds).
- Technical Changes.** The Governor made a number of technical modifications that include date changes, changes in Part 1 appropriations, legacy costs, name changes, and various other changes due to removing the Department of Talent and Economic Development budget from the General Government budget bill. (Sec. 201, 203, 206, 207, 210, 211, 212, 214, 980, 981, 982, 1050, 1061)

Date Completed: 3-12-19

Fiscal Analyst: Cory Savino

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



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Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2018-19 YEAR-TO-DATE*	FY 2019-20 GOV.'S REC.	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions .....	2,818.3	2,818.3	0.0	0.0
<b>GROSS .....</b>	<b>5,013,880,800</b>	<b>5,778,292,000</b>	<b>764,411,200</b>	<b>15.2</b>
Less:				
Interdepartmental Grants Received .....	4,092,500	3,974,300	(118,200)	(2.9)
<b>ADJUSTED GROSS .....</b>	<b>5,009,788,300</b>	<b>5,774,317,700</b>	<b>764,529,400</b>	<b>15.3</b>
Less:				
Federal Funds .....	1,318,271,700	1,341,650,100	23,378,400	1.8
Local and Private .....	51,432,000	51,932,000	500,000	1.0
<b>TOTAL STATE SPENDING .....</b>	<b>3,640,084,600</b>	<b>4,380,735,600</b>	<b>740,651,000</b>	<b>20.3</b>
Less:				
Other State Restricted Funds .....	3,283,293,700	4,380,735,600	1,097,441,900	33.4
<b>GENERAL FUND/GENERAL PURPOSE .....</b>	<b>356,790,900</b>	<b>0</b>	<b>(356,790,900)</b>	<b>(100.0)</b>
<b>PAYMENTS TO LOCALS .....</b>	<b>2,106,336,600</b>	<b>2,302,463,700</b>	<b>196,127,100</b>	<b>9.3</b>

\*As of March 5, 2019.

	Gross	GF/GP
<b>FY 2018-19 Year-to-Date Appropriation .....</b>	<b>\$5,013,880,800</b>	<b>\$356,790,900</b>

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

- |   |             |   |
|---|-------------|---|
| <p><b>1. Fixing Michigan Roads Program.</b> The Governor included increased funding from new gas taxes; 15 cent increases scheduled for October 1, 2019, April 1, 2020, and October 1, 2020. For FY 2019-20, the new program would not replace scheduled distributions of Michigan Transportation Fund (MTF) money to the State or local jurisdictions. Of the new revenue generated for FY 2019-20, \$834.9 million would go to roads, the majority of which would go to the trunkline, \$36.7 million to local bridges, \$27.5 million to transit and rail projects, and \$18.4 million to economic development in rural areas.</p> | 917,524,800 | 0 |
| <p><b>2. Road and Bridge Revenue Adjustments.</b> The Governor distributed increased revenue to the trunkline: \$50.4 million; counties: \$99.3 million; cities/villages: \$55.4 million; local bridges: \$677,000; and movable bridges: \$114,900.</p>   | 205,966,000 | 0 |
| <p><b>3. Maintenance and Maintenance Materials Increases.</b> The Governor included additional money for non-winter maintenance, including pothole repair, labor, vegetation control, and increased materials costs.</p>  | 58,534,000  | 0 |

4. <b>Comprehensive Transportation Revenue Adjustments.</b> The Governor distributed increased revenue to Comprehensive Transportation Fund (CTF) programs, including rail operations and infrastructure: \$14.8 million; service initiatives: \$6.0 million; local bus operating: \$6.0 million; marine passenger: \$5.5 million; intercity services: \$2.5 million; specialized services: \$1.5 million; and transit capital: \$1.3 million.	37,596,700	0
5. <b>Federal Inspection Compliance.</b> The Governor included funding to support the cost of federally-mandated inspections of trunkline signage, retaining walls, communications towers, and other ancillary structures.	10,000,000	0
6. <b>IT Modernization.</b> The Governor included additional funding for the development of intelligent transportation systems and to address a backlog of small IT projects.	3,000,000	0
7. <b>Other Revenue Adjustments.</b> The Governor distributed increased revenue to the airport safety, protection, and improvement program: \$664,100; the Detroit metropolitan Wayne County airport: \$325,000; and the transportation economic development program (TEDF): \$909,800.	1,898,900	0
8. <b>Local Signal Energy Billing Process Improvement.</b> The Governor included additional funding to improve billing processes for energy costs for traffic signals within local jurisdictions.	600,000	0
9. <b>Detroit/Wayne County Port Authority.</b> The Governor restored baseline funding to the Port Authority to the pre-FY 2017-18 level.	50,000	0
10. <b>One-Time Road Funding Removal.</b> The Governor removed one-time funding for FY 2018-19.	(300,000,000)	(300,000,000)
11. <b>Debt Service.</b> The Governor reflected a 2.5% decrease in the annual debt service payment.	(5,539,600)	0
12. <b>Interdepartmental Grants.</b> The Governor reduced spending on interdepartmental grants, chiefly due to a \$399,600 reduction in the State Trunkline Fund (STF) grant to the Attorney General.	(317,600)	0
13. <b>Transfer of Services.</b> The Governor transferred certain accounting services to the Department of Agriculture and Rural Development.	(168,700)	0
14. <b>Other Changes.</b> The Governor did not continue supplemental funding from PA 618 of 2018 for the current year, including \$114.0 million restricted funding for road and bridge; \$52.0 million GF/GP for the Soo Locks expansion; \$4.5 million GF/GP for the Mackinac Straits Infrastructure project; and \$250,000 GF/GP for a rail study.	(170,790,900)	(56,790,900)
15. <b>Economic Adjustments.</b> Includes \$6,057,600 Gross and \$0.0 GF/GP for total economic adjustments, of which an estimated negative \$1,839,000 Gross and \$0.0 GF/GP is for legacy retirement costs (pension and retiree health).	6,057,600	0
<b>Total Changes</b> .....	<b>\$764,411,200</b>	<b>(\$356,790,900)</b>
<b>FY 2019-20 Governor's Recommendation</b> .....	<b>\$5,778,292,000</b>	<b>\$0</b>

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

1. **Disciplinary Action - Removed.** The Governor removed a section that prohibited the Department from taking disciplinary action against an employee for communicating with the Legislature. (Sec. 215)
2. **Federal Rule Change Notification - Removed.** The Governor removed a section requiring the Department to notify, in advance, the legislative leaders, applicable committees, and fiscal agencies about proposed Federal rule changes. (Sec. 217)

3. **Remanufactured Parts for Vehicle Fleet - Removed.** The Governor removed a section stating legislative intent for the Department to prioritize the use of remanufactured parts for maintenance and repair of the Department's vehicle fleet. (Sec. 270)
4. **Commercial Lease of Department Property - Removed.** The Governor removed a section granting the Department permission to lease Department space at a competitive rate. (Sec. 305)
5. **Infrastructure Bank Reporting.** The Governor removed a subsection requiring the Department to report to the Legislature on the balance, loan amounts, and outstanding loans from the State infrastructure bank. (Sec. 313)
6. **Rest Area Signage - Removed.** The Governor removed a section requiring the Department to post signs at rest areas that include a number to call for unsafe or unclean conditions at those rest areas. (Sec. 319)
7. **Prompt Payment of Contractors - Removed.** The Governor removed a section requiring the prompt payment of prime contractors. (Sec. 353)
8. **Deadline for Federal Aid Project Review - Removed.** The Governor removed a section requiring the Department to complete the review process for Federal Aid Project submittals within 120 days after receipt of the request. (Sec. 357)
9. **Groundbreaking Ceremonies - Removed.** The Governor removed a section prohibiting the reimbursement of contractors or consultants for the costs of groundbreaking procedures. (Sec. 375)
10. **Signage Study Ban - Removed.** The Governor removed a section prohibiting the Department from expending appropriations to study the effects of outdoor advertising on driver safety. (Sec. 376)
11. **E-Verify Requirement - Removed.** The governor removed a section that required contractor and subcontractors use Homeland Security's E-Verify system to verify that all persons hired for construction, maintenance or engineering services be legally present and authorized to work within the United States. (Sec. 381)
12. **Local Billing Deadline - Removed.** The Governor removed a section requiring the Department to send cost sharing bills to local units within two years of the Department's final contract payment. (Sec. 382)
13. **Toll Credit Reporting - Removed.** The Governor removed a section requiring an annual report to the State budget director and the Legislature on the toll credit program. (Sec. 386)
14. **Traffic Study Availability - Removed.** The Governor removed a section requiring the Department to post on its website within 60 days the results of any formal traffic study. (Sec. 386)
15. **Long-term Contract Notification - Removed.** The Governor removed a section requiring the Department to notify the Legislature of the details of long-term contracts within 30 days of the agreement. (Sec. 389)
16. **Fund Balance Reporting - Removed.** The Governor removed a section requiring the Department to report to the State budget director and the Legislature the prior fiscal year balances for a number of funds it manages. (Sec. 390)
17. **Ban on Motor Fuel Testing - Removed.** The Governor removed a funding restriction on motor fuel quality testing by the Department. (Sec. 391)
18. **Best Practices - Removed.** The Governor removed a section requiring the Department to promote certain best practices related mostly to transit services and costs. (Sec. 393)
19. **Road Preservation Prioritization - Removed.** The Governor removed a section requiring the Department and local jurisdictions to make the preservation of existing road networks a funding priority. (Sec. 394)
20. **Contract Eligibility Assurance - Removed.** The Governor removed a section requiring the Department to obtain assurances from contractors for non-construction contracts that they have requisite experience, labor, and financial capability to perform the contracts. (Sec. 396)
21. **Community Service Infrastructure Fund.** The Governor removed language from the section that expressed legislative intent for the fund to be appropriated a specified sum annually. (Sec. 399)
22. **Available Funds for Transit Buses - Removed.** The Governor removed a section requiring the Department to apply for Federal aid for replacement buses after meeting existing needs for 5310 program recipients. (Sec. 403)
23. **Recreation Improvement Fund Distribution - New.** The Governor added a section directing how funds from the fixing Michigan roads fund are distributed to the recreation improvement fund under the environmental protection act, 1994 PA 451. (Sec. 550)

24. **Flooding Mitigation - Removed.** The Governor removed a section directing the Department to address and report on flooding mitigation in southeast Michigan for FY 2018-19. (Sec. 605)
25. **I-94 Modernization Project - Removed.** The Governor removed a section regarding engineering and design work for a rebuilding and modernization project on I-94 between M-60 and Sargent Road. (Sec. 606)
26. **Dead Deer Removal - Removed.** The Governor removed a section directing the Department to prioritize the removal of dead deer. (Sec. 610)
27. **Contract Incentives & Disincentives - Removed.** The Governor removed a section directing the Department to establish and report on contract incentives and disincentives for trunkline projects. (Sec. 612)
28. **Project Reporting - Removed.** The Governor removed a section requiring a report on several aspects of all capital Federal aid participating construction projects. (Sec. 613)
29. **Alternative Road Surface Materials - Removed.** The Governor removed a section directing the Department to report on the use of alternative road surface materials. (Sec. 660)
30. **Winter Maintenance Truck Refurbishment - Removed.** The Governor removed a section directing the Department to investigate and report on the costs and benefits of refurbishing winter maintenance trucks scheduled for sale or retirement. (Sec. 670)
31. **Rail Line Abandonment - Removed.** The Governor removed a section requiring the Department to report to the Legislature when a railroad company has filed to abandon a line. (Sec. 703)
32. **Rail Operations and Infrastructure Report - Removed.** The Governor removed a section requiring the Department to report on rail operations and infrastructure programs. (Sec. 704)
33. **Amtrak Report - Removed.** The Governor removed a section requiring the Department to report on rail passenger service provided by Amtrak. (Sec. 711)
34. **Freight Economic Development Requirement - Removed.** The Governor removed a section requiring the Department to expend at least \$2.5 million on freight economic development from the comprehensive transportation fund. (Sec. 750)
35. **Rail Line Earmark - Removed.** The Governor removed a section earmarking \$2.0 million for improvements to a rail line between Walton Junction and Traverse City. (Sec. 751)
36. **Meetings with the Rail Industry Trade Associations - Removed.** The Governor removed a section requiring the Department to meet with representatives of the rail industry twice a year. (Sec. 752)
37. **Department Airports - Removed.** The Governor removed a section encouraging the Department to find private or local public agencies to assume ownership and operating responsibility for airports currently owned by the Department. (Sec. 802)
38. **Aircraft Limitation - Removed.** The Governor removed a section prohibiting the Department from expending funds appropriated for air fleet operations and maintenance if the Department owns more than five aircraft. (Sec. 804)
39. **Airport Improvement Program Requirements.** The Governor updated a section to reflect Federal match requirements. (Sec. 901)
40. **One-Time General Fund Distribution for FY 2018-19 - Removed.** The Governor removed a one-time section directing the distribution of FY 2018-19 one-time funding for roads. (Sec. 1001)

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