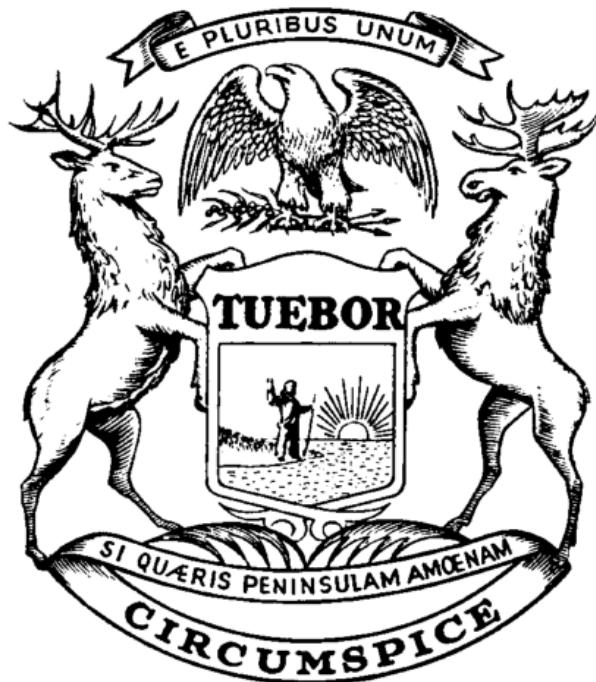


**STATE OF MICHIGAN  
FISCAL YEAR 2023-24**

**Appropriations  
Summary and Analysis**



**Mary Ann Cleary, Director**

**SEPTEMBER 2023**

**HOUSE FISCAL AGENCY  
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HOUSE FISCAL AGENCY

**MARY ANN CLEARY, DIRECTOR**

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September 2023

TO: Members of the Michigan House of Representatives  
FROM: Mary Ann Cleary, Director

This **FY 2023-24 Appropriations Summary and Analysis** summarizes the FY 2023-24 state budget. A *Glossary*, following the table of contents, explains terms used throughout this report to describe Michigan's budget. The *Budget Overview* provides information on resources used and major funding changes in the FY 2023-24 year-to-date budget; summary tables of appropriated funds and fund sources are also included. *Budget Detail* pages note enacted major budget and boilerplate changes for each budget area.

When analyzing the budget, it is important to note the following:

**Adjusted Gross** is the amount to use when measuring the total amount of funding included in the state budget (including spending from federal sources).

**State Spending from State Sources (State Restricted plus GF/GP)** is the amount to use when measuring the amount of state resources collected from taxpayers to finance state spending.

**General Fund/General Purpose (GF/GP)** is the amount to use when measuring unrestricted state resources available for legislative allocation to various state programs.

Information in the *Budget Detail* section was provided by HFA Analysts; report production was coordinated by Kathryn Bateson, Administrative Assistant. House Fiscal Agency staff and their areas of responsibility are listed on the inside back cover of this publication. Please feel free to contact them, or me, if you have questions or need further information.

A handwritten signature in black ink that reads "Mary Ann Cleary".

Mary Ann Cleary, Director



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# GLOSSARY

## Frequently Used State Budget Terms

### **STATE BUDGET TERMS**

#### **Line Item**

Specific funding amount in an appropriation bill which establishes spending authorization for a particular program or function.

#### **Boilerplate**

Specific language sections in an appropriation bill which direct, limit, or restrict line-item expenditures, express legislative intent, and/or require reports.

#### **Lapse**

Appropriated amounts that are unspent or unobligated at the end of a fiscal year; appropriations are automatically terminated at the end of a fiscal year unless otherwise provided by law.

#### **Work Project**

Account authorized through statutory process which allows appropriated spending authorization from one fiscal year to be utilized for expenditures in a succeeding fiscal year or years for a specific project or purpose.

### **APPROPRIATION TERMS AND FUND SOURCES**

#### **Appropriations**

Authority to expend funds for a particular purpose. An appropriation is not a mandate to spend.

**Gross:** Total of all applicable appropriations in an appropriation bill.

**Adjusted Gross:** Net amount of gross appropriations after subtracting interdepartmental grants (IDGs) and intradepartmental transfers (IDTs).

#### **Interdepartmental Grant (IDG) Revenue**

Funds received by one state department from another state department—usually for service(s) provided.

#### **Intradepartmental Transfer (IDT) Revenue**

Funds transferred from one appropriation unit to another within the same departmental budget.

#### **Federal Revenue**

Federal grant or match revenue; generally dedicated to specific programs or purposes.

#### **Local Revenue**

Revenue received from local units of government for state services.

#### **Private Revenue**

Revenue from non-government entities: rents, royalties or interest payments, payments from hospitals or individuals, or gifts and bequests.

#### **State Restricted Revenue**

State revenue restricted by the State Constitution, state statute, or outside restriction that is available only for specified purposes; includes most fee revenue; at year-end, unused restricted revenue generally remains in the restricted fund.

#### **General Fund/General Purpose (GF/GP) Revenue**

Unrestricted general fund revenue available to fund basic state programs and other purposes determined by the legislature; unused GF/GP revenue lapses to the General Fund at the end of a fiscal year.

### **MAJOR STATE FUNDS**

#### **General Fund**

The state's primary operating fund; receives state revenue not dedicated to another state fund.

#### **School Aid Fund (SAF)**

A restricted fund that serves as the primary state funding source for K-12 schools and Intermediate School Districts. Constitutionally, SAF revenue may also be used for postsecondary education.

#### **Budget Stabilization Fund**

The Countercyclical Economic and Budget Stabilization Fund (also known as the "rainy day fund"); the Management and Budget Act provides guidelines for making deposits into and withdrawals from the fund.



# **FY 2023-24 Budget Detail**

## **OVERVIEW**

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**Budget Overview  
Consensus Revenue Estimates  
FY 2023-24 Balance Sheets  
Summary Tables**

## OVERVIEW

# FY 2023-24 BUDGET OVERVIEW

**Mary Ann Cleary, Director, and Kevin Koorstra, Deputy Director**

The budget overview highlights the major components that have contributed to the fiscal year (FY) 2023-24 appropriations.

The year-to-date (YTD) state budget for FY 2023-24 incorporates the May 2023 Consensus Revenue Estimating Conference (CREC) revenue estimates. In addition to those estimates, the budget assumes a General Fund/General Purpose (GF/GP) beginning balance of \$7,463.5 million and a School Aid Fund (SAF) beginning balance of \$4,622.5 million.

|                       | (Millions of Dollars)                      |                       |  |
|-----------------------|--|-----------------------|--|
|                       | FY 2022-23<br>Year-to-Date<br>as of 2/8/23 | FY 2023-24<br>Enacted | Difference: FY 2023-24<br>vs. FY 2022-23 |
|                       |  | Amount                | %  |
| <b>Adjusted Gross</b> | <b>\$77,744.8</b>                          | <b>\$80,400.5</b>     | <b>\$2,655.7</b> <b>3.4%</b>             |
| <b>Federal</b>        | <b>\$31,392.3</b>                          | <b>\$32,866.2</b>     | <b>\$1,473.9</b> <b>4.7%</b>             |
| <b>Local/Private</b>  | <b>\$538.9</b>                             | <b>\$520.3</b>        | <b>(\$18.6)</b> <b>-3.5%</b>             |
| <b>Restricted</b>     | <b>\$28,856.1</b>                          | <b>\$31,820.5</b>     | <b>\$2,964.4</b> <b>10.3%</b>            |
| <b>GF/GP</b>          | <b>\$16,957.6</b>                          | <b>\$15,193.5</b>     | <b>(\$1,763.8)</b> <b>-10.4%</b>         |

Of the \$47,014.1 million in state resources (restricted plus GF/GP) appropriated for FY 2023-24, \$25,537.7 million (54.3% of the total) is designated for payments to local units of government. Article IX, Section 30 of Michigan's Constitution requires that at least 48.97% of spending from state resources must be paid to local governments.

The FY 2023-24 budget includes over \$790.0 million in ongoing program increases and \$2,434.0 million in one-time GF/GP appropriations. And includes over \$1,400.0 million in ongoing program increases and \$2,372.5 million in one-time SAF appropriations.

Major FY 2023-24 GF/GP program increases both ongoing and one-time include:

- \$286.8 million deposit into the Make it in Michigan Competitive Fund. (DTMB)
- \$279.7 million Gross (\$214.3 million federal and \$65.4 million GF/GP) to expand certified community behavioral health clinics. (DHHS)
- \$120.2 million Gross (\$254.1 million federal and \$92.5 million GF/GP) for a direct care wage increase. (DHHS)
- \$100.0 million deposit into the budget stabilization fund.
- \$72.0 million for the Michigan Indigent Defense Commission (LARA)

Major FY 2023-24 School Aid and Higher Education funding changes include:

- \$611.0 million (SAF) to increase foundation allowances to \$9,608 per pupil. (K-12)
- \$310.3 million (SAF) increase for special education costs. (K-12)
- \$245.0 million (SAF) for service consolidation grants. (K-12)
- \$225.0 million (SAF) for a student loan repayment pilot. (K-12)
- \$204.5 million (SAF) increase for At-Risk program. (K-12)
- \$178.0 million Gross (\$160.0 million SAF and \$18.0 million GF/GP) increase for mental health grants. (K-12)
- \$160.0 million (SAF) for universal school breakfast and lunch. (K-12)
- \$99.2 million (Gross) for operations increase for universities. (HE)
- \$79.0 million (GF/GP) for infrastructure, technology, equipment, maintenance, and safety (ITEM) grants. (HE)
- \$16.7 million (SAF) for operations increase to community colleges. (CC)
- \$32.8 million (SAF) for infrastructure, technology, equipment, maintenance, and safety (ITEM) grants. (CC)

FY 2023-24 budget includes the following funding changes for local revenue sharing programs:

- Estimated increase of \$64.1 million for constitutional revenue sharing payments to cities, villages, and townships (CVTs) based on sales tax collections.
- \$19.6 million increase to CVTs, 5% ongoing and 2% one-time for public safety initiatives.
- \$17.6 million increase to counties, 5% ongoing and 2% one-time public safety initiatives.

FY 2023-24 and FY 2022-23 federal Coronavirus State Fiscal Recovery funds allocations total \$914.6 million:

- \$347.8 million for corrections payroll offset (FY 2023 DOC)
- \$228.2 million for local water infrastructure projects. (FY 2023 EGLE)
- \$70.0 million for reconnect expansion for those 21 and older. (FY 2023 LEO)

The FY 2023-24 enacted budget bills (HB 4437 and SB 173) contain FY 2022-23 supplemental appropriations. Major adjustments include:

- \$1,620.6 million Gross (\$413.1 million GF/GP reduction) increase as part of the estimated DHHS-related caseload adjustments from the May 2023 CREC.
- \$1,600.0 million federal for broadband access in unserved or underserved areas.
- \$791.1 million federal Coronavirus State Fiscal Recovery funds appropriated in various departments.
- \$200.0 million (SAF) payment for MPSER UAAL contributions for seven universities in the system.
- \$150.0 million (GF/GP) for targeted energy investment in LEO.
- \$100.0 million (GF/GP) deposit into the budget stabilization fund.
- \$100.0 million (GF/GP) for contaminated site cleanup in EGLE.
- \$64.0 million (GF/GP) for Brandon Road Interbasin project in DNR.

A more detailed summary of major budget changes by individual budget area begins on page 22.

## OVERVIEW

# CONSENSUS REVENUE ESTIMATES

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**Ben Gielczyk, Associate Director**  
**Jim Stansell, Associate Director and Senior Economist**

This section describes the May 2023 Consensus Revenue Estimating Conference revenue projections, adjusted for changes enacted, for GF/GP and SAF revenue for FY 2022-23 and FY 2023-24.

For Michigan:

- Wage and salary employment is expected to increase 1.3% in CY 2023 and 0.4% in CY 2024.
- The unemployment rate is expected to increase 4.3% in CY 2023 and 4.8% in CY 2024.
- Personal income is expected to increase 4.1% in CY 2023 and 3.3% in CY 2024.

## General Fund/General Purpose Revenue by Source

### ***Individual Income Tax***

- Michigan individual income tax revenue is forecast to decrease 10.6% in FY 2022-23 as the tax rate declines to 4.05% for TY 2023. Although the individual income tax rate is expected to return to 4.25% for TY 2024, revenue is projected to decrease 5.3% in FY 2023-24 as the impacts of changing the treatment of retirement income and increasing the earned income tax credit reduce income tax collections.

### ***Sales and Use Taxes***

- Combined GF/GP sales and use tax revenue is estimated to decline 1.9% rate to \$2,835.3 million in FY 2022-23 and further decrease by 1.1% to \$2,802.7 million in FY 2023-24.

### ***Net Business Taxes***

- Net business taxes are comprised of the Single Business Tax (SBT), the Michigan Business Tax (MBT), the corporate income tax (CIT), and insurance taxes.
- Net business taxes are expected to decrease 24.5% in FY 2022-23, primarily due to \$600 million of various CIT earmarks to other funds. Net business taxes are projected to further decline 2.2% in FY 2023-24.

### ***GF/GP Tax Revenue***

- GF/GP tax revenue in FY 2022-23 is expected to drop by 10.6% to \$12,994.9 million and 3.8% to \$12,498.2 million in FY 2023-24.

### ***Net GF/GP Revenue***

- Total net GF/GP revenue includes tax revenue and non-tax revenue.
- Non-tax revenue includes revenue from the liquor purchase revolving fund, transfers of unclaimed property, federal aid, licenses and permits, and investment income and borrowing costs.
- Net GF/GP revenue is expected to decline 9.4% to \$13,788.0 million in FY 2022-23 and 4.0% to \$13,238.3 million in FY 2023-24.

**GENERAL FUND/GENERAL PURPOSE REVENUE ESTIMATES**  
(Millions of Dollars)

|                          | <u>FY 2022-23</u> | <u>FY 2023-24</u> | <u>FY 2023-24 Over FY 2022-23</u> |
|--------------------------|-------------------|-------------------|-----------------------------------|
|                          |                   | <u>Change</u>     |                                   |
| Individual Income Tax    | \$8,219.5         | \$7,780.1         | (\$439.4)                         |
| Sales and Use Taxes      | 2,835.3           | 2,802.7           | (\$32.6)                          |
| Net Business Taxes       | 1,473.0           | 1,440.3           | (\$32.7)                          |
| Other Taxes              | 467.1             | 475.1             | \$8.0                             |
| <b>GF/GP Tax Revenue</b> | <b>\$12,994.9</b> | <b>\$12,498.2</b> | (\$496.7)                         |
| Non-Tax Revenue          | 793.1             | 740.1             | (\$53.0)                          |
| <b>Net GF/GP Revenue</b> | <b>\$13,788.0</b> | <b>\$13,238.3</b> | (\$549.7)                         |
|                          |                   |                   | (4.0%)                            |

**SCHOOL AID FUND REVENUE ESTIMATES**  
(Millions of Dollars)

| <u>Revenue</u>                | <u>FY 2022-23</u> | <u>FY 2023-24</u> | <u>FY 2023-24 Over FY 2022-23</u> |
|-------------------------------|-------------------|-------------------|-----------------------------------|
|                               |                   | <u>Change</u>     |                                   |
| Sales and Use Taxes           | \$8,779.1         | \$8,837.0         | \$57.9                            |
| Individual Income Tax Earmark | 3,838.1           | 3,798.2           | (39.9)                            |
| Lottery, Casinos, and iGaming | 1,637.6           | 1,646.9           | 9.3                               |
| Cigarette Tax                 | 263.4             | 258.6             | (4.8)                             |
| State Education Tax           | 2,607.0           | 2,737.9           | 130.9                             |
| Real Estate Transfer Tax      | 390.0             | 377.5             | (12.5)                            |
| Recreational Marijuana        | 81.6              | 85.7              | 4.1                               |
| Other Specific Taxes          | 144.7             | 146.3             | 1.6                               |
|                               |                   |                   | 1.1%                              |

**School Aid Fund Revenue by Source**

***Sales and Use Taxes***

- Combined sales and use tax revenue dedicated to the SAF is forecast to increase 0.6% to \$8,779.1 million in FY 2022-23 and 0.7% to \$8,837.0 million in FY 2023-24.

***Individual Income Tax Earmark***

- SAF dedicated income tax revenue is forecast to decline to \$3,838.1 million in FY 2022-23, and then further decrease 1.0% to \$3,798.2 million in FY 2023-24. The SAF is held harmless from the rate change and other income tax provisions that reduce GF/GP income tax revenue.

***Lottery, Casinos, and iGaming***

- Revenue from the lottery, casinos, online gaming, and sports betting to the SAF is projected to be \$1,637.6 million in FY 2022-23 and \$1,646.9 million in FY 2023-24.

***Cigarette Tax***

- Approximately 41.4% of cigarette tax revenue is dedicated to the SAF.
- The demand for tobacco products is expected to decline over the duration of the forecast, leading to total SAF tobacco tax revenue of \$263.4 million in FY 2022-23 and \$258.6 million in FY 2023-24.

## **OVERVIEW**

### ***State Education Tax/Real Estate Transfer Tax***

- All of the 6-mill state education tax (SET) and the real estate transfer tax (RET) is dedicated to the SAF.
- SET revenue is expected to increase to \$2,607.0 million in FY 2022-23 and \$2,737.9 million in FY 2023-24.
- RET is forecast to decrease to \$390.0 million in FY 2022-23 and \$377.5 million in FY 2023-24.

### ***Other Specific Taxes***

- Other specific taxes include the liquor excise tax, the excise tax on recreational marihuana, industrial and commercial facilities taxes, the commercial forest tax, and other smaller specific taxes.

### ***Net SAF Revenue***

- Net SAF revenue represents revenue available for expenditure each year; it includes tax changes but does not include any GF/GP transfers, federal funds, or year-end balances.
- Net SAF revenue is expected to decrease 0.8% to \$17,741.5 million in FY 2022-23 before increasing 0.8% to \$17,888.1 million in FY 2023-24.

**Budget Stabilization Fund Year-End Balances**

The following table notes BSF deposits, withdrawals, and interest earnings from FY 1999-2000 to FY 2021-22, and HFA estimates of deposits, expected interest earnings, and year-end balances for FY 2022-23 and FY 2023-24. Deposits include appropriations as well as the provisions enacted in 2014 PA 186, which amended the Michigan Trust Fund Act to require annual \$17.5 million deposits of tobacco settlement revenue to the BSF from FY 2014-15 through FY 2034-35.

After deposits totaling \$197.2 million and \$9.3 million in interest earnings, the final BSF fund balance for FY 2021-22 was \$1,588.8 million. Although the enacted FY 2022-23 budget did not contain an appropriation, a \$100 million appropriation was included in the supplemental portion of the FY 2023-24 budget, which also contained a \$100 million deposit for FY 2023-24. Incorporating these deposits and estimated interest earnings, projected year-end balances are \$1,785.0 for FY 2022-23 and \$1,993.4 for FY 2023-24.

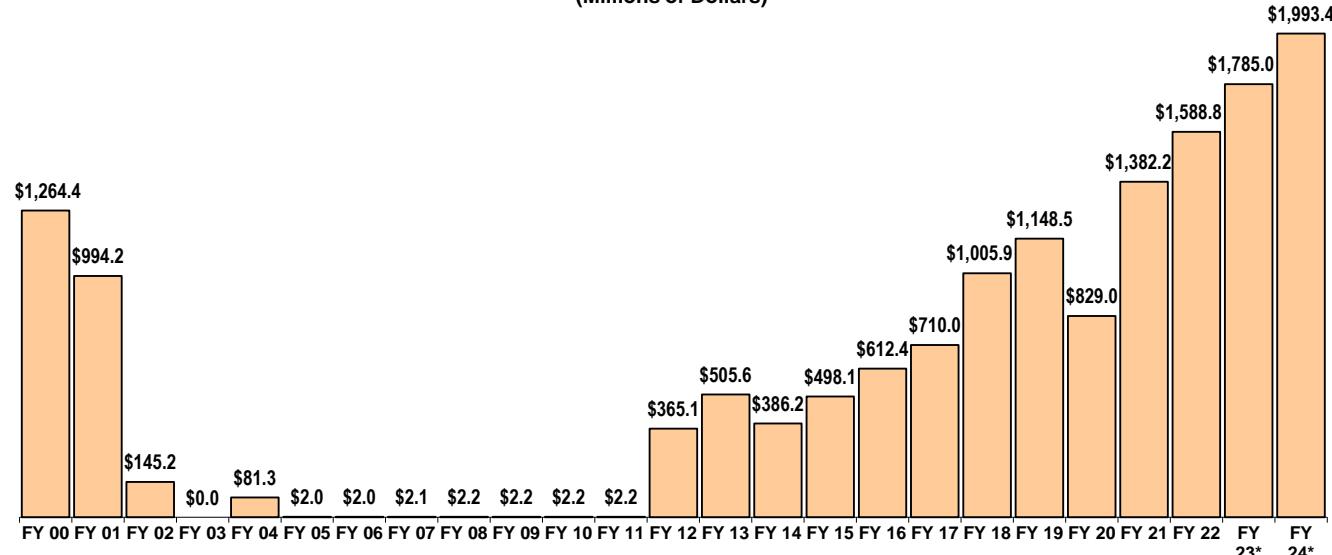
**BUDGET STABILIZATION FUND HISTORY**  
(Millions of Dollars)

| <b>Fiscal Year</b> | <b>Deposits</b> | <b>Withdrawals</b> | <b>Interest Earned</b> | <b>Balance</b> |
|--------------------|-----------------|--------------------|------------------------|----------------|
| 1999-2000          | \$100.0         | \$132.0            | \$73.9                 | \$1,264.4      |
| 2000-01            | 0.0             | 337.0              | 66.7                   | 994.2          |
| 2001-02            | 0.0             | 869.8              | 20.8                   | 145.2          |
| 2002-03            | 0.0             | 156.1              | 10.9                   | 0.0            |
| 2003-04            | 81.3            | 0.0                | 0.0                    | 81.3           |
| 2004-05            | 0.0             | 81.3               | 2.0                    | 2.0            |
| 2005-06            | 0.0             | 0.0                | 0.0                    | 2.0            |
| 2006-07            | 0.0             | 0.0                | 0.1                    | 2.1            |
| 2007-08            | 0.0             | 0.0                | 0.1                    | 2.2            |
| 2008-09            | 0.0             | 0.0                | 0.0                    | 2.2            |
| 2009-10            | 0.0             | 0.0                | 0.0                    | 2.2            |
| 2010-11            | 0.0             | 0.0                | 0.0                    | 2.2            |
| 2011-12            | 362.7           | 0.0                | 0.2                    | 365.1          |
| 2012-13            | 140.0           | 0.0                | 0.5                    | 505.6          |
| 2013-14            | 75.0            | 194.8              | 0.4                    | 386.2          |
| 2014-15            | 111.6           | 0.0                | 0.3                    | 498.1          |
| 2015-16            | 112.5           | 0.0                | 1.7                    | 612.4          |
| 2016-17            | 92.5            | 0.0                | 5.1                    | 710.0          |
| 2017-18            | 282.5           | 0.0                | 13.5                   | 1,005.9        |
| 2018-19            | 117.5           | 0.0                | 25.1                   | 1,148.5        |
| 2019-20            | 17.3            | 350.0              | 13.2                   | 829.0          |
| 2020-21            | 552.2           | 0.0                | 1.0                    | 1,382.2        |
| 2021-22            | 197.2           | 0.0                | 9.3                    | 1,588.8        |
| 2022-23*           | 117.5           | 0.0                | 78.8                   | 1,785.0        |
| 2023-24*           | 117.5           | 0.0                | 90.9                   | 1,993.4        |

*Note: Numbers may not add due to rounding.*

*\*HFA estimates.*

**BUDGET STABILIZATION FUND (BSF) BALANCE**  
(Millions of Dollars)

**FY 2023-24 APPROPRIATIONS SUMMARY AND ANALYSIS**

HOUSE FISCAL AGENCY: SEPTEMBER 2023

**OVERVIEW: PAGE 7**

## OVERVIEW

### **Compliance with the State Revenue Limit**

HFA estimates of the state revenue limit provided for in Article IX, Section 26, of the *Constitution of the State of Michigan*, and estimates of total state revenue collections subject to the state revenue limit are shown in the following table. As provided for in the Constitution, the revenue limit is calculated as 9.49% of total state personal income in the previous full calendar year (CY) prior to the fiscal year in which the revenue is measured, as estimated by the Bureau of Economic Analysis, United States Department of Commerce.

**COMPLIANCE WITH THE STATE REVENUE LIMIT**  
(Millions of Dollars)

| <b>Revenue Limit Calculations</b>              | <b>FY 2022-23</b>   | <b>FY 2023-24</b>   |
|--|---------------------|---------------------|
| Personal Income                                | CY 2021             | CY 2022             |
| Amount   | \$567,807           | \$570,065           |
| X Limit Ratio                                  | 9.49%               | 9.49%               |
| <b>State Revenue Limit</b>                     | <b>\$53,884.9</b>   | <b>\$54,099.2</b>   |
| <b>Total Revenue Subject to Revenue Limit</b>  | <b>\$42,231.3</b>   | <b>\$42,122.9</b>   |
| <b>Amount (Under) Over State Revenue Limit</b> | <b>(\$11,653.6)</b> | <b>(\$11,976.3)</b> |

### **Implications of Exceeding the State Revenue Limit**

Article IX, Section 26, *Constitution of the State of Michigan*, provides that:

... For any fiscal year in the event that Total State Revenue exceed the limit established in this section by 1% or more, the excess revenues shall be refunded pro rata based on the liability reported on the Michigan income tax and single business tax (or its successor tax or taxes) annual returns filed following the close of such fiscal year. If the excess is less than 1%, this excess may be transferred to the State Budget Stabilization Fund ...

Furthermore, the state is prohibited from spending any current year revenue in excess of the limit established in Section 26 by Article IX, Section 28.

The final FY 2021-22 revenue limit calculation indicates that the state revenue collections were under the revenue limit by \$7.4 billion. For both FY 2022-23 and FY 2023-24, state revenue is estimated to be substantially below the revenue limit by roughly \$11.7 billion and \$12.0 billion, respectively.

**CONSTITUTIONAL REVENUE LIMIT**  
(Billions of Dollars)



FY 00 FY 01 FY 02 FY 03 FY 04 FY 05 FY 06 FY 07 FY 08 FY 09 FY 10 FY 11 FY 12 FY 13 FY 14 FY 15 FY 16 FY 17 FY 18 FY 19 FY 20 FY 21 FY 22 FY 23\* FY 24\*

\*FY 23 and FY 24 are consensus estimates

## FY 2023-24 BALANCE SHEETS

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The balance sheets below summarize estimated General Fund/General Purpose, School Aid Fund, and Merit Award Trust Fund revenues, expenditures, and balance amounts for FY 2023-24 based on the year-to-date state budget.

### FY 2023-24 GENERAL FUND/GENERAL PURPOSE BALANCE SHEET (Millions of Dollars)

|  |                   |
|--|-------------------|
| <b>Estimated Beginning Fund Balance</b>                    | <b>\$3,138.0</b>  |
| <hr/>  |                   |
| <b>Revenues</b>  |                   |
| May 2023 consensus revenue estimate                        | \$13,238.3        |
| Lawsuit settlement proceeds/Liquor purchase revolving fund | (21.7)            |
| Local government reimbursement fund                        | (75.0)            |
| Revenue sharing to local units of government               | (562.4)           |
| <b>Total Estimated Revenues</b>                            | <b>\$12,579.2</b> |
| <hr/>  |                   |
| <b>Expenditures</b>  |                   |
| Enacted appropriations: ongoing                            | \$12,787.8        |
| Enacted appropriations: one-time                           | 2,434.0           |
| Budget Stabilization Fund deposit                          | 100.0             |
| <b>Total Estimated Expenditures</b>                        | <b>\$15,321.7</b> |
| <hr/>  |                   |
| <b>Estimated Ending Fund Balance</b>                       | <b>\$395.4</b>    |

*Note: Numbers may not add due to rounding.*

## OVERVIEW

### FY 2023-24 SCHOOL AID FUND BALANCE SHEET (Millions of Dollars)

|  |                   |
|--|-------------------|
| <b>Estimated Beginning Fund Balance</b>    | <b>\$1,735.8</b>  |
| <hr/>                                      |                   |
| <b>Revenues</b>                            |                   |
| May 2023 consensus revenue estimate        | \$17,888.0        |
| General Fund/General Purpose grant         | 87.9              |
| Community District Education Trust Fund    | 72.0              |
| MPSER Reserve Fund                         | 215.8             |
| Consolidation/Infrastructure Fund          | 245.0             |
| School Transportation Fund                 | 125.0             |
| Other Revenues                             | 177.2             |
| Federal aid                                | 2,200.8           |
| <b>Total Estimated Revenues</b>            | <b>\$21,011.7</b> |
| <hr/>                                      |                   |
| <b>Expenditures</b>                        |                   |
| Enacted appropriations: ongoing            | \$19,135.6        |
| Enacted appropriations: one-time           | 2,324.1           |
| MDE School for the Blind: one-time         | 40.0              |
| Enacted appropriations: Community Colleges | 544.5             |
| Enacted appropriations: Higher Education   | 482.3             |
| <b>Total Estimated Expenditures</b>        | <b>\$22,526.4</b> |
| <hr/>                                      |                   |
| <b>Estimated Ending Fund Balance</b>       | <b>\$221.0</b>    |

*Note: Numbers may not add due to rounding.*

**FY 2023-24 MERIT AWARD TRUST FUND BALANCE SHEET**  
**(Millions of Dollars)**

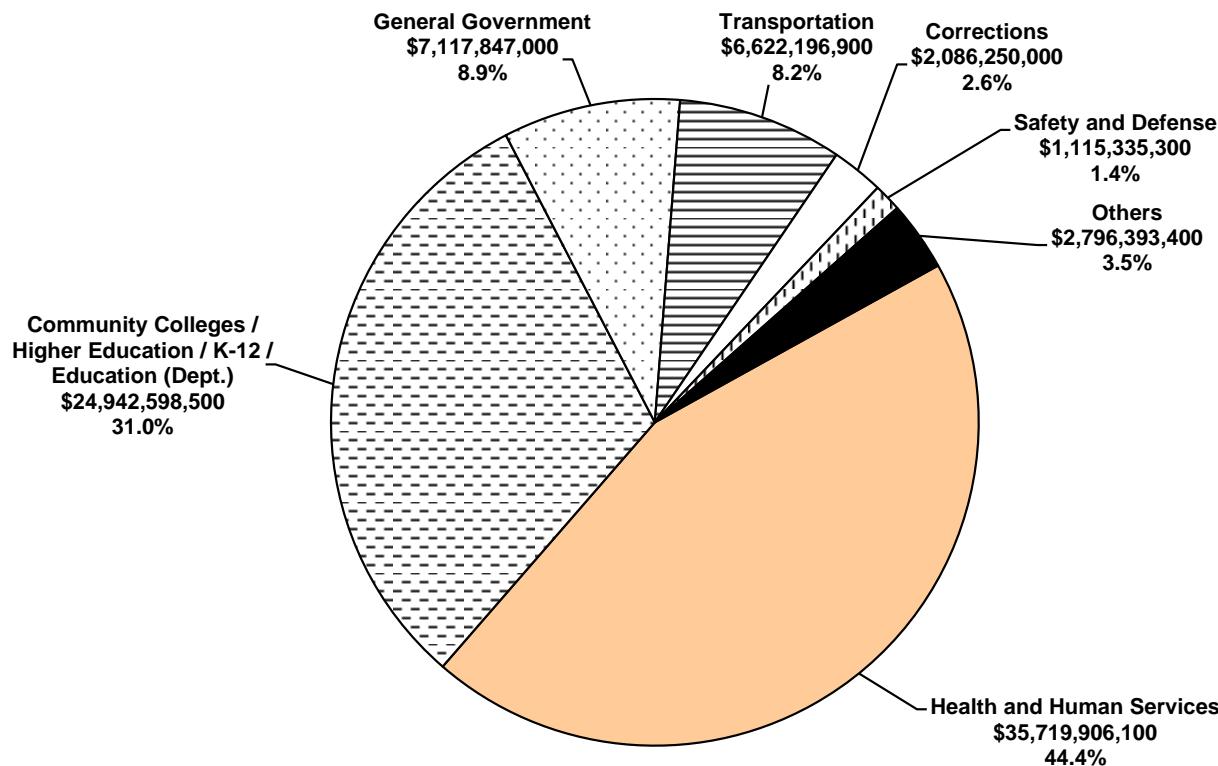
|   |               |
|---|---------------|
| <b>Estimated Beginning Fund Balance</b>                               | <b>\$39.5</b> |
| <b>Revenues</b>   |               |
| Annual tobacco settlement payment due to Michigan                     | \$282.2       |
| Debt service payments for prior securitization                        | (68.0)        |
| Deposit to 21 <sup>st</sup> Century Jobs Fund                         | (75.0)        |
| Repayment to Budget Stabilization Fund for Detroit settlement payment | (17.5)        |
| Transfer to Community District Education Trust Fund                   | (72.0)        |
| Interest  | 0.1           |
| <b>Total Estimated Net Revenues</b>                                   | <b>\$49.8</b> |
| <b>Expenditures</b>   |               |
| Attorney General: Administration                                      | \$0.5         |
| Community Health: Medicaid base funding                               | 57.2          |
| Community Health: Aging – Respite care                                | 4.1           |
| State Police: Tobacco settlement enforcement                          | 0.9           |
| Treasury: Tuition Incentive Program administration                    | 0.5           |
| <b>Total Estimated Expenditures</b>                                   | <b>\$63.2</b> |
| <b>Estimated Ending Fund Balance</b>                                  | <b>\$26.1</b> |

*Note: Numbers may not add due to rounding.*

## OVERVIEW

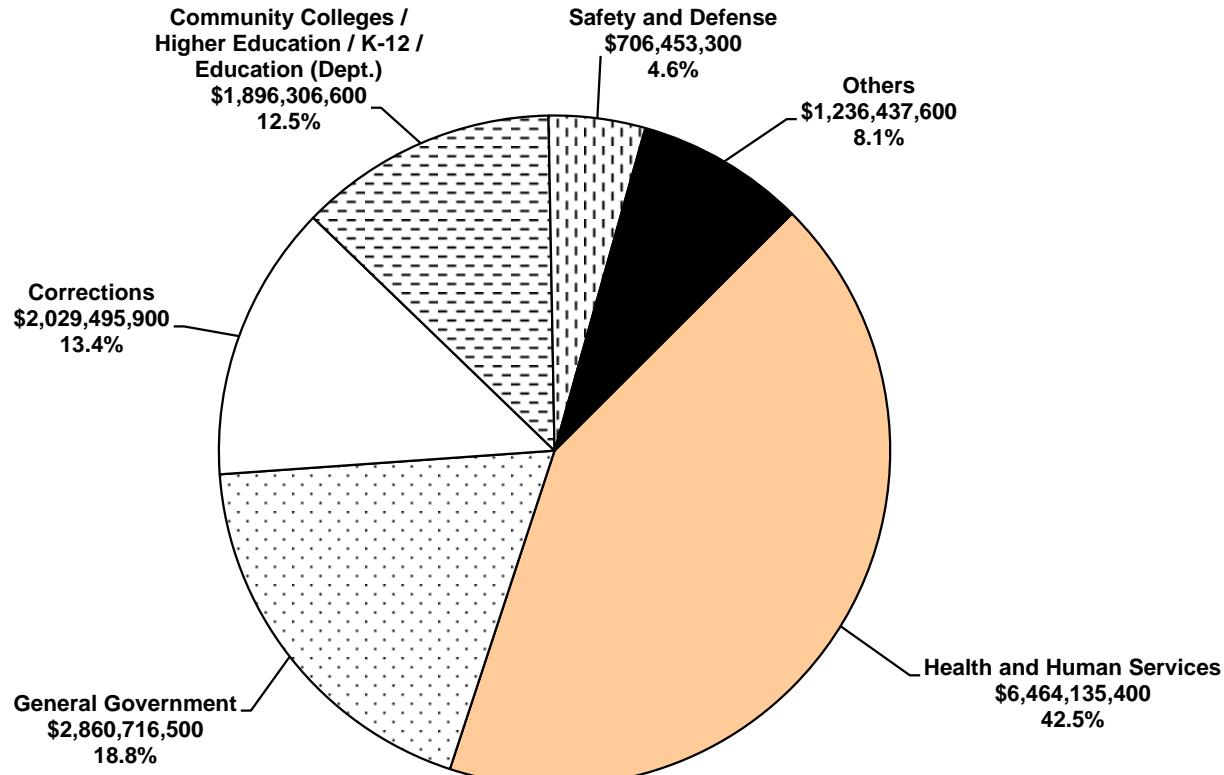
### FY 2023-24 Year-to-Date Adjusted Gross Appropriations

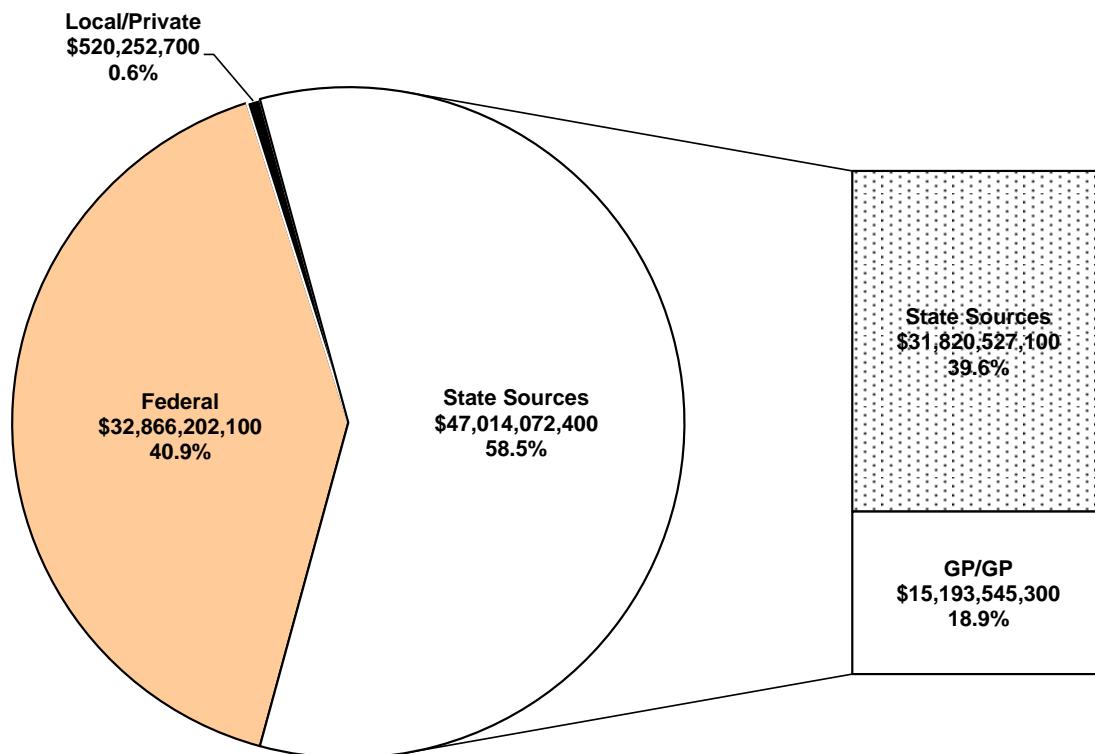
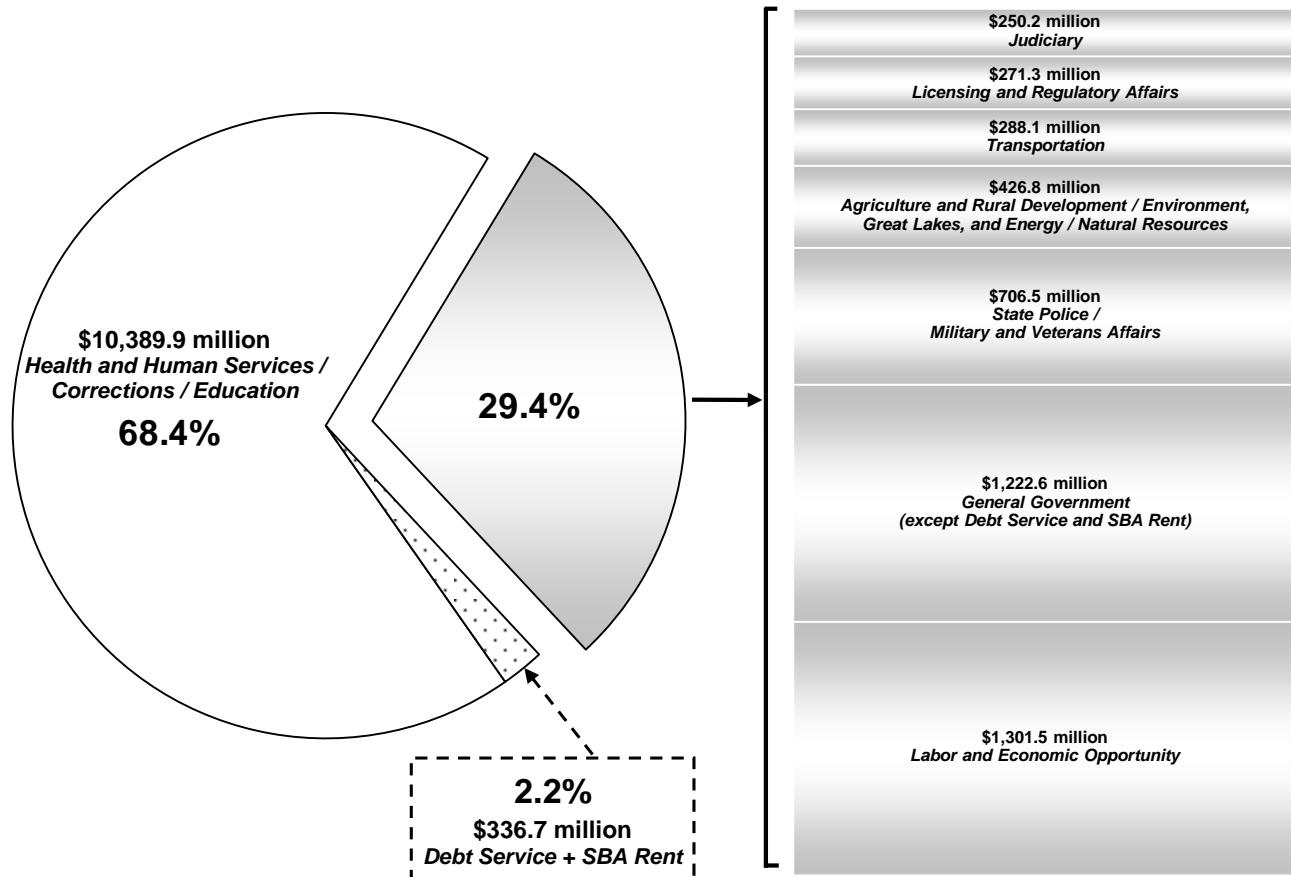
Total: \$80,400,527,200



### FY 2023-24 Year-to-Date General Fund/General Purpose (GF/GP) Appropriations

Total: \$15,193,545,300



**FY 2023-24 Year-to-Date Adjusted Gross Sources = \$80,400,527,200****FY 2023-24 Year-to-Date GF/GP Distribution = \$15,193,545,300**

## OVERVIEW

# **SUMMARY TABLES**

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In the following tables, FY 2022-23 YTD (as of 2/8/2023) and FY 2023-24 appropriations as enacted.

**Table 1** (page 15) details the FY 2023-24 appropriations by Source of Funds. When interdepartmental grants and intradepartmental transfers are deducted (to avoid double counting), gross appropriations of \$81,656.9 million reduce to \$80,400.5 million in adjusted gross appropriations.

**Table 2** (page 16) and **Table 3** (page 17) compare FY 2022-23 YTD appropriations to FY 2023-24 enacted appropriations.

Adjusted Gross Appropriations increase from \$77,744.8 million in FY 2022-23 to \$80,400.5 million in FY 2023-24, an increase of \$2,655.7 million or 3.4%.

GF/GP Appropriations increase from \$16,957.6 million in FY 2022-23 to \$15,193.5 million in FY 2023-24, a decrease of \$1,764.0 million or 10.4%.

**Table 4** (page 18) compares the number of authorized Full-Time Equated (FTE) Positions (classified and unclassified) from FY 2022-23 to FY 2023-24. An increase of 732.5 FTEs is shown in Table 4—from 55,080.5 in FY 2022-23 to 55,813.0 in FY 2023-24. Each FTE is equivalent to 2,088 hours of employee compensated time (including overtime, annual leave, and used sick leave) during the year.

**Table 5** (page 19) shows FY 2023-24 State Spending from State Sources Paid to Local Governments and compares enacted payments to local units of government to the amount of spending from state sources provided in each budget. Pursuant to Article IX, Section 30 of the *Constitution of the State of Michigan of 1963*, at least 48.97% of state spending from state resources must be paid to all units of local government. The enacted FY 2023-24 budget provides for \$25,537.7 million in state spending to local units of government, 54.3% of the estimated \$47,014.1 million in state spending from state resources—well above the constitutional requirement.

**TABLE 1**  
**FY 2023-24 ENACTED APPROPRIATIONS BY SOURCE OF FUNDS**

| <u>Department/Budget Area</u>        | <u>Gross</u>            | <u>IDG/IDT</u>         | <u>Adjusted Gross</u>   | <u>Federal</u>          | <u>Local</u>         | <u>Private</u>       | <u>State Restricted</u> | <u>GF/GP</u>            |
|--------------------------------------|-------------------------|------------------------|-------------------------|-------------------------|----------------------|----------------------|-------------------------|-------------------------|
| Agriculture and Rural Development    | \$168,612,700           | \$327,000              | \$168,285,700           | \$29,762,700            | \$0                  | \$21,300             | \$45,719,900            | \$92,781,800            |
| Attorney General                     | 142,798,400             | 36,235,500             | 106,562,900             | 10,063,800              | 0                    | 0                    | 20,773,100              | 75,726,000              |
| Capital Outlay                       | 0                       | 0                      | 0                       | 0                       | 0                    | 0                    | 0                       | 0                       |
| Civil Rights                         | 31,710,000              | 0                      | 31,710,000              | 2,890,900               | 0                    | 18,700               | 58,500                  | 28,741,900              |
| Community Colleges                   | 544,517,500             | 0                      | 544,517,500             | 0                       | 0                    | 0                    | 544,517,500             | 0                       |
| Corrections                          | 2,086,250,000           | 0                      | 2,086,250,000           | 17,143,500              | 9,805,100            | 0                    | 29,805,500              | 2,029,495,900           |
| Education                            | 647,380,900             | 0                      | 647,380,900             | 458,009,100             | 5,856,000            | 2,791,300            | 50,072,000              | 130,652,500             |
| Environment, Great Lakes, and Energy | 1,051,611,900           | 4,035,100              | 1,047,576,800           | 441,297,200             | 0                    | 1,360,700            | 358,966,800             | 245,952,100             |
| Executive Office                     | 8,905,400               | 0                      | 8,905,400               | 0                       | 0                    | 0                    | 0                       | 8,905,400               |
| Health and Human Services            | 35,734,583,000          | 14,676,900             | 35,719,906,100          | 25,806,821,200          | 162,620,500          | 179,694,600          | 3,106,634,400           | 6,464,135,400           |
| Higher Education                     | 2,291,048,800           | 0                      | 2,291,048,800           | 131,026,400             | 0                    | 0                    | 482,268,300             | 1,677,754,100           |
| Insurance and Financial Services     | 74,147,900              | 732,100                | 73,415,800              | 1,017,100               | 0                    | 0                    | 72,398,700              | 0                       |
| Judiciary                            | 355,928,200             | 1,902,300              | 354,025,900             | 6,751,300               | 0                    | 1,903,900            | 95,152,600              | 250,218,100             |
| Labor and Economic Opportunity (MSF) | 2,867,264,800           | 0                      | 2,867,264,800           | 1,183,654,200           | 10,700,000           | 12,539,200           | 358,863,400             | 1,301,508,000           |
| Legislative Auditor General          | 29,750,200              | 6,921,900              | 22,828,300              | 0                       | 0                    | 0                    | 2,421,600               | 20,406,700              |
| Legislature                          | 192,343,800             | 0                      | 192,343,800             | 0                       | 0                    | 445,400              | 5,164,300               | 186,734,100             |
| Licensing and Regulatory Affairs     | 627,940,900             | 46,897,200             | 581,043,700             | 50,004,200              | 0                    | 0                    | 259,708,400             | 271,331,100             |
| Military and Veterans Affairs        | 248,340,400             | 101,800                | 248,238,600             | 135,035,900             | 0                    | 100,000              | 14,213,400              | 98,889,300              |
| Natural Resources                    | 572,248,100             | 202,600                | 572,045,500             | 122,923,800             | 0                    | 7,289,200            | 353,778,000             | 88,054,500              |
| School Aid                           | 21,459,651,300          | 0                      | 21,459,651,300          | 2,200,793,500           | 0                    | 0                    | 19,170,957,800          | 87,900,000              |
| State                                | 304,209,500             | 20,000,000             | 284,209,500             | 1,460,000               | 0                    | 50,100               | 269,374,700             | 13,324,700              |
| State Police                         | 893,341,100             | 26,244,400             | 867,096,700             | 88,805,100              | 4,904,800            | 35,000               | 165,787,800             | 607,564,000             |
| Tech., Mgmt. and Budget: Operations  | 1,820,087,000           | 1,082,606,600          | 737,480,400             | 4,699,000               | 2,334,700            | 137,400              | 134,180,400             | 596,128,900             |
| Tech., Mgmt. and Budget: SBA Rent    | 236,570,600             | 0                      | 236,570,600             | 0                       | 0                    | 0                    | 0                       | 236,570,600             |
| Transportation                       | 6,626,549,900           | 4,353,000              | 6,622,196,900           | 2,149,121,400           | 85,773,500           | 16,800,000           | 4,082,402,000           | 288,100,000             |
| Treasury: Operations                 | 877,625,300             | 11,097,300             | 866,528,000             | 24,921,800              | 15,038,100           | 33,200               | 533,948,800             | 292,586,100             |
| Treasury: Debt Service               | 100,084,100             | 0                      | 100,084,100             | 0                       | 0                    | 0                    | 0                       | 100,084,100             |
| Treasury: Revenue Sharing            | 1,663,359,200           | 0                      | 1,663,359,200           | 0                       | 0                    | 0                    | 1,663,359,200           | 0                       |
| <b>TOTAL APPROPRIATIONS</b>          | <b>\$81,656,860,900</b> | <b>\$1,256,333,700</b> | <b>\$80,400,527,200</b> | <b>\$32,866,202,100</b> | <b>\$297,032,700</b> | <b>\$223,220,000</b> | <b>\$31,820,527,100</b> | <b>\$15,193,545,300</b> |

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**TABLE 2**  
**ADJUSTED GROSS APPROPRIATIONS**  
**FY 2023-24 Enacted Appropriations Compared with FY 2022-23 YTD**

| <u>Department/Budget Area</u>        | <u>FY 2022-23 YTD<br/>as of 2/8/23</u> | <u>FY 2023-24<br/>Enacted</u> | <u>FY 2023-24 vs. FY 2022-23<br/>Difference</u> |
|--------------------------------------|--|-------------------------------|---|
| Agriculture and Rural Development    | \$187,388,400                          | \$168,285,700                 | (\$19,102,700) (10.2%)                          |
| Attorney General                     | 82,318,400                             | 106,562,900                   | 24,244,500 29.5%                                |
| Capital Outlay                       | 487,400,000                            | 0                             | (487,400,000) (100.0%)                          |
| Civil Rights                         | 21,601,600                             | 31,710,000                    | 10,108,400 46.8%                                |
| Community Colleges                   | 529,758,000                            | 544,517,500                   | 14,759,500 2.8%                                 |
| Corrections                          | 2,124,968,000                          | 2,086,250,000                 | (38,718,000) (1.8%)                             |
| Education                            | 420,581,000                            | 647,380,900                   | 226,799,900 53.9%                               |
| Environment, Great Lakes, and Energy | 725,247,900                            | 1,047,576,800                 | 322,328,900 44.4%                               |
| Executive Office                     | 8,533,600                              | 8,905,400                     | 371,800 4.4%                                    |
| Health and Human Services            | 33,423,606,800                         | 35,719,906,100                | 2,296,299,300 6.9%                              |
| Higher Education                     | 2,016,635,700                          | 2,291,048,800                 | 274,413,100 13.6%                               |
| Insurance and Financial Services     | 73,599,000                             | 73,415,800                    | (183,200) (0.2%)                                |
| Judiciary                            | 481,603,400                            | 354,025,900                   | (127,577,500) (26.5%)                           |
| Labor and Economic Opportunity (MSF) | 4,689,486,200                          | 2,867,264,800                 | (1,822,221,400) (38.9%)                         |
| Legislative Auditor General          | 21,951,100                             | 22,828,300                    | 877,200 4.0%                                    |
| Legislature                          | 189,847,000                            | 192,343,800                   | 2,496,800 1.3%                                  |
| Licensing and Regulatory Affairs     | 492,807,500                            | 581,043,700                   | 88,236,200 17.9%                                |
| Military and Veterans Affairs        | 362,264,200                            | 248,238,600                   | (114,025,600) (31.5%)                           |
| Natural Resources                    | 535,279,700                            | 572,045,500                   | 36,765,800 6.9%                                 |
| School Aid                           | 19,642,816,400                         | 21,459,651,300                | 1,816,834,900 9.2%                              |
| State                                | 235,196,700                            | 284,209,500                   | 49,012,800 20.8%                                |
| State Police                         | 818,203,400                            | 867,096,700                   | 48,893,300 6.0%                                 |
| Tech., Mgmt. and Budget: Operations  | 556,443,500                            | 737,480,400                   | 181,036,900 32.5%                               |
| Tech., Mgmt. and Budget: SBA Rent    | 231,570,600                            | 236,570,600                   | 5,000,000 2.2%                                  |
| Transportation                       | 6,125,325,100                          | 6,622,196,900                 | 496,871,800 8.1%                                |
| Treasury: Operations                 | 1,593,205,400                          | 866,528,000                   | (726,677,400) (45.6%)                           |
| Treasury: Debt Service               | 100,084,100                            | 100,084,100                   | 0 0.0%  |
| Treasury: Revenue Sharing            | 1,567,121,100                          | 1,663,359,200                 | 96,238,100 6.1%                                 |
| <b>TOTAL APPROPRIATIONS</b>          | <b>\$77,744,843,800</b>                | <b>\$80,400,527,200</b>       | <b>\$2,655,683,400</b> <b>3.4%</b>              |

**TABLE 3**  
**GENERAL FUND/GENERAL PURPOSE APPROPRIATIONS**  
**FY 2023-24 Enacted Appropriations Compared with FY 2022-23**

| <u>Department/Budget Area</u>        | <u>FY 2022-23 YTD<br/>as of 2/8/23</u> | <u>FY 2023-24<br/>Enacted</u> | <u>FY 2023-24 vs. FY 2022-23<br/>Difference</u> |
|--------------------------------------|--|-------------------------------|---|
| Agriculture and Rural Development    | \$122,989,800                          | \$92,781,800                  | (\$30,208,000) (24.6%)                          |
| Attorney General                     | 51,429,800                             | 75,726,000                    | 24,296,200 47.2%                                |
| Capital Outlay                       | 109,000,000                            | 0                             | (109,000,000) (100.0%)                          |
| Civil Rights                         | 18,633,500                             | 28,741,900                    | 10,108,400 54.2%                                |
| Community Colleges                   | 0                                      | 0                             | 0 --  |
| Corrections                          | 2,080,108,300                          | 2,029,495,900                 | (50,612,400) (2.4%)                             |
| Education                            | 99,591,500                             | 130,652,500                   | 31,061,000 31.2%                                |
| Environment, Great Lakes, and Energy | 98,835,800                             | 245,952,100                   | 147,116,300 148.8%                              |
| Executive Office                     | 8,533,600                              | 8,905,400                     | 371,800 4.4%                                    |
| Health and Human Services            | 6,242,365,800                          | 6,464,135,400                 | 221,769,600 3.6%                                |
| Higher Education                     | 1,540,221,000                          | 1,677,754,100                 | 137,533,100 8.9%                                |
| Insurance and Financial Services     | 0                                      | 0                             | 0 --  |
| Judiciary                            | 370,774,900                            | 250,218,100                   | (120,556,800) (32.5%)                           |
| Labor and Economic Opportunity (MSF) | 2,940,839,900                          | 1,301,508,000                 | (1,639,331,900) (55.7%)                         |
| Legislative Auditor General          | 19,621,800                             | 20,406,700                    | 784,900 4.0%                                    |
| Legislature                          | 184,453,000                            | 186,734,100                   | 2,281,100 1.2%                                  |
| Licensing and Regulatory Affairs     | 213,822,400                            | 271,331,100                   | 57,508,700 26.9%                                |
| Military and Veterans Affairs        | 142,465,000                            | 98,889,300                    | (43,575,700) (30.6%)                            |
| Natural Resources                    | 94,404,000                             | 88,054,500                    | (6,349,500) (6.7%)                              |
| School Aid                           | 124,200,000                            | 87,900,000                    | (36,300,000) (29.2%)                            |
| State                                | 12,679,300                             | 13,324,700                    | 645,400 5.1%                                    |
| State Police                         | 572,709,200                            | 607,564,000                   | 34,854,800 6.1%                                 |
| Tech., Mgmt. and Budget: Operations  | 425,538,400                            | 596,128,900                   | 170,590,500 40.1%                               |
| Tech., Mgmt. and Budget: SBA Rent    | 231,570,600                            | 236,570,600                   | 5,000,000 2.2%                                  |
| Transportation                       | 91,250,000                             | 288,100,000                   | 196,850,000 215.7%                              |
| Treasury: Operations                 | 1,061,440,500                          | 292,586,100                   | (768,854,400) (72.4%)                           |
| Treasury: Debt Service               | 100,084,100                            | 100,084,100                   | 0 0.0%  |
| Treasury: Revenue Sharing            | 0                                      | 0                             | 0 --  |
| <b>TOTAL APPROPRIATIONS</b>          | <b>\$16,957,562,200</b>                | <b>\$15,193,545,300</b>       | <b>(\$1,764,016,900)</b> <b>(10.4%)</b>         |

OVERVIEW

**TABLE 4**  
**AUTHORIZED FULL-TIME EQUATED (FTE) POSITIONS\***  
**FY 2023-24 Enacted Compared with FY 2022-23**

| <u>Department/Budget Area</u>        | <u>FY 2022-23 YTD<br/>as of 2/8/23</u> | <u>FY 2023-24<br/>Enacted</u> | <u>FY 2023-24 vs. FY 2022-23<br/>Difference</u> |             |
|--------------------------------------|--|-------------------------------|---|-------------|
| Agriculture and Rural Development    | 537.0                                  | 550.0                         | 13.0  | 2.4%        |
| Attorney General                     | 549.5                                  | 611.4                         | 61.9  | 11.3%       |
| Capital Outlay                       | 0.0                                    | 0.0                           | 0.0   | --          |
| Civil Rights                         | 115.0                                  | 166.0                         | 51.0  | 44.3%       |
| Community Colleges                   | 0.0                                    | 0.0                           | 0.0   | --          |
| Corrections                          | 13,514.4                               | 13,206.0                      | (308.4)   | (2.3%)      |
| Education                            | 627.5                                  | 640.5                         | 13.0  | 2.1%        |
| Environment, Great Lakes, and Energy | 1,516.0                                | 1,616.0                       | 100.0   | 6.6%        |
| Executive Office                     | 96.2                                   | 96.2                          | 0.0   | 0.0%        |
| Health and Human Services            | 15,690.5                               | 15,861.5                      | 171.0   | 1.1%        |
| Higher Education                     | 0.0                                    | 0.0                           | 0.0   | --          |
| Insurance and Financial Services     | 390.5                                  | 394.5                         | 4.0   | 1.0%        |
| Judiciary                            | 537.0                                  | 598.0                         | 61.0  | 11.4%       |
| Labor and Economic Opportunity (MSF) | 2,593.9                                | 2,648.9                       | 55.0  | 2.1%        |
| Legislative Auditor General          | 0.0                                    | 0.0                           | 0.0   | --          |
| Legislature                          | 0.0                                    | 0.0                           | 0.0   | --          |
| Licensing and Regulatory Affairs     | 1,879.9                                | 1,893.9                       | 14.0  | 0.7%        |
| Military and Veterans Affairs        | 1,063.5                                | 1,060.0                       | (3.5)   | (0.3%)      |
| Natural Resources                    | 2,418.8                                | 2,555.3                       | 136.5   | 5.6%        |
| School Aid                           | 0.0                                    | 0.0                           | 0.0   | --          |
| State                                | 1,592.0                                | 1,625.0                       | 33.0  | 2.1%        |
| State Police                         | 3,757.0                                | 3,832.0                       | 75.0  | 2.0%        |
| Tech., Mgmt. and Budget: Operations  | 3,167.0                                | 3,220.0                       | 53.0  | 1.7%        |
| Tech., Mgmt. and Budget: SBA Rent    | 0.0                                    | 0.0                           | 0.0   | --          |
| Transportation                       | 3,056.3                                | 3,224.3                       | 168.0   | 5.5%        |
| Treasury: Operations                 | 1,978.5                                | 2,013.5                       | 35.0  | 1.8%        |
| Treasury: Debt Service               | 0.0                                    | 0.0                           | 0.0   | --          |
| Treasury: Revenue Sharing            | 0.0                                    | 0.0                           | 0.0   | --          |
| <b>TOTAL FTE POSITIONS</b>           | <b>55,080.5</b>                        | <b>55,813.0</b>               | <b>732.5</b>                                    | <b>1.3%</b> |

\* Includes classified, unclassified, and nonlegislative exempt positions. Represents authorized/estimated positions, not necessarily actual positions funded.

**TABLE 5**  
**STATE SPENDING FROM STATE SOURCES PAID TO LOCAL GOVERNMENTS**  
**FY 2023-24 Enacted Appropriations**

| <u>Department/Budget Area</u>        | <u>Spending From State Sources</u> | <u>State Spending to Local Government Units</u> | <u>% of State Spending From State Sources as Payment to Locals</u> |
|--------------------------------------|------------------------------------|---|--|
| Agriculture and Rural Development    | \$138,501,700                      | \$11,900,000                                    | 8.6%   |
| Attorney General                     | 96,499,100                         | 0   | 0.0%   |
| Capital Outlay                       | 0                                  | 0   | --   |
| Civil Rights                         | 28,800,400                         | 0   | 0.0%   |
| Community Colleges                   | 544,517,500                        | 544,517,500                                     | 100.0%   |
| Corrections                          | 2,059,301,400                      | 121,453,600                                     | 5.9%   |
| Education                            | 180,724,500                        | 17,917,700                                      | 9.9%   |
| Environment, Great Lakes, and Energy | 604,918,900                        | 43,592,300                                      | 7.2%   |
| Executive Office                     | 8,905,400                          | 0   | 0.0%   |
| Health and Human Services            | 9,570,769,800                      | 1,907,484,900                                   | 19.9%  |
| Higher Education                     | 2,160,022,400                      | 0   | 0.0%   |
| Insurance and Financial Services     | 72,398,700                         | 0   | 0.0%   |
| Judiciary                            | 345,370,700                        | 150,611,100                                     | 43.6%  |
| Labor and Economic Opportunity (MSF) | 1,660,371,400                      | 72,724,900                                      | 4.4%   |
| Legislative Auditor General          | 22,828,300                         | 0   | 0.0%   |
| Legislature                          | 191,898,400                        | 0   | 0.0%   |
| Licensing and Regulatory Affairs     | 531,039,500                        | 242,917,400                                     | 45.7%  |
| Military and Veterans Affairs        | 113,102,700                        | 4,178,000                                       | 3.7%   |
| Natural Resources                    | 441,832,500                        | 15,792,100                                      | 3.6%   |
| School Aid                           | 19,258,857,800                     | 17,622,688,000                                  | 91.5%  |
| State                                | 282,699,400                        | 31,794,300                                      | 11.2%  |
| State Police                         | 773,351,800                        | 42,391,500                                      | 5.5%   |
| Tech., Mgmt. and Budget: Operations  | 730,309,300                        | 1,000,000                                       | 0.1%   |
| Tech., Mgmt. and Budget: SBA Rent    | 236,570,600                        | 0   | 0.0%   |
| Transportation                       | 4,370,502,000                      | 2,689,706,300                                   | 61.5%  |
| Treasury: Operations                 | 826,534,900                        | 353,700,600                                     | 42.8%  |
| Treasury: Debt Service               | 100,084,100                        | 0   | 0.0%   |
| Treasury: Revenue Sharing            | 1,663,359,200                      | 1,663,359,200                                   | 100.0%   |
| <b>TOTALS</b>                        | <b>\$47,014,072,400</b>            | <b>\$25,537,729,400</b>                         | <b>54.3%</b>   |



# **FY 2023-24**

## **Budget Detail**

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**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT**  
**Summary of FY 2023-24 Enacted**  
**Public Act 119 of 2023 (House Bill 4437, Article 1)**

**Analyst: William E. Hamilton**

| IDG/IDT           | FY 2022-23 YTD<br>as of 2/8/23 | FY 2023-24<br>Enacted | Difference: Enacted<br>From FY 2022-23 YTD |               |
|-------------------|--------------------------------|-----------------------|--|---------------|
|                   | Amount                         | %                     |  |               |
| <b>Federal</b>    | \$326,700                      | \$327,000             | \$300                                      | 0.1           |
| <b>Local</b>      | 19,670,900                     | 29,762,700            | 10,091,800                                 | 51.3          |
| <b>Private</b>    | 0                              | 0                     | 0  | --            |
| <b>Restricted</b> | 21,300                         | 21,300                | 0  | 0.0           |
| <b>GF/GP</b>      | 44,706,400                     | 45,719,900            | 1,013,500                                  | 2.3           |
| <b>Gross</b>      | 122,989,800                    | 92,781,800            | (30,208,000)                               | (24.6)        |
| <b>FTEs</b>       | <b>\$187,715,100</b>           | <b>\$168,612,700</b>  | <b>(\$19,102,400)</b>                      | <b>(10.2)</b> |
|                   | 537.0                          | 550.0                 | 13.0                                       | 2.4           |

**Notes:**

(1) FY 2022-23 year-to-date figures include mid-year budget adjustments through February 8, 2023.  
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

Michigan Department of Agriculture and Rural Development (MDARD) key programs and priorities include ensuring food safety and security, protecting animal health and welfare, managing invasive exotic species, regulating pesticide use, certifying agricultural commodities, ensuring environmental stewardship, consumer protection, and promoting the state's agricultural economy.

| Major Budget Changes from FY 2022-23 YTD Appropriations   | FY 2022-23<br>Year-to-Date<br>(as of 2/8/23)                     | FY 2023-24<br>Enacted<br>Change   |   |
|---|--|---|---|
| <b>1. Emerging Contaminates in Food and Agriculture</b><br>Includes \$4.1 million GF/GP (\$2.1 million ongoing, \$2.0 million one-time), and authorizes 6.0 FTE positions, for a new and ongoing program intended to identify, respond to, and mitigate emerging contaminates, including PFAS, affecting agriculture and related food industries.   | FTE<br><b>Gross</b><br>GF/GP                                     | 0.0<br>\$0<br>\$0   |   |
|   |  | 6.0<br>\$4,079,900<br>\$4,079,900                                       |   |
| <b>2. Animal Industry/Laboratory Animal Welfare</b><br>Recognizes costs associated with Senate Bills 148 and 149 ("Teddy's Law") related to the adoption of animals used in medical research. Includes \$500,000 GF/GP as one-time funding to establish a Laboratory Animal Welfare program and provides a \$200,000 GF/GP ongoing increase to Animal Disease Prevention and Response, with increase in staffing of 1.0 FTE position. | FTE<br><b>Gross</b><br>Federal<br>Private<br>Restricted<br>GF/GP | 62.0<br><b>\$10,520,900</b><br>1,082,500<br>221,800<br>9,216,600<br>\$0 | 1.0<br><b>\$700,000</b><br>0<br>0<br>0<br>\$700,000 |
| <b>3. Agricultural Climate Resiliency</b><br>Includes \$7.0 million GF/GP for a new grant program to promote the principles of regenerative agriculture – \$1.0 million ongoing within Pesticide and Plant Pest Management (PPPM) Division and \$6.0 million as one-time. Program defined in boilerplate section 503.   | <b>Gross</b><br>GF/GP  | <b>\$0</b><br>\$0   | <b>\$7,000,000</b><br>\$7,000,000                   |
| <b>4. Soil Health and Regenerative Agriculture</b><br>Includes \$6.0 million GF/GP for a new program to promote the principles of regenerative agriculture – \$1.0 million ongoing within PPPM with 5.0 FTEs, and \$5.0 million as one-time. Program defined in boilerplate section 504.  | FTE<br><b>Gross</b><br>GF/GP                                     | 0.0<br>\$0<br>\$0   | 5.0<br><b>\$6,000,000</b><br>\$6,000,000            |

**Major Budget Changes from FY 2022-23 YTD Appropriations**

**5. Local Conservation Districts**

Retains FY 2022-23 baseline funding of \$3.0 million GF/GP – \$2.0 million ongoing and \$1.0 million one-time. In accordance with boilerplate section 609, funding is distributed equally among the state's 75 local conservation districts, \$40,000, for local conservation district operations.

**6. Laboratory Services – Capital Equipment Purchase**

Includes \$500,000 from the restricted Gasoline Inspection Fund for capital equipment purchase for the Geagley Laboratory. Specifically, the funding would allow for the purchase of specialized laboratory equipment necessary to detect lower levels of mycotoxin in food. According to the U.S. Food and Drug Administration, certain foods, such as grains, dried beans, dried fruits, and coffee, are susceptible to fungus or mold that produce toxins known as mycotoxins which can cause illness in humans and animals.

**7. Fair Food Network – Double Up Food Bucks**

Includes \$2.0 million GF/GP ongoing, a \$1.1 million GF/GP increase as compared to the original enacted FY 2022-23 budget, for program that provides a supplemental benefit for SNAP recipients to purchase fresh fruits and vegetables. [Note that Article 16 of the bill provides supplemental FY 2022-23 funding of \$2.0 million GF/GP, bringing current-year funding for the program to \$2.9 million GF/GP.]

**8. Food and Agriculture Supply Chain Investment**

Includes \$1.8 million GF/GP total — \$800,000 ongoing with 1.0 FTE position in Agriculture Development, and \$1.0 million one-time to address issues related to agriculture and food industry supply chain, including accessibility of cold storage, distribution and processing facilities, and implementation of advanced technologies. Original Executive request was \$37.5 million GF/GP (one-time).

[See related Item # 17 below, \$10.1 million federal ARP - Resilient Food Systems Infrastructure.]

**9. Michigan Craft Beverage Council**

Recognizes \$410,000 of additional restricted revenue from the Michigan Craft Beverage Council Fund to be used in support of Council activities. The fund receives revenue from certain fees dedicated to the fund under Michigan's Liquor Control Code.

**10. Producer Security**

Includes \$150,000 in additional restricted fund support for administration of the Farm Produce Insurance Act; the act will have to be amended to raise the current ceiling on administrative expenses to accommodate this increased authorization.

|  | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b> |
|--|---|--|
|--|---|--|

|              |                    |            |
|--------------|--------------------|------------|
| <b>Gross</b> | <b>\$3,000,000</b> | <b>\$0</b> |
| GF/GP        | \$3,000,000        | \$0        |

|              |                    |                  |
|--------------|--------------------|------------------|
| <b>FTE</b>   | <b>42.5</b>        | <b>0.0</b>       |
| <b>Gross</b> | <b>\$8,282,800</b> | <b>\$500,000</b> |
| IDG          | 231,900            | 0                |
| Federal      | 1,749,900          | 0                |
| Restricted   | 1,640,600          | 500,000          |
| GF/GP        | \$4,660,400        | \$0              |

|              |                  |                    |
|--------------|------------------|--------------------|
| <b>Gross</b> | <b>\$900,000</b> | <b>\$1,100,000</b> |
| GF/GP        | \$900,000        | \$1,100,000        |

|              |            |                    |
|--------------|------------|--------------------|
| <b>FTE</b>   | <b>0.0</b> | <b>1.0</b>         |
| <b>Gross</b> | <b>\$0</b> | <b>\$1,800,000</b> |
| GF/GP        | \$0        | \$1,800,000        |

|              |                  |                  |
|--------------|------------------|------------------|
| <b>FTE</b>   | <b>3.0</b>       | <b>0.0</b>       |
| <b>Gross</b> | <b>\$926,100</b> | <b>\$410,000</b> |
| Restricted   | 926,100          | 410,000          |
| GF/GP        | \$0              | \$0              |

|              |                  |                  |
|--------------|------------------|------------------|
| <b>FTE</b>   | <b>5.0</b>       | <b>0.0</b>       |
| <b>Gross</b> | <b>\$754,000</b> | <b>\$150,000</b> |
| Restricted   | 735,200          | 150,000          |
| GF/GP        | \$18,800         | \$0              |

## AGRICULTURE AND RURAL DEVELOPMENT

|  |              | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b> |
|--|--------------|---|--|
| <b>Major Budget Changes from FY 2022-23 YTD Appropriations</b>   |              |   |  |
| <b>11. Horse Racing Programs</b>   | <b>Gross</b> | <b>\$3,794,200</b>                                    | <b>\$0</b>                               |
| Retains current-year funding for horse racing line items – purses, purse supplements, and breeders' awards – totaling \$3.8 million from the Agriculture Equine Industry Development Fund (AEIDF) – but shifts \$1.4 million in AEIDF spending authority from thoroughbred and light horse racing line items that are no longer used to line items that support standardbred racing purses, purse supplements, and breeders' awards. This shift between line items nets to \$0. This treatment mirrors State Budget Office legislative transfer request for FY 2022-23, which was approved by the House Appropriations Committee on June 28, 2028, but has not been taken up by the Senate as of August 1, 2023. | Restricted   | 3,794,200   | 0  |
|  | GF/GP        | \$0   | \$0                                      |
| <b>12. County Fairs – Capital Grants</b>   | <b>Gross</b> | <b>\$500,000</b>                                      | <b>\$2,000,000</b>                       |
| Includes \$2.5 million GF/GP total - \$500,000 ongoing and \$2.0 million one-time, an increase of \$2.0 million GF/GP for a program that provides capital grants to county fairs.  | Restricted   | 0   | 0  |
|  | GF/GP        | \$500,000   | \$2,000,000                              |
| <b>13. Minority-Owned Food and Agriculture Ventures (One-Time)</b>   | <b>Gross</b> | <b>\$0</b>  | <b>\$2,900,000</b>                       |
| Includes \$2.9 million GF/GP for new program to expand minority businesses in food and agriculture. Of the total, \$400,000 is dedicated to the communities first organization to provide retail space and assistance for predominately minority-owned entrepreneurial businesses.   | GF/GP        | \$0   | \$2,900,000                              |
| <b>14. Northern Michigan Herd Protection &amp; Management (One-Time)</b>   | <b>Gross</b> | <b>\$0</b>  | <b>\$100</b>                             |
| Includes \$100 GF/GP placeholder for practices that separate livestock from wildlife in order to protect livestock from Bovine Tuberculosis; targeted for counties in the Modified Accredited Zone (Alcona, Alpena, Montmorency, Oscoda) as well as adjacent Presque Isle County. This project would support efforts to maintain Michigan's "split state" status with the U. S. Department of Agriculture. Executive had requested \$5.0 million GF/GP (one-time).   | Restricted   | 0   | 0  |
|  | GF/GP        | \$0   | \$100                                    |
| <b>15. Rural Venture Capital Program (One-Time)</b>  | <b>Gross</b> | <b>\$0</b>  | <b>\$100</b>                             |
| Includes \$100 GF/GP placeholder for program.  | GF/GP        | \$0   | \$100                                    |
| <b>16. Washtenaw Conservation District – MiFarmLink Pilot Project</b>  | <b>Gross</b> | <b>\$0</b>  | <b>\$100,000</b>                         |
| Includes \$100,000 GF/GP for two-year MiFarmLink pilot project to connect new farmers with opportunities to gain access to land to start their own farms.  | GF/GP        | \$0   | \$100,000                                |
| <b>17. ARP – Resilient Food Systems Infrastructure</b>   | <b>Gross</b> | <b>\$0</b>  | <b>\$10,100,000</b>                      |
| Recognizes \$10.1 million in federal American Recovery Plan (ARP) COVID-relief funding from the USDA Resilient Food Systems Infrastructure (RFSI) program.   | Federal      | 0   | 10,100,000                               |
|  | GF/GP        | \$0   | \$0                                      |

Major Budget Changes from FY 2022-23 YTD Appropriations**18. Back Out FY 2022-23 One-Time GF/GP**

Removes FY 2022-23 one-time funding items totaling \$56.0 million GF/GP: Animal Welfare and Veterinary Care, \$2.0 million; Economic Development for Food and Agriculture, \$50.0 million; Office of Rural Development grants, \$3.0 million; Buy Michigan Campaign, \$1.0 million.

Note that \$1.0 million in FY 2022-23 one-time funding for Local Conservation Districts is retained in the FY 2022-23 enacted budget and described in Item # 5, above.

**19. Economic Adjustments**

Reflects net decrease in estimated costs of \$232,500 Gross (\$175,100 GF/GP) as compared to the FY 2022-23 budget. The adjustment reflects negotiated salary and wage increases (2.0% on October 1, 2023), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.

**20. Executive Budget Revision – Staffing**

Reflects Executive Budget Revision dated April 18, 2023, which recognizes additional costs associated with compensation increases for certain specific Civil Service classifications. The estimated costs of these compensation increases by department were not available at the time of the Governor's February 8, 2023 budget presentation. In the enacted budget, these compensation increases are entirely related to staffing in Animal Disease Prevention and Response.

|  | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b> |
|--|---|--|
|--|---|--|

|              |                     |                       |
|--------------|---------------------|-----------------------|
| <b>Gross</b> | <b>\$56,000,000</b> | <b>(\$56,000,000)</b> |
| GF/GP        | \$56,000,000        | (\$56,000,000)        |

|              |           |                    |
|--------------|-----------|--------------------|
| <b>Gross</b> | <b>NA</b> | <b>(\$232,500)</b> |
| IDG          | NA        | 300                |
| Federal      | NA        | (10,500)           |
| Restricted   | NA        | (47,200)           |
| GF/GP        | NA        | (\$175,100)        |

|              |           |                  |
|--------------|-----------|------------------|
| <b>Gross</b> | <b>NA</b> | <b>\$179,600</b> |
| Federal      | NA        | 2,300            |
| Restricted   | NA        | 700              |
| GF/GP        | NA        | \$176,600        |

Major Boilerplate Changes from FY 2022-23**Sec. 207. Communication with the Legislature – RETAINED (UNENFORCEABLE)**

Retains section (Sec. 215 in FY 2022-23 budget) that prohibits department from taking disciplinary action against an employee for communicating with the Legislature. *The Governor's signing letter indicated that this section was unenforceable in that impinged on executive branch authority in violation of Article 3, Section 2 of the Michigan Constitution which deals with the separation of powers.*

**Sec. 214. Annual Legacy Costs – DELETED**

Deletes section that had identified estimated department "legacy costs", including pension related costs and retiree health care costs.

**Sec. 218. Remote Work Policy – REVISED**

Retains section that indicates legislative intent that the department maximize the efficiency of the state workforce and, where possible, prioritize in-person work and post its in-person, remote, or hybrid work policy on its website." [This section had been numbered as Sec. 224 in the FY 2022-23 budget act.]

**Sec. 219. State Administrative Board Transfers – RETAINED (UNENFORCEABLE)**

Retains section (Sec. 218 in FY 2022-23 budget) that provides for the legislature to intertransfer funds within departmental budget if the State Administrative Board transfers funds from an appropriation within this departmental budget. *The Governor's signing letter indicated that this section was unenforceable in that impinged on executive branch authority in violation of Article 3, Section 2 of the Michigan Constitution which deals with the separation of powers, as well as two sections under Article 4 the Michigan Constitution: Section 22 which requires that all legislation be by bill, and Section 33 which prescribes how bills are enacted into law.*

**Sec. 222. Restrictions on COVID-19 Passports – DELETED**

Deletes section that restricted use of COVID-19 "passports" to document vaccination status.

## AGRICULTURE AND RURAL DEVELOPMENT

### **Major Boilerplate Changes from FY 2022-23**

#### **Sec. 225. Work Project Expenditures – RETAINED (UNENFORCEABLE)**

Retains section (Sec. 217 in current year budget) that requires that work project balances be exhausted before expenditure from part 1 appropriations. *The Governor's signing letter indicated that this section was unenforceable in that impinged on executive branch authority in violation of Article 3, Section 2 of the Michigan Constitution which deals with the separation of powers.*

#### **Sec. 226. Access to State and Local Services – NEW**

Prohibits use of funds to restrict or impede community access to government resources, programs, and to require local governments to report on actions that attempt to restrict duties of local health officers.

#### **Sec. 241. Incident Management Notification – DELETED**

Deletes section that required the department to notify legislators when incident management team is activated.

#### **Sec. 301. Miscellaneous Fees, Use of Fee Revenue, Fee Reports – REVISED**

Retains section that authorizes department to establish a fee schedule and collect fees for various work activities and services. The section also authorizes the department to receive and expend fee revenue, subject to appropriation, for the purpose of recovering expenses related to specific work activities and services. Revises by deleting subsection 5 that asks the department to work with vendors supplying testing of certain certified/registered pesticide applicators to ensure adequate testing capacity, access to testing sites, and cost structures similar to other states.

#### **Sec. 303. Emerging Contaminates – NEW**

Includes new section defining the emerging contaminants program established in part 1; directs the department to support efforts to identify and respond to emerging contaminants, including PFAS, to the food and agriculture sector. Also includes work project language.

#### **Sec. 502. Pesticide Safety Program – DELETED**

Deletes \$1.2 million earmark from PPPM line item for staffing and operational support for education and compliance assistance efforts to ensure uniform application of pesticide regulations.

#### **Sec. 503. Agricultural Climate Resiliency – NEW**

Includes section that defines the part 1 appropriation. Requires the department to use not less than \$1.0 million in ongoing funding, and \$5.0 million of the one-time funding, to partner with a state land-grant university (Michigan State University) for program activities. [Related work project language is included in Sec. 903.]

#### **Sec. 504. Soil Health and Regenerative Agriculture – NEW**

Requires funds appropriated in part 1 to be used to establish a program with the purpose of advancing the adoption of soil health and regenerative agriculture principles in Michigan agriculture; specifies department guidelines in establishing and operating program; requires report. [Related work project language is included in Sec. 904.]

#### **Sec. 652. Prohibition on Use of Fund to Consolidate State-Run Laboratories – NEW**

Prohibits the use of funds from part 1 for the purpose of consolidating state-run laboratories.

#### **Sec. 701. Food and Agriculture Investment (Grant) Program – REVISED**

Revises language that defines and guides the grant program. Includes direction that: "in awarding grants under the food and agriculture investment program, the department shall identify and encourage applications from members of socially disadvantaged groups, women, veterans, and beginning farmers and ranchers."

#### **Sec. 702. Rural Development Fund – DELETED**

Deletes section that requires the department to work with the Rural Development Fund board to establish a process and criteria for funding projects as well as establishing metrics and measurable outcomes for the program, in accordance with provisions of the Rural Development Fund Act, 2012 PA 411.

#### **Sec. 703. Double Up Food Bucks Program – REVISED**

Retains current section but strikes reference to limit on daily benefit.

#### **Sec. 706. Agriculture Development Division Annual Report – REVISED**

Retains requirement that the department report on activities of the Agriculture Development Division. Revises to include additional reporting requirement regarding grants to members of socially disadvantaged groups, women, veterans, and beginning farmers and ranchers.

#### **Sec. 802. Agriculture Equine Industry Development Fund Reductions – REVISED**

Revises section that established AEIDF revenue spending priorities to eliminate subsection that limits on purses and supplements – fairs licensed tracks to \$495,000.

**Major Boilerplate Changes from FY 2022-23*****Sec. 902. Minority Owned Food and Agriculture Ventures – NEW***

Includes section to define the minority-owned food and agriculture ventures grant program established in part 1. States program purpose is to expand minority businesses in food and agriculture; directs \$400,000 of funds appropriated in part 1 to be allocated to the communities first organization to provide retail space and assistance for predominately minority-owned entrepreneurial businesses; includes work project language.

***Sec. 903. Agricultural Climate Resiliency – NEW***

Designates the one-time appropriation as a work project; funds would be used to promote the usage and implementation of best regenerative agricultural farming practices, including measures to address the impacts of climate change.

***Sec. 904. Soil Health/Regenerative Agriculture – NEW***

Designates the one-time appropriation as a work project; funds would be used to advance the adoption of soil health and regenerative agriculture principles in Michigan agriculture.

***Sec. 905. Washtenaw County Local Conservation District – NEW***

Earmarks one-time appropriation for the Washtenaw Conservation District for a 2-year MiFarmLink pilot project to connect new farmers with opportunities to gain access to land in order to start farming.

**FY 2022-23 Supplemental Appropriation Items****Public Act 119 of 2023 (House Bill 4437, Article 16)*****1. CRRSAA – Farm Stress Program***

Includes \$60,000 of federal CRRSAA funds to provide a stress assistance program for individuals in farming and other agriculture-related occupations.

|  | <b>Appropriation</b> | <b>Change</b> |
|--|----------------------|---------------|
|--|----------------------|---------------|

|              |                 |
|--------------|-----------------|
| <b>Gross</b> | <b>\$60,000</b> |
| Federal      | 60,000          |
| GF/GP        | \$0             |

***2. CRRSAA – Seafood Processors Pandemic Response***

Includes \$200,000 of federal CRRSAA funds to provide financial relief to Michigan seafood processors.

|              |                  |
|--------------|------------------|
| <b>Gross</b> | <b>\$200,000</b> |
| Federal      | 200,000          |
| GF/GP        | \$0              |

***3. Emerging Contaminants Research and Response***

Includes \$8.0 million GF/GP to identify, respond to, and mitigate emerging contaminants, including PFAS, that affect agriculture and related food industries.

|              |                    |
|--------------|--------------------|
| <b>Gross</b> | <b>\$8,000,000</b> |
| GF/GP        | \$8,000,000        |

***4. Double Up Food Bucks***

Includes \$2.0 million GF/GP for the Double Up Food Bucks program that helps SNAP recipients access fresh fruits and vegetables. Funding will be used to match federal grant funds.

|              |                    |
|--------------|--------------------|
| <b>Gross</b> | <b>\$2,000,000</b> |
| GF/GP        | \$2,000,000        |

**FY 2022-23 Supplemental Boilerplate Items****Public Act 119 of 2023 (House Bill 4437, Article 16)*****Sec. 301. Farm Stress Program***

Designates unexpended funds for the CRRSAA Farm Stress Program as a work project appropriation; funds would be used to provide stress assistance to individuals in farming and other agriculture related occupations.

***Sec. 302. Seafood Processors Pandemic Response Program***

Designates unexpended funds for the CRRSAA Seafood Processors Pandemic Response Program as a work project appropriation; funds would be used to provide financial relief to seafood processors.

***Sec. 303. Emerging Contaminants Response***

Designates unexpended funds for Emerging Contaminants Research and Response as a work project appropriation; funds would be used to provide resources to address PFAS in the agricultural environment.

***Sec. 304. Double Up Food Bucks – Requirements***

Requires the department to work with the Fair Food Network to ensure that at least 80% of funds are used directly for payments to participating providers; requires the department to work with DHHS to notify recipients of benefits; requires the department to work with the Fair Food Network to expand access to the program.

**AGRICULTURE AND RURAL DEVELOPMENT**

**FY 2022-23 Supplemental Boilerplate Items**  
**Public Act 119 of 2023 (House Bill 4437, Article 16)**

***Sec. 305. Double Up Food Bucks – Spending Plan and Work Project***

Requires the department to work with the Fair Food Network to develop and implement a spending plan; designates unexpended funds for Double Up Food Bucks as a work project appropriation; funds would be used to leverage federal funds.

**COMMUNITY COLLEGES****Summary of FY 2023-24 Enacted****Public Act 103 of 2023 (Senate Bill 173, Article 2)****Analyst: Perry Zielak**

| IDG/IDT           | FY 2022-23 YTD<br>as of 2/8/23 | FY 2023-24<br>Enacted | Difference: Enacted<br>From FY 2022-23 YTD |            |
|-------------------|--------------------------------|-----------------------|--|------------|
|                   |                                |                       | Amount                                     | %          |
| <b>Federal</b>    | \$0                            | \$0                   | \$0  | --         |
| <b>Local</b>      | 81,200,000                     | 0                     | (81,200,000)                               | (100.0)    |
| <b>Private</b>    | 0                              | 0                     | 0  | --         |
| <b>Restricted</b> | 0                              | 544,517,500           | 95,959,500                                 | 21.4       |
| <b>GF/GP</b>      | 448,558,000                    | 0                     | 0  | --         |
| <b>Gross</b>      | <b>\$529,758,000</b>           | <b>\$544,517,500</b>  | <b>\$14,759,500</b>                        | <b>2.8</b> |

**Notes:**

(1) FY 2022-23 year-to-date figures include mid-year budget adjustments through February 8, 2023.  
 (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

The Community Colleges budget, contained in Article II of the compiled School Aid Act, provides funding for operational support of the 28 public community colleges located throughout the state and some retirement costs for employees who participate in the state public school employee retirement system. Community colleges offer a wide variety of educational programs, including traditional two-year transfer programs, associate degrees, career and technical education, developmental and remedial education, continuing education, and baccalaureate programs in a limited number of areas. The colleges are supported primarily through a combination of state aid, local property tax revenue, and tuition and fees.

| <u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>   | FY 2022-23                          |  | FY 2023-24                               |
|--|-------------------------------------|--|--|
|  | Year-to-Date<br>(as of 2/8/23)      | Enacted<br>Change                          |  |
| <b>1. Community College Operations Increase</b><br>Includes a net increase of \$16.7 million SAF for community college operations, a 4.9% increase. This includes:   | <b>Gross</b><br>Restricted<br>GF/GP | <b>\$341,224,400</b><br>341,224,400<br>\$0 | <b>\$16,737,500</b><br>16,737,500<br>\$0 |
| <ul style="list-style-type: none"> <li>• \$16.9 million SAF, or 5.0%, increase to operations grants for community colleges, which will be distributed through the performance funding formula.</li> <li>• \$254,400 SAF decrease based on FY 2021-22 North American Indian Tuition Waiver (ITW) program costs reported by institutions.</li> </ul> <p>Attainment of the performance funding increase will be conditioned on restraining in-district tuition and fee increases to the greater of 4.5% or \$205. Projected funding increases for individual community colleges will range from 4.1% to 7.1%. Total funding for operations will be \$357.9 million SAF.</p> |                                     |  |  |
| <b>2. Michigan Public School Employee Retirement System (MPSERS) State Share of Unfunded Actuarial Accrued Liability (UAAL) Stabilization Payment</b><br>Increases funding by \$13.2 million SAF for the state's share of community colleges' MPSERS UAAL, a 14.3% increase. The state's share is the difference between the calculated UAAL contribution to the system and the employer contribution cap of 20.96% of payroll set by the Public School Employees Retirement Act (MCL 38.1341). Total funding for the state share of MPSERS will be \$105.8 million SAF.   | <b>Gross</b><br>Restricted<br>GF/GP | <b>\$92,600,000</b><br>92,600,000<br>\$0   | <b>\$13,200,000</b><br>13,200,000<br>\$0 |

## COMMUNITY COLLEGES

|   |              | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b> |
|---|--------------|---|--|
| <b>Major Budget Changes from FY 2022-23 YTD Appropriations</b>  |              |   |  |
| <b>3. MPSERS Offset</b>   | <b>Gross</b> | <b>\$1,733,600</b>                                    | <b>\$5,455,400</b>                       |
| Increases funding by \$5.5 million SAF for the community colleges' MPSERS offset payment, a 314.7% increase, which assists in offsetting a portion of the contributions owed to MPSERS by community colleges. The increase will equalize the offset for community colleges with the K-12 school district MPSERS offset. Total funding for the MPSERS offset will be \$7.2 million SAF.  | Restricted   | 1,733,600   | 5,455,400                                |
|   | GF/GP        | \$0   | \$0                                      |
| <b>4. MPSERS Normal Cost Offset</b>   | <b>Gross</b> | <b>\$10,800,000</b>                                   | <b>\$12,200,000</b>                      |
| Increases funding by \$12.2 million SAF for the community colleges' MPSERS normal cost offset, a 113.0% increase, due to lowering the assumed rate of return from 6.8% to 6.0% pursuant to the dedicated gains policy. Total funding for the MPSERS normal cost offset will be \$23.0 million SAF.  | Restricted   | 10,800,000  | 12,200,000                               |
|   | GF/GP        | \$0   | \$0                                      |
| <b>5. Infrastructure, Technology, Equipment, Maintenance, and Safety</b>  | <b>Gross</b> | <b>\$0</b>  | <b>\$32,836,600</b>                      |
| Adds \$32.8 million SAF for Infrastructure, Technology, Equipment, Maintenance, and Safety (ITEMS), which will allow community colleges to repair, improve, or maintain existing buildings, facilities, equipment, technological and physical infrastructure, student housing, and school safety measures. Community colleges that receive a Capital Outlay project authorization by December 15, 2023 will not be eligible to receive ITEMS funding. Individual community college allocations will be distributed based on calculated FY 2021-22 fiscal year equated student (FYES) enrollment and will not be distributed until January 2024. Total funding for ITEMS will be \$32.8 million SAF. | Restricted   | 0   | 32,836,600                               |
|   | GF/GP        | \$0   | \$0                                      |
| <b>6. Critical Incident Mapping</b>   | <b>Gross</b> | <b>\$0</b>  | <b>\$5,000,000</b>                       |
| Adds \$5.0 million SAF for critical incident mapping. The distribution of funds will be proportional to each community college's operations funding. Total funding for critical incident mapping will be \$5.0 million SAF.   | Restricted   | 0   | 5,000,000                                |
|   | GF/GP        | \$0   | \$0                                      |
| <b>7. Career and Education Navigators for Adult Learners</b>  | <b>Gross</b> | <b>\$0</b>  | <b>\$5,000,000</b>                       |
| Adds \$5.0 million SAF for career and education navigators for adult learners. Community colleges will partner with county governments to apply for grants through the Office of Sixty by 30 to supplement or create career and education navigators. Total funding for Career and Education Navigators for Adult Learners will be \$5.0 million SAF.   | Restricted   | 0   | 5,000,000                                |
|   | GF/GP        | \$0   | \$0                                      |
| <b>8. Michigan Reconnect Entry Point Program</b>  | <b>Gross</b> | <b>\$0</b>  | <b>\$5,000,000</b>                       |
| Adds \$5.0 million SAF for the Michigan Reconnect Entry Point Program. Community colleges must partner with county governments to apply for grants through the Office of Sixty by 30 to engage applicants who have been approved for Reconnect funding but have not enrolled in an eligible program. Total funding for the Michigan Reconnect Entry Point program will be \$5.0 million SAF.  | Restricted   | 0   | 5,000,000                                |
|   | GF/GP        | \$0   | \$0                                      |
| <b>9. Kalamazoo Valley Community College Workforce Development Grants</b>   | <b>Gross</b> | <b>\$0</b>  | <b>\$530,000</b>                         |
| Adds \$530,000 SAF for a workforce development grant to Kalamazoo Valley Community College (KVCC) for curriculum development in electric vehicle battery installation and repair, electric vehicle charger installation and residential and community scale solar panels installation and repair. Total funding for KVCC workforce development grants will be \$530,000 SAF.  | Restricted   | 0   | 530,000                                  |
|   | GF/GP        | \$0   | \$0                                      |

**COMMUNITY COLLEGES****Major Budget Changes from FY 2022-23 YTD Appropriations*****10. Michigan Associate Degree in Nursing (ADN) to Bachelor of Science in Nursing (BSN) Completion Grant Program***

Removes \$56.0 million federal SFRF for the Michigan ADN to BSN Completion Grant program. The program allows nurses with an ADN or similar degree to pursue a BSN degree on a community college campus in partnership with a public or independent 4-year college or university BSN-granting program.

***11. Community College Academic Catch-up Program***

Removes \$10.0 million federal SFRF for the creation of the Community College Academic Catch-up program administered by the Michigan Community College Association. Community colleges may apply for grant funding to support various summer educational programs for students suffering from potential learning loss related to the COVID-19 pandemic.

***12. Michigan Center for Adult College Success***

Removes \$9.2 million federal SFRF for the creation of the Michigan Center for Adult College Success administered by the nonprofit organization TalentFirst. The Center works on ensuring adult enrollment and completion of college degree and certificate programs.

***13. Michigan Reconnect Program Short-Term Training Grants***

Removes \$6.0 million federal SFRF for the Michigan Reconnect program short-term training grants. Funds support skills scholarships to a qualified occupational or private training program for individuals at least 21 years old with a high school or equivalent diploma.

|  | <b>FY 2022-23</b>     | <b>FY 2023-24</b> |
|--|-----------------------|-------------------|
|  | <b>Year-to-Date</b>   | <b>Enacted</b>    |
|  | <b>(as of 2/8/23)</b> | <b>Change</b>     |

|              |                     |                       |
|--------------|---------------------|-----------------------|
| <b>Gross</b> | <b>\$56,000,000</b> | <b>(\$56,000,000)</b> |
| Federal      | 56,000,000          | (56,000,000)          |
| GF/GP        | \$0                 | \$0                   |

|              |                     |                       |
|--------------|---------------------|-----------------------|
| <b>Gross</b> | <b>\$10,000,000</b> | <b>(\$10,000,000)</b> |
| Federal      | 10,000,000          | (10,000,000)          |
| GF/GP        | \$0                 | \$0                   |

|              |                    |                      |
|--------------|--------------------|----------------------|
| <b>Gross</b> | <b>\$9,200,000</b> | <b>(\$9,200,000)</b> |
| Federal      | 9,200,000          | (9,200,000)          |
| GF/GP        | \$0                | \$0                  |

|              |                    |                      |
|--------------|--------------------|----------------------|
| <b>Gross</b> | <b>\$6,000,000</b> | <b>(\$6,000,000)</b> |
| Federal      | 6,000,000          | (6,000,000)          |
| GF/GP        | \$0                | \$0                  |

**Major Boilerplate Changes from FY 2022-23*****Consolidation of Boilerplate Reporting Requirements***

Consolidates various reporting requirements in a new Section 217a. The affected current-year boilerplate sections include Sections 206, 209 (also removes reporting on current fiscal year budget and dual enrollment programs), 209a, and 215.

***Sec. 210h. Community College COVID-19 Vaccination Exemption Requirement – DELETED***

Deletes language that details exemptions and reporting requirements that community colleges must provide to students and employees if a campus mandatory vaccine policy is implemented.

***Sec. 216. Michigan Reconnect Program Short-Term Training Grants – DELETED***

Deletes language that details that Michigan Reconnect program funds for short-term training grants must be expended according to statutory requirements while funding the short-term training grants to include all individuals at least 21 years old; requires LEO to report on funds expended on a quarterly basis; and designates unexpended funds as a work project.

***Sec. 216a. Community College Academic Catch-Up Program Detail – DELETED***

Deletes language specifying the requirements the Michigan Community College Association must follow when awarding academic catchup program grants to individual community colleges through a committee review process, and the requirements community colleges must follow when creating an academic catch-up program in order to receive grant funding.

***Sec. 216b. Michigan ADN to BSN Completion Grant Program Detail – DELETED***

Deletes language that details the requirements community colleges must follow when creating ADN to BSN partnerships with public and private four-year college and university BSN-granting programs, along with details on what program grant funding can be used for; requires annual assessment by the Michigan Community College Association, the Michigan Association of State Universities, Michigan Independent Colleges and Universities and participating community colleges and four-year colleges and universities; and designates unexpended funds as a work project.

## **COMMUNITY COLLEGES**

### **Major Boilerplate Changes from FY 2022-23**

#### ***Sec. 216c. Infrastructure, Technology, Equipment, Maintenance, and Safety (ITEMS) Appropriation Detail – NEW***

Adds language that details infrastructure, technology, equipment, maintenance, safety and housing repayment categories that ITEMS funding could be used for by community colleges. Specifies that only community colleges that do not receive a Capital Outlay planning or construction authorization between January 1, 2023 and December 15, 2023 are eligible for ITEMS funding. Stipulates that distribution of funding is based on FY 2021-22 calculated FYES headcount and lump-sum payments will be distributed in January 2024.

#### ***Sec. 217a. Community College Annual Reporting Requirements – NEW***

Consolidates language originally located in Sections 206, 209, 209a, 215, and 226a that represented various annual reporting requirements around finances, safety, Title IX, institutional data, and financial aid information. Specifies the state budget director may withhold monthly installments until all reports and data are submitted.

#### ***Sec. 217b. Community College Tuition and Fee Restraint and Annual Rate Report – NEW***

Consolidates language originally located in Sections 225 and 230 that requires community colleges to report tuition and fee rates, the annual cost of tuition and fees for a 30 credit course load, and tuition and fee increases from the prior year to CEPI by the last business day of August; details tuition restraint requirements in order to receive performance funding for FY 2023-24; and requires community colleges to limit in-district tuition and fee increases to 4.5% or \$205, whichever is greater. Defines the term "fee" to include the cost of any charges paid by more than half of all resident students. Defines the term "tuition and fee rate" to be the average cost charged to the majority of students for the 2 semesters with the highest amount of full-time equated students during an academic year. Specifies community colleges that violate the tuition restraint cap may have their appropriation adjusted.

#### ***Sec. 219. Reporting to the P-20 Longitudinal Data System – REVISED***

Requires each community college to provide its P-20 longitudinal data system data for the preceding academic year to CEPI by October 15. Adds language originally located in Sections 224 and 226 that requires community colleges provide CEPI data for the P-20 longitudinal data system in order to inform interested high schools of the aggregate academic status of their students and requires community colleges to report by October 15 to CEPI the numbers and types of associate degrees and other certificates awarded by each college.

#### ***Sec. 223. North American Indian Tuition Waiver Reporting Requirements – REVISED***

Requires community colleges and tribal colleges receiving North American Indian tuition waiver funding to report to the Department of Civil Rights on the number of North American Indian tuition waiver applications received and approved, the number and monetary value of the waivers, the number of students with waivers who withdrew from school, and the number of students with waivers who completed a degree or certificate program. Adds the number of students who transfer to a four-year university and the number of students who receive a waiver to reporting requirements.

#### ***Sec. 224. Community College Student Aggregate Data Report – DELETED***

Requires community colleges to provide CEPI data for the P-20 longitudinal data system in order to inform interested high schools of the aggregate academic status of their students. Relocates requirements of section to Section 219.

#### ***Sec. 225. Community College Tuition and Fee Rate Report – DELETED***

Requires community colleges to report tuition and fee rates, the annual cost of tuition and fees for a 30 credit course load, and tuition and fee increases from the prior year to CEPI by the last business day of August. CEPI will then provide the information to various state agencies. Relocates requirements of section to Section 217b.

#### ***Sec. 226. Degrees and Certificates Awarded by Community Colleges – DELETED***

Requires community colleges to report by October 15 to CEPI the numbers and types of associate degrees and other certificates awarded by each college. Relocates requirements of section to Section 219.

#### ***Sec. 226a. Student Loan and Financial Aid Website – DELETED***

Requires community colleges to post a link on their homepage to the website created by the Department of Treasury containing various student loan and other financial aid information. Relocates requirements of section to Section 217a.

#### ***Sec. 226b. COVID-19 Federal Funding Reporting Requirement – DELETED***

Deletes language that requires community colleges to report all federal funding received related to the COVID-19 pandemic and requires report to be posted on a public website.

#### ***Sec. 226d. Free and Open Speech Policies Reporting Requirement – DELETED***

Deletes legislative intent language that requires community colleges to report on activities related to strategic planning or assessment of policies that provide for open and free speech while protecting students from hate speech and discrimination.

**Major Boilerplate Changes from FY 2022-23**

**Sec. 226g. Campus Advocacy Policy – DELETED**

Deletes legislative intent language that requires community colleges to adopt advocacy policies for distribution and demonstrations around first amendment activities and political speech.

**Sec. 227. College Level Equivalent Credit Examination Requirements – DELETED**

Deletes language that requires community colleges to develop and implement policies for awarding academic credit for college level equivalent credit examinations, allow students to earn college credit through exams once enrolled, post the policies and opportunities for credit examinations and submit a report if the college requires exam scores higher than those recommended by the American Council on Education to earn credit through examinations.

**Sec. 227a. Accelerated Degree Completion Pathways Requirement – DELETED**

Deletes language that requires community colleges to provide all students with information on accelerated degree completion pathways within the first semester of enrollment, post the information on a public website and create accelerated degree completion pathways if they do not exist.

**Sec. 230. Performance Formula Detail, Local Strategic Value Categories, Tuition and Fee Restraint, and Formula Workgroup – REVISED**

States the formula by which the amount available for performance funding (which is the amount of the annual increase in funding for community college operations) is allocated. Lists requirements for the local strategic value categories. States that community colleges must participate and submit semi-annual updates to the Michigan Transfer Network to receive performance funding payments. Details tuition restraint requirements in order to receive performance funding. Details language requiring a workgroup consisting of members from the House, Senate, Executive, Michigan Community College Association, community colleges, and support staff to evaluate the performance formula and equitable community college funding measures and produce recommendations by December 15, 2022. Relocates tuition and fee restraint requirements and definitions to Section 217b and deletes workgroup language.

## COMMUNITY COLLEGES

### FY 2023-24 Community College Operations Appropriations Enacted Summary

| % of Formula:    | FY 2022-23                     |                |                |                               | 30%            | 10%                     | 10%               | 10%             | 30%           | 5%             | 5%                    | 100%                       | FY 2022     |             |                |                | Indian Tuition Waiver    | Total Indian Tuition Waiver | FY 2023-24 |  | % Change |
|------------------|--------------------------------|----------------|----------------|-------------------------------|----------------|-------------------------|-------------------|-----------------|---------------|----------------|-----------------------|----------------------------|-------------|-------------|----------------|----------------|--------------------------|-----------------------------|------------|--|----------|
|                  | Total FY 2022-23 Appropriation | Indian Tuition | Waiver Payment | Base FY 2022-23 Appropriation | Sustainability | Performance-Improvement | Completion Number | Completion Rate | Contact Hours | Administrative | Local Strategic Value | Total Formula Distribution | Waiver Cost | Adjustments | Indian Tuition | Waiver Payment | FY 2023-24 Appropriation | FY 2023-24 Appropriation    | % Change   |  |          |
| Alpena           | \$6,040,500                    | \$13,700       | \$6,026,800    | \$90,402                      | \$24,107       | \$20,834                | \$44,567          | \$45,752        | \$33,096      | \$15,067       | \$273,800             | \$26,500                   | 12,800      | \$26,500    | \$6,327,100    | 4.7%           |                          |                             |            |  |          |
| Bay de Noc       | 5,986,700                      | 109,700        | 5,877,000      | 88,155                        | 31,070         | 19,275                  | 45,083            | 61,571          | 48,466        | 14,692         | 308,300               | 113,900                    | 4,200       | 113,900     | 6,299,200      | 5.2%           |                          |                             |            |  |          |
| Delta            | 15,928,400                     | 40,200         | 15,888,200     | 238,323                       | 70,571         | 78,349                  | 63,553            | 221,259         | 42,322        | 39,720         | 754,100               | 48,200                     | 8,000       | 48,200      | 16,690,500     | 4.8%           |                          |                             |            |  |          |
| Glen Oaks        | 2,802,100                      | 0              | 2,802,100      | 42,031                        | 11,208         | 12,045                  | 33,298            | 31,212          | 98            | 7,005          | 136,900               | 0                          | 0           | 0           | 2,939,000      | 4.9%           |                          |                             |            |  |          |
| Gogebic          | 5,145,800                      | 42,500         | 5,103,300      | 76,549                        | 28,119         | 11,246                  | 44,722            | 33,271          | 19,762        | 12,758         | 226,400               | 37,900                     | (4,600)     | 37,900      | 5,367,600      | 4.3%           |                          |                             |            |  |          |
| Grand Rapids     | 19,950,600                     | 184,400        | 19,766,200     | 296,493                       | 79,065         | 112,923                 | 98,364            | 406,085         | 35,817        | 49,415         | 1,078,200             | 122,000                    | (62,400)    | 122,000     | 20,966,400     | 5.1%           |                          |                             |            |  |          |
| Henry Ford       | 23,731,400                     | 31,300         | 23,700,100     | 355,501                       | 142,838        | 143,737                 | 94,800            | 400,136         | 33,436        | 59,250         | 1,229,700             | 14,100                     | (17,200)    | 14,100      | 24,943,900     | 5.1%           |                          |                             |            |  |          |
| Jackson          | 13,337,700                     | 42,600         | 13,295,100     | 199,426                       | 53,180         | 42,215                  | 53,180            | 148,695         | 29,091        | 33,238         | 559,000               | 33,300                     | (9,300)     | 33,300      | 13,887,400     | 4.1%           |                          |                             |            |  |          |
| Kalamazoo Valley | 13,832,700                     | 56,600         | 13,776,100     | 206,641                       | 55,104         | 62,231                  | 75,677            | 231,668         | 40,037        | 34,440         | 705,800               | 57,500                     | 900         | 57,500      | 14,539,400     | 5.1%           |                          |                             |            |  |          |
| Kellogg          | 10,781,400                     | 27,000         | 10,754,400     | 161,316                       | 43,018         | 51,511                  | 62,983            | 128,995         | 40,136        | 26,886         | 514,800               | 21,000                     | (6,000)     | 21,000      | 11,290,200     | 4.7%           |                          |                             |            |  |          |
| Kirtland         | 3,601,000                      | 23,100         | 3,577,900      | 53,668                        | 14,312         | 18,028                  | 14,312            | 51,674          | 34,308        | 8,945          | 195,200               | 19,800                     | (3,300)     | 19,800      | 3,792,900      | 5.3%           |                          |                             |            |  |          |
| Lake Michigan    | 5,990,800                      | 12,400         | 5,978,400      | 89,676                        | 68,844         | 24,089                  | 23,914            | 99,097          | 19,049        | 14,946         | 339,600               | 3,600                      | (8,800)     | 3,600       | 6,321,600      | 5.5%           |                          |                             |            |  |          |
| Lansing          | 34,339,200                     | 110,300        | 34,228,900     | 513,433                       | 158,158        | 137,130                 | 157,679           | 377,229         | 31,082        | 85,572         | 1,460,300             | 63,500                     | (46,800)    | 63,500      | 35,752,700     | 4.1%           |                          |                             |            |  |          |
| Macomb           | 35,950,400                     | 38,500         | 35,911,900     | 538,678                       | 170,885        | 142,255                 | 163,990           | 586,577         | 31,301        | 89,780         | 1,723,500             | 26,500                     | (12,000)    | 26,500      | 37,661,900     | 4.8%           |                          |                             |            |  |          |
| Mid Michigan     | 5,555,700                      | 97,600         | 5,458,100      | 81,871                        | 29,616         | 21,673                  | 21,832            | 94,336          | 21,810        | 13,645         | 284,800               | 55,600                     | (42,000)    | 55,600      | 5,798,500      | 4.4%           |                          |                             |            |  |          |
| Monroe County    | 5,005,000                      | 1,400          | 5,003,600      | 75,054                        | 38,051         | 22,725                  | 20,014            | 80,656          | 32,131        | 12,509         | 281,100               | 2,100                      | 700         | 2,100       | 5,286,800      | 5.6%           |                          |                             |            |  |          |
| Montcalm         | 3,767,400                      | 8,500          | 3,758,900      | 56,383                        | 22,414         | 21,789                  | 15,036            | 42,165          | 31,082        | 9,397          | 198,300               | 9,500                      | 1,000       | 9,500       | 3,966,700      | 5.3%           |                          |                             |            |  |          |
| Mott             | 17,127,100                     | 28,800         | 17,098,300     | 256,474                       | 68,393         | 66,908                  | 68,393            | 159,232         | 31,224        | 42,746         | 693,400               | 31,500                     | 2,700       | 31,500      | 17,823,200     | 4.1%           |                          |                             |            |  |          |
| Muskegon         | 9,775,400                      | 42,000         | 9,733,400      | 146,001                       | 53,627         | 38,005                  | 59,537            | 119,502         | 36,482        | 24,333         | 477,500               | 12,700                     | (29,300)    | 12,700      | 10,223,600     | 4.6%           |                          |                             |            |  |          |
| North Central    | 3,779,800                      | 163,900        | 3,615,900      | 54,238                        | 51,238         | 19,724                  | 34,552            | 54,477          | 29,612        | 9,040          | 252,900               | 142,200                    | (21,700)    | 142,200     | 4,011,000      | 6.1%           |                          |                             |            |  |          |
| Northwestern     | 10,162,300                     | 155,500        | 10,006,800     | 150,102                       | 47,373         | 36,095                  | 61,261            | 118,509         | 28,112        | 25,017         | 466,500               | 177,000                    | 21,500      | 177,000     | 10,650,300     | 4.8%           |                          |                             |            |  |          |
| Oakland          | 23,505,300                     | 35,800         | 23,469,500     | 352,042                       | 93,878         | 142,567                 | 115,891           | 466,563         | 34,496        | 58,674         | 1,264,100             | 22,300                     | (13,500)    | 22,300      | 24,755,900     | 5.3%           |                          |                             |            |  |          |
| Schoolcraft      | 13,960,700                     | 21,200         | 13,939,500     | 209,092                       | 66,844         | 83,533                  | 55,758            | 289,483         | 32,787        | 34,849         | 772,300               | 30,700                     | 9,500       | 30,700      | 14,742,500     | 5.6%           |                          |                             |            |  |          |
| Southwestern     | 7,359,900                      | 27,100         | 7,332,800      | 109,992                       | 54,427         | 18,574                  | 52,751            | 66,681          | 29,288        | 18,332         | 350,000               | 12,700                     | (14,400)    | 12,700      | 7,695,500      | 4.6%           |                          |                             |            |  |          |
| St. Clair County | 7,805,200                      | 18,600         | 7,786,600      | 116,799                       | 44,379         | 49,523                  | 52,720            | 116,109         | 24,837        | 19,466         | 423,800               | 16,000                     | (2,600)     | 16,000      | 8,226,400      | 5.4%           |                          |                             |            |  |          |
| Washtenaw        | 14,875,000                     | 23,700         | 14,851,300     | 222,769                       | 86,178         | 220,916                 | 80,934            | 385,048         | 41,188        | 37,128         | 1,074,200             | 12,700                     | (11,000)    | 12,700      | 15,938,200     | 7.1%           |                          |                             |            |  |          |
| Wayne County     | 18,384,700                     | 8,600          | 18,376,100     | 275,641                       | 73,504         | 70,338                  | 73,504            | 252,478         | 25,813        | 45,940         | 817,200               | 4,600                      | (4,000)     | 4,600       | 19,197,900     | 4.4%           |                          |                             |            |  |          |
| West Shore       | 2,742,200                      | 21,200         | 2,721,000      | 40,815                        | 18,786         | 10,953                  | 10,884            | 29,108          | 12,732        | 6,802          | 130,200               | 14,400                     | (6,800)     | 14,400      | 2,865,600      | 4.5%           |                          |                             |            |  |          |
|                  | \$341,224,400                  | \$1,386,200    | \$339,838,200  | \$5,097,570                   | \$1,699,190    | \$1,699,190             | \$1,699,190       | \$5,097,570     | \$849,595     | \$849,595      | \$16,991,900          | \$1,131,800                | (\$254,400) | \$1,131,800 | \$357,961,900  | 4.9%           |                          |                             |            |  |          |

| Data Notes                    |               |
|-------------------------------|---------------|
| Component                     | Years         |
| Performance improvement       | FYs 2019-2021 |
| Performance completion number | FYs 2019-2021 |
| Performance completion rate   | FYs 2019-2021 |
| Contact hours                 | FY 2022       |
| Administrative                | FYs 2021-2022 |

**DEPARTMENT OF CORRECTIONS**  
**Summary of FY 2023-24 Enacted**  
**Public Act 119 of 2023 (House Bill 4437, Article 2)**

**Analyst: Robin R. Risko**

| IDG/IDT           | FY 2022-23 YTD<br>as of 2/8/23 | FY 2023-24<br>Enacted  | Difference: Enacted<br>From FY 2022-23 YTD |              |
|-------------------|--------------------------------|------------------------|--|--------------|
|                   |                                |                        | Amount                                     | %            |
| <b>Federal</b>    | 5,148,400                      | 17,143,500             | 11,995,100                                 | 233.0        |
| <b>Local</b>      | 9,879,500                      | 9,805,100              | (74,400)                                   | (0.8)        |
| <b>Private</b>    | 0                              | 0                      | 0  | --           |
| <b>Restricted</b> | 29,831,800                     | 29,805,500             | (26,300)                                   | (0.1)        |
| <b>GF/GP</b>      | 2,080,108,300                  | 2,029,495,900          | (50,612,400)                               | (2.4)        |
| <b>Gross</b>      | <b>\$2,124,968,000</b>         | <b>\$2,086,250,000</b> | <b>(\$38,718,000)</b>                      | <b>(1.8)</b> |
| <b>FTEs</b>       | 13,514.4                       | 13,206.0               | (308.4)                                    | (2.3)        |

**Notes:**

(1) FY 2022-23 year-to-date figures include mid-year budget adjustments through February 8, 2023.

(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

The Michigan Department of Corrections (MDOC) is responsible for operation and maintenance of the state's 27 correctional facilities that house felony offenders sentenced to prison. This includes provision of physical and mental health care, education, food service, transportation, and reintegration programming. The department is also responsible for supervision of all parolees and probationers under the department's jurisdiction and has oversight over community corrections programs and other programs designed to encourage alternatives to prison placement for appropriate offenders. As of September 1, 2023, the department was responsible for 74,843 offenders: 32,853 prisoners; 32,953 probationers; and 9,037 parolees. From 1 year prior, the total number of offenders increased by a net 917, or by 1.2%. The number of prisoners increased by 567, or 1.8%. The number of probationers increased by 1,135, or 3.6%. The number of parolees decreased by 785, or 8.0%.

| <u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>   | FY 2022-23<br>Year-to-Date<br>(as of 2/8/23) |                     | FY 2023-24<br>Enacted<br>Change |
|--|--|---------------------|---------------------------------|
|  |  |                     |                                 |
| <b>1. Savings from Prison Closures</b>   | FTE  | 753.7               | (427.4)                         |
| Reflects a total savings of \$48.9 million GF/GP and reduces FTE position authorization by 427.4 as a result of the closure of the Michigan Reformatory (\$33.2 million; 281.8 FTE positions) and closure of the south side of the Gus Garrison Correctional Facility (\$15.7 million; 145.6 FTE positions). Closure for both facilities was completed in November 2022. There were no staff layoffs resulting from the closures. Partial funding will be retained to cover utility and maintenance costs at both sites. | <b>Gross</b>                                 | <b>\$92,228,000</b> | <b>(\$48,846,400)</b>           |
|  | GF/GP  | \$92,228,000        | (\$48,846,400)                  |
| <b>2. Corrections Officer Signing and Retention Bonuses</b>  | <b>Gross</b>                                 | <b>NA</b>           | <b>\$12,000,000</b>             |
| Includes \$12.0 million of one-time federal Coronavirus State Fiscal Recovery Funds for the department to grant signing and retention bonuses for new and existing corrections officers. Bonuses must be agreed to by the Office of State Employer and the Michigan Corrections Organization, and approved by the Civil Service Commission.  | Federal                                      | NA                  | 12,000,000                      |
|  | GF/GP  | NA                  | \$0                             |

## CORRECTIONS

|   |                                | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b>    |
|---|--------------------------------|---|---|
| <b>Major Budget Changes from FY 2022-23 YTD Appropriations</b>  |                                |   |   |
| <b>3. Medication Assisted Treatment</b>   |                                |   |   |
| Includes \$11.2 million GF/GP and authorization for 57.0 FTE positions to enable the department to treat up to 1,200 additional prisoners with opioid use disorder using Medication Assisted Treatment. Funding will be used to establish treatment clinics at at least 3 facilities. Staff will include nurses, qualified mental health professionals, recovery coaches, and corrections officers. Participating prisoners will be treated while incarcerated and also will be provided with one shot of medication immediately before release from prison.  | FTE<br><b>Gross</b><br>GF/GP   | NA<br>NA<br>NA  | 57.0<br><b>\$11,211,200</b><br>\$11,211,200 |
| <b>4. Prisoner Healthcare Services Contract Adjustment</b>  |                                |   |   |
| Includes \$10.7 million GF/GP to cover increased costs of the prisoner healthcare services contract with Grand Prairie. In addition to standard inflationary adjustments, the contract will be renegotiated due to recently increased medical costs. The contract covers onsite medical and behavioral health care, specialty care, and pharmaceutical services.  | <b>Gross</b><br>GF/GP          | NA<br>NA  | <b>\$10,738,000</b><br>\$10,738,000         |
| <b>5. Body-Worn Cameras</b>   |                                |   |   |
| Includes a total of \$7.1 million GF/GP (\$3.8 million ongoing; \$3.3 million one-time) and authorization for 8.0 FTE positions to develop and implement policies and training plans for purchasing and utilizing body-worn cameras for frontline staff in correctional facilities. One-time funding will be used for hardware, licensing, storage, and warranty costs.   | FTE<br><b>Gross</b><br>GF/GP   | NA<br>NA<br>NA  | 8.0<br><b>\$7,067,600</b><br>\$7,067,600    |
| <b>6. Increased Compensation Rates</b>  |                                |   |   |
| Includes \$4.7 million GF/GP to cover costs associated with compensation increases granted for certain Civil Service classifications, including healthcare, skilled trades, and transportation. Increases in compensation rates were approved primarily to enhance recruitment and retention efforts.   | <b>Gross</b><br>Local<br>GF/GP | NA<br>NA<br>NA  | <b>\$4,679,100</b><br>11,200<br>\$4,667,900 |
| <b>7. Intelligence Operations Unit</b>  |                                |   |   |
| Includes \$3.9 million in ongoing GF/GP and authorization for 30.0 FTE positions for the department to establish an Intelligence Unit that will be responsible for providing investigatory and intelligence operations, which include intelligence operations for prisoner phone services. Transferring intelligence operations for prisoner phone services from contractual to in-house will enable the department to negotiate lower phone call rates for prisoners and their families in future contracts.   | FTE<br><b>Gross</b><br>GF/GP   | NA<br>NA<br>NA  | 30.0<br><b>\$3,900,000</b><br>\$3,900,000   |
| <b>8. PREA and Harassment Investigations Division</b>   |                                |   |   |
| Includes \$3.3 million GF/GP and authorization for 23.0 FTE positions for the department to create a Prison Rape Elimination Act (PREA) and Harassment Investigations Division within the department to investigate all reported allegations of sexual abuse of prisoners and allegations of discriminatory harassment and retaliation in the workplace. The total number of investigations has averaged 1,674 per year for the last four years. Investigations take roughly 15 hours of staff time per case and currently are conducted by facility staff including inspectors and front-line supervisors. | FTE<br><b>Gross</b><br>GF/GP   | NA<br>NA<br>NA  | 23.0<br><b>\$3,288,400</b><br>\$3,288,400   |
| <b>9. Nation Outside</b>  |                                |   |   |
| Includes \$2.0 million in one-time GF/GP to create a statewide peer-led reentry program that will assist parolees with housing, education, employment, and access to healthcare and insurance.  | <b>Gross</b><br>GF/GP          | NA<br>NA  | <b>\$2,000,000</b><br>\$2,000,000           |

**CORRECTIONS**

**Major Budget Changes from FY 2022-23 YTD Appropriations**

**10. Public Safety Initiative**

Reduces funding by \$2.0 million GF/GP for the Public Safety Initiative program. The program assists Genesee County and the City of Flint with jail beds, Flint City Lock-Up, and electronic tether services.

| <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b> |
|---|--|
|---|--|

|                       |                                   |                                       |
|-----------------------|-----------------------------------|---------------------------------------|
| <b>Gross</b><br>GF/GP | <b>\$4,000,000</b><br>\$4,000,000 | <b>(\$2,000,000)</b><br>(\$2,000,000) |
|-----------------------|-----------------------------------|---------------------------------------|

**11. Hepatitis C Treatment for Prisoners**

Includes \$1.7 million GF/GP to cover increased costs of providing Hepatitis C treatment for prisoners. The department currently treats 10 cases per week with the existing appropriation of \$8.8 million. The department has experienced an increase in the number of prisoners requiring treatment each week and has a backlog of cases. Funding will allow the department to treat an additional 104 cases at an average treatment cost of \$16,235 per prisoner.

|                       |                                   |                                   |
|-----------------------|-----------------------------------|-----------------------------------|
| <b>Gross</b><br>GF/GP | <b>\$8,810,700</b><br>\$8,810,700 | <b>\$1,688,400</b><br>\$1,688,400 |
|-----------------------|-----------------------------------|-----------------------------------|

**12. Higher Education in Prison**

Includes a total of \$1.5 million GF/GP for the department to collaborate with 4-year state universities and colleges to provide prisoners with the opportunity to participate in comprehensive bachelor's degree programs. Of the total, \$1.3 million will be ongoing funding allocated to universities or colleges that want to participate, and \$250,000 will be one-time funding allocated to EMU. Funding will be used for eligible expenses including staffing, supplies, and tuition.

|                       |                 |                                   |
|-----------------------|-----------------|-----------------------------------|
| <b>Gross</b><br>GF/GP | <b>NA</b><br>NA | <b>\$1,500,000</b><br>\$1,500,000 |
|-----------------------|-----------------|-----------------------------------|

**13. Goodwill Flip the Script**

Includes \$1.4 million in one-time GF/GP for the Goodwill Flip the Script program.

|                       |                 |                                   |
|-----------------------|-----------------|-----------------------------------|
| <b>Gross</b><br>GF/GP | <b>NA</b><br>NA | <b>\$1,350,000</b><br>\$1,350,000 |
|-----------------------|-----------------|-----------------------------------|

**14. Breast Milk Program**

Includes \$1.0 million in one-time GF/GP and 1.0 FTE position for the department to collaborate with the Mama's Mobile Milk program to transport post-partum prisoner's breast milk to their newborns.

|                       |                 |                                   |
|-----------------------|-----------------|-----------------------------------|
| <b>FTE</b>            | <b>NA</b>       | <b>1.0</b>                        |
| <b>Gross</b><br>GF/GP | <b>NA</b><br>NA | <b>\$1,000,000</b><br>\$1,000,000 |

**15. Contraband Prevention**

Includes \$1.0 million GF/GP for the department to increase its ability to detect and confiscate contraband more quickly in an effort to reduce and prevent drug abuse, violence, and other criminal activity from occurring in facilities. Contraband includes illegal items such as drugs, weapons, and cell phones.

|                       |                 |                                   |
|-----------------------|-----------------|-----------------------------------|
| <b>Gross</b><br>GF/GP | <b>NA</b><br>NA | <b>\$1,000,000</b><br>\$1,000,000 |
|-----------------------|-----------------|-----------------------------------|

**16. Rebidding of Offender Success Contracts**

Includes \$975,000 GF/GP to cover the anticipated increase in contract costs for offender success services provided by community partners. Contracts will be rebid and costs are expected to increase due to inflation. Services provided include housing for returning offenders, job placement, social supports, and behavioral and mental health supports.

|                       |                 |                               |
|-----------------------|-----------------|-------------------------------|
| <b>Gross</b><br>GF/GP | <b>NA</b><br>NA | <b>\$975,000</b><br>\$975,000 |
|-----------------------|-----------------|-------------------------------|

**17. Come Out Stay Out**

Includes \$400,000 in one-time GF/GP for Come Out Stay Out to provide education, employment, and housing services to offenders upon release from prison.

|                       |                 |                               |
|-----------------------|-----------------|-------------------------------|
| <b>Gross</b><br>GF/GP | <b>NA</b><br>NA | <b>\$400,000</b><br>\$400,000 |
|-----------------------|-----------------|-------------------------------|

**18. Silent Cry**

Includes \$400,000 in one-time GF/GP for Silent Cry to establish the Harvesting Hope Healing Trauma pilot project. The pilot project will offer disadvantaged offenders assistance with ongoing mental health issues upon release from prison.

|                       |                 |                               |
|-----------------------|-----------------|-------------------------------|
| <b>Gross</b><br>GF/GP | <b>NA</b><br>NA | <b>\$400,000</b><br>\$400,000 |
|-----------------------|-----------------|-------------------------------|

## CORRECTIONS

|  |              | FY 2022-23<br>Year-to-Date<br>(as of 2/8/23) | FY 2023-24<br>Enacted<br>Change |
|--|--------------|--|---------------------------------|
| <b>Major Budget Changes from FY 2022-23 YTD Appropriations</b>   |              |  |                                 |
| <b>19. Reallocation of Probation Programs</b>  | <b>Gross</b> | <b>\$44,273,600</b>                          | <b>\$0</b>                      |
| Reflects the transfer of \$2.0 million GF/GP from the former Residential Probation Diversions line item (renamed Probation Residential Services) - \$1.0 million to the Offender Success Services Community Partners line item and \$1.0 million to the Community Corrections Comprehensive Plans and Services line item. Funding will be transferred to support two pilot programs targeted at strengthening support services for probationers in an effort to make services for probationers more similar to services received by parolees. Internal transfers net to \$0 change.  | GF/GP        | \$44,273,600                                 | \$0                             |
| <b>20. Technical Adjustments</b>   | <b>FTE</b>   | <b>NA</b>                                    | <b>0.0</b>                      |
| Makes internal FTE adjustments, funding adjustments, and transfers throughout the budget, which have no overall impact on Gross, GF/GP, or FTE position authorization. Adjustments are made to reflect employee counts more accurately and to align funding authorization with revenue received and department operations and activities.  | <b>Gross</b> | <b>NA</b>                                    | <b>\$0</b>                      |
|  | <b>GF/GP</b> | <b>NA</b>                                    | <b>\$0</b>                      |
| <b>21. Eliminate Current Year One-Time Funding</b>   | <b>Gross</b> | <b>\$40,000,000</b>                          | <b>(\$40,000,000)</b>           |
| Reduces the budget by \$40.0 million GF/GP to reflect elimination of one-time funding included in the FY 2022-23 budget. Eliminated funding includes: \$4.5 million for body scanners, \$500,000 for Chance for Life, \$1.0 million for COVID-19 suspended intake payments, \$15.0 million for electronic prisoner/staff communication, \$750,000 for Goodwill Flip the Script, \$2.5 million for improvements to staff areas in correctional facilities, \$15.0 million for the last payment of the <i>John Does v. MDOC</i> settlement agreement, \$500,000 for officer uniforms, \$1.0 million for a page alert system, \$500,000 for the Prosperity Region 8 pilot program, \$3.8 million in savings from reduced populations, and \$2.5 million for Vocational Village expansion. | GF/GP        | \$40,000,000                                 | (\$40,000,000)                  |
| <b>22. Economic Adjustments</b>  | <b>Gross</b> | <b>NA</b>                                    | <b>(\$11,069,300)</b>           |
| Reflects a net savings of \$11.1 million Gross (\$11.0 million GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2023), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, food, fuel and utilities, and other economic adjustments.  | Federal      | NA   | (4,900)                         |
|  | Local        | NA   | (85,600)                        |
|  | Restricted   | NA   | (26,300)                        |
|  | <b>GF/GP</b> | <b>NA</b>                                    | <b>(\$10,952,500)</b>           |

## Major Boilerplate Changes from FY 2022-23

### **Sec. 207. Disciplinary Action Against State Employees and Prisoners – RETAINED (UNENFORCEABLE)**

Prohibits MDOC from taking disciplinary action against classified civil service employees or prisoners for communicating with legislators or their staff unless the communication is prohibited by law and MDOC is exercising its authority. (Governor's signing letter states this section is unenforceable.)

### **Sec. 211. Contingency Authorization – REVISED**

Authorizes up to \$2.5 million in federal contingency funds to be appropriated; authorizes expenditure of funds after legislative transfer to specific line items. Revised to include authorization for up to \$1.0 million in local contingency funds to be appropriated.

### **Sec. 214. Website for Performance Information – REVISED**

Requires MDOC to maintain, on a publicly accessible website, a scorecard that identifies, tracks, and regularly updates key metrics used to monitor and improve the department's performance. Revised "scorecard" to "information".

### **Sec. 215. Legacy Costs – DELETED**

States that the total amount of funding estimated to be expended on legacy costs in FY 2022-23 is \$270.9 million (\$164.4 million on pension-related legacy costs; \$106.4 million on health care-related legacy costs).

**Major Boilerplate Changes from FY 2022-23****Sec. 215. Access to Government Services – NEW**

Prohibits appropriations from being used to restrict or impede a marginalized community's access to government resources, programs, or facilities; requires local governments to report on actions that attempt to restrict or interfere with duties of local health officers.

**Sec. 217. FTE Positions, Long-Term Vacancies, and Remote Work – REVISED**

Requires MDOC to report on the number of FTE positions in pay status by civil service classification, including an accounting of all vacant positions, all vacant and filled corrections officer positions by facility, all vacant healthcare-related positions, and all vacant positions being held open for temporarily non-active employees; requires report on number of full-time positions authorized compared to actual number employed by line item, number of employees authorized to work remotely and number of employees working remotely, estimated cost savings achieved by remote work, and reduced use of office space associated with remote work. Revised to delete all provisions related to remote work.

**Sec. 222. Severance Pay for Department Officials – REVISED**

Requires MDOC to report on any amounts of severance pay agreed to for a department director, deputy director, or other high-ranking department official; requires report to include name of official and amount of severance pay; requires MDOC to maintain an internet site that posts any severance pay in excess of 6 weeks of wages for any former department employee receiving severance pay; requires report on total amount of severance pay remitted and total number of former employees that were remitted severance pay during the prior fiscal year; defines "severance pay" to mean compensation that is both payable or paid upon the termination of employment and in addition to either wages or benefits earned during the course of employment or generally applicable retirement benefits. Revised to delete requirement that an internet site that posts severance pay in excess of 6 weeks of wages for any former department employee receiving severance pay be maintained.

**Sec. 223. State Administrative Board Transfers – RETAINED (UNENFORCEABLE)**

Authorizes the legislature, by a concurrent resolution adopted by a majority of members elected to and serving in each house, to inter-transfer funds if the State Administrative Board transfers funds. (*Governor's signing letter states this section is unenforceable.*)

**Sec. 224. COVID-19 Vaccine Protocol – DELETED**

Prohibits any department, agency, board, commission, or public officer that receives funding from doing the following: requiring an individual to provide proof of receiving a COVID-19 vaccine as a condition of accessing state services or facilities, except as provided by federal law or as a condition of receiving federal Medicare or Medicaid funding; producing, developing, or issuing a COVID-19 vaccine passport; developing a database or making any existing database publicly available to access an individual's COVID-19 vaccine status by any person, company, or governmental entity; requiring as a condition of employment that an employee or official provide proof that he or she has received a COVID-19 vaccine; subjecting any individual to negative employment consequences, retaliation, or retribution because of their vaccine status; authorizes transmittal of proof of vaccine status if affirmative consent is provided; requires exemptions to be provided to the following individuals if a vaccine policy is required due to a federal mandate: individual for whom a physician certifies that a vaccine is or may be detrimental to the individual's health and individual who provides a written statement to the effect that the requirements of the vaccine policy cannot be met because of religious convictions or other consistently held objections to immunization.

**Sec. 224. Expenditure Available Work Project Authorization – RETAINED (UNENFORCEABLE)**

Prohibits appropriations that have unexpended work project authorization associated with them, to the extent possible, from being expended until all existing work project authorization for the same purpose is exhausted. (*Governor's signing letter states this section is unenforceable.*)

**Sec. 302. Report on Allowing Staff to Reach Highest Pay Levels in Shorter Amount of Time – NEW**

Requires MDOC to submit a report that assesses the cost of allowing corrections officers and corrections medical officers to reach their highest level of pay within 3 years of service instead of reaching it within 5 years of service.

**Sec. 305. Staff Savings Initiative Program – DELETED**

Requires MDOC to maintain a staff savings initiative program for employees to submit suggestions for efficiencies for the department; requires MDOC to consider suggestions in a timely manner; requires report on process improvements made based on suggestions received; requires MDOC to give noncompensatory recognition to employees whose suggestions are implemented. (*Governor deemed this section unenforceable in FY 2022-23.*)

## **CORRECTIONS**

### **Major Boilerplate Changes from FY 2022-23**

#### **Sec. 308. Prisoner Phone Service Contract – REVISED**

Requires MDOC to ensure the prisoner phone system provider establishes a new per minute phone charge; requires phone rates to reflect the complete elimination of the phone contract as a revenue source for the Program and Special Equipment Fund; requires MDOC to negotiate the lowest per minute rate while meeting operational needs; requires MDOC to provide notice of any change in the per minute cost of phone calls within 15 days of the change. Revised to require MDOC to ensure that a prisoner telephone system is maintained, that the system meet ongoing operational needs while maintaining the lowest per-minute rate possible, and that MDOC notify the legislature of changes to call rates, extensions of the contract, and rebidding the contract.

#### **Sec. 313. New Employee Schools – REVISED**

Requires MDOC to work to hire and train new corrections officers to address attrition and to decrease overtime costs; requires reports on new employee schools, including number of schools that took place and location of each, number of recruits that started, number of recruits that graduated, number of recruits that continued employment with the department, and MDOC strategies to achieve a 5% or lower target corrections officer vacancy rate; requires report on reasons for not meeting the 5% or lower target corrections officer vacancy rate, including explanation of challenges MDOC faces when trying to meet the target vacancy rate. Revised to delete provisions related to the 5% or lower officer vacancy rate and to require the 3rd quarter report to outline steps MDOC is taking to obtain the highest number of recruits possible for each new employee school.

#### **Sec. 313. Strategic Plan Update – DELETED**

Requires MDOC to report on progress being made to achieve the strategic plan of the department, including statistics and information on efforts to decrease recidivism and to promote offender success.

#### **Sec. 316. New Corrections Officer Training Academy – REVISED**

Requires MDOC to report on status of new training academy, including history of appropriations, anticipated costs of the project, by phase, actual expenditures, and any other information the department considers necessary. Revised to require annual report instead of biannual report.

#### **Sec. 321. Professional Development and Training for Staff – DELETED**

Requires MDOC to report on changes to existing professional development and training opportunities for all levels of custody supervisors and first line managers, including a review of programs available in other organizations and in other states that serve similar purposes that may be adopted to enhance departmental training.

#### **Sec. 321. Prison Population and Offender Data Reports – REVISED**

Requires MDOC to provide monthly electronic mail reports on prisoner populations by security levels by facility, prison facility capacities, and parolee and probationer populations; requires MDOC to provide monthly electronic mail reports on end-of-the month prisoner, probationer, and parolee populations, operating capacities at facilities, number of currently closed housing units by facility, populations in county jails, prisoner intakes, returns, and exits, prisoners classified as past their earliest release dates, and parole board activity; requires MDOC to provide notification immediately upon knowing it will not meet reporting requirements included in the section, including reasons for not meeting reporting requirements. Revised for more efficient and less duplicative reporting.

#### **Sec. 324. New Custody Staff Training – DELETED**

Requires MDOC to target new custody staff training at hiring a minimum of 800 corrections officers to address higher than normal attrition and to decrease overtime costs. (Governor deemed this section unenforceable in FY 2022-23.)

#### **Sec. 401. Offender Success Expenditures and Allocations – REVISED**

Requires MDOC to report on actual prior-year and planned current-year offender success expenditures and allocations; authorizes MDOC to collect cash or in-kind donations to supplement funds for prison education training, supplies, and materials necessary to complete academic- and job skills-related programs. Revised to delete reporting on allocations and planned expenditures for projects itemized by service and provider.

#### **Sec. 408. Public Safety Initiative – REVISED**

Requires Genesee County law enforcement agency to report quarterly on expenditures made from appropriation; requires reports to include purposes for which expenditures were made, amounts of expenditures by purpose, specific services provided, and number of individuals served; prohibits allocation of funding to Genesee County law enforcement agency until all reports are submitted; authorizes Senate and House Subcommittees on Corrections to request Genesee County law enforcement agency to appear before subcommittees to discuss reports. Revised report recipients and deleted authorization to request agency's appearance before subcommittees.

**Major Boilerplate Changes from FY 2022-23*****Sec. 410. Higher Education in Prison – NEW***

Requires funding to be used for MDOC to collaborate with accredited universities and colleges to provide prisoners with the opportunity to participate in comprehensive bachelor's degree programs; requires funding to be used for eligible expenses including staffing, supplies, and tuition; requires report on expenditure of funds, number of participants served, enrollments by race and gender, and number of participants that complete the program.

***Sec. 503. Prisoners Sentenced to Life with Possibility of Parole – DELETED***

Requires MDOC to report on number of prisoners who have received life sentences with possibility of parole and who are currently eligible for parole. (Included in Sec. 321.)

***Sec. 503. Residential Alternative to Prison Program – REVISED***

Requires MDOC to provide vocational, educational, and cognitive programming in a secure environment to enhance existing alternative sentencing options, increase employment readiness and successful placement rates, and reduce new criminal behavior for West Michigan probation violator population; lists specific metric goals. Revised to remove specific percentages listed for metrics.

***Sec. 603. Health Care Utilization Reports – REVISED***

Requires MDOC to report on prisoner health care utilization, including number of inpatient hospital days, outpatient visits, emergency room visits, and prisoners receiving off-site in-patient medical care. Revised to include reporting on the 10 most common chronic care conditions.

***Sec. 605. Medicaid Utilization by Prisoners – REVISED***

Requires MDOC and DHHS to exchange information regarding newly committed prisoners who may be Medicaid-eligible; requires MDOC to assist outgoing prisoners with Medicaid enrollment; requires report on utilization of Medicaid benefits for prisoners. Revised to delete all requirements but the report on utilization of Medicaid benefits for prisoners; revised quarterly reporting to annual reporting.

***Sec. 607. Medication Assisted Treatment Clinics – NEW***

Requires appropriation to be used for establishing at least 3 clinics at facilities that will allow for treatment of the highest number of prisoners; requires participating prisoners to be treated while incarcerated and to be given an injection immediately before being released from prison; requires status reports on staffing levels, expenditures, and number of prisoners treated.

***Sec. 701. Reporting on Elimination of Prisoner Programming – RETAINED (UNENFORCEABLE)***

Requires MDOC to report on plans to eliminate programming for prisoners at least 30 days prior to program elimination and defines "programming for prisoners" to mean a department core program or career and technical education program. (Governor's signing letter states this section is unenforceable.)

***Sec. 708. Enrollment in and Completion of Various Programming – REVISED***

Requires MDOC to focus on providing required programming to prisoners who are past their earliest release date because of not having received the required programming; programming includes violence prevention, assaultive offender, sexual offender, substance abuse treatment, thinking for a change, and any other programming that is required as a condition of parole; expresses legislative intent that prisoners who are required to complete programming be transferred to facilities where programming is available; requires MDOC, to the extent feasible, to consistently provide prisoner programming with the goal of having prisoners complete recommended cognitive programming as early as possible during their sentence; requires MDOC to report on prisoner enrollment and completion of programming, and on plans to address waiting lists for programming. Revised to reflect program name changes and to delete legislative intent language.

***Sec. 709. Pregnant Prisoner Labor and Delivery – REVISED***

Requires MDOC to allow pregnant prisoners to have one visitor present during labor and delivery; requires visitors to be immediate family members, legal guardians, spouses, or domestic partners; authorizes MDOC to deny access to visitors if there are safety concerns; authorizes MDOC to conduct criminal background checks on visitors. Revised to allow a doula to be present if the pregnant prisoner wants to work with a doula.

***Sec. 714. Report on Restricted Visiting Privileges – NEW***

Requires MDOC to report on the number of prisoners that lose visiting privileges, number of prisoners that apply to have visiting privileges restored, number of prisoners that have had visiting privileges restored, and number of prisoners that have had visiting restrictions extended.

## CORRECTIONS

### **Major Boilerplate Changes from FY 2022-23**

#### **Sec. 715. Intelligence Unit – NEW**

Requires MDOC to establish an intelligence unit to conduct investigatory and intelligence operations for the department; requires the intelligence unit to provide telephone intelligence activities that are currently provided by the contractor in order to achieve a savings that will be required to be passed on to prisoners through reduced call rates.

#### **Sec. 716. Auditor General and Corrections Ombudsman Access to Contracted Facilities – DELETED**

Requires any contract with a public or private party to operate a facility to house Michigan prisoners to include a provision allowing access to facility and appropriate records by the Auditor General and Legislative Corrections Ombudsman.

#### **Sec. 716. Savings from Prison Closures – REVISED (UNENFORCEABLE)**

Requires MDOC to report on actual and projected savings achieved by closing correctional facilities, starting with closure of the Pugsley Correctional Facility in September 2016. Revised to consolidate current law sections 716, 717, and 718 into 1 section that requires MDOC to notify of their plans to close, consolidate, or relocate facilities, report on savings achieved, and complete an analysis of the projected economic impact before closing facilities. (Governor's signing letter states this section is unenforceable.)

#### **Sec. 721. Religious Cable Programming – DELETED**

Authorizes MDOC to accept in-kind services and equipment donations to facilitate the addition of a cable network that provides religious programming for prisoners; prohibits the addition of channels from costing the state.

#### **Sec. 801. Chance for Life Program – DELETED**

Requires funding to be used to contract with an organization that provides prison-based rehabilitation programming including educational, life skills, and behavioral modification programs; requires performance-based contract that allows for payment based on the number of prisoners and parolees served according to program rules and outcomes agreed upon by MDOC and the provider; states that the objective of programming is to offer a progressive transformational program to individuals while in prison, in an effort to prepare them for successful transition back to the community; requires that the purpose of the organization be to increase community safety by reducing recidivism through providing evidence-based mentoring, employment soft skills training, job placement assistance, and critical thinking skills, mediation, and conflict resolution training; requires the organization to have experience offering programs to male and female prisoners, offering programs that include the family in the reentry process, and offering programs that utilize techniques to address post-prison adjustment disorders.

#### **Sec. 801. Breast Milk Program – NEW**

Requires funding to be used for a program that provides breast milk to the newborns of post-partum prisoners; requires MDOC to collaborate with Mama's Mobile Milk to ensure prisoners who have given birth within the last 18 months have the opportunity to breastfeed, including expressing milk and providing necessary supplies; grants immunity from criminal and civil liability to MDOC; requires Mama's Mobile Milk to report quarterly; designates unexpended funding as a work project appropriation.

#### **Sec. 802. Reimburse Counties for Housing Offenders – DELETED**

Requires MDOC to reimburse counties for housing in jails felons who otherwise would have been transported to state correctional facilities if not for COVID-19 control plans; prohibits reimbursement to counties that lack appropriate COVID safeguards or that are experiencing a COVID outbreak in their county jail operations; prohibits reimbursement to counties for the County Jail Reimbursement Program for days reimbursed under this section; requires MDOC to reimburse counties at a rate of \$80.00 per offender per day; requires counties to submit proper documentation.

#### **Sec. 802. Come Out Stay Out – NEW**

Requires funding to be granted to Come Out Stay Out for providing education, employment, and housing services to offenders upon release from prison; requires a report on expenditure of funds, program performance measures, number of participants served, and outcomes of participants that complete the program.

#### **Sec. 803. Improvements to Staff Areas in Correctional Facilities – DELETED**

Requires appropriation to be used to make upgrades to staff common areas, including staff break rooms, staff restrooms, and staff exercise rooms; authorizes upgrades to include replacement of flooring, furniture, equipment, and fixtures.

#### **Sec. 803. Corrections Officer Signing and Retention Bonuses – NEW**

Requires funding to be used to grant signing bonuses for new corrections officers and retention bonuses for current corrections officers; lists criteria to be followed for paying bonuses; requires expenditure of funds to be agreed to by the Office of State Employer and the Michigan Corrections Organization, and approved by the Civil Service Commission.

**Major Boilerplate Changes from FY 2022-23*****Sec. 804. Eastern Michigan University Pilot Program – NEW***

Requires funding to be used for MDOC to collaborate with EMU to provide prisoners with the opportunity to participate in a comprehensive bachelor's degree program; requires funding to be used for eligible expenses including staffing, supplies, and tuition; requires report on expenditure of funds, number of participants served, enrollments by race and gender, number of participants that complete the program, and program outcomes; subjects program to metrics set forth in new section 807.

***Sec. 804. Prosperity Region 8 Pilot Program – DELETED***

Requires MDOC to continue a program that provides care management to parolees post-release which may include development of prerelease mental health discharge plans for parolees in Prosperity Region 8.

***Sec. 805. Goodwill Flip the Script – NEW***

Requires one-time appropriation to be used only for the purpose of expanding the program and serving participants outside of the participants currently being served; requires alternative sentencing programs, educational recovery programs, and career development and continuing education programs; requires report on expanded area of program and on program outcomes; subjects program to metrics set forth in new section 807.

***Sec. 806. Nation Outside – NEW***

Requires funding to be used to support a contract with the goal of supporting peer-led reentry programming; requires Nation Outside to enlist Wayne State University to perform an independent program evaluation; requires report on program outcomes; subjects program to metrics set forth in new section 807.

***Sec. 807. Outcomes and Performance Metrics for Various Programs – NEW***

Lists specific outcomes and performance measures for the Eastern Michigan University pilot program, the one-time Goodwill Flip the Script program, and the Nation Outside program; requires any data collected to be provided to the legislature and to accredited universities for research purposes.

***Sec. 808. Silent Cry – NEW***

Requires funding to be used to support a contract with Silent Cry to provide trauma services to referred parolees upon release from prison; requires a report on expenditure of funds, program performance measures, number of participants served, and outcomes of participants that complete the program.

**FY 2022-23 Supplemental Appropriation Items****Public Act 119 of 2023 (House Bill 4437, Article 16)*****1. Federal Grant for Substance Use Disorder Treatment Services***

Includes authorization to receive \$250,000 in federal Residential Substance Abuse Treatment grant funds to be used to provide medication-assisted treatment for offenders with substance use disorder.

**Appropriation Change**

| <b>Gross</b> | <b>\$250,000</b> |
|--------------|------------------|
| Federal      | 250,000          |
| GF/GP        | \$0              |

***2. Coronavirus Relief Funds for Payroll***

Includes \$347.8 million of federal Coronavirus State Fiscal Recovery Funds and reduces GF/GP by a like amount. Funding will be allocated to support payroll costs for frontline workers throughout the department, but primarily at correctional facilities.

| <b>Gross</b> | <b>\$0</b>      |
|--------------|-----------------|
| Federal      | 347,800,000     |
| GF/GP        | (\$347,800,000) |

EDUCATION (DEPARTMENT)

**DEPARTMENT OF EDUCATION**  
**Summary of FY 2023-24 Enacted**  
**Public Act 119 of 2023 (House Bill 4437, Article 3)**

**Analyst: Noel Benson**

| IDG/IDT           | FY 2022-23 YTD<br>as of 2/8/23 | FY 2023-24<br>Enacted | Difference: Enacted<br>From FY 2022-23 YTD |             |
|-------------------|--------------------------------|-----------------------|--|-------------|
|                   |                                |                       | Amount                                     | %           |
| <b>Federal</b>    | \$0                            | \$0                   | \$0  | --          |
| <b>Local</b>      | 302,950,800                    | 458,009,100           | 155,058,300                                | 51.2        |
| <b>Private</b>    | 5,878,600                      | 5,856,000             | (22,600)                                   | (0.4)       |
| <b>Restricted</b> | 2,240,400                      | 2,791,300             | 550,900                                    | 24.6        |
| <b>GF/GP</b>      | 9,919,700                      | 50,072,000            | 40,152,300                                 | 404.8       |
| <b>Gross</b>      | <b>\$420,581,000</b>           | <b>\$647,380,900</b>  | <b>\$226,799,900</b>                       | <b>53.9</b> |
| <b>FTEs</b>       | 627.5                          | 640.5                 | 13.0                                       | 2.1         |

**Notes:**

(1) FY 2023-24 year-to-date figures include mid-year budget adjustments through February 8, 2023.  
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

The State Board of Education is an eight-member elected board constitutionally mandated to provide leadership and supervision for public education in Michigan. The Michigan Department of Education (MDE) is the administrative arm of the Board charged with implementing state and federal educational mandates and administering programs. Major responsibilities of the MDE include developing and overseeing the K-12 school system, certifying teachers, disbursing funds to educational organizations and libraries, providing technical assistance to school districts and libraries, and providing early education and child day care support for low-income and other qualifying families.

| <b>Major Budget Changes from FY 2022-23 YTD Appropriations</b>   | FY 2022-23<br>Year-to-Date<br>(as of 2/8/23) |                      | FY 2023-24<br>Enacted<br>Change |                      |
|--|--|----------------------|---------------------------------|----------------------|
|  | Gross  |                      | Gross                           |                      |
| <b>1. Child Development and Care</b>   | <b>Gross</b>                                 | <b>\$211,480,000</b> | <b>\$166,920,000</b>            | <b>\$166,920,000</b> |
| Provides \$166.9 million federal to maintain child care investments set to expire in FY 2023-24, including maintaining eligibility at 200% of the federal poverty level and making payments based on enrollment rather than attendance. Revised cost estimates are based on May 2023 Consensus Revenue Estimating Conference estimates.            | Federal                                      | 172,444,100          | 166,920,000                     |                      |
|  | GF/GP  | \$39,035,900         |                                 | \$0                  |
| <b>2. One-Time Appropriations – Michigan School for the Deaf Dorm</b>  | <b>Gross</b>                                 | <b>\$0</b>           | <b>\$40,000,000</b>             | <b>\$0</b>           |
| Provides \$40.0 million School Aid Fund in one-time funding to construct a new dorm for the Michigan School for the Deaf.  | Restricted                                   | 0                    | 40,000,000                      |                      |
|  | GF/GP  | \$0                  |                                 | \$0                  |
| <b>3. Child Development and Care Public Assistance – TANF Financing Swap</b>   | <b>Gross</b>                                 | <b>\$199,080,000</b> | <b>\$0</b>                      | <b>\$0</b>           |
| Provides \$12.0 million GF/GP as a replacement for a corresponding amount of TANF funds for state match and MOE purposes.  | Federal                                      | 160,044,100          | (12,000,000)                    |                      |
|  | GF/GP  | \$39,035,900         | \$12,000,000                    |                      |
| <b>4. One-Time Appropriations – Family and Community Engagement</b>  | <b>FTE</b>                                   | 0.0                  | 6.0                             |                      |
| Provides \$1.2 million (\$1.0 million GF/GP ongoing; \$200,000 GF/GP one-time) and authorizes 6.0 FTE positions to develop trainings, coaching, resource development, translation services, and related activities, and to hire a coordinator and coach at 10 literacy hubs across the state to create a family and community engagement division. | <b>Gross</b>                                 | <b>\$0</b>           | <b>\$1,234,400</b>              |                      |
|  | GF/GP  | \$0                  | \$1,234,400                     |                      |

Major Budget Changes from FY 2022-23 YTD Appropriations

|  |  |   | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b> |
|--|--|---|---|--|
| <b>5. One-Time Appropriations – E-rate Special Construction Matching Fund</b>  | <b>Gross</b><br>GF/GP  | \$0<br>\$0  | <b>\$4,800,000</b><br>\$4,800,000                     |  |
| Provides \$4.8 million GF/GP in one-time funding to reimburse up to 10% of out-of-pocket costs for local schools and libraries approved for funding through the federal E-rate program to expand access to broadband internet.   |  |   |   |  |
| <b>6. One-Time Appropriations – Michigan Test for Teacher Certification Reimbursement</b>  | <b>Gross</b><br>GF/GP  | \$0<br>\$0  | <b>\$1,000,000</b><br>\$1,000,000                     |  |
| Provides \$1.0 million GF/GP in one-time funding to reimburse the costs of subject area tests for first-time test takers seeking certification.  |  |   |   |  |
| <b>7. One-Time Appropriations – School Infrastructure and Consolidation Administration</b>   | <b>FTE</b><br><b>Gross</b><br>Federal<br>Restricted<br>GF/GP | 38.6<br><b>\$6,161,400</b><br>3,289,700<br>284,400<br>\$2,586,900   | 2.0<br><b>\$750,000</b><br>0<br>0<br>\$750,000        |  |
| Provides \$750,000 GF/GP in one-time funding and authorizes 2.0 FTE positions to administer funding for school consolidation, infrastructure, and the MI Healthy Climate Plan that are appropriated in School Aid. MDE will partner with EGLE, MDHHS, and the Department of Treasury to work in coordination on administering funding. |  |   |   |  |
| <b>8. One-Time Appropriations – Michigan's Poet Laureate</b>   | <b>Gross</b><br>GF/GP  | <b>\$100,000</b><br>\$100,000                                       |   | <b>\$0</b><br>\$0                        |
| Retains \$100,000 GF/GP, considered one-time funding, to support a Michigan Poet Laureate program with funding for travel and events to promote poetry, the spoken word, and the literary arts.  |  |   |   |  |
| <b>9. School Board Training Reimbursements</b>   | <b>Gross</b><br>GF/GP  | <b>\$150,000</b><br>\$150,000                                       |   | <b>\$0</b><br>\$0                        |
| Retains \$150,000 GF/GP for school board member training reimbursements, and revises funding to be ongoing.  |  |   |   |  |
| <b>10. Math Education Administration</b>   | <b>FTE</b><br><b>Gross</b><br>Federal<br>Restricted<br>GF/GP | 82.7<br><b>\$17,139,300</b><br>12,976,100<br>602,400<br>\$3,560,800 | 2.0<br><b>\$303,700</b><br>0<br>0<br>\$303,700        |  |
| Provides \$303,700 GF/GP and authorizes 2.0 FTE positions to provide statewide guidance and supports for new math education programs that are appropriated in School Aid.  |  |   |   |  |
| <b>11. Michigan School Nurse Administration</b>  | <b>FTE</b><br><b>Gross</b><br>Federal<br>Restricted<br>GF/GP | 75.6<br><b>\$14,333,400</b><br>12,872,300<br>71,700<br>\$1,389,400  | 1.0<br><b>\$160,000</b><br>0<br>0<br>\$160,000        |  |
| Provides \$160,000 GF/GP and authorizes 1.0 FTE position for school policy support at MDE and health-related supports at MDHHS.  |  |   |   |  |
| <b>12. Mental Health and SEL Support</b>   | <b>FTE</b><br><b>Gross</b><br>Federal<br>Restricted<br>GF/GP | 75.6<br><b>\$14,333,400</b><br>12,872,300<br>71,700<br>\$1,389,400  | 2.0<br><b>\$151,900</b><br>0<br>0<br>\$151,900        |  |
| Provides \$151,900 GF/GP and authorizes 2.0 FTE positions to provide additional support and guidance to schools for mental health programs.  |  |   |   |  |
| <b>13. One-Time Appropriations – Head Start Background Checks</b>  | <b>Gross</b><br>Federal<br>GF/GP                             | <b>\$322,900</b><br>258,900<br>\$64,000                             |   | <b>\$100,000</b><br>100,000<br>\$0       |
| Provides \$100,000 federal in one-time funding to offset costs for Head Start staff who are now required to submit to background checks.   |  |   |   |  |
| <b>14. One-Time Appropriations – PRIME Schools</b>   | <b>Gross</b><br>GF/GP  | \$0<br>\$0  |   | <b>\$6,000,000</b><br>\$6,000,000        |
| Provides \$6.0 million GF/GP in one-time funding for the SME Education Foundation's partnership response initiative to provide high schools with engineering and manufacturing programs.   |  |   |   |  |
| <b>15. One-Time Appropriations – Wonderschool</b>  | <b>Gross</b><br>Federal<br>GF/GP                             | \$0<br>0<br>\$0   |   | <b>\$5,475,000</b><br>0<br>\$5,475,000   |
| Provides \$5.5 million GF/GP in one-time funding for recruiting and coaching potential child care providers for the child development and care program.  |  |   |   |  |

## EDUCATION (DEPARTMENT)

| <u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>   |  | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b>                             |
|--|--|---|--|
| <b>16. One-Time Appropriations – Toolkit Development</b><br>Provides \$150,000 GF/GP in one-time funding to create a professional development toolkit to teach American history.   | <b>Gross</b><br>GF/GP  | \$0<br>\$0  | \$150,000<br>\$150,000   |
| <b>17. TEACH Scholarship Roll Up</b><br>Includes a net \$0 change to roll the \$5.0 million federal TEACH Scholarship into the Child Development and Care contracted services line item.   | <b>Gross</b><br>Federal<br>GF/GP                                   | \$5,000,000<br>5,000,000<br>\$0                       | \$0<br>0<br>\$0  |
| <b>18. Child Care and Development Fund (CCDF) Interdepartmental Grant Adjustment</b><br>Reflects decreased costs of \$89,300 federal for interdepartmental grants to MDHHS and LARA.   | <b>Gross</b><br>Federal<br>GF/GP                                   | \$31,178,300<br>31,178,300<br>\$0                     | (\$89,300)<br>(89,300)<br>\$0  |
| <b>19. Child Care FMAP Adjustment</b><br>Reflects decreased costs of \$195,700 GF/GP for matching child care federal grants due to the decreasing FMAP rate for FY 2024.   | <b>Gross</b><br>Federal<br>GF/GP                                   | \$199,080,000<br>160,044,100<br>\$39,035,900          | \$0<br>195,700<br>(\$195,700)  |
| <b>20. Library Pilot Program</b><br>Eliminates ongoing funding for five grants for library pilot programs across the state.  | <b>Gross</b><br>GF/GP  | \$800,000<br>\$800,000                                | (\$800,000)<br>(\$800,000)   |
| <b>21. Economic Adjustments</b><br>Reflects decreased costs of \$86,700 Gross (increase of \$31,700 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2023), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. | <b>Gross</b><br>Federal<br>Local<br>Private<br>Restricted<br>GF/GP | NA<br>NA<br>NA<br>NA<br>NA<br>NA                      | (\$86,000)<br>(168,100)<br>(22,600)<br>(1,000)<br>74,000<br>\$31,700 |

## Major Boilerplate Changes from FY 2022-23

### GENERAL SECTIONS

#### **Sec. 211. Access to State and Local Government Services – NEW**

Requires that appropriated funds shall not be used to restrict a marginalized community's access to government resources, programs, or facilities. Also requires local governments to report any action or policy that interferes with the duties of the local health officer.

#### **Sec. 215. Reporting Legacy Costs – DELETED**

Identifies total appropriations in part 1 for legacy costs for FY 2022-23. Includes a pension-related cost estimate of \$8,126,500 and a retiree health care cost estimate of \$5,258,600.

#### **Sec. 216. Reporting on Remote Work – REVISED**

Removes requirement to report on the number of employees engaged in remote work in 2023, number of employees authorized to work remotely and the actual number working remotely, estimated net cost savings achieved by remote work, and reduced use of office space associated with remote work.

#### **Sec. 219. State Administrative Board Transfer – RETAINED (UNENFORCEABLE)**

Permits the legislature to intertransfer funds within this act for MDE if the state administrative board transfers funds from an amount appropriated under this act. (Governor's signing letter states this section is unenforceable.)

#### **Sec. 222. Communication with the Legislature – RETAINED (UNENFORCEABLE)**

Prohibits MDE from taking disciplinary action against an employee for communicating truthfully and factually with a legislator or his/her staff. (Governor's signing letter states this section is unenforceable.)

#### **Sec. 224. Expenditure Available Work Project Authorization – RETAINED (UNENFORCEABLE)**

Prohibits appropriations from being expended until all existing work project authorization available for the same purpose is exhausted, to the extent possible. (Governor's signing letter states this section is unenforceable.)

**Major Boilerplate Changes from FY 2022-23**

***Sec. 225. Severance Pay Reporting – REVISED***

Removes requirement to maintain a website that posts severance pay in excess of six weeks of wages, and reports the total amount of severance pay for FY 2021-22.

***Sec. 227. Vaccine Requirement – DELETED***

Prohibits various state government entities from requiring proof of COVID-19 vaccination as condition of accessing state services or facilities, producing COVID-19 vaccine passports, developing, or making existing databases public, accessing individuals COVID-19 vaccine status, and requiring proof of receiving COVID-19 vaccine as condition of employment; prohibits state entities from subjecting an individual to negative consequences because of COVID-19 vaccine status; allows an individual to provide proof of COVID-19 vaccine status with consent; exempts certain individuals from federally mandated vaccine policies.

***Sec. 229. Federal Accountability Plans – DELETED***

Requires MDE to notify the House and Senate appropriations committees, House and Senate fiscal agencies, and the state budget director before seeking a federal waiver form or amending the federal waiver form.

***Sec. 230. Nonpublic School Mandates – DELETED***

Requires MDE to compile a report that identifies any new, or lack thereof, mandates required of nonpublic schools by April 1, 2023.

***Sec. 235. Department Effectiveness Survey – DELETED***

Requires MDE to administer, and report the results of, a survey that allows teachers, paraprofessionals, and administrators to provide feedback on their interactions with the department.

***Sec. 240. Department Transparency – NEW***

Requires MDE to develop a standard application process; establish a process to review, complete, and execute a grant agreement with a grant recipient; verify that a grant recipient will utilize funds for a public purpose; review and verify all necessary information to ensure the grant recipient is able to execute the grant agreement; and establish a timeline to review all elements. Requires either the department or a legislator to sponsor grants. Requires grant recipients to respond to all information requests from the department. This section only applies to the Michigan School for the Deaf dorm, PRIME Schools, and Wonderschool.

**EDUCATOR EXCELLENCE**

***Sec. 502. Teacher License Renewals – REVISED***

Revises language from "former teachers whose teaching licenses have expired" to "the recruitment and retention of educators" to allow for more teacher license renewals to be covered by appropriated funds.

**SCHOOL SUPPORT SERVICES**

***Sec. 602. School Board Member Training – REVISED***

Adds implicit bias training as an approved program and moves from Sec. 1100 to reflect the revision of funding to be an ongoing appropriation.

**MICHIGAN OFFICE OF GREAT START**

***Sec. 1002. CDC Rate Publication – REVISED***

Revises to allow MDE to receive and expend federal child care development block grant funds if the funds are at risk of being lapsed by the end of the current fiscal year, the department plans to expend the funds through a one-time rate increase to providers, and the department makes this request to the state budget director not less than 30 days prior to the expenditure of the funds. The department may withdraw the intent to expend funds by sending a letter notifying the budget director. Adds that MDE must notify the senate and house fiscal agencies of the amount being appropriated and the estimated one-time rate increase to providers.

***Sec. 1004. CDC T.E.A.C.H. Scholarship Program – DELETED***

Requires MDE to use \$5.0 million federal CCDF for T.E.A.C.H. Early Childhood Scholarship Program for credit-based educational opportunities for child care providers, with preference given to providers trying to increase their Great Start to Quality star rating.

***Sec. 1007. Child Development and Care Report – REVISED***

Revises report to become a joint annual report from MDE, LARA, and MDHHS. Requires the joint report to include information on the affordability and availability of child care in Michigan, the health and safety of child care, actions taken to strengthen health and safety of care, the quality of child care, actions taken to improve child care quality, and the child care workforce. Removes all previously required information in the report.

## EDUCATION (DEPARTMENT)

### **Major Boilerplate Changes from FY 2022-23**

#### **Sec. 1009. *CDC Eligibility Entrance Threshold – REVISED***

Revises to give MDE the ability to control caseload costs by removing specifications regarding number of children, waiting lists, and future decreases in the eligibility entrance threshold.

#### **Sec. 1010. *CDC Funding Changes – DELETED***

Requires MDE to provide notification within 10 days of changes to the CDC program including changes to the federal matching award amount, the block grant, and federal mandates that require appropriations adjustments.

#### **Sec. 1011. *CDC Program Payment Structure – REVISED***

Revises to remove reference to biweekly block reimbursement rate and changes the payment structure to be based on enrollment rather than attendance.

#### **Sec. 1012. *Early Childhood Mental Health – REVISED***

Revises appropriation from \$1.5 million to \$3.0 million for MDE to work in collaboration with DHHS on the network of infant and early childhood mental health consultation.

#### **Sec. 1013. *Federal Stimulus Reporting – DELETED***

Requires MDE to create a status report on the various child care enhancements appropriated in FY 2021-22, including the amount expended on each program, number of providers that received a child care stabilization grant, number of child care employees that received a salary enhancement, the number of providers who received assistance and the type of assistance, the number of infant and toddler slots that have been contracted, and the number of additional cases and number of children enrolled in child development and care above 160% of the federal poverty guidelines and the total cost for these cases per month. Requires that this report shall be completed and transmitted not later than November 1, 2022.

#### **Sec. 1014. *Family and Community Engagement – NEW***

Requires MDE to partner with family engagement centers across the state to increase parent and guardian involvement in their child's education, ensure translation and interpretation services are available, partner with ISDs to assist in getting information and resources to constituent districts, and develop an early literacy engagement plan.

### **ONE-TIME APPROPRIATIONS**

#### **Sec. 1102. *Toolkit Development – NEW***

Requires funds appropriated in part 1 for toolkit development to be used to develop a toolkit to provide professional development regarding the teaching of the full and complex American history across subject areas including the history of communities of color and other marginalized communities.

#### **Sec. 1103. *School Infrastructure and Consolidation Administration – NEW***

Requires not less than \$378,300 and not fewer than 2.0 FTE positions to administer funding for school consolidation, infrastructure, and the MI Healthy Climate Plan. Appropriates an additional \$371,700 of the funds appropriated in part 1 for central support operations for MDE to partner with the Departments of Environment, Great Lakes, and Energy; Health and Human Services; and Treasury to administer funding for school consolidation, infrastructure, and the MI Healthy Climate Plan.

#### **Sec. 1104. *MTTC Reimbursement – NEW***

Requires MDE to reimburse first-time test takers of the Michigan Test for Teacher Certification and develop an application process for reimbursement.

#### **Sec. 1105. *PRIME Schools – NEW***

Requires funds appropriated in part 1 for PRIME schools to support the SME Education Foundation's partnership response initiative to provide high schools with engineering and manufacturing programs.

#### **Sec. 1106. *Wonderschool – NEW***

Requires funds appropriated in part 1 for Wonderschool to be used to recruit and coach potential providers for the child development and care program through initial business planning and a two-year mentorship program.

#### **Sec. 1107. *School for the Deaf Dorm – NEW***

Requires funds appropriated in part 1 for the Michigan School for the Deaf dorm to be used for planning and constructing a new dorm for the school to serve students. Provides for a work project appropriation through September 30, 2028.

**FY 2022-23 Supplemental Appropriation Items**  
**Public Act 119 of 2023 (House Bill 4437, Article 16)**

**1. Teacher of the Year**

Increases private funding authorization by \$51,900 to reflect an increase in charitable giving of private funds to the program.

**Appropriation Change**

| <b>Gross</b> | <b>\$51,900</b> |
|--------------|-----------------|
| Private      | 51,900          |
| GF/GP        | \$0             |

**2. Camp Tuhsmeheta**

Includes \$500,000 of private revenue to be used for maintenance and enhancements at Camp Tuhsmeheta for students who are blind or visually impaired.

| <b>Gross</b> | <b>\$500,000</b> |
|--------------|------------------|
| Private      | 500,000          |
| GF/GP        | \$0              |

**3. Child Care and Development Block Grant**

Includes an additional \$4.6 million GF/GP to be used as matching funds for an additional \$14.8 million of federal child care and development block grant funds awarded to the state.

| <b>Gross</b> | <b>\$4,618,100</b> |
|--------------|--------------------|
| GF/GP        | \$4,618,100        |

**4. Child Care and Development Public Assistance**

Authorizes \$15.5 million in additional federal funds to support a caseload adjustment based on the May 2023 Caseload Consensus reached between the State Budget Office, House Fiscal Agency, and Senate Fiscal Agency.

| <b>Gross</b> | <b>\$15,491,500</b> |
|--------------|---------------------|
| Federal      | 15,491,500          |
| GF/GP        | \$0                 |

**5. School Support Services**

Includes \$78,300 in state restricted Commodity Distribution Fee revenue to support programs that mitigate the impact of food spoilage.

| <b>Gross</b> | <b>\$78,300</b> |
|--------------|-----------------|
| Restricted   | 78,300          |
| GF/GP        | \$0             |

**6. ARP – Farm to School**

Includes \$1.1 million in federal ARP funds to improve access to local foods in eligible schools. Funding will be used for activities including training, supporting operations, purchasing equipment, developing school gardens, and implementing farm to school programs.

| <b>Gross</b> | <b>\$1,130,000</b> |
|--------------|--------------------|
| Federal      | 1,130,000          |
| GF/GP        | \$0                |

**DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY**  
**Summary of FY 2023-24 Enacted with Vetoed**  
**Public Act 119 of 2023 (House Bill 4437, Article 4)**

Analyst: Austin Scott

|                   | FY 2022-23 YTD<br>as of 2/8/23 | FY 2023-24<br>Enacted  | Difference: Enacted<br>From FY 2022-23 YTD |             |
|-------------------|--------------------------------|------------------------|--|-------------|
|                   |                                |                        | Amount                                     | %           |
| <b>IDG/IDT</b>    | \$3,406,400                    | \$4,035,100            | \$628,700                                  | 18.5        |
| <b>Federal</b>    | 287,641,700                    | 441,297,200            | 153,655,500                                | 53.4        |
| <b>Local</b>      | 0                              | 0                      | 0  | --          |
| <b>Private</b>    | 1,415,500                      | 1,360,700              | (54,800)                                   | (3.9)       |
| <b>Restricted</b> | 337,354,900                    | 358,966,800            | 21,611,900                                 | 6.4         |
| <b>GF/GP</b>      | 98,835,800                     | 245,952,100            | 147,116,300                                | 148.8       |
| <b>Gross</b>      | <b>\$728,654,300</b>           | <b>\$1,051,611,900</b> | <b>\$322,957,600</b>                       | <b>44.3</b> |
| <b>FTEs</b>       | 1,516.0                        | 1,616.0                | 100.0                                      | 6.6         |

**Notes:**

(1) FY 2022-23 year-to-date figures include mid-year budget adjustments through February 8, 2023.  
 (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

The Department of Environment, Great Lakes, and Energy (EGLE) is responsible for managing Michigan's air, land, water, and energy resources. Departmental functions include improving resource quality, reducing waste, and mitigating threats to Michigan's environment.

| <u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>  | FY 2022-23<br>Year-to-Date<br>(as of 2/8/23) |                | FY 2023-24<br>Enacted<br>Change   |               |
|---|--|----------------|-----------------------------------|---------------|
|   | Gross  | GF/GP          | NA                                | \$9,356,700   |
| <b>1. Lead Service Line Replacement</b><br>Provides \$9.4 million GF/GP for lead service line replacement and ongoing technical assistance in the most underprivileged ten percent of Michigan communities.   | NA   | NA             | NA                                | \$9,356,700   |
| <b>2. Environmental Justice Contaminated Site Clean-up (One-Time)</b><br>Authorizes \$20.0 million GF/GP for air quality and contaminated site remediation in disadvantaged communities.  | Gross<br>GF/GP                               | NA<br>NA       | NA<br>\$20,000,000                | \$20,000,000  |
| <b>3. Renewable Ready Communities (One-Time)</b><br>Authorizes \$30.0 million GF/GP for grants to communities to establish wind, solar, and energy storage facilities.  | Gross<br>GF/GP                               | NA<br>NA       | NA<br>\$30,000,000                | \$30,000,000  |
| <b>4. Water State Revolving Funds – Federal Infrastructure Act IIJA</b><br>Appropriates \$280.5 million Gross (\$30.5 million GF/GP) for local water infrastructure projects. The GF/GP funding is appropriated on a one-time basis to be used as match to access federal Infrastructure ACT funding. | Gross<br>Federal<br>GF/GP                    | NA<br>NA<br>NA | NA<br>250,000,000<br>\$30,500,000 | \$280,500,000 |
| <b>5. Dam Risk Reduction Program (One-Time)</b><br>Authorizes \$1.8 million GF/GP to develop fish-passable rapids in Republic Township.   | Gross<br>GF/GP                               | NA<br>NA       | NA<br>\$1,800,000                 | \$1,800,000   |
| <b>6. Groundwater Data Collection</b><br>Provides \$17.3 million GF/GP and authorizes 2.0 FTE positions to collect groundwater data and study Michigan's underground aquifers; \$15.0 million is designated as one-time funding.  | FTE<br>Gross<br>GF/GP                        | NA<br>NA<br>NA | 2.0<br>NA<br>\$17,299,700         | \$17,299,700  |

| <u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>  |  | <u>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</u>                                       | <u>FY 2023-24<br/>Enacted<br/>Change</u>                                |
|---|--|---|---|
| <b>7. Critical Mineral Recycling Research Hub (One-Time)</b><br>Appropriates \$5.0 million GF/GP to evaluate the reuse of critical minerals for the production of clean energy.   | <b>Gross</b><br>GF/GP  | <b>NA</b><br>NA   | <b>\$5,000,000</b><br>\$5,000,000                                       |
| <b>8. Permitting Staff</b><br>Provides \$6.6 million GF/GP and authorizes 44.0 FTE positions to expand and expedite departmental permit review processes.   | <b>FTE</b><br><b>Gross</b><br>GF/GP  | <b>NA</b><br><b>NA</b><br>NA  | <b>44.0</b><br><b>\$6,615,800</b><br>\$6,615,800                        |
| <b>9. Oil, Gas, and Mineral Services – Federal Infrastructure Act IIJA</b><br>Appropriates \$10.4 million Gross (\$5.2 million GF/GP) and authorizes 2.0 FTE positions for remediation of orphaned oil and gas wells.   | <b>FTE</b><br><b>Gross</b><br>IDG<br>Federal<br>Restricted<br>GF/GP            | <b>59.0</b><br><b>\$42,838,800</b><br>223,100<br>31,153,100<br>6,966,900<br>\$4,495,700     | <b>2.0</b><br><b>\$10,352,100</b><br>0<br>5,151,100<br>0<br>\$5,201,000 |
| <b>10. Spending Authorization Alignment</b><br>Increases federal funding by \$166,600 and reduces restricted funding by \$5.2 million across divisions to align spending authorization with available resources.  | <b>Gross</b><br>Federal<br>Restricted<br>GF/GP                                 | <b>NA</b><br><b>NA</b><br><b>NA</b><br>NA   | <b>(\$5,082,800)</b><br>166,600<br>(5,249,400)<br>\$0                   |
| <b>11. Executive Direction – Michigan Agency for Energy</b><br>Authorizes \$1.0 million Gross (\$0 GF/GP) to support extant Michigan Agency for Energy FTE positions in EGLE.   | <b>FTE</b><br><b>Gross</b><br>IDG<br>Federal<br>Private<br>Restricted<br>GF/GP | <b>20.0</b><br><b>\$3,465,300</b><br>17,600<br>103,500<br>4,200<br>2,227,300<br>\$1,112,700 | <b>0.0</b><br><b>\$1,006,000</b><br>9,400<br>0<br>0<br>996,600<br>\$0   |
| <b>12. Fee Increase – Groundwater Discharge Permit Program</b><br>Proposes to eliminate the sunset and raise groundwater discharge permit fees to support \$680,000 in additional restricted funding and 4.0 new FTE positions to expand monitoring and permitting of fee-subject facilities.                                       | <b>FTE</b><br><b>Gross</b><br>Restricted<br>GF/GP                              | <b>22.0</b><br><b>\$3,419,600</b><br>1,521,100<br>\$1,898,500                               | <b>4.0</b><br><b>\$680,000</b><br>680,000<br>\$0                        |
| <b>13. Land and Water Interface Permit Programs</b><br>Provides \$653,800 in interdepartmental grant funding from the Michigan Department of Transportation and authorizes 3.0 FTE positions to support the permitting of infrastructure project permitting processes.  | <b>FTE</b><br><b>Gross</b><br>IDG<br>Federal<br>Restricted<br>GF/GP            | <b>119.0</b><br><b>\$18,285,200</b><br>1,363,900<br>2,115,900<br>2,445,100<br>\$12,360,300  | <b>3.0</b><br><b>\$653,800</b><br>653,800<br>0<br>0<br>\$0              |
| <b>14. Departmental Cost Allocations</b><br>Appropriates \$225,600 Gross (\$0 GF/GP) to align allocated costs with available IDG, private, and restricted resources.  | <b>Gross</b><br>IDG<br>Private<br>Restricted<br>GF/GP                          | <b>NA</b><br><b>NA</b><br><b>NA</b><br><b>NA</b><br>NA                                      | <b>\$225,600</b><br>(29,700)<br>(54,300)<br>309,600<br>\$0              |
| <b>15. Renew Michigan Program</b><br>Authorizes 5.0 FTE positions to address recent amendments to solid waste management provisions in the Natural Resources and Environmental Protection Act.  | <b>FTE</b><br><b>Gross</b><br>Restricted<br>GF/GP                              | <b>111.0</b><br><b>\$70,255,200</b><br>70,255,200<br>\$0                                    | <b>5.0</b><br><b>\$0</b><br>0<br>\$0                                    |
| <b>16. Materials Management Division Internal Transfers</b><br>Transfers division funding and FTE positions among the Low Level Radioactive Waste Authority Program, Medical Waste Program, Radiological Protection Program, Recycling, Scrap Tire Regulatory Program, and Solid Waste Management Program; all changes net to zero. | <b>FTE</b><br><b>Gross</b><br>GF/GP  | <b>NA</b><br><b>NA</b><br>NA  | <b>0.0</b><br><b>\$0</b><br>\$0   |

| <u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>   |  | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b>                   | <b>FY 2023-24<br/>Enacted<br/>Change</b>                                  |
|--|--|---|---|
| <b>17. Removal of FY 2022-23 One-Time Funding</b><br>Removes \$148.8 million Gross (\$17.7 million GF/GP) for one-time programs included in the FY 2022-23 budget. Programs included ARP – Community Technical, Managerial, and Financial Support for Lead Line Replacement, Buffalo Reef, Contaminated Site Cleanup, Cooperative Lakes Monitoring Program, Disposal of Firefighting Foam Containing PFAS, federal Infrastructure Investment and Jobs Act funding, Grants and Records Management, Private Well Testing, and Refined Petroleum Product Cleanup Program. | <b>Gross</b><br>Federal<br>Restricted<br>GF/GP               | <b>\$148,820,900</b><br>102,000,000<br>29,170,900<br>\$17,650,000       | <b>(\$148,820,900)</b><br>(102,000,000)<br>(29,170,900)<br>(\$17,650,000) |
| <b>18. Transfer Facility (One-Time)</b><br>Authorizes \$1.0 million GF/GP for a waste and recycling transfer station in Benton Harbor, Berrien County.   | <b>Gross</b><br>GF/GP  | <b>NA</b><br>NA   | <b>\$1,000,000</b><br>\$1,000,000   |
| <b>19. Water and Energy Nexus Research (One-Time)</b><br>Authorizes \$2.5 million GF/GP to support water and energy nexus research.  | <b>Gross</b><br>GF/GP  | <b>NA</b><br>NA   | <b>\$2,500,000</b><br>\$2,500,000   |
| <b>20. Water Career and Workforce Development Pilot (One-Time)</b><br>Authorizes \$100,000 GF/GP for a water career and workforce development pilot program in Benton Harbor, Berrien County.  | <b>Gross</b><br>GF/GP  | <b>NA</b><br>NA   | <b>\$100,000</b><br>\$100,000   |
| <b>21. Delineation of Critical Sand Dunes (One-Time)</b><br>Authorizes \$2.5 million GF/GP for the delineation of critical sand dunes.   | <b>Gross</b><br>GF/GP  | <b>NA</b><br>NA   | <b>\$2,500,000</b><br>\$2,500,000   |
| <b>22. Executive Revision 2024-1</b><br>Reflects a net addition of \$53,600 Gross (\$26,800 GF/GP) and rolls up 29 line item appropriations to concur with Executive Revision 2024-1 issued on April 14, 2023.   | <b>Gross</b><br>IDG<br>Federal<br>Restricted<br>GF/GP        | <b>NA</b><br>NA<br>NA<br>NA<br>NA                                       | <b>\$53,600</b><br>2,000<br>16,900<br>7,900<br>\$26,800                   |
| <b>23. Air Quality Programs</b><br>Appropriates \$600,000 GF/GP to support 4.0 newly authorized FTE positions.   | <b>FTE</b><br><b>Gross</b><br>Federal<br>Restricted<br>GF/GP | 202.0<br><b>\$35,486,600</b><br>7,663,900<br>15,053,200<br>\$12,769,500 | 4.0<br><b>\$600,000</b><br>0<br>0<br>\$600,000                            |
| <b>24. Water Resource Programs</b><br>Appropriates \$450,000 GF/GP to support 3.0 newly authorized FTE positions in a line resulting from the roll up of most extant line items in the Water Resources Division.   | <b>FTE</b><br><b>Gross</b><br>GF/GP                          | NA<br><b>NA</b><br>NA   | 3.0<br><b>\$450,000</b><br>\$450,000                                      |
| <b>25. Water Quality Programs</b><br>Appropriates \$450,000 GF/GP to support 3.0 newly authorized FTE positions in a line resulting from the roll up of most extant line items in the Water Resources Division.  | <b>FTE</b><br><b>Gross</b><br>GF/GP                          | NA<br><b>NA</b><br>NA   | 3.0<br><b>\$450,000</b><br>\$450,000                                      |
| <b>26. Water Project Inflation (One-Time)</b><br>Authorizes \$15.0 million GF/GP for water project inflation.  | <b>Gross</b><br>GF/GP  | <b>NA</b><br>NA   | <b>\$15,000,000</b><br>\$15,000,000                                       |
| <b>27. Water Infrastructure Reserve Fund (One-Time)</b><br>Provides \$5.0 million GF/GP for a water infrastructure reserve fund.   | <b>Gross</b><br>GF/GP  | <b>NA</b><br>NA   | <b>\$5,000,000</b><br>\$5,000,000   |
| <b>28. Sustainable Business Park (One-Time)</b><br>Appropriates \$5.0 million GF/GP to support the infrastructure necessary to develop a sustainable business park to replace the need for new landfills in Kent County.   | <b>Gross</b><br>GF/GP  | <b>NA</b><br>NA   | <b>\$5,000,000</b><br>\$5,000,000   |

| <u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>   |  | <u>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</u>           | <u>FY 2023-24<br/>Enacted<br/>Change</u>  |
|--|--|---|---|
| <b>29. Geologic Core Facility (One-Time)</b><br>Authorizes \$3.0 million GF/GP for a facility to store geologic core samples of the Michigan Geological Survey at Western Michigan University.   | <b>Gross</b><br>GF/GP  | <b>NA</b><br>NA   | <b>\$2,985,200</b><br>\$2,985,200   |
| <b>30. Carbon Emissions Tracking Software and services (One-Time)</b><br>Provides \$1.7 million GF/GP for the department to collaborate with DTMB to develop a carbon management platform.   | <b>Gross</b><br>GF/GP  | <b>NA</b><br>NA   | <b>\$1,700,000</b><br>\$1,700,000   |
| <b>31. Reverse Vending Machine Technology (One-Time)</b><br>Appropriates \$2.0 million GF/GP for the installation of reverse vending machine technology to beverage container redemption.  | <b>Gross</b><br>GF/GP  | <b>NA</b><br>NA   | <b>\$2,000,000</b><br>\$2,000,000   |
| <b>32. Contaminated Site Remediation and Redevelopment (One-Time)</b><br>Authorizes \$55.0 million in available fund balance from the Cleanup and Redevelopment Fund to expand the remediation and redevelopment of non-petroleum contaminated sites.  | <b>Gross</b><br>Restricted<br>GF/GP                              | <b>NA</b><br>NA<br>NA   | <b>\$55,000,000</b><br>55,000,000<br>\$0  |
| <b>33. Municipal Assistance</b><br>Appropriates \$450,000 in federal funding for municipal assistance, which provides support for State Revolving Fund programs that support water infrastructure projects.  | <b>FTE</b><br><br><b>Gross</b><br>Federal<br>Restricted<br>GF/GP | 23.0<br><br><b>\$5,125,300</b><br>3,171,500<br>1,953,800<br>\$0 | 0.0<br><br><b>\$450,000</b><br>450,000<br>0<br>\$0                                |
| <b>34. Economic Adjustments</b><br>Reflects a net reduction of \$1.4 million Gross (\$318,900 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2023), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments. | <b>Gross</b><br>IDG<br>Federal<br>Private<br>Restricted<br>GF/GP | <b>NA</b><br>NA<br>NA<br>NA<br>NA<br>NA                         | <b>(\$1,417,200)</b><br>(6,800)<br>(129,100)<br>(500)<br>(961,900)<br>(\$318,900) |

Major Boilerplate Changes from FY 2022-23

**Sec. 205. Report Recipients – NEW**

Requires boilerplate reports be submitted to appropriations subcommittees, fiscal agencies, legislative policy offices, and the state budget office unless otherwise stated.

**Sec. 207. Disciplinary Action Against State Employees – RETAINED (UNENFORCEABLE)**

Prohibits department from disciplining state employees for communicating with members of the legislature and their staffs, unless communication is prohibited by law. (Governor's signing letter states this section is unenforceable.)

**Sec. 210. GF/GP Lapse – REVISED**

Requires report of estimated GF/GP appropriation lapses at close of previous year due. Revised due date to December 15.

**Sec. 211. Contingency Fund Transfer Authority – REVISED**

Allows for the legislative transfer process to increase state restricted authorization by up to \$5.0 million. Revised to increase private authorization by up to \$10.0 million.

**Sec. 213. Restricted Fund Revenues, Expenditures, and Fund Balances – REVISED**

Requires annual report on fund balances, revenues, and expenditures for state restricted funds for previous and current fiscal years. Revised report recipients to those listed in Sec. 205.

**Sec. 214. Website Scorecard – REVISED**

Requires department to maintain on a publicly accessible website a department scorecard with key metrics concerning the department's performance. Revised to strike "department scorecard" and replaces with "information."

## ENVIRONMENT, GREAT LAKES, AND ENERGY

### **Major Boilerplate Changes from FY 2022-23**

#### **Sec. 215. Identification of Legacy Costs – DELETED**

Estimates annual appropriations for legacy costs, including pension-related legacy costs and health care-related legacy costs.

#### **Sec. 217. FTE Vacancies and Remote Work Report – REVISED**

Requires department to report on the number of FTE positions filled, FTE vacancies, the number of employees working remotely, the number of employees authorized to work remotely, estimated cost savings from remote work, and reduction in office space due to working remotely. Revised to delete all provisions related to remote work and revised report recipients to those listed in Sec. 205.

#### **Sec. 219. State Administrative Board Transfers – RETAINED (UNENFORCEABLE)**

Allows legislature to adopt a concurrent resolution to intertransfer funds within the department's budget if the State Administrative Board transfers appropriated funds. (*Governor's signing letter states this section is unenforceable.*)

#### **Sec. 223. Severance Reporting – REVISED**

Requires department to report details of severance pay for certain departmental employees. Revised to remove internet posting requirement.

#### **Sec. 224. COVID-19 Vaccine Disclosure – DELETED**

Prohibits state officials from requiring COVID-19 vaccine disclosure as a condition of receiving state services or developing a vaccine passport.

#### **Sec. 224. Expenditure Available Work Project Authorization – RETAINED (UNENFORCEABLE)**

Advises department not to expend appropriations until existing work project authorization for the same purpose has been expended. (*Governor's signing letter states this section is unenforceable.*)

#### **Sec. 225. Access to State and Local Services – REVISED**

Prohibits appropriations from being used to restrict or impede a marginalized community's access to government programs; requires local governments to report on actions that attempt to restrict duties of local health officers.

#### **Sec. 227. Appropriations for Environmental Cleanup Projects – REVISED**

Re-appropriates unspent funding from Environmental Cleanup and Redevelopment Program, Contaminated Site Cleanup, the Renew Michigan Program, the Refined Petroleum Product Cleanup Program, Brownfield Grants and Loans, Waterfront Grants, the Environmental Bond Site Reclamation Program, and general fund for expenditure. Revised to include environmental cleanup support, contaminated site cleanup contingency reserve, Premcor remediation activities, and PFAS remediation grant program.

#### **Sec. 229. Rule Promulgation – DELETED**

Requires report on any policy changes made to implement a public act; prohibits department from adopting a rule that applies to a small business if it has a disproportionate economic impact.

#### **Sec. 235. Quarterly Remediation and Redevelopment Report – REVISED**

Requires quarterly list of cleanup sites addressed by Remediation and Redevelopment Division and estimated costs for each. Revised report to semiannual.

#### **Sec. 237. Employee Legal Costs Related to Drinking Water Declaration of Emergency – DELETED**

Requires department to be responsible for payment of current and former department employees' legal costs from legal actions taken related to drinking water declaration of emergency. (*Governor deemed this section unenforceable in FY 2022-23.*)

#### **Sec. 243. Michigan Geological Survey – DELETED**

Requires appropriation for the Michigan Geological Survey to be used to conduct data collection and mapping to expand geologic information.

#### **Sec. 302. Contaminated Site Investigations Staffing Costs – DELETED**

Limits department to expending not more than 3% of Contaminated Site Investigations appropriation on administration.

#### **Sec. 303. Contaminated Site Investigations Legacy Cleanups Staff – DELETED**

Earmarks 16.0 FTE positions of Contaminated Site Investigations appropriation for legacy cleanups.

#### **Sec. 305. Refined Petroleum Fund – DELETED**

Expresses legislative intent to restore \$70.0 million Refined Petroleum Fund transferred to General Fund in FY 2006-07.

**Major Boilerplate Changes from FY 2022-23**

**Sec. 306. Refined Petroleum Cleanup Program – DELETED**

Requires Refined Petroleum Product Cleanup Program appropriations to be expended in accordance with NREPA.

**Sec. 308. Work Projects – Remediation and Redevelopment Division – REVISED**

Authorizes unexpended funds appropriated for Brownfield Grants, Emergency Cleanup Actions, Environmental Cleanup Support, and the Refined Petroleum Product Cleanup Program to be considered work project appropriations and carried forward into succeeding fiscal year; program will perform contaminated site cleanups. Revised to include contaminated site cleanup, and environmental cleanup and redevelopment program.

**Sec. 314. Geographically Proximate Cleanups – DELETED**

Encourages department to remediate contaminated sites in geographically proximate areas when possible.

**Sec. 401. Land and Water Interface Permit Programs Dam Safety Earmark – DELETED**

Earmarks \$350,000 and 2.0 FTE positions from Land and Water Interface Permit Programs for Dam Safety Programs.

**Sec. 410. Lake Erie Report – REVISED**

Requires department to compile report on status of implementation plan for western Lake Erie basin collaborative agreement; requires report to include estimated cost of removal of total phosphorus per pound at four major wastewater treatment plants, description of grants awarded, description of work that has commenced on issue of dissolved reactive phosphorus, expected objectives and outcomes of that work, list of parties involved in that effort, and description of efforts and outcomes aimed at total phosphorus reduction for River Raisin watershed. Revised to semi-annual report due in odd years.

**Sec. 902. Limited Term FTEs – Environmental Sustainability and Stewardship – DELETED**

Authorizes 5.0 limited term FTE positions from the Environmental Sustainability and Stewardship appropriation to issue energy efficiency grants to communities.

**Sec. 925. Limited Term FTEs – Oil, Gas, and Mineral Services – DELETED**

Authorizes 2.0 limited term FTE positions from the Oil, Gas, and Minerals appropriation to close abandoned gas and oil wells.

**Sec. 950. FTE Earmark – Municipal Assistance – DELETED**

Earmarks 4.0 federally-funded FTE positions from the Municipal Assistance appropriation to review and approve clean water and wastewater grants and loans.

**Sec. 951. Earmark – Lead Service Line Replacement – NEW**

Earmarks the Lead Service Line Replacement appropriation to support lead line replacement activities in overburdened and significantly overburdened communities as defined in NREPA.

**Sec. 952. Community Technical, Managerial, and Financial Support for Lead Line Replacement – NEW**

Requires the Community Technical, Managerial, and Financial Support for Lead Line Replacement appropriation to support lead line replacement activities in overburdened and significantly overburdened communities as defined in NREPA.

**Sec. 1000. Prior Grant Awards Not Disqualifying Applicants – DELETED**

Prevents grant recipients from being disqualified for future grant awards on account of receiving previous grant awards.

**Sec. 1001. Work Project – Critical Mineral Recycling Research Hub – NEW**

Authorizes unexpended funds for Critical Mineral Recycling Research Hub totaling \$5.0 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to award grants of no more than \$5.0 million each to Michigan based companies or consortiums partnered with a Michigan based university to create a critical mineral recycling research hub to research the reuse of critical materials for clean energy production.

**Sec. 1002. Work Project – Buffalo Reef – DELETED**

Authorizes unexpended funds for Buffalo Reef totaling \$10.0 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to build a coal dock jetty for the dredging of stamp sands from Lake Superior in Keweenaw County.

**Sec. 1002. Work Project – Dam Risk Reduction Program – NEW**

Authorizes unexpended funds for Dam Risk Reduction Program totaling \$1.8 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to develop fish-passable rapids in Republic Township.

## ENVIRONMENT, GREAT LAKES, AND ENERGY

### **Major Boilerplate Changes from FY 2022-23**

#### **Sec. 1003. Cooperative Lakes Monitoring Program – DELETED**

Requires funding for Cooperative Lakes Monitoring Program to be used to continue the program, which helps volunteers monitor local lake water quality and document changes over time.

#### **Sec. 1003. Delineation of Critical Sand Dunes – NEW**

Requires the department to conduct a delineation of Michigan's sand dunes and assess critical dune areas.

#### **Sec. 1004. Private Well Testing – DELETED**

Requires funding for Private Well Testing to be used for grants to local health departments to provide free or low-cost water testing to private well owners; requires report.

#### **Sec. 1004. Earmarks and Work Project – Environmental Justice Contaminated Site Clean-up – NEW**

Requires at least 40% of funding to be used in overburdened or significantly overburdened communities as defined in NREPA; earmarks the Environmental Justice Contaminated Site Clean-up appropriation to reduce health burdens in communities with elevated exposure to pollutants due to proximity to emitting sources as identified by the Office of Environmental Justice Public Advocate; earmarks the Environmental Justice Contaminated Site Clean-up appropriation for the remediation and redevelopment of contaminated sites identified in environmental justice communities as determined by the Office of Environmental Justice Public Advocate; authorizes unexpended funds for Environmental Justice Contaminated Site Clean-up to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to remediate and redevelop sites of contamination and improve public health impacts related to environmental pollution in environmental justice communities.

#### **Sec. 1005. Work Project – Groundwater Data Collection – NEW**

Authorizes unexpended funds for Groundwater Data Collection to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to acquire data and perform research on groundwater resources of the State of Michigan.

#### **Sec. 1006. Work Project – Renewable Ready Communities – NEW**

Authorizes unexpended funds for Renewable Ready Communities totaling \$40.0 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to provide grants to local communities to incentivize communities to host renewable energy projects that may incorporate energy storage components.

#### **Sec. 1007. Transfer Facility – NEW**

Requires funding for Transfer Facility to be used to establish a waste and recycling transfer station in Benton Harbor, Berrien County.

#### **Sec. 1008. Water and Energy Nexus Research – NEW**

Provides matching grants to Michigan universities studying emerging responsible clean energy technologies that maximize this state's water resources including geothermal, heat pumps, pump storage, offshore wind, and small scale hydroelectric power.

#### **Sec. 1009. Water Career and Workforce Development Pilot – NEW**

Requires funding for Water Career and Workforce Development Pilot to be used to establish a water career and workforce development pilot program to train water treatment plant operators in Benton Harbor, Berrien County.

#### **Sec. 1010. Reverse Vending Machine Technology – NEW**

Requires funding for Reverse Vending Machine Technology to be expended to strengthen Michigan's beverage container redemption program.

#### **Sec. 1011. Carbon Emissions Tracking Software and Services – NEW**

Requires funding for Carbon Emissions Tracking Software and Services to be expended in collaboration with DTMB to develop a carbon management platform.

#### **Sec. 1012. Sustainable Business Park – NEW**

Directs expenditure of funding for Sustainable Business Park to support the infrastructure necessary to develop a sustainable business park to replace the need for new landfills in Kent County.

#### **Sec. 1013. Water Infrastructure Reserve Fund – NEW**

Directs expenditure of funding for Water Infrastructure Reserve Fund to be used for municipal water infrastructure needs upon legislative transfer.

| <u>FY 2022-23 Supplemental Appropriation Items</u><br><u>Public Act 119 of 2023 (House Bill 4437, Article 16)</u>   |                                     | <u>Appropriation Change</u>  |
|---|-------------------------------------|--|
| <b>1. Executive Direction – Climate Pollution Reduction Grants</b><br>Includes \$3.0 million from the federal Inflation Reduction Act for climate pollution reduction at the state level.   | <b>Gross</b><br>Federal<br>GF/GP    | <b>\$3,000,000</b><br>3,000,000<br>\$0                                     |
| <b>2. Air Quality Programs Grant</b><br>Includes \$673,200 from the federal Inflation Reduction Act to expand air quality monitoring in Wayne County.   | <b>Gross</b><br>Federal<br>GF/GP    | <b>\$673,200</b><br>673,200<br>\$0   |
| <b>3. Energy Efficiency Revolving Fund</b><br>Appropriates \$8.4 million from the federal Infrastructure Investment and Jobs Act Fund for energy efficiency projects for businesses and homeowners.   | <b>Gross</b><br>Federal<br>GF/GP    | <b>\$8,400,000</b><br>8,400,000<br>\$0                                     |
| <b>4. Environmental Sustainability and Stewardship – Energy Grid Resiliency</b><br>Includes \$43.0 million Gross (\$5.6 million GF/GP) for federal IIJA funds to be granted to public utilities and other eligible entities for energy grid resiliency.   | <b>Gross</b><br>Federal<br>GF/GP    | <b>\$43,042,100</b><br>37,427,900<br>\$5,614,200                           |
| <b>5. Environmental Sustainability and Stewardship – State Energy Program</b><br>Authorizes \$11.0 million from the Energy Efficiency and Renewable Energy Revolving Loan Fund to provide grants to public and private recipients for Michigan's energy program.  | <b>Gross</b><br>Restricted<br>GF/GP | <b>\$11,000,000</b><br>11,000,000<br>\$0                                   |
| <b>6. Environmental Sustainability and Stewardship – Environmental Justice</b><br>Includes \$1.0 million from the federal Inflation Reduction Act to be used to provide assistance to communities with environmental justice programs for pollution prevention, monitoring, and other remediation activities.   | <b>Gross</b><br>Federal<br>GF/GP    | <b>\$1,000,000</b><br>1,000,000<br>\$0                                     |
| <b>7. Solid Waste Management Program</b><br>Appropriates \$775,000 in federal funds to support permitting, staff training, and engagement with stakeholders through the Coal Combustion Residuals Permitting Program.   | <b>Gross</b><br>Federal<br>GF/GP    | <b>\$775,000</b><br>775,000<br>\$0   |
| <b>8. AmeriCorps and Office of Climate and Energy</b><br>Appropriates \$2.2 million Gross (\$414,800 GF/GP) for climate initiatives through the AmeriCorps agency for national service and volunteerism.  | <b>Gross</b><br>Federal<br>GF/GP    | <b>\$2,174,800</b><br>1,760,000<br>\$414,800                               |
| <b>9. ARP – Propane Resiliency Enhancement Plan</b><br>Includes \$8.0 million in federal ARP funds to meet propane supply and affordability challenges.   | <b>Gross</b><br>Federal<br>GF/GP    | <b>\$8,000,000</b><br>8,000,000<br>\$0                                     |
| <b>10. ARP – Water Infrastructure Projects – PARTIALLY VETOED</b><br>Includes \$228.2 million in federal ARP funds for water infrastructure projects including lead service line replacements, wastewater infrastructure improvements, and other water system initiatives. Section 511(3)(h) was vetoed, removing \$5.0 million in federal ARP funds for the Great Lakes Water Authority. | <b>Gross</b><br>Federal<br>GF/GP    | <b>\$233,200,000</b><br>\$228,200,000<br>233,200,000<br>228,200,000<br>\$0 |
| <b>11. Contaminated Site Cleanup</b><br>Includes \$100.0 million GF/GP to expand remediation and redevelopment of non-petroleum contaminated sites.   | <b>Gross</b><br>GF/GP               | <b>\$100,000,000</b><br>\$100,000,000                                      |
| <b>12. PFAS and Emerging Contaminants</b><br>Includes \$37.3 million from the federal Infrastructure Investment and Jobs Act Fund to be used to remediate emerging contaminants in disadvantaged or small communities.  | <b>Gross</b><br>Federal<br>GF/GP    | <b>\$37,348,000</b><br>37,348,000<br>\$0                                   |
| <b>13. PFAS Remediation – Airports</b><br>Includes \$2.0 million GF/GP to purchase PFAS-free firefighting equipment or equipment to remove PFAS for airports.   | <b>Gross</b><br>GF/GP               | <b>\$2,000,000</b><br>\$2,000,000  |

**FY 2022-23 Supplemental Boilerplate Items**  
**Public Act 119 of 2023 (House Bill 4437, Article 16)**

**Sec. 501. Climate Pollution Reduction Grants**

Designates unexpended funds for climate pollution reduction grants as a work project appropriation; funds will be used to create a comprehensive climate pollution plan.

**Sec. 502. Limited-Term Employees for Climate Pollution Reduction**

Authorizes the department to hire 3.0 limited-term FTE positions to implement the climate pollution reduction plan.

**Sec. 503. Air Quality Programs**

Designates unexpended funds for air quality programs as a work project appropriation; funds will be used to improve air quality, reduce pollution, and minimize health impacts.

**Sec. 504. Energy Efficiency Revolving Fund**

Designates unexpended funds for Energy Efficiency Revolving Fund as a work project appropriation; funds will be used for energy efficiency projects for businesses and homeowners.

**Sec. 505. Environmental Sustainability and Stewardship – Energy Grid Resiliency**

Designates unexpended funds for Environmental Sustainability and Stewardship as a work project appropriation; funds will be used for grants for public utilities and other eligible entities for energy grid resiliency.

**Sec. 506. Environmental Sustainability and Stewardship – State Energy Program**

Designates unexpended funds for Environmental Sustainability and Stewardship as a work project appropriation; funds will be used to provide grants to public and private recipients for Michigan's energy program.

**Sec. 507. Environmental Sustainability and Stewardship – Environmental Justice**

Designates unexpended funds for Environmental Sustainability and Stewardship as a work project appropriation; funds will be used to provide assistance to communities with environmental justice programs for pollution prevention, monitoring, and other remediation activities.

**Sec. 508. Solid Waste Management Program**

Designates unexpended funds for Solid Waste Management Program as a work project appropriation; funds will be used to support permitting, staff training, and engagement with stakeholders through the Coal Combustion Residuals Permitting Program.

**Sec. 509. AmeriCorps and Office of Climate and Energy**

Designates unexpended funds for AmeriCorps and Office of Climate and Energy as a work project appropriation; funds will be used to support a climate-focused AmeriCorps program.

**Sec. 510. Propane Resiliency Enhancement Plan**

Earmarks \$5.0 million from the Propane Resiliency Enhancement Plan appropriation to expand the storage capacity of propane suppliers for transport and distribution; earmarks \$3.0 million for storage and maintenance costs connected to expanded propane pipeline and fractionation capacity; requires a report; designates unexpended funds as a work project appropriation.

**Sec. 511. Water Infrastructure Projects – PARTIALLY VETOED**

Earmarks federal funds appropriated for water infrastructure projects; lead service line replacements, wastewater infrastructure improvements, and other water system initiatives will occur in the following locations: Eastpointe, Delta Township, Midland, Genesee County, Saline, Chesterfield, St. Clair, Downriver, Hamtramck, Traverse City, Gibraltar, Centerline, Milan, Wayne, Manchester, and the Great Lakes Water Authority. Subsection (3)(h) was vetoed, removing \$5.0 million in federal ARP funds for the Great Lakes Water Authority.

**Sec. 512. Contaminated Site Cleanup**

Earmarks funds appropriated for contaminated site cleanup for expansion of remediation and redevelopment of non-petroleum contaminated sites; designates unexpended funds as a work project appropriation.

**Sec. 513. PFAS and Emerging Contaminants**

Designates unexpended funds for PFAS and Emerging Contaminants as a work project appropriation; funds will be used to remediate emerging contaminants in disadvantaged and small communities.

**Sec. 514. Limited-Term Employees for PFAS and Emerging Contaminants**

Authorizes the department to hire 1.0 limited-term FTE position to assist with remediating emerging contaminants in disadvantaged and small communities.

**FY 2022-23 Supplemental Boilerplate Items**  
**Public Act 119 of 2023 (House Bill 4437, Article 16)**

**Sec. 515. PFAS Remediation – Airports**

Requires funding to be used to purchase PFAS-free firefighting equipment or equipment to remove PFAS for airports.

## GENERAL GOVERNMENT TOTALS

# **GENERAL GOVERNMENT TOTALS**

## **Summary of FY 2023-24 Enacted**

### **Public Act 119 of 2023 (House Bill 4437, Article 5)**

**Analysts: Michael Clossen and Viola Bay Wild**

| IDG/IDT           | FY 2022-23 YTD<br>as of 2/8/23 | FY 2023-24<br>Enacted  | Difference: Enacted<br>From FY 2022-23 YTD |              |
|-------------------|--------------------------------|------------------------|--|--------------|
|                   |                                |                        | Amount                                     | %            |
| <b>Federal</b>    | 44,640,700                     | 44,035,500             | (605,200)                                  | (1.4)        |
| <b>Local</b>      | 15,540,800                     | 17,372,800             | 1,832,000                                  | 11.8         |
| <b>Private</b>    | 665,500                        | 684,800                | 19,300                                     | 2.9          |
| <b>Restricted</b> | 2,433,041,500                  | 2,629,280,600          | 196,239,100                                | 8.1          |
| <b>GF/GP</b>      | 2,113,984,600                  | 1,559,208,500          | (554,776,100)                              | (26.2)       |
| <b>Gross</b>      | <b>\$5,728,761,200</b>         | <b>\$5,407,443,500</b> | <b>(\$321,317,700)</b>                     | <b>(5.6)</b> |
| <b>FTEs</b>       | 7,498.2                        | 7,732.1                | 233.9                                      | 3.1          |

#### **Notes:**

- (1) FY 2022-23 year-to-date figures include mid-year budget adjustments through February 8, 2023.
- (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

#### **Overview**

Currently, the following departmental and agency budgets are included in the General Government budget: Executive Office, Legislature, Legislative Auditor General, and the Departments of Attorney General, Civil Rights, State, Technology, Management, and Budget (including the former Departments of Civil Service and Information Technology, and State Building Authority rent costs), and Treasury (including the Bureau of State Lottery, Michigan Gaming Control Board, State Building Authority, Revenue Sharing, and Debt Service). **Budget issues are listed by department on the following pages.**

#### **Major Boilerplate Changes from FY 2022-23**

##### **Sec. 205. Standard List of Report Recipients – NEW**

Requires boilerplate reports to be submitted to the senate and house appropriations subcommittees, the senate and house fiscal agencies, senate and house policy offices, and the state budget office unless directed otherwise.

##### **Sec. 207. Disciplinary Action Against State Employees – RETAINED (UNENFORCEABLE)**

Prohibits departments from taking disciplinary action against employees in the state classified civil service for communicating with legislators or their staff; stipulates disciplinary action may be taken if the communication is prohibited by law and disciplinary action is exercised as authorized by law. (Governor's signing letter states this section is unenforceable.)

##### **Sec. 211. Budget Stabilization Fund – REVISED**

Provides budget stabilization fund calculations for pay-in and pay-out as required by Section 352 of the Management and Budget Act. Revised to appropriate \$100.0 million for deposit in the Countercyclical Budget and Economic Stabilization Fund in FY 2023-24.

##### **Sec. 216. Businesses in Deprived and Depressed Communities – REVISED**

Requires directors of each department and agency to take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts. Revised to replace "deprived and depressed communities" with "geographically disadvantaged business enterprises" as defined by Executive Directive 2019-08.

##### **Sec. 217. FTE Vacancies and Remote Work Report – REVISED**

Requires department to provide quarterly report on FTE counts by classification and actual FTE position counts compared to authorized FTE position counts; requires report on number of employees engaged in remote work in 2022, number of employees authorized to work remotely, and actual number working remotely, estimated net cost savings from remote work, and reduced use of office space associated with remote work. Revised to delete all reporting requirements except for a comparison of FTE positions authorized and positions filled.

**Major Boilerplate Changes from FY 2022-23**

**Sec. 219. State Administrative Board Transfers – RETAINED (UNENFORCEABLE)**

Authorizes legislature, by concurrent resolution adopted by majority of members elected to and serving in each house, to inter-transfer funds if State Administrative Board transfers funds. (Governor's signing letter states this section is unenforceable.)

**Sec. 223. Severance Pay Report – REVISED**

Requires departments and agencies to report names and any amount of severance pay given to high-ranking department officials; requires departments and agencies to maintain an internet site and post severance pay in excess of 6 weeks of wages for former department or agency employees; requires departments and agencies to submit annual report on total amount of severance pay remitted to former employees during prior fiscal year and total number of those employees; defines "severance pay". Revised to delete requirement for departments to maintain an internet site and post severance pay in excess of 6 weeks of wages for former department or agency employees.

**Sec. 224. Access to State and Local Services – NEW**

Prohibits appropriations from being used to restrict or impede community access to government programs; requires local governments to report on actions that attempt to restrict duties of local health officers.

**Sec. 225. Prohibitions on State Employer COVID-19 Vaccine Status Verifications – DELETED**

Prohibits various state government entities from requiring proof of COVID-19 vaccination as condition of accessing state services or facilities, producing COVID-19 vaccine passports, developing or making existing databases public, accessing individuals COVID-19 vaccine status, and requiring proof of receiving COVID-19 vaccine as condition of employment; prohibits state entities from subjecting an individual to negative consequences because of COVID-19 vaccine status; allows an individual to provide proof of COVID-19 vaccine status with consent; exempts certain individuals from federally mandated vaccine policies.

**Sec. 225. Work Project Expenditures – RETAINED (UNENFORCEABLE)**

Prohibits appropriations from being expended in cases where existing work project authorization is available for the same expenditures. (Governor's signing letter states this section is unenforceable.)

**Sec. 228. Initiatives and Recommendations Related to Savings Identified in Audit Reports –RETAINED (UNENFORCEABLE)**

Requires departments to report on their efforts and progress made toward achieving savings and efficiencies identified by the auditor general in audit reports; authorizes the auditor general to perform and charge for a subsequent audit to ensure that the initiatives related to savings and efficiencies have been implemented if the required report is not received within 6 months of the release of the audit. (Governor's signing letter states this section is unenforceable.)

**Sec. 229. Grant and Project Funding Transparency – NEW**

Requires departments to follow procurement statutes for any grant program or project for a public purpose unless it can fully validate the specific organization or local unit of government that will receive the funds and how the funds will be administered and expended; provides a list of required verifying and application activities departments must perform to administer public grants or projects; requires identification of the sponsoring legislator or department of a grant and certain activities for approval of a grant agreement; requires all grant funding to be expended by the close of FY 2027-28; requires information on each grant or project to be posted on a public website, including the receiving entity and grant sponsor.

**Sec. 235. Federal Funding Contingency Plan – DELETED**

Requires the state budget director, in consultation with the appropriate department, to recommend a contingency plan for a federal funding reduction of 10% or more to a federal funding source of \$10.0 million or more.

**Sec. 240. New Program Metrics – DELETED**

Requires state budget office to provide a list of new programs and program enhancements that exceed \$500,000; requires identified programs to use program-specific measuring metrics in addition to the metrics required under Section 447 of the Management and Budget Act; requires report on metrics and performance progress of identified programs by September 30 of the following fiscal year; expresses legislative intent that future program funding increases be based on prior performance.

**DEPARTMENT OF ATTORNEY GENERAL**  
**Summary of FY 2023-24 Enacted**  
**Public Act 119 of 2023 (House Bill 4437, Article 5)**

**Analyst: Michael Clossen**

|                   | FY 2022-23 YTD<br>as of 2/8/23 | FY 2023-24<br>Enacted | <i>Difference: Enacted<br/>From FY 2022-23 YTD</i> |            |
|-------------------|--------------------------------|-----------------------|--|------------|
|                   |                                |                       | <i>Amount</i>                                      | <i>%</i>   |
| <b>IDG/IDT</b>    | \$35,083,600                   | \$35,954,600          | \$871,000  | 2.5        |
| <b>Federal</b>    | 9,868,400                      | 10,101,900            | 233,500  | 2.4        |
| <b>Local</b>      | 0                              | 0                     | 0  | --         |
| <b>Private</b>    | 0                              | 0                     | 0  | --         |
| <b>Restricted</b> | 20,390,800                     | 20,786,700            | 395,900  | 1.9        |
| <b>GF/GP</b>      | 43,056,000                     | 51,429,800            | 8,373,800  | 19.4       |
| <b>Gross</b>      | <b>\$108,398,800</b>           | <b>\$118,273,000</b>  | <b>\$9,874,200</b>                                 | <b>9.1</b> |
| <b>FTEs</b>       | 547.4                          | 549.4                 | 2.0  | 0.4        |

**Notes:**

(1) FY 2022-23 year-to-date figures include mid-year budget adjustments through February 8, 2023.  
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

The attorney general serves as legal counsel for state departments, agencies, boards, and commissions, and their officers; brings actions and intervenes in cases on the state's behalf; and represents legislators and judges who may be sued while acting in their official capacities. The attorney general issues opinions on questions of law submitted by members of legislature and others, serves as chief law enforcement officer of the state, issues legal opinions that have the force of law until reversed by legislative or judicial action, and has supervisory powers over all local prosecuting attorneys.

| <b>Major Budget Changes from FY 2022-23 YTD Appropriations</b>  |              | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b> |
|---|--------------|---|--|
| <b>1. Operations Line Item Roll Up</b>  | FTE          | 498.4   | 0.0                                      |
| Merges \$98.3 million Gross (\$34.8 million GF/GP) and 498.4 FTE positions from 3 line items into 1 Operations line item. The roll up of these line items reverses the FY 2022-23 unrolling that created them and restores an Operations line item as included in FY 2021-22. Funding and FTE authorizations for the merged line items are:   | <b>Gross</b> | <b>\$98,323,100</b>                                   | <b>\$0</b>                               |
| <ul style="list-style-type: none"> <li>Administrative Support - \$23.2 million and 46.0 FTE positions</li> <li>Civil Bureaus - \$64.6 million and 362.0 FTE positions</li> <li>Criminal Bureaus - \$10.5 million and 90.4 FTE positions.</li> </ul>   | IDG          | 35,954,600  | 0  |
|   | Federal      | 7,162,600   | 0  |
|   | Restricted   | 20,361,600  | 0  |
|   | GF/GP        | \$34,844,300  | \$0                                      |
| <b>2. Address Confidentiality Program Staffing</b>  | FTE          | NA  | 2.0                                      |
| Provides \$486,400 GF/GP and authorization of 2.0 FTE positions to establish the Address Confidentiality Program as authorized under the Address Confidentiality Program Act, 2020 PA 301. The program is designed to conceal the addresses of victims of stalking, domestic violence, sexual assault, human trafficking, and other activities that threaten personal harm so that they cannot be located through public records. The program provides a substitute address and free mail forwarding. | <b>Gross</b> | <b>NA</b>   | <b>\$486,400</b>                         |
|   | GF/GP        | NA  | \$486,400                                |

| <b><u>Major Budget Changes from FY 2022-23 YTD Appropriations</u></b>  |  | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b>                                 | <b>FY 2023-24<br/>Enacted<br/>Change</b>  |
|--|--|---|---|
| <b>3. LARA and EGLE Legal Services</b><br>Includes \$403,400 in IDG funding from the Departments of Licensing and Regulatory Affairs and Environment, Great Lakes, and Energy and authorization for 2.0 FTE positions to provide additional legal services to expedite the processing of increasing caseloads for those departments.   | FTE<br><b>Gross</b><br>IDG<br>GF/GP                          | 0.0<br><b>\$3,666,000</b><br>3,666,000<br>\$0   | 2.0<br><b>\$403,400</b><br>403,400<br>\$0 |
| <b>4. Conviction Integrity Unit</b><br>Provides \$1.0 million GF/GP and authorization for 6.0 FTE positions to the Conviction Integrity Unit that investigates prisoner claims of innocence to determine whether new evidence is sufficient to recommend to a court that a conviction be declared wrongful and set aside. Funding will help offset the removal of a \$550,000 federal grant from the Bureau of Justice Assistance that assisted with postconviction testing of DNA evidence.   | FTE<br><b>Gross</b><br>GF/GP                                 | NA<br><b>NA</b><br>NA   | 6.0<br><b>\$1,010,000</b><br>\$1,010,000  |
| <b>5. Job Court</b><br>Provides \$5.0 million GF/GP and authorization for 5.0 FTE positions to continue the job court pilot program and shifts funding from the One-time Appropriations unit to an ongoing line item. Job Court offers the option of dismissal of charges for selected pre-trial defendants charged with low-level, non-assaultive crimes who successfully secure and maintain gainful employment and complete the one-year program course. The program provides supervision and support to participants with the aim of assisting them and diverting prosecutorial caseloads, reducing criminal case backlogs, and reducing costs of incarceration. There are currently 3 participating courts, 1 each in Wayne, Genesee, and Marquette Counties. | FTE<br><b>Gross</b><br>GF/GP                                 | 0.0<br><b>\$5,000,000</b><br>\$5,000,000  | 5.0<br><b>\$0</b><br>\$0                  |
| <b>6. PACC – In-Person Training</b><br>Includes \$30,000 in state restricted Prosecuting Attorneys Training Fees revenue to provide in-person training for local prosecutors statewide.  | <b>Gross</b><br>Restricted<br>GF/GP                          | NA<br>NA<br>NA  | \$30,000<br>30,000<br>\$0                 |
| <b>7. Sexual Assault Cases and Victim Advocacy (One-Time)</b><br>Provides \$1.4 million GF/GP to support attorneys, investigators, and victim advocates dedicated to sexual assault cases to alleviate high caseloads.   | <b>Gross</b><br>GF/GP  | \$0<br>\$0  | \$1,400,000<br>\$1,400,000                |
| <b>8. Removal of Current Year One-Time Funding</b><br>Eliminates \$3.5 million of one-time GF/GP funding appropriated in FY 2022-23 for establishment of the Organized Retail Crime Unit. The \$3.5 million is intended to cover costs of the unit for a 3-year period.  | <b>Gross</b><br>GF/GP  | \$8,500,000<br>\$8,500,000  | (\$3,500,000)<br>(\$3,500,000)            |
| <b>9. FTE Authorization Increase</b><br>Authorizes an additional 20.0 FTE positions to the Operations line item to provide greater flexibility in hiring.  | FTE<br><b>Gross</b><br>IDG<br>Federal<br>Restricted<br>GF/GP | 498.4<br><b>\$98,323,100</b><br>35,954,600<br>7,162,600<br>20,361,600<br>\$34,844,300 | 20.0<br><b>\$0</b><br>0<br>0<br>0<br>\$0  |
| <b>10. Consumer Protection Case Support</b><br>Provides \$4.5 million GF/GP and authorization for 27.0 FTE positions for attorneys and staffing to handle caseloads in the special litigation division, corporate oversight and consumer protection division, and the financial crimes division.   | FTE<br><b>Gross</b><br>GF/GP                                 | 0.0<br><b>\$5,000,000</b><br>\$5,000,000  | 27.0<br><b>\$4,500,000</b><br>\$4,500,000 |
| <b>11. PACC – Local Prosecutor NextGen System Data Integration</b><br>Provides \$10.0 million GF/GP to the Prosecuting Attorneys Coordinating Council to assist local prosecutor offices integrate case management data into the statewide NextGen case management computer system.  | <b>Gross</b><br>GF/GP  | NA<br>NA  | \$10,000,000<br>\$10,000,000              |

GENERAL GOVERNMENT: ATTORNEY GENERAL

|   |   | FY 2022-23<br>Year-to-Date<br>(as of 2/8/23) | FY 2023-24<br>Enacted<br>Change  |
|---|---|--|--|
| <b>Major Budget Changes from FY 2022-23 YTD Appropriations</b>  |   |  |  |
| <b>12. Detroit and Wayne County Gun Case Backlog</b><br>Provides \$10.0 million GF/GP to assist prosecutors in Detroit and Wayne County reduce the backlog of criminal gun cases. Detroit will receive \$3.0 million and Wayne County will receive \$7.0 million.   | <b>Gross</b><br>GF/GP                                 | <b>NA</b><br>NA                              | <b>\$10,000,000</b><br>\$10,000,000                                    |
| <b>13. Center for Civil Justice</b><br>Provides \$500,000 GF/GP to the Center for Civil Justice to provide legal and technical assistance to low-income individuals and to pursue impact litigation that protects low-income and marginalized communities.  | <b>Gross</b><br>GF/GP                                 | <b>NA</b><br>NA                              | <b>\$500,000</b><br>\$500,000  |
| <b>14. Economic Adjustments</b><br>Adjusts for decreased costs of \$304,400 Gross (\$100,200 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2023), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments. | <b>Gross</b><br>IDG<br>Federal<br>Restricted<br>GF/GP | <b>NA</b><br>NA<br>NA<br>NA<br>NA            | <b>(\$304,400)</b><br>(122,500)<br>(38,100)<br>(43,600)<br>(\$100,200) |

Major Boilerplate Changes from FY 2022-23**Sec. 302a. Enforcement of State and Federal Laws – DELETED**

States it is the intent of the legislature that the attorney general use appropriated funds for upholding and enforcing any and all state and federal laws.

**Sec. 306a. Lawsuit Proceeds Subject to Appropriation – DELETED**

Prohibits expenditure of proceeds from lawsuit settlements for either criminal prosecution or litigation unless appropriated by legislature.

**Sec. 307. Appropriation of Antitrust Revenue – REVISED**

Appropriates up to \$250,000 in additional antitrust, securities fraud, consumer protection or class action enforcement revenues, or attorney fees recovered by AG; authorizes unexpended funding, up to \$250,000, to be carried forward; requires information on collected revenue to be made available upon request. Revised to appropriate up to \$350,000 in additional revenue and to authorize up to \$1.0 million to be carried forward in the following fiscal year.

**Sec. 308. Appropriation of Litigation Expense Reimbursements – REVISED**

Appropriates up to \$500,000 from litigation expense reimbursements; prohibits revenue collected under this section to be used for criminal prosecution or litigation; authorizes unexpended funding, up to \$250,000, to be carried forward. Revised to appropriate \$1.0 million from litigation expense reimbursements and delete prohibition on the use of funds for criminal prosecution or litigation.

**Sec. 309. Prisoner Reimbursement Revenue – REVISED**

Authorizes AG to spend prisoner reimbursement revenue on activities related to State Correctional Facilities Reimbursement Act; allows up to \$1.0 million of collections in excess of \$1.131 million to be spent on representation of Department of Corrections; requires information on dollar amount of reimbursements to be made available upon request. Revised to add reporting requirement from section 309a requiring descriptions of expenditures from reimbursement revenue.

**Sec. 309a. Prisoner Reimbursements Report – DELETED**

Requires the department to submit a report on total amount of reimbursements received under the State Correctional Facility Reimbursement Act, amount paid to department to conduct investigations in determining reimbursements, and amount credited to general fund from reimbursements.

**Sec. 311. Center for Civil Justice – NEW**

Directs \$500,000 from the Operations line item to the Center for Civil Justice to provide legal and technical assistance to low-income individuals and to pursue impact litigation that protects low-income and marginalized populations.

**Major Boilerplate Changes from FY 2022-23**

**Sec. 314. Lawsuit Settlement Proceeds Fund – RETAINED (PARTIALLY UNENFORCEABLE)**

Allows department to use up to \$2.6 million of lawsuit settlement proceeds for associated expenses with Flint Declaration of Emergency due to drinking water contamination; requires quarterly expenditure report detailing how funds related to Flint Declaration of Emergency were spent by case, purpose, hourly rate of retained attorney, and department involved; caps hourly rate of attorneys retained for investigation at \$250 if reporting requirements are not fulfilled. (Governor's signing letter states capping hourly rate of attorneys retained for investigation is unenforceable.)

**Sec. 315. Legacy Costs – DELETED**

Identifies annual pension-related and retiree health care legacy costs.

**Sec. 320. Lawsuit Settlement Notification and Adherence to State Laws – REVISED**

Requires notification of lawsuit settlements with a fiscal impact for the state of \$200,000 or more; prohibits department from entering into a lawsuit that is contrary to state laws. Revised to increase reporting deadline from 10 days after a settlement is reached to 14 days.

**Sec. 321. Attorney General Presentation on Federal Lawsuits – DELETED**

Requires the department to submit report upon entering lawsuit against federal government, estimated costs for participating in lawsuit, and purpose of lawsuit.

**Sec. 322. Department Initiatives Quarterly Expenditure Report – REVISED**

Requires the department to submit quarterly expenditure reports by line item and fund source for the following initiatives and activities: Catholic Church Investigation, Elder Abuse Task Force, Conviction Integrity Unit, Opioid Litigation, Hate Crimes Unit, Payroll Fraud Enforcement Unit, PFAS contamination, Human Trafficking, and Robocall Enforcement. Revised to add Job Court, Organized Retail Crime Unit, reducing utility rate increases, and Boy Scouts of America investigation for expense reporting.

**Sec. 330. Job Court Limited-Term Employees – DELETED**

Authorizes one-time funds for Job Court to be used to hire 5.0 limited-term employees.

**Sec. 330. Detroit and Wayne County Gun Case Backlog – NEW**

Directs \$3.0 million to go to Detroit and \$7.0 million to go to Wayne County to assist prosecutors offices with reducing backlogs of criminal gun cases.

**Sec. 331. Organized Retail Crime Limited-Term Employees and Work Project – DELETED**

Authorizes funds for Organized Retail Crime Unit to be used to hire 6.5 limited-term employees to develop organized retail crime unit with intent that unit be fully self-funded with state restricted revenue within three years; authorizes unexpended one-time funding as work project and for funds not to lapse to General Fund at end of fiscal year.

**FY 2022-23 Supplemental Appropriation Items**

**Public Act 119 of 2023 (House Bill 4437, Article 16)**

**Appropriation Change**

**1. Opioid Settlement Contract Costs**

Includes \$11.3 million in state restricted Michigan Opioid Healing and Recovery Fund revenue to fulfill the state's obligation to reimburse outside legal contractors for legal services provided during the 2021 national opioid settlement. Funding will be used to supplement opioid-related programs and services and to reimburse the department for legal costs incurred in pursuing the opioid judgment.

| <b>Gross</b> | <b>\$11,285,000</b> |
|--------------|---------------------|
| Restricted   | 11,285,000          |
| GF/GP        | \$0                 |

**2. Job Court**

Includes a net \$0 reappropriation of Job Court funding in order to include boilerplate authorizing the hiring of up to 20.0 limited-term employees for the Job Court program. Job Court offers the option of dismissal of charges for selected pre-trial defendants charged with low-level, non-assaultive crimes, if they successfully secure and maintain gainful employment and complete the one-year program.

| <b>Gross</b> | <b>\$0</b> |
|--------------|------------|
| GF/GP        | \$0        |

**GENERAL GOVERNMENT: ATTORNEY GENERAL**

**FY 2022-23 Supplemental Boilerplate Items**  
**Public Act 119 of 2023 (House Bill 4437, Article 16)**

**Sec. 351. Job Court**

Authorizes the department to hire up to 20.0 limited-term employees for the Job Court program.

**DEPARTMENT OF CIVIL RIGHTS**  
**Summary of FY 2023-24 Enacted**  
**Public Act 119 of 2023 (House Bill 4437, Article 5)**

**Analyst: Michael Clossen**

| IDG/IDT           | FY 2022-23 YTD<br>as of 2/8/23 | FY 2023-24<br>Enacted | Difference: Enacted<br>From FY 2022-23 YTD |             |
|-------------------|--------------------------------|-----------------------|--|-------------|
|                   |                                |                       | Amount                                     | %           |
| <b>Federal</b>    | \$0                            | \$0                   | \$0  | --          |
| <b>Local</b>      | 2,890,900                      | 2,890,900             | 0  | 0.0         |
| <b>Private</b>    | 0                              | 0                     | 0  | --          |
| <b>Restricted</b> | 18,700                         | 18,700                | 0  | 0.0         |
| <b>GF/GP</b>      | 58,500                         | 58,500                | 0  | 0.0         |
| <b>Gross</b>      | 18,633,500                     | 28,741,900            | 10,108,400                                 | 54.2        |
| <b>FTEs</b>       | <b>\$21,601,600</b>            | <b>\$31,710,000</b>   | <b>\$10,108,400</b>                        | <b>46.8</b> |
|                   | 115.0                          | 166.0                 | 51.0                                       | 44.3        |

**Notes:**

(1) FY 2022-23 year-to-date figures include mid-year budget adjustments through February 8, 2023.  
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

The Michigan Civil Rights Commission is charged with investigating alleged discrimination against any person because of religion, race, color, national origin, sex, age, marital status, height, weight, arrest record, or physical and mental disabilities. The commission is directed to "secure the equal protection of such civil rights without such discrimination." The Department of Civil Rights serves as the administrative arm charged with implementing policies of the commission. The department works to prevent discrimination through educational programs that promote voluntary compliance with civil rights laws, investigates and resolves discrimination complaints, disseminates information on the rights and responsibilities of Michigan citizens as provided by law, and provides information and services to businesses on diversity initiatives, equal employment law, procurement opportunities, feasibility studies, and joint venture/strategic alliance matchmaking.

| <u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>   |              | FY 2022-23<br>Year-to-Date<br>(as of 2/8/23) | FY 2023-24<br>Enacted<br>Change |
|--|--------------|--|---------------------------------|
| <b>1. Complaint Investigation and Enforcement</b>  | FTE          | 68.0   | 34.0                            |
| Provides \$5.7 million GF/GP and authorization for 34.0 FTE positions to establish 3 additional enforcement teams to assist in reducing a backlog of discrimination complaint cases that accrued following the pandemic and state hiring freeze and to reduce the average complaint investigation completion time to 6 to 9 months on an ongoing basis. From these amounts, \$307,800 and 2.0 FTE positions will go to the Executive Office. | <b>Gross</b> | <b>\$9,450,200</b>                           | <b>\$5,686,500</b>              |
|  | Federal      | 2,875,900                                    | 0                               |
|  | Restricted   | 58,500                                       | 0                               |
|  | GF/GP        | \$6,515,800                                  | \$5,686,500                     |
| <b>2. Americans with Disabilities Act Training and Enforcement</b>   | FTE          | NA   | 2.0                             |
| Provides \$223,200 GF/GP and authorization for 2.0 FTE positions to provide training and materials regarding disability complaint cases and compliance with the Americans with Disabilities Act (ADA).   | <b>Gross</b> | <b>NA</b>                                    | <b>\$223,200</b>                |
|  | GF/GP        | NA   | \$223,200                       |

## GENERAL GOVERNMENT: CIVIL RIGHTS

|  |                              | FY 2022-23<br>Year-to-Date<br>(as of 2/8/23) | FY 2023-24<br>Enacted<br>Change          |
|--|------------------------------|--|--|
| <b>Major Budget Changes from FY 2022-23 YTD Appropriations</b>   |                              |  |  |
| <b>3. Disabled Digital Access Rights Transition Plan (One-Time)</b>  | FTE<br><b>Gross</b><br>GF/GP | NA<br>NA<br>NA                               | 2.0<br><b>\$3,044,100</b><br>\$3,044,100 |
| Provides \$3.0 million GF/GP (\$294,100 ongoing; \$2.8 million one-time) and authorization for 2.0 FTE positions to contract with vendors to develop a digital accessibility training module and to implement the ongoing Disabled Digital Access Rights Transition plan for educating state employees on compliance with federal and state disability rights laws regarding digital access, such as captioning, screen readers, and other technology that provides access for individuals with disabilities. The training aims to reduce disability complaints. |                              |  |  |
| <b>4. Disparate Impact Investigation and Enforcement</b>   | FTE<br><b>Gross</b><br>GF/GP | NA<br>NA<br>NA                               | 9.0<br><b>\$1,555,800</b><br>\$1,555,800 |
| Provides \$1.6 million GF/GP and authorization for 9.0 FTE positions to investigate complaints regarding policies, procedures, rules, or other systems that appear fair but have a disparate impact on people according to federally and state-protected classes such as race, religion, color, national origin, age, sex, disability, criminal record, and others. The funding will support a manager, 6 investigators, a paralegal, and a secretary.   |                              |  |  |
| <b>5. DEI Summit and Research</b>  | FTE<br><b>Gross</b><br>GF/GP | NA<br>NA<br>NA                               | 1.0<br><b>\$161,000</b><br>\$161,000     |
| Provides \$161,000 GF/GP and authorization for 1.0 FTE position to initiate a Diversity, Equity, and Inclusion summit focusing on health equity and strategies for reducing health disparities with a focus on maternal and infant health.   |                              |  |  |
| <b>6. ALPACT – Police and Community Trust</b>  | FTE<br><b>Gross</b><br>GF/GP | NA<br>NA<br>NA                               | 1.0<br><b>\$316,300</b><br>\$316,300     |
| Provides \$316,300 GF/GP and authorization for 1.0 FTE position to support the Advocates and Leaders for Police and Community Trust (ALPACT) program and to expand the program into the upper peninsula. ALPACT promotes partnerships between police units and community leaders with the aim of building trust by facilitating communication and cooperation.   |                              |  |  |
| <b>7. Michigan Alliance Against Hate Crimes</b>  | FTE<br><b>Gross</b><br>GF/GP | NA<br>NA<br>NA                               | 2.0<br><b>\$574,400</b><br>\$574,400     |
| Provides \$574,400 GF/GP and 2.0 FTE positions to provide additional support to the Michigan Alliance Against Hate Crimes (MIAAHC). MIAAHC is a department-led, statewide coalition of law enforcement agencies with community and civil rights organizations and educators that help identify and address hate crimes and bias incidents and provide victim support services.   |                              |  |  |
| <b>8. Removal of Current Year One-Time Funding</b>   | <b>Gross</b><br>GF/GP        | \$3,651,900<br>\$3,651,900                   | (\$3,651,900)<br>(\$3,651,900)           |
| Eliminates \$3.7 million of one-time GF/GP funding appropriated in FY 2022-23:   |                              |  |  |
| <ul style="list-style-type: none"> <li>• \$3.2 million GF/GP for complaint investigation and enforcement for limited-term employees to process the complaint backlog.</li> <li>• \$500,000 GF/GP for Native American boarding school study.</li> </ul>   |                              |  |  |
| <b>9. Elliott-Larsen Civil Rights Act Expansion (One-Time)</b>   | <b>Gross</b><br>GF/GP        | NA<br>NA                                     | \$2,000,000<br>\$2,000,000               |
| Provides \$2.0 million GF/GP to cover expenses incurred in implementing 2023 PA 6 which adds sexual orientation and gender identity or expression as protected categories. Expenses may include information technology system or software updates, complaints investigation, complaint defendant hearings and litigation, and community outreach, education, and training.   |                              |  |  |
| <b>10. Community Engagement (One-Time)</b>   | <b>Gross</b><br>GF/GP        | NA<br>NA                                     | \$250,000<br>\$250,000                   |
| Provides \$250,000 GF/GP to support additional outreach, engagement, and training in all parts of the state.   |                              |  |  |

|  | FY 2022-23<br>Year-to-Date<br>(as of 2/8/23) | FY 2023-24<br>Enacted<br>Change             |
|--|--|---|
| <u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>   | <b>Gross</b><br>GF/GP                        | <b>NA</b><br>(\$51,000)<br>NA<br>(\$51,000) |
| <b>11. Economic Adjustments</b><br>Adjusts for decreased costs of \$51,000 GF/GP for negotiated salary and wage increases (2.0% on October 1, 2023), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments. |  |   |

Major Boilerplate Changes from FY 2022-23**Sec. 402. Training and Information Dissemination – REVISED**

Authorizes department to receive and expend local and private funds, up to a combined total of \$200,000 pertaining to employer training, publication and sale of informational material, copy and witness fees, mediation activities, workshops and seminars, and related staffing costs. Revised to increase authorization for receipt of local and private fund to \$600,000.

**Sec. 405. Federal Complaint Report – RETAINED (UNENFORCEABLE)**

Requires department to notify legislature and State Budget Office prior to submitting report or complaint to U.S. Commission on Civil Rights or other federal department. (Governor's signing letter states this section is unenforceable.)

**Sec. 406. Native American Boarding School Study – NEW**

Requires a status update report on the Native American boarding school study funded in the Department of Civil Rights in 2022 PA 166 to provide information on activities, costs, and anticipated completion date of the study.

**Sec. 410. Legacy Costs – DELETED**

Identifies annual pension-related and retiree health care legacy costs.

ONE-TIME APPROPRIATIONS**Sec. 420. Complaint Investigation and Enforcement – DELETED**

Requires department to expand complaint investigation and enforcement activities to eliminate backlog of civil rights complaint cases; authorizes up to an additional 25.0 limited-term employees; authorizes unexpended one-time funding as a work project.

**Sec. 421. ELCRA Expansion – NEW**

Requires funds for ELCRA expansion to be used to cover expenses incurred in implementing 2023 PA 6 and lists eligible uses including information technology system or software updates, complaints investigation, complaint defendant hearings and litigation, and community outreach, education, and training; authorizes up to an additional 12.0 limited-term employees; authorizes unexpended one-time funding as a work project.

**Sec. 421. Native American Boarding School Study – DELETED**

Requires funds for Native American boarding school study to be used to research number of Native American children forced to attend boarding schools, how they were impacted, to locate and preserve records, to work in concert with Federal Indian Boarding School Initiative, and to interview boarding school survivors and tribal representatives to fully understand immediate and long-term impacts of policies of Native American children removal; requires report to be completed by January 30, 2024; authorizes department to contract with university or other entity to carry out this section.

| <u>FY 2022-23 Supplemental Appropriation Items</u><br>Public Act 119 of 2023 (House Bill 4437, Article 16)  |                       | <u>Appropriation<br/>Change</u> |
|---|-----------------------|---------------------------------|
| <b>1. Native American Boarding School Study</b>   | <b>Gross</b><br>GF/GP | <b>\$750,000</b><br>\$750,000   |
| Includes \$750,000 GF/GP to conduct a statewide study of the number of Native American children forced to attend boarding schools in an effort to understand the impacts of historical federal and state boarding school policies regarding the removal of tribal children. |                       |                                 |

**GENERAL GOVERNMENT: CIVIL RIGHTS**

**FY 2022-23 Supplemental Boilerplate Items**  
**Public Act 119 of 2023 (House Bill 4437, Article 16)**

***Sec. 401. Native American Boarding School Study***

Requires appropriation to be used to research the number of Native American children forced to attend boarding schools, how they were impacted, to locate and preserve records, to work in concert with the Federal Indian Boarding School Initiative, and to interview boarding school survivors and tribal representatives to fully understand immediate and long-term impacts of policies of Native American children removal; requires report; authorizes department to contract with university or other entity to carry out requirements.

**EXECUTIVE OFFICE**  
**Summary of FY 2023-24 Enacted**  
**Public Act 119 of 2023 (House Bill 4437, Article 5)**

Analyst: Viola Bay Wild

| IDG/IDT           | FY 2022-23 YTD<br>as of 2/8/23 | FY 2023-24<br>Enacted | Difference: Enacted<br>From FY 2022-23 YTD |            |
|-------------------|--------------------------------|-----------------------|--|------------|
|                   |                                |                       | Amount                                     | %          |
| <b>Federal</b>    | 0                              | 0                     | 0  | --         |
| <b>Local</b>      | 0                              | 0                     | 0  | --         |
| <b>Private</b>    | 0                              | 0                     | 0  | --         |
| <b>Restricted</b> | 0                              | 0                     | 0  | --         |
| <b>GF/GP</b>      | 8,533,600                      | 8,905,400             | 371,800                                    | 4.4        |
| <b>Gross</b>      | <b>\$8,533,600</b>             | <b>\$8,905,400</b>    | <b>\$371,800</b>                           | <b>4.4</b> |
| <b>FTEs</b>       | 96.2                           | 96.2                  | 0.0  | 0.0        |

**Notes:**

(1) FY 2022-23 year-to-date figures include mid-year budget adjustments through February 8, 2023.  
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

The Executive Office budget provides funding for the governor, the lieutenant governor, and their staffs. Major constitutionally specified responsibilities include organization and supervision of the Executive branch and annual preparation and submission of the executive budget.

| <u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>   | <u>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</u> | <u>FY 2023-24<br/>Enacted<br/>Change</u> |
|--|---|--|
| <b>1. Executive Office Operations</b><br>Includes increase of \$371,800 GF/GP for increased costs for Executive Office staff and other operations. | FTE<br>Gross<br>GF/GP                                 | 96.2<br>\$8,533,600<br>\$8,533,600       |
|  |   | 0.0<br>\$371,800<br>\$371,800            |

**Major Boilerplate Changes from FY 2022-23**

There are no major boilerplate changes for FY 2023-24.

**LEGISLATURE****Summary of FY 2023-24 Enacted****Public Act 119 of 2023 (House Bill 4437, Article 5)****Analyst: Viola Bay Wild**

| IDG/IDT           | FY 2022-23 YTD<br>as of 2/8/23 | FY 2023-24<br>Enacted | Difference: Enacted<br>From FY 2022-23 YTD |            |
|-------------------|--------------------------------|-----------------------|--|------------|
|                   |                                |                       | Amount                                     | %          |
| <b>Federal</b>    | \$0                            | \$0                   | \$0  | --         |
| <b>Local</b>      | 0                              | 0                     | 0  | --         |
| <b>Private</b>    | 428,300                        | 445,400               | 17,100                                     | 4.0        |
| <b>Restricted</b> | 4,965,700                      | 5,164,300             | 198,600                                    | 4.0        |
| <b>GF/GP</b>      | 184,453,000                    | 186,734,100           | 2,281,100                                  | 1.2        |
| <b>Gross</b>      | <b>\$189,847,000</b>           | <b>\$192,343,800</b>  | <b>\$2,496,800</b>                         | <b>1.3</b> |

**Notes:**

(1) FY 2022-23 year-to-date figures include mid-year budget adjustments through February 8, 2023.  
 (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

This budget provides funding for the Legislative branch of state government, including the Legislative Council and agencies it governs, the Legislative Retirement System, and Property Management. The legislature enacts the laws of Michigan, levies taxes, and appropriates funding from revenue collected for the support of public institutions and the administration of the affairs of state government. The Legislative Council provides a wide variety of essential services to members and staff of the legislature. The Michigan Legislative Retirement System provides retirement allowances, survivors' allowances, and other benefits for members of the legislature and their spouses, dependents, survivors, and beneficiaries. Property Management employees maintain, operate, and repair the Cora Anderson House of Representatives Office Building and the Binsfield Senate Office Building. The Michigan State Capitol Historic Site includes the Capitol Building, its grounds and parking lot, and the Michigan State Capitol Commission.

| <b>Major Budget Changes from FY 2022-23 YTD Appropriations</b>  | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b>            |
|---|---|---|
| <b>1. Legislative Operations Adjustment</b><br>Includes net increase of \$196,600 Gross (net reduction of \$19,100 Private<br>GF/GP) related to legislative employees and other operations and Restricted<br>property management costs. | <b>Gross</b><br>428,300<br>4,965,700<br>\$181,283,000 | <b>\$196,600</b><br>17,100<br>198,600<br>(\$19,100) |
| <b>2. Independent Citizens Redistricting Commission (ICRC)</b><br>Includes increase of \$161,200 GF/GP.   | <b>Gross</b><br>\$3,170,000<br>\$3,170,000            | <b>\$161,200</b><br>\$161,200                       |
| <b>3. Legislative Corrections Ombudsman</b><br>Includes \$389,000 GF/GP to provide funding for 3.0 additional FTE<br>positions for the Legislative Corrections Ombudsman within the<br>Legislative Council.                             | <b>Gross</b><br>\$1,078,200<br>\$1,078,200            | <b>\$389,000</b><br>\$389,000                       |
| <b>4. Sentencing Commission</b><br>Includes \$1.0 million GF/GP to provide funding for the Sentencing<br>Commission within the Legislative Council.   | <b>Gross</b><br>NA<br>NA                              | <b>\$1,000,000</b><br>\$1,000,000                   |
| <b>5. Senate and House Internship Programs</b><br>Includes \$250,000 GF/GP to provide funding for an internship program<br>for the Senate and \$250,000 GF/GP to provide funding for an internship<br>program for the House.            | <b>Gross</b><br>NA<br>NA                              | <b>\$500,000</b><br>\$500,000                       |

|   | FY 2022-23<br>Year-to-Date<br>(as of 2/8/23) | FY 2023-24<br>Enacted<br>Change    |
|---|--|------------------------------------|
|   | Gross  | NA                                 |
| <b>Major Budget Changes from FY 2022-23 YTD Appropriations</b>  |  |                                    |
| <b>6. Census Tracking/Reapportionment</b><br>Includes \$125,000 GF/GP to provide funding for a Senate census tracking/reapportionment program and \$125,000 GF/GP to provide funding for a House census tracking/reapportionment program. | GF/GP  | NA<br>\$250,000<br>NA<br>\$250,000 |

**Major Boilerplate Changes from FY 2022-23*****Sec. 609. Senate Census Tracking/Reapportionment – NEW***

Requires funding for the Senate census tracking/reapportionment be designated as a work project appropriation.

***Sec. 610. House Census Tracking/Reapportionment – NEW***

Requires funding for the House census tracking/reapportionment be designated as a work project appropriation.

***Sec. 611. House and Senate Internship Programs – NEW***

Requires \$250,000 be allocated for a House internship program and \$250,000 be allocated for a Senate internship program.

***Sec. 612. Independent Citizens Redistricting Commission (ICRC) – NEW***

Includes legislative intent language that part 1 funding complies with the legislature's obligation to fulfill the ICRC's funding request for legal costs; states legislative intent that funding is contingent upon the ICRC submitting quarterly expenditure reports; requires unexpended funding be returned to the state treasury within 6 months after end of FY 2023-24.

***Sec. 615. Annual Legacy Costs – DELETED***

Identifies annual pension-related and retiree health care legacy costs.

**FY 2022-23 Supplemental Appropriation Items**

Public Act 119 of 2023 (House Bill 4437, Article 16)

**Appropriation  
Change*****1. Michigan State Capitol Commission***

Includes \$5.1 million GF/GP for the Michigan State Capitol Commission. Of the total, \$5.0 million will be allocated for security staffing, infrastructure improvements, and equipment to implement a weapons ban in any building or portion of a building under control of the commission, and \$100,000 GF/GP will be allocated to support a Native American powwow.

|              |                    |
|--------------|--------------------|
| <b>Gross</b> | <b>\$5,100,000</b> |
| GF/GP        | \$5,100,000        |

**FY 2022-23 Supplemental Boilerplate Items**

Public Act 119 of 2023 (House Bill 4437, Article 16)

***Sec. 651. Michigan State Capitol Commission***

Earmarks \$5.0 million to provide security staffing, infrastructure improvements, and equipment to implement a weapons ban in any building or portion of a building under control of the commission; earmarks \$100,000 to support a Native American powwow; designates unexpended funds as a work project appropriation.

**LEGISLATIVE AUDITOR GENERAL**  
**Summary of FY 2023-24 Enacted**  
**Public Act 119 of 2023 (House Bill 4437, Article 5)**

**Analyst: Viola Bay Wild**

| IDG/IDT           | FY 2022-23 YTD<br>as of 2/8/23 | FY 2023-24<br>Enacted | Difference: Enacted<br>From FY 2022-23 YTD |            |
|-------------------|--------------------------------|-----------------------|--|------------|
|                   |                                |                       | Amount                                     | %          |
| <b>IDG/IDT</b>    | \$6,345,200                    | \$6,654,800           | \$309,600                                  | 4.9        |
| <b>Federal</b>    | 0                              | 0                     | 0  | --         |
| <b>Local</b>      | 0                              | 0                     | 0  | --         |
| <b>Private</b>    | 0                              | 0                     | 0  | --         |
| <b>Restricted</b> | 2,170,500                      | 2,329,300             | 158,800                                    | 7.3        |
| <b>GF/GP</b>      | 18,598,900                     | 19,621,800            | 1,022,900                                  | 5.5        |
| <b>Gross</b>      | <b>\$27,114,600</b>            | <b>\$28,605,900</b>   | <b>\$1,491,300</b>                         | <b>5.5</b> |

**Notes:**

(1) FY 2022-23 year-to-date figures include mid-year budget adjustments through February 8, 2023.  
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

The legislative auditor general is responsible for conducting post financial and performance audits of state government operations. Audit reports provide a continuing flow of information to assist the legislature in its oversight of approximately 100 individual state funds. Audit reports provide citizens with a measure of accountability and assist state departments and agencies in improving financial management of their operations. The goal of the legislative auditor general is to improve accounting and financial reporting practices and promote effectiveness, efficiency, and economy in state government. The mission is to improve the accountability of public funds and to improve the operations of state government for the benefit of the citizens of the state.

| <u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>  | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b> |
|---|---|--|
| <b>1. Auditor General Operations Increase</b>   | <b>Gross</b>  | <b>\$28,605,900</b>                      |
| Includes \$1.1 million Gross (\$784,900 GF/GP) for increased costs related to auditor general staff and other operations. | IDG   | 6,654,800                                |
|   | Restricted  | 2,329,300                                |
|   | GF/GP   | \$19,621,800                             |
|   |   | \$784,900                                |

**Major Boilerplate Changes from FY 2022-23**

**Sec. 621. Contract Audits – REVISED**

Requires auditor general to take steps to ensure certified minority- and women-owned and operated accounting firms and accounting firms owned and operated by persons with disabilities participate in audits, and encourage firms with which it contracts to subcontract with the aforementioned; requires report on number of contracts entered into with these firms. Revised to include geographically-disadvantaged business enterprises.

**Sec. 624. Authorization to Charge and Collect Fees for Subsequent Audit – DELETED**

Authorizes the auditor general to charge and collect fees for a subsequent audit conducted pursuant to Section 229; states that fees and charges may not exceed cost of audit; provides for expenditure of funds.

**Sec. 625. Access to Confidential Information – RETAINED (UNENFORCEABLE)**

Specifies legislative intent that the auditor general be authorized to access and examine confidential information of each branch, department, office, board, commission, agency, authority, and institution of the state subject to the same duty of confidentiality imposed by law on the entity providing the confidential information. (Governor's signing letter states this section is unenforceable.)

**Major Boilerplate Changes from FY 2022-23**

***Sec. 628. Auditor General Report on Projects Initiated – NEW***

Requires auditor general to provide quarterly reports related to projects initiated during the prior quarter; specifies details to be included in report, such as audit title, type, period, objective, who is conducting the audit, reasons for audit initiation, if permitted by law, reason audit was initiated whether an inquiry, tip, or request, details on any similar audits conducted, estimated timeframe, and estimated resources needed for audit.

***Sec. 629. Auditor General Report on Projects In Progress – NEW***

Requires auditor general to provide quarterly reports related to projects in progress during the prior quarter; specifies details to be included in report, such as audit title, when initiated, audit status, estimated timeframe for completion, resources being spent to date, estimated resources needed to complete audit, department resources spent to date, and estimated department resources needed to respond to audit.

***Sec. 630. Auditor General Report on Projects Completed – NEW***

Requires auditor general to provide quarterly reports related to projects completed during the prior quarter; specifies details to be included in report, such as audit title, when initiated, when released, results, including number and type of findings, total resources being spent on audit, and total department resources spent on audit.

**DEPARTMENT OF STATE****Summary of FY 2023-24 Enacted****Public Act 119 of 2023 (House Bill 4437, Article 5)****Analyst: Michael Clossen**

|                   | FY 2022-23 YTD<br>as of 2/8/23 | FY 2023-24<br>Enacted | Difference: Enacted<br>From FY 2022-23 YTD |            |
|-------------------|--------------------------------|-----------------------|--|------------|
|                   |                                |                       | Amount                                     | %          |
| <b>IDG/IDT</b>    | \$20,000,000                   | \$20,000,000          | \$0  | 0.0        |
| <b>Federal</b>    | 1,460,000                      | 1,460,000             | 0  | 0.0        |
| <b>Local</b>      | 0                              | 0                     | 0  | --         |
| <b>Private</b>    | 50,100                         | 50,100                | 0  | 0.0        |
| <b>Restricted</b> | 218,218,600                    | 221,007,300           | 2,788,700                                  | 1.3        |
| <b>GF/GP</b>      | 12,435,600                     | 12,679,300            | 243,700                                    | 2.0        |
| <b>Gross</b>      | <b>\$252,164,300</b>           | <b>\$255,196,700</b>  | <b>\$3,032,400</b>                         | <b>1.2</b> |
| <b>FTEs</b>       | 1,592.0                        | 1,592.0               | 0.0  | 0.0        |

**Notes:**

(1) FY 2022-23 year-to-date figures include mid-year budget adjustments through February 8, 2023.  
 (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

The Department of State (DOS) is the oldest department in Michigan state government. It is administered by the secretary of state, an elected official who serves a four-year term of office and has constitutional and statutory duties. Services provided by the department include registering and titling automobiles, watercraft, and recreational vehicles; regulating automobile dealers and repair facilities; registering voters and administering elections; and streamlining the collection of revenue. The department operates programs designed to enhance driver safety, protect automotive consumers, and ensure the integrity of both the motor vehicle administration system and the statewide elections process.

|   |  |              | FY 2022-23                     | FY 2023-24        |
|---|--|--------------|--------------------------------|-------------------|
|   |  |              | Year-to-Date<br>(as of 2/8/23) | Enacted<br>Change |
| <b>Major Budget Changes from FY 2022-23 YTD Appropriations</b>  |  |              |                                |                   |
| <b>1. Equity and Inclusion Officer</b>  |  | <b>Gross</b> | <b>NA</b>                      | <b>\$218,800</b>  |
| Provides \$218,800 in state restricted Transportation Administration Collection Fund (TACF) revenue to hire an equity and inclusion officer to help advise the department on matters of equity and inclusion.   |  | Restricted   | NA                             | 218,800           |
|   |  | GF/GP        | NA                             | \$0               |
| <b>2. Postage and Mailing Service Rate Increase</b>   |  | <b>Gross</b> | <b>NA</b>                      | <b>\$600,000</b>  |
| Provides \$600,000 Gross (\$0 GF/GP) to reflect increased United States Postal Service postage rates made effective in January 2023 and the corresponding increase in DTMB mailing service rates.   |  | Restricted   | NA                             | 600,000           |
|   |  | GF/GP        | NA                             | \$0               |
| <b>3. Enforcement Division Staffing Increase</b>  |  | <b>FTE</b>   | <b>NA</b>                      | <b>3.0</b>        |
| Provides \$447,500 GF/GP and authorization for 3.0 FTE positions to the Legal Services unit to address increasing cases of fraud and abuse related to property crimes, crimes against individuals, and election fraud by enhancing the department's resources to investigate and enforce laws and regulations.  |  | <b>Gross</b> | <b>NA</b>                      | <b>\$447,500</b>  |
|   |  | GF/GP        | NA                             | \$447,500         |
| <b>4. Fund Source Shifts</b>  |  | <b>Gross</b> | <b>NA</b>                      | <b>\$0</b>        |
| Shifts funding from among 10 fund sources and 7 line items for a net \$0 Gross change (decrease of \$1,500 GF/GP). Results in an increase of \$150,000 to the Operations line item and a \$150,000 reduction from the Central Operations line item. Includes a reduction of \$1.0 million each from Reinstatement Fees – Operator's Licenses and Parking Ticket Court Fines revenue with funding replacement from TACF among other technical changes. |  | IDG          | NA                             | 73,500            |
|   |  | Federal      | NA                             | 1,500             |
|   |  | Restricted   | NA                             | (73,500)          |
|   |  | GF/GP        | NA                             | (\$1,500)         |

| <b><u>Major Budget Changes from FY 2022-23 YTD Appropriations</u></b>   |   | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b>                |
|---|---|---|---|
| <b>5. TACF/TASF Revenue Replacement</b><br>Replaces \$19.0 million state restricted from the Transportation Administration Support Fund (TASF), created in Treasury under section 949I, to support expenses related to vehicle and driver services, with a corresponding amount of revenue authorization from the Transportation Administration Collection Fund (TACF), resulting in a net \$0 change. Revenue from TASF was provided in FY 2022-23 to help address the long-term revenue shortfall anticipated for TACF.   | <b>Gross</b><br>Restricted<br>GF/GP               | <b>\$19,000,000</b><br>19,000,000<br>\$0              | <b>\$0</b><br>0<br>\$0                                  |
| <b>6. Additional Branch Office Security Staff</b><br>Provides \$150,000 in state restricted TACF revenue to support 3 additional security guards, 1 each for Grand Rapids, Flint, and Saginaw following an internal department review identifying locations with highest reported incidents at offices in these cities.   | <b>Gross</b><br>Restricted<br>GF/GP               | <b>NA</b><br>NA<br>NA                                 | <b>\$150,000</b><br>150,000<br>\$0                      |
| <b>7. Contracted Security Cost Increase</b><br>Provides \$140,000 in state restricted Driver Fees revenue to cover costs of a new statewide security contract that increased the pay rate for security guards to a competitive level to decrease turnover and increase employee longevity.  | <b>Gross</b><br>Restricted<br>GF/GP               | <b>NA</b><br>NA<br>NA                                 | <b>\$140,000</b><br>140,000<br>\$0                      |
| <b>8. Mobile Branch Office Staffing</b><br>Provides \$1.2 million in state restricted TACF revenue and authorization for 10.0 FTE positions to support staffing of 7 mobile secretary of state office vans to provide easy access of services to rural areas and locations with high concentrations of customers with barriers to visiting branch offices in-person.  | <b>FTE</b><br><b>Gross</b><br>Restricted<br>GF/GP | <b>NA</b><br><b>NA</b><br>NA<br>NA                    | <b>10.0</b><br><b>\$1,220,000</b><br>1,220,000<br>\$0   |
| <b>9. Digital Identification Cards</b><br>Provides \$100,000 GF/GP to implement a digital state identification card system.   | <b>Gross</b><br>GF/GP                             | <b>NA</b><br>NA                                       | <b>\$100,000</b><br>\$100,000                           |
| <b>10. Executive Revision 2024-1</b><br>Includes \$8,100 in state restricted TACF revenue and concurs with Executive Revision 2024-1 which provided increases in compensation rates for certain state classified position in the healthcare, skilled trades, and transportation fields.   | <b>Gross</b><br>Restricted<br>GF/GP               | <b>NA</b><br>NA<br>NA                                 | <b>\$8,100</b><br>8,100<br>\$0                          |
| <b>11. Implementation of Ballot Proposals 1 and 2 of 2022 (Ongoing and One-Time)</b><br>Includes \$46.0 million of state restricted revenue from the Election Administration Support Fund created in Treasury in FY 2023-24 and authorization for 20.0 FTE positions. \$18.8 million is appropriated for ongoing staffing and administrative costs and \$27.2 million is appropriated as one-time. Up to \$30.0 million of the total amount is allocated for grants to counties to coordinate city and township early voting sites. Costs for implementing each proposal include the following: | <b>FTE</b><br><b>Gross</b><br>Restricted<br>GF/GP | <b>NA</b><br><b>NA</b><br>NA<br>NA                    | <b>20.0</b><br><b>\$45,974,600</b><br>45,974,600<br>\$0 |
| <ul style="list-style-type: none"> <li>• Proposal 1 – Information technology staff to accommodate changes in receiving and reporting electronic filings of annual financial disclosure reports.</li> <li>• Proposal 2 – Local clerks' postage costs for absent-voter applications and ballots; ballot drop boxes; staffing and equipment for early voting sites, and salaries for ongoing department administration and oversight of the changes.</li> </ul>  |   |   |   |

**GENERAL GOVERNMENT: STATE (DEPARTMENT)**

| <b><u>Major Budget Changes from FY 2022-23 YTD Appropriations</u></b>  |   | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b>                     |
|--|---|---|--|
| <b>12. Organ Donor Registration (One-Time)</b><br>Includes \$100,000 GF/GP to facilitate the growth of organ donor registration in Michigan by creating the ability to opt to become an organ donor on state tax forms. This initiative will be done in coordination with Treasury.                                    | <b>Gross</b><br>Private<br>GF/GP                      | <b>NA</b><br>NA<br>NA                                 | <b>\$100,000</b><br>0<br>\$100,000                           |
| <b>13. Economic Adjustments</b><br>Adjusts for increased costs of \$53,800 Gross (decrease of \$600 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2023), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments. | <b>Gross</b><br>IDG<br>Federal<br>Restricted<br>GF/GP | <b>NA</b><br>NA<br>NA<br>NA<br>NA                     | <b>\$53,800</b><br>(73,500)<br>(1,500)<br>129,400<br>(\$600) |

**Major Boilerplate Changes from FY 2022-23****Sec. 703a. Bulk Records Sales – DELETED**

Authorizes secretary of state to contract for sale of lists of driver and motor vehicle records and other records maintained under Michigan Vehicle Code in bulk, in addition to those lists distributed at cost or at no cost under this section for purposes permitted by and described in section 208c(3) of the Michigan Vehicle Code; requires secretary of state to require each purchaser of bulk records to execute written purchase contract; permits secretary of state to affix cost of not over \$35 per 1,000 records requested.

**Sec. 712. Automotive Repair Facilities Training Video – DELETED**

Authorizes DOS to produce and sell automotive repair facilities training video and charge a fee not to exceed cost of production and distribution; requires fee revenue to be deposited into auto repair facility account.

**Sec. 714. Branch Office Closings or Consolidations – RETAINED (UNENFORCEABLE)**

Requires legislature to be notified in writing at least 180 days prior to closing a branch office or 60 days prior to relocating a branch outside of its current local unit of government; notification to include analyses of branch transactions and revenue, citizen impact, and savings and costs. (Governor's signing letter states this section is unenforceable.)

**Sec. 717. Gifts to Support Department Activities – REVISED**

Authorizes DOS to accept non-monetary gifts of a de minimus value to support licensing, regulation, and safety functions; prohibits acceptance if conditioned on future state spending; requires report. Revised to delete conditions of gifts being non-monetary and of a de minimus value; authorizes expenditure of revenues received under this subsection for functions related to licensing, regulation and safety purposes.

**Sec. 718. Full-Time Walk-In Branch Office Services – DELETED**

Requires department to maintain "adequate in-person services" as defined in Michigan Vehicle Code, MCL 257.1a., which defines as providing in-person service options, without requirement of advance appointment, on each day and at each location a secretary of state branch office is open for services in this state.

**Sec. 718. Election Spending Subject to Guidance – NEW**

Requires funds to be spent in accordance with election law and the instructions, orders and/or guidance of the secretary of state as to the proper method for the conduct and administration of elections.

**Sec. 720. Election Mailings – DELETED**

Requires secretary of state, except for under certain conditions, to notify speaker of the house, senate majority leader, and relevant local government clerks of any election-related mailing to 20 percent or more of registered voters in any voting precinct and a copy of planned mailing not later than 14 days before sending mailing.

**Sec. 720a. Election Notices Report – DELETED**

Requires department to report on figures on voter registrations from information returned from change of address notifications sent by secretary of state. Required information includes number of electors who corrected their voter registration records, and number of possible improper votes cast at preceding primary and general election referred to law enforcement by secretary of state.

**Major Boilerplate Changes from FY 2022-23****Sec. 722a. MERTS Election System Report – DELETED**

Requires report describing progress made on updating the state's software application for campaign finance and state level committees filing for public office, Michigan Electronic Reporting and Tracking System (MERTS), and on contracting to modernize or replace the system, including timeline towards completing modernization, key implementation dates, and anticipated costs.

**Sec. 725. Legacy Costs – DELETED**

Identifies annual pension-related and retiree health care legacy costs.

**ONE-TIME APPROPRIATIONS****Sec. 750. Organ Donor Registry – NEW**

Requires the department to facilitate the growth of the donor registry of the state anatomical gift donor registry program in accordance with methods of giving authorized under the Revised Uniform Anatomical Gift Law of the Public Health Code, 1978 PA 368.

**Sec. 750. Proposals 22-1 and 22-2 Implementation – NEW**

Requires funds to be used to support costs related to implementing Proposal 22-1 and 22-2 and lists eligible costs; requires up to \$30.0 million to be used for incentive grants to counties to coordinate implementation of early voting by local governments within their jurisdiction and to incentivize multijurisdictional coordination that provides for efficient election administration; authorizes unexpended funds as a work project.

**FY 2022-23 Supplemental Appropriation Items****Public Act 119 of 2023 (House Bill 4437, Article 16)****1. Branch Office Security Guards**

Includes \$75,000 in state restricted Transportation Administration Collection Fund revenue to support 3 additional security guards, 1 each for Grand Rapids, Flint, and Saginaw. An internal department review identified offices in these cities as having the highest number of reported incidents.

**2. Implementation of Proposals 1 and 2**

Includes \$11.5 million in restricted funds to support costs related to implementing the state constitutional amendments approved by voters in Ballot Proposals 1 and 2 of 2022. Funding will be allocated as follows: \$250,000 for an IT developer to accommodate changes in receiving and reporting electronic filings of annual financial disclosure reports; \$10.0 million to purchase and install an estimated 2,000 ballot drop boxes and security cameras; and \$1.3 million for IT developers to develop software and update the Qualified Voter File to accommodate early voting, a permanent absentee voter list, military postmark dates, ballot tracking, and other changes.

|            |              | <b>Appropriation Change</b> |
|------------|--------------|-----------------------------|
|            | <b>Gross</b> | <b>\$75,000</b>             |
| Restricted | 75,000       |                             |
| GF/GP      | \$0          |                             |
|            | <b>Gross</b> | <b>\$11,500,000</b>         |
| Restricted | 11,500,000   |                             |
| GF/GP      | \$0          |                             |

**FY 2022-23 Supplemental Boilerplate Items****Public Act 119 of 2023 (House Bill 4437, Article 16)****Sec. 751. Election Administration and Services**

Authorizes funds to be used to implement requirements of Proposals 22-1 and 22-2; designates unexpended funds as a work project appropriation.

**DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET**  
**Summary of FY 2023-24 Enacted**  
**Public Act 119 of 2023 (House Bill 4437, Article 5)**

**Analyst: Michael Clossen**

|                   | <b>FY 2022-23 YTD<br/>as of 2/8/23</b> | <b>FY 2023-24<br/>Enacted</b> | <b>Difference: Enacted<br/>From FY 2022-23 YTD</b> |             |
|-------------------|--|-------------------------------|--|-------------|
|                   |  |                               | <b>Amount</b>                                      | <b>%</b>    |
| <b>IDG/IDT</b>    | \$1,047,125,600                        | \$1,082,606,600               | (\$35,481,000)                                     | 3.4         |
| <b>Federal</b>    | 5,217,200                              | 4,699,000                     | (518,200)  | (9.9)       |
| <b>Local</b>      | 2,331,200                              | 2,334,700                     | 3,500  | 0.2         |
| <b>Private</b>    | 137,400                                | 137,400                       | 0  | 0.0         |
| <b>Restricted</b> | 123,219,300                            | 134,180,400                   | 10,961,100   | 8.9         |
| <b>GF/GP</b>      | 657,109,000                            | 832,699,500                   | 175,590,500  | 26.7        |
| <b>Gross</b>      | <b>\$1,835,139,700</b>                 | <b>\$2,056,657,600</b>        | <b>\$221,517,900</b>                               | <b>12.1</b> |
| <b>FTEs</b>       | 3,167.0                                | 3,220.0                       | 53.0   | 1.7         |

**Notes:**

(1) FY 2022-23 year-to-date figures include mid-year budget adjustments through February 8, 2023.  
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

The Department of Technology, Management, and Budget (DTMB) is the centralized service agency for the executive branch. Its responsibilities include information technology services and project support for state departments and agencies; state facility and lease management; the state motor vehicle fleet; state purchasing and procurement; state retirement systems; internal audit; state budget development and monitoring; and state accounting and financial control systems. Autonomous units within DTMB include the following: State Budget Office, Office of the State Employer, Civil Service Commission, Office of Retirement Services, State Administrative Board, and the Office of Children's Ombudsman.

|   | <b>Major Budget Changes from FY 2022-23 YTD Appropriations</b>   | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> |                    | <b>FY 2023-24<br/>Enacted<br/>Change</b> |
|---|--|---|--------------------|--|
|   |  | <b>Gross</b>  | <b>NA</b>          | <b>\$0</b>                               |
| <b>1. Administrative Services/Data and Analytics Transfer</b> | Transfers \$160,000 from the Administrative Services line item to the Michigan Center for Data and Analytics line item to align data analytics and related information technology costs to support the Michigan Center for Data and Analytics in accordance with Executive Order No. 2022-11 for a net \$0 change. The Michigan Center for Data and Analytics was renamed from the Bureau of Labor Market Information and Strategies.  | GF/GP   | NA                 | \$0                                      |
| <b>2. Health and Safety Office Transfer</b>                   | Transfers \$353,000 and 2.0 FTE positions from the Administrative Services line item to Building Operation Services line item to align with the current structure, operations, and administration of the Health and Safety Office within the State Facilities Administration. The transfer incorporates a \$31,100 reduction in state restricted Special Revenue, Internal Service, and Pension Trust Funds revenue and a corresponding increase in IDG funding from Building Occupancy and Parking Charges revenue. | FTE   | NA                 | 0.0                                      |
|   |  | <b>Gross</b>  | <b>NA</b>          | <b>\$0</b>                               |
|   |  | IDG   | NA                 | 31,000                                   |
|   |  | Restricted  | NA                 | (31,000)                                 |
|   |  | GF/GP   | NA                 | \$0                                      |
| <b>3. Business Incentive Study Funding Removal</b>            | Removes \$1.0 million GF/GP for implementation of the Economic Development Incentive Evaluation Act (2018 PA 540) which requires the department to contract with a private entity, nonprofit entity, or academic institution for the periodic evaluation of economic development incentives as outlined in the Act.  | <b>Gross</b>  | <b>\$1,000,000</b> | <b>(\$1,000,000)</b>                     |
|   |  | GF/GP   | \$1,000,000        | (\$1,000,000)                            |

| <b><u>Major Budget Changes from FY 2022-23 YTD Appropriations</u></b>  |   | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b>       |
|--|---|---|--|
| <b>4. SIGMA Contractual Cost Increase</b><br>Provides \$366,500 GF/GP to align resources with contractual inflationary cost increases to support the operations of Statewide Integrated Governmental Management Applications (SIGMA), the state's enterprise resource planning tool.   | <b>Gross</b><br>GF/GP                             | NA<br>NA  | \$366,500<br>\$366,500                         |
| <b>5. Statewide Janitorial Service Contract Increases</b><br>Provides \$2.1 million in IDG funding from Building Occupancy and Parking Charges to align authorization with ongoing contractual janitorial service costs for state-owned and managed facilities.  | <b>Gross</b><br>IDG<br>GF/GP                      | NA<br>NA<br>NA  | \$2,108,000<br>2,108,000<br>\$0                |
| <b>6. Caro Psychiatric Hospital Building Operations</b><br>Provides \$3.5 million in IDG funding from Building Occupancy and Parking Charges and authorization for 9.0 FTE positions for ongoing building management and operational support of the Caro State Psychiatric Hospital which was completed in Spring of 2023.   | <b>FTE</b><br><b>Gross</b><br>IDG<br>GF/GP        | NA<br>NA<br>NA  | 9.0<br><b>\$3,477,000</b><br>3,477,000<br>\$0  |
| <b>7. Central Procurement Staffing and IT Enhancements</b><br>Provides \$984,100 in state restricted funding and authorization for 4.0 FTE positions to support additional procurement services staff and to enhance operations of the central procurement database.   | <b>FTE</b><br><b>Gross</b><br>Restricted<br>GF/GP | NA<br>NA<br>NA  | 4.0<br><b>\$984,100</b><br>984,100<br>\$0      |
| <b>8. State Budget Office FTE Increase</b><br>Provides authorization for 5.0 FTE positions for the State Budget Office.  | <b>FTE</b><br><b>Gross</b><br>GF/GP               | NA<br>NA<br>NA  | 5.0<br><b>\$0</b><br>\$0                       |
| <b>9. Design and Construction Services Staffing Increase</b><br>Provides \$2.2 million in IDG funding from User Fees and authorization for 14.0 FTE positions to support costs to the Division of Design and Construction Services for project management and oversight as the number of construction projects in development across state government have increased with the influx of federal state fiscal relief funding. | <b>FTE</b><br><b>Gross</b><br>IDG<br>GF/GP        | NA<br>NA<br>NA  | 14.0<br><b>\$2,200,000</b><br>2,200,000<br>\$0 |
| <b>10. Federal Employment Services Reduction</b><br>Reduces \$500,000 in federal Wagner-Peyser Employment Service Program funding allocated to the Michigan Center for Data and Analytics.   | <b>Gross</b><br>Federal<br>GF/GP                  | \$3,021,000<br>3,021,000<br>\$0                       | (\$500,000)<br>(500,000)<br>\$0                |
| <b>11. Fleet Vehicle Travel Services Rate Increase</b><br>Provides \$2.0 million in IDG funding from the Motor Transport Fund to align IDG authorization with increased travel services rates charged to departments to reflect higher projected gasoline prices.  | <b>Gross</b><br>IDG<br>GF/GP                      | \$85,732,400<br>85,732,400<br>\$0                     | \$2,000,000<br>2,000,000<br>\$0                |
| <b>12. Executive Revision 2024-1</b><br>Includes \$217,600 in IDG revenue and concurs with Executive Revision 2024-1 which provided increases in compensation rates for certain state classified position in the healthcare, skilled trades, and transportation fields.  | <b>Gross</b><br>IDG<br>GF/GP                      | NA<br>NA<br>NA  | \$217,600<br>217,600<br>\$0                    |
| <b>13. SWCAP Adjustment</b><br>Reallocates fund sourcing associated with the annual Statewide Cost Allocation Plan (SWCAP) for a net change of \$0 Gross and increase of \$1.3 million GF/GP.  | <b>Gross</b><br>IDG<br>Restricted<br>GF/GP        | NA<br>NA<br>NA<br>NA                                  | \$0<br>(216,800)<br>(1,060,200)<br>\$1,277,000 |

**GENERAL GOVERNMENT: TECHNOLOGY, MANAGEMENT, AND BUDGET**

|  |              | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b> |
|--|--------------|---|--|
| <b>Major Budget Changes from FY 2022-23 YTD Appropriations</b>   |              |   |  |
| <b>14. IT IDG Line Item Consolidation</b>  | FTE          | 784.0   | 0.0                                      |
| Consolidates funding for five IT IDG line items and FTE positions, totaling \$271.9 million, into a new Information Technology Services line item which will receive all department IT IDG funding of \$855.3 million, for a net \$0 change. Consolidations will reflect delivery of IT services being project-based instead of department-based. Consolidations by line item are:   | <b>Gross</b> | <b>\$271,888,900</b>                                  | <b>\$0</b>                               |
| • Education Services - \$5.0 million and 33.0 FTE positions  | IDG          | 271,888,900   | 0  |
| • General Services - \$139.8 million and 350.5 FTE positions   | GF/GP        | \$0   | \$0                                      |
| • Public Protection - \$64.1 million and 162.5 FTE positions   |              |   |  |
| • Resources Services - \$21.9 million and 138.5 FTE positions  |              |   |  |
| • Transportation Services - \$41.1 million and 99.5 FTE positions.   |              |   |  |
| <b>15. Annual IT IDG Baseline Adjustment</b>   | <b>Gross</b> | <b>NA</b>   | <b>\$26,831,300</b>                      |
| Increases IDG funding from Technology User Fee revenue by \$26.8 million to reflect projects and service adjustments in other executive department and agency budgets, administrative cost allocation changes, and IT budgetary requests made by departments and agencies. Technology Service appropriation lines are prorated by department based on their total IT budget.   | IDG          | NA  | 26,831,300                               |
|  | GF/GP        | NA  | \$0                                      |
| <b>16. IT Personnel Transfer to Lottery</b>  | FTE          | 1.0   | (1.0)                                    |
| Transfers \$155,300 in IDG funding from Technology User Fee revenue and 1.0 FTE position to the Michigan Bureau of State Lottery to organize employees by tasks typically performed by agencies.   | <b>Gross</b> | <b>\$155,300</b>                                      | <b>(\$155,300)</b>                       |
|  | IDG          | 155,300   | (155,300)                                |
|  | GF/GP        | \$0   | \$0                                      |
| <b>17. Capitol City Support</b>  | <b>Gross</b> | <b>NA</b>   | <b>\$1,000,000</b>                       |
| Provides \$1.0 million GF/GP to the City of Lansing to maintain or improve local roads, sidewalks, public utility infrastructure, emergency response, traffic management, or other public safety services that support the state capitol and adjacent state facilities.  | GF/GP        | NA  | \$1,000,000                              |
| <b>18. Office of the Child Advocate Expansion</b>  | FTE          | 14.0  | 8.0                                      |
| Provides \$1.6 million GF/GP and authorization for 8.0 FTE positions to the Office of the Child Advocate (OCA) (formerly the Office of Children's Ombudsman). The office is an autonomous state agency established under 1994 PA 204 and charged with investigating actions and policies of Department of Health and Human Services and child placement agencies related to Michigan's child protection services. The increased funding will enable OCA to investigate facility complaints on behalf of children within the juvenile justice system upon an amendment to 1994 PA 204 to expand the Office's authorized role. The investment is based on recommendations from the Task Force on Juvenile Justice Reform established under Executive Order 2021-6. | <b>Gross</b> | <b>\$2,160,200</b>                                    | <b>\$1,600,000</b>                       |
|  | GF/GP        | \$2,160,200   | \$1,600,000                              |
| <b>19. State Building Authority Capital Outlay Debt Financing</b>  | <b>Gross</b> | <b>\$231,570,600</b>                                  | <b>\$5,000,000</b>                       |
| Provides \$5.0 million GF/GP to the annual amount set aside for payments on debt for capital construction projects financed through the State Building Authority to reflect a projected increase in payments due on bonds following recent increases in state capital outlay projects.   | GF/GP        | \$231,570,600   | \$5,000,000                              |
| <b>20. Civil Service – State Restricted Revenue Alignment</b>  | <b>Gross</b> | <b>\$11,200,500</b>                                   | <b>(\$1,500,000)</b>                     |
| Reduces \$1.5 million in state restricted State Sponsored Group Insurance revenue to align authorization with available revenues collected from assessments to fund the state's flexible spending account program.   | Restricted   | 11,200,500  | (1,500,000)                              |
|  | GF/GP        | \$0   | \$0                                      |

| <b>Major Budget Changes from FY 2022-23 YTD Appropriations</b>   |  | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b>          | <b>FY 2023-24<br/>Enacted<br/>Change</b>                 |
|--|--|--|--|
| <b>21. Civil Service – Increased HR Staffing</b><br>Provides \$1.9 million Gross (\$895,800 GF/GP) and authorization for 14.0 FTE positions to support additional staff for the Civil Service Commission to assist in providing timely human resources services for hiring and staffing operations statewide.  | FTE<br><br><b>Gross</b><br>Restricted<br>GF/GP | 279.0<br><br><b>\$36,171,700</b><br>21,944,700<br>\$14,227,000 | 14.0<br><br><b>\$1,931,400</b><br>1,035,600<br>\$895,800 |
| <b>22. Enterprisewide Microsoft License Agreement</b><br>Provides \$12.6 million GF/GP for licensing Microsoft software for all Executive branch departments and agencies.   | <b>Gross</b><br>GF/GP                          | NA<br>NA   | <b>\$12,600,000</b><br>\$12,600,000                      |
| <b>23. State Facilities Maintenance (One-Time)</b><br>Provides \$25.0 million GF/GP one-time for maintenance, demolition, and infrastructure projects for 800 buildings and 5,000 state-owned structures. This is a decrease of \$45.0 million from a FY 2022-23 one-time appropriation of \$70.0 million for the same purpose. With \$28.0 million GF/GP in the current-year base, a total of \$53.0 million will be available for deferred special maintenance projects.   | <b>Gross</b><br>GF/GP                          | <b>\$70,000,000</b><br>\$70,000,000                            | <b>(\$45,000,000)</b><br>(\$45,000,000)                  |
| <b>24. Information Technology Innovation Fund (ITIF) Legacy IT System Projects (Ongoing &amp; One-Time)</b><br>Provides \$52.9 million GF/GP in total ITIF funding (\$17.9 million GF/GP one-time) to support new information technology legacy system modernization projects. This represents an \$82.1 million GF/GP reduction in the one-time appropriation. The ongoing appropriation will be maintained at \$35.0 million GF/GP. FY 2023-24 projects will include expansion of the system supporting the state's city income tax collection service to accommodate inclusion of the City of Flint and other cities, should they elect to participate. | <b>Gross</b><br>GF/GP                          | <b>\$135,000,000</b><br>\$135,000,000                          | <b>(\$82,108,000)</b><br>(\$82,108,000)                  |
| <b>25. ORS IT Database Modernization (One-Time)</b><br>Provides \$11.8 million in state restricted Pension Trust Fund revenue to complete the modernization of the Claretty transactional database used by the Office of Retirement Services to serve all members of the state's retirement system.  | <b>Gross</b><br>Restricted<br>GF/GP            | NA<br>NA<br>NA   | <b>\$11,800,000</b><br>11,800,000<br>\$0                 |
| <b>26. State Fleet Electric Vehicles</b><br>Provides \$1.0 million GF/GP for ongoing administration costs to begin transitioning the state's fleet of over 14,000 leased and owned vehicles to electric vehicles and to conduct an analysis on infrastructure needs of transitioning the states fleet to electric power.   | <b>Gross</b><br>GF/GP                          | NA<br>NA   | <b>\$1,000,000</b><br>\$1,000,000                        |
| <b>27. Civil Service – Management Training (One-Time)</b><br>Provides \$5.0 million GF/GP for the Civil Service Commission to support the creation of a training program for the next generation of state employee managers.   | <b>Gross</b><br>GF/GP                          | NA<br>NA   | <b>\$5,000,000</b><br>\$5,000,000                        |
| <b>28. Vendor Cybersecurity Monitoring (One-Time)</b><br>Provides \$4.0 million GF/GP for software that will provide cybersecurity vulnerability information about companies that do business with state departments and agencies to track cyber threats in the state's vendor ecosystems.   | <b>Gross</b><br>GF/GP                          | NA<br>NA   | <b>\$4,000,000</b><br>\$4,000,000                        |

**GENERAL GOVERNMENT: TECHNOLOGY, MANAGEMENT, AND BUDGET**

|   |  | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b>  |
|---|--|---|---|
| <b>Major Budget Changes from FY 2022-23 YTD Appropriations</b>  |  |   |   |
| <b>29. Make it in Michigan Competitive Fund (One-Time)</b>  | <b>Gross</b><br>GF/GP  | <b>NA</b><br>NA                                       | <b>\$286,805,700</b><br>\$286,805,700   |
| Includes \$286.8 million GF/GP for deposit into the Make it in Michigan Competitiveness Fund to set aside funds to leverage major funding opportunities available from recent federal legislation including, but not limited to, the Infrastructure Investment and Jobs Act (IIJA), CHIPS and Science Act, and the Inflation Reduction Act. An interagency evaluation committee formed by the Michigan Infrastructure Office in collaboration with the state budget director will recommend how to distribute funds to the legislature. Funds in the Make it in Michigan Competitive Fund will be subject to appropriation or legislative transfer for expenditure. |  |   |   |
| <b>30. Make it in Michigan (One-Time)</b>   | <b>Gross</b><br>Restricted<br>GF/GP                            | <b>NA</b><br>NA<br>NA                                 | <b>\$100</b><br>100<br>\$0  |
| Includes a \$100 placeholder from state restricted funding to facilitate legislative transfers of funding from the Make it in Michigan Competitiveness Fund to leverage specific major funding opportunities available from recent federal legislation including, but not limited to, the Infrastructure Investment and Jobs Act (IIJA), CHIPS and Science Act, and the Inflation Reduction Act when they become available.   |  |   |   |
| <b>31. Removal of Current Year One-Time Funding</b>   | <b>Gross</b><br>GF/GP  | <b>\$15,750,000</b><br>\$15,750,000                   | <b>(\$15,750,000)</b><br>(\$15,750,000)   |
| Eliminates \$15.8 million GF/GP of one-time funding appropriated in FY 2022-23:   |  |   |   |
| • \$750,000 for software purchasing review services   |  |   |   |
| • \$15.0 million for supply chain technology software.  |  |   |   |
| <b>32. Economic Adjustments</b>   | <b>Gross</b><br>IDG<br>Federal<br>Local<br>Restricted<br>GF/GP | <b>NA</b><br>NA<br>NA<br>NA<br>NA                     | <b>(\$1,390,500)</b><br>(1,011,800)<br>(18,200)<br>3,500<br>(267,500)<br>(\$96,500) |
| Adjusts for decreased costs of \$1.4 million Gross (\$96,500 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2023), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.   |  |   |   |

**Major Boilerplate Changes from FY 2022-23**

**Sec. 801. Legislative Contingency Transfer Authorization – REVISED**

Allows for the legislative transfer process to increase federal authorization by up to \$2.0 million, state restricted authorization by up to \$4.0 million, local authorization by up to \$75,000, and private authorization by up to \$50,000. Revised to increase maximum amounts of contingency authorizations up to \$1.0 billion in federal, \$300.0 million in state restricted, \$20.0 million in local, and \$20.0 million in private contingency funds to be appropriated.

**Sec. 809. Computer Contracts – REVISED**

Requires DTMB to report revisions that increase or decrease current contracts for computer software development, hardware acquisition, or quality assurance by more than \$250,000, individually or in aggregate. Revised to increase contract change reporting threshold to \$500,000.

**Sec. 813. Motor Vehicle Fleet – REVISED**

Provides for motor vehicle charges and management of motor vehicle fleet; requires detailed plan for operation of fleet; authorizes adjustment of spending authorization and motor transport fund IDG as needed to ensure that authorization meets total fleet expenditures; requires department to post the plan on its website. Revised to eliminate certain reporting requirements, including information on efforts to reduce travel expenditures, calculation of the amount of state motor vehicle fuel taxes that would have been incurred by fleet vehicles if they were required to pay motor fuel taxes, the cost to operate the fleet garage, and the number of fleet garage locations; revised report due date from 60 to 90 days after the close of the fiscal year; eliminated requirement for report to be posted on the department's website; changed threshold at which DTMB is authorized to charge state agencies either \$3.04 per gallon of unleaded gasoline or 10% of the budgeted per gallon price, whichever is more.

**Major Boilerplate Changes from FY 2022-23**

**Sec. 816. Privatization RFPs – DELETED**

Requires RFP issued for purpose of privatization to include all factors to be used in evaluating and determining price.

**Sec. 818. Law Enforcement Officers Memorial – REVISED**

Provides for receipt and expenditure of money from Michigan Law Enforcement Officers Memorial Monument Fund. Revised to designate deposits into the fund as restricted revenues and to carry forward into succeeding fiscal years.

**Sec. 821. Office of Retirement Services Report – DELETED**

Requires Office of Retirement Services (ORS) to produce a report on Judges Retirement System, Military Retirement System, Michigan Public School Employees' Retirement System, State Employees' Retirement System, and State Police Retirement System showing tables and charts of annual required contribution flow per fiscal year and justification if payroll growth assumption is maintained at or above 0% for any pension or OPEB plan; requires additional items to be reported for Michigan Public School Employees' Retirement System; requires ORS to post most recent year's CAFR for each plan.

**Sec. 822e. Legacy Costs – DELETED**

Identifies annual pension-related and retiree health care legacy costs.

**Sec. 822g. Legal Services Fund – DELETED**

Requires itemized report on all expenditures from Legal Services Fund.

**Sec. 822e. Vendor Performance Tracking – REVISED**

Requires DTMB to establish a vendor performance tracking system that collaborates with other departments that will be used as a factor in determining future contracts in the procurement process; requires department to list and report all state departments and agencies that have not complied with requirements of this section. Revised to delete requirement that the department list and report all state departments and agencies that have not complied with the requirements.

**Sec. 822g. Business Incentive Study – DELETED**

Requires not more than \$1.0 million appropriated to Administrative Services line item to be expended to implement Economic Development Incentive Evaluation Act (2018 PA 540).

**Sec. 822h. Capital City Services – NEW**

Requires funds to be allocated to Lansing on a reimbursement basis to aid with local infrastructure and municipal services; requires funds to be used to maintain or improve local roads, sidewalks, public utility infrastructure, emergency response, traffic management, or other public safety services that support the state capitol and adjacent state facilities.

**Sec. 822i. Prohibition of Testing Laboratories Consolidation – NEW (UNENFORCEABLE)**

Prohibits the use of funds for consolidating the testing laboratories for the Department of Agriculture and Rural Development or the Department of Natural Resources. (Governor's signing letter states this section is unenforceable.)

**DTMB – INFORMATION TECHNOLOGY**

**Sec. 827. Michigan Public Safety Communications System (MPSCS) – REVISED**

Provides for assessment of fees and expenditure of revenues pertaining to MPSCS; requires report on revenue collected and expenditures made in support of the system; authorizes unencumbered funds to be carried forward. Revised to delete reporting requirement.

**Sec. 828. IT-Related Appropriations and Expenditures – REVISED**

Requires detailed quarterly report on funding and expenditures for IT services and projects. Revised to make report annual.

**Sec. 829. Life-Cycle of Hardware and Software – DELETED**

Requires report that analyzes and makes recommendations on life-cycle of IT hardware and software.

**Sec. 831. Information Technology Services Billing – REVISED**

Requires DTMB to submit information technology services-related invoices to departments and agencies no later than 45 days after receiving approval from departments to pay vendor invoices. Revised reporting time to 60 days after receiving approval to pay invoice.

**Sec. 838. Solar Energy Projects Selection Process – DELETED**

Authorizes requests for proposals or other arrangements for installation of solar energy projects at state-owned or leased facilities to consider the value of the lifecycle carbon emissions in manufacturing of solar equipment as part of selection process; requires DTMB to report on implementation of this section.

## GENERAL GOVERNMENT: TECHNOLOGY, MANAGEMENT, AND BUDGET

### Major Boilerplate Changes from FY 2022-23

#### **Sec. 840. EPMO Performance Measures – DELETED**

Requires development and use of metrics for activities related to funds appropriated to Enterprise Portfolio Management Office.

### DTMB – CAPITAL OUTLAY

#### **Sec. 863. Capital Outlay Rental Increase Approval – DELETED**

Requires proposed new or renewal rental spaces or facilities for which the annual base cost is more than \$500,000 to receive approval from the Joint Capital Outlay Subcommittee (JCOS) prior to being approved by the State Administrative Board; waives JCOS approval in emergency situations and requires department to notify JCOS within 5 days after executing agreement.

#### **Sec. 863a. State Building Occupancy and Use Report – DELETED**

Requires DTMB to submit report which evaluates office building and space usage by all state departments and develop a projection for future building occupancy; lists additional report requirements including projections of amounts of state-owned and leased buildings, comparisons of 2019 occupancy levels with current and projected levels, plan for building occupancy efficiency, projected costs to complete space optimization plan, projected savings resulting from property divestments, and descriptions of each divested property.

#### **Sec. 866. Energy Efficiency Revolving Fund – NEW**

Creates the Energy Efficiency Revolving Fund within Treasury; authorizes Treasury to receive money or other assets for deposit into the fund and to credit interest and earnings into the fund; provides carry-forward authorization for unexpended funds at close of fiscal year; requires DTMB to provide oversight for the fund and coordinate a call for projects and prioritize projects to be awarded funds; limits administrative costs to 10% of the total project cost; describes department's responsibilities in administering the fund.

### DTMB – ONE-TIME APPROPRIATIONS

#### **Sec. 890. Software Purchasing Review – DELETED**

Provides a list of technical requirements and functions for platform purchased with one-time designated funds appropriated for software purchasing review.

#### **Sec. 890. Vendor Cybersecurity Monitoring – NEW**

Requires department to contract with a vendor to provide software that provides cybersecurity vulnerability information about companies that the state does business with and the state's vendor ecosystem; lists eligibility requirements for software vendor; lists metrics that contracted software must provide.

#### **Sec. 891. Supply Chain Software Solicitation – DELETED**

Requires department, with one-time designated funds appropriated for supply chain technology, to solicit Michigan-based vendor for a software product that provides real-time visibility platforms for complex supply chains; provides eligibility criteria for selecting vendor.

#### **Sec. 891. Make it in Michigan Competitiveness Fund – NEW**

Creates the Make it in Michigan Competitiveness Fund in Treasury; deposits funding appropriated in part 1 in the fund; prohibits expenditures from the fund without appropriation or legislative transfer; provides guidance and restrictions regarding transfers from the fund; states that the fund is to be used to leverage major funding opportunities available from recent federal legislation including, but not limited to, the Infrastructure Investment and Jobs Act (IIJA), CHIPS and Science Act, and the Inflation Reduction Act; directs the formation of an interagency evaluation committee to recommend appropriations or transfers; establishes reporting requirements to the legislature.

### FY 2022-23 Supplemental Appropriation Items

#### Public Act 119 of 2023 (House Bill 4437, Article 16)

#### Appropriation Change

##### **1. State Building Operations Contractual Increase**

Includes \$2.1 million GF/GP to support increased contract costs for janitorial services and rubbish and snow removal at state-owned buildings.

| <b>Gross</b> | <b>\$2,108,000</b> |
|--------------|--------------------|
| <b>GF/GP</b> | <b>\$2,108,000</b> |

##### **2. Actuarial Study**

Includes \$500,000 GF/GP to conduct an actuarial analysis for pension systems that have a proposed pension benefit change or proposed consolidation into another pension system.

| <b>Gross</b> | <b>\$500,000</b> |
|--------------|------------------|
| <b>GF/GP</b> | <b>\$500,000</b> |

### **FY 2023-24 APPROPRIATIONS SUMMARY AND ANALYSIS**

HOUSE FISCAL AGENCY: SEPTEMBER 2023

**FY 2022-23 Supplemental Appropriation Items**  
**Public Act 119 of 2023 (House Bill 4437, Article 16)**

**Appropriation Change**

**3. IIJA – State and Local Cybersecurity Grant Program**

Includes \$31.5 million Gross (\$7.6 million GF/GP) to support the new State and Local Cybersecurity Grant Program. DTMB will work with Michigan State Police to foster local partnerships through strategic planning and projects that mitigate cybersecurity threats and risks.

|         | <b>Gross</b> | <b>\$31,457,200</b> |
|---------|--------------|---------------------|
| Federal | 23,877,100   |                     |
| GF/GP   | \$7,580,100  |                     |

**4. Make it in Michigan**

Includes \$50.0 million GF/GP to leverage major funding opportunities available from recent federal legislation including, but not limited to, the Infrastructure Investment and Jobs Act, CHIPS and Science Act, and Inflation Reduction Act. Funds will be allocated at the discretion of an interagency evaluation committee formed by the Michigan Infrastructure Office in collaboration with the state budget director.

|       | <b>Gross</b> | <b>\$50,000,000</b> |
|-------|--------------|---------------------|
| GF/GP | \$50,000,000 |                     |

**FY 2022-23 Supplemental Boilerplate Items**

**Public Act 119 of 2023 (House Bill 4437, Article 16)**

**Sec. 851. Actuarial Study**

Requires the department to conduct an actuarial analysis for pension systems that have a proposed pension benefit change or proposed consolidation into another pension system; designates unexpended funds as a work project appropriation.

**Sec. 852. State and Local Cybersecurity Grant Program**

Designates unexpended funds for State and Local Cybersecurity Grant Program as a work project appropriation; funds will be used to support activities including operating a cybersecurity planning committee, developing or revising a federally approved cybersecurity plan, and administering grant awards.

**Sec. 853. Make it in Michigan**

Requires funds to be used to leverage federal funding opportunities; authorizes funds to be used for match requirements only after other eligible state resources are exhausted; limits use of funds for assistance to local units of government, state agencies, and other non-profit entities partnering with the state for federal funding opportunities; requires the Michigan Infrastructure Office and the state budget director to form an interagency evaluation committee to develop guidelines and selection criteria for the disbursement of funds; designates unexpended funding as a work project appropriation.

**Sec. 854. Michigan Law Enforcement Officers Memorial Monument Fund**

Authorizes the department to receive and expend funds from the Michigan Law Enforcement Officers Memorial Monument Fund; designates deposits and unencumbered funds as restricted revenues that carry over to succeeding years.

**Sec. 855. Schoolcraft College – Applied Science Renovation and Expansion Project Cost Decrease**

Reduces the cost of the Schoolcraft College - Applied Science Renovation and Expansion project by \$1.8 million; the project was approved for construction in 2018 PA 618; the project cost and scope were revised in 2020 PA 66 to a total project cost of \$24.3 million, a state share of \$10.0 million, and a college share of \$14.3 million; the decrease will come out of the college's share of the project, resulting in a total project cost of \$22.5 million and a college share of \$12.5 million.

**Sec. 856. Budget Stabilization Fund**

Appropriates \$100.0 million for deposit into the Countercyclical Budget and Economic Stabilization Fund for FY 2022-23.

**DEPARTMENT OF TREASURY**  
**Summary of FY 2023-24 Enacted**  
**Public Act 119 of 2023 (House Bill 4437, Article 5)**

**Analyst: Viola Bay Wild**

|                   | FY 2022-23 YTD<br>as of 2/8/23 | FY 2023-24<br>Enacted  | Difference: Enacted<br>From FY 2022-23 YTD |               |
|-------------------|--------------------------------|------------------------|--|---------------|
|                   |                                |                        | Amount                                     | %             |
| <b>IDG/IDT</b>    | \$11,153,100                   | \$11,097,300           | (\$55,800)                                 | (0.5)         |
| <b>Federal</b>    | 24,970,700                     | 24,921,800             | (48,900)                                   | (0.2)         |
| <b>Local</b>      | 13,209,600                     | 15,038,100             | 1,828,500                                  | 13.8          |
| <b>Private</b>    | 31,000                         | 33,200                 | 2,200                                      | 7.1           |
| <b>Restricted</b> | 2,060,674,700                  | 2,197,308,000          | 136,633,300                                | 6.6           |
| <b>GF/GP</b>      | 1,161,524,600                  | 392,670,200            | (768,854,400)                              | (66.2)        |
| <b>Gross</b>      | <b>\$3,271,563,700</b>         | <b>\$2,641,068,600</b> | <b>(\$630,495,100)</b>                     | <b>(19.3)</b> |
| <b>FTEs</b>       | 1,978.5                        | 2,013.5                | 35.0                                       | 1.8           |

**Notes:**

(1) FY 2022-23 year-to-date figures include mid-year budget adjustments through February 8, 2023.  
 (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

The Department of Treasury is the chief fiscal agency of the state and the primary source of advice to the governor on tax and fiscal policy issues. The department's mission is to collect state taxes; to invest, control, and disburse state monies; and to protect the state's credit rating and that of its cities. The department manages one of the nation's largest pension funds, administers revenue sharing, and administers student financial aid programs. It also investigates fraudulent financial activity, provides assistance on all property tax-related issues, and advises issuers of municipal obligations. The Bureau of State Lottery, the Michigan Gaming Control Board (MGCB), and State Building Authority (SBA) are autonomous agencies housed within the department.

|  |  |              | FY 2022-23                     | FY 2023-24          |
|--|--|--------------|--------------------------------|---------------------|
|  |  |              | Year-to-Date<br>(as of 2/8/23) | Enacted<br>Change   |
| <b>Major Budget Changes from FY 2022-23 YTD Appropriations</b>   |  |              |                                |                     |
| <b>1. Constitutional Revenue Sharing</b>   |  | <b>Gross</b> | <b>\$1,036,594,900</b>         | <b>\$64,068,200</b> |
| Includes an increase of \$64.1 million restricted sales tax revenue over the FY 2022-23 appropriated amount. Appropriation reflects May 2023 CREC estimate for FY 2023-24 which represents \$2.1 million increase from May 2023 CREC estimates for FY 2022-23.   |  | Restricted   | 1,036,594,900                  | 64,068,200          |
|  |  | GF/GP        | \$0                            | \$0                 |
| <b>2. City, Village, and Township (CVT) Revenue Sharing</b>  |  | <b>Gross</b> | <b>\$282,219,900</b>           | <b>\$16,906,500</b> |
| Includes a net increase of \$16.9 million restricted sales tax revenue to support a 5.0% ongoing increase and an additional 2.0% one-time increase for public safety initiatives. For the non-public safety payments, a CVT will be eligible for a payment equal to 105.0% of its FY 2022-23 payment. The public safety initiatives funding will provide a 2.0% increase from FY 2022-23 and will fund local public safety initiatives, such as public safety employee recruitment, retention, training, equipment, and infrastructure improvements. |  | Restricted   | 282,219,900                    | 16,906,500          |
|  |  | GF/GP        | \$0                            | \$0                 |

|  |              |                      | <b>FY 2022-23</b>     | <b>FY 2023-24</b> |
|--|--------------|----------------------|-----------------------|-------------------|
|  |              |                      | <b>Year-to-Date</b>   | <b>Enacted</b>    |
|  |              |                      | <b>(as of 2/8/23)</b> | <b>Change</b>     |
| <b>Major Budget Changes from FY 2022-23 YTD Appropriations</b>   |              |                      |                       |                   |
| <b>3. County Revenue Sharing</b>   | <b>Gross</b> | <b>\$245,806,300</b> | <b>\$15,263,400</b>   |                   |
| Includes a net increase of \$15.3 million of restricted sales tax revenue to support a 5.0% ongoing increase and an additional 2.0% one-time increase for public safety initiatives. Each county will be eligible to receive 116.4592% of statutory full funding. The public safety initiatives payments will fund local public safety initiatives, such as public safety employee recruitment, retention, training, equipment, and infrastructure improvements. The County Incentive Program is increased by \$91,800 restricted sales tax revenue. | Restricted   | 245,806,300          | 15,263,400            |                   |
|  | GF/GP        | \$0                  | \$0                   |                   |
| <b>4. New Office of Security and Data Risk Management</b>  | <b>FTE</b>   | 15.0                 | 5.0                   |                   |
| Transfers \$2.2 million current restricted funding and authorization for 15.0 FTE positions within the department and includes additional \$793,000 GF/GP and authorization for 5.0 new FTE positions to establish the new Office of Security and Data Risk Management. The office will secure confidential taxpayer information and protect against cybersecurity attacks.  | <b>Gross</b> | <b>\$2,197,500</b>   | <b>\$793,000</b>      |                   |
|  | Restricted   | 2,197,500            | 0                     |                   |
|  | GF/GP        | \$0                  | \$793,000             |                   |
| <b>5. Office of Revenue and Tax Administration (ORTA)</b>  | <b>FTE</b>   | 21.0                 | 3.0                   |                   |
| Includes an increase of \$594,500 GF/GP and authorization for 3.0 FTE positions for ORTA to provide increased support for analytical activities and administration of grant programs.  | <b>Gross</b> | <b>\$4,050,500</b>   | <b>\$594,500</b>      |                   |
|  | Restricted   | 2,126,700            | 0                     |                   |
|  | GF/GP        | \$1,923,800          | \$594,500             |                   |
| <b>6. School Bond Loan System</b>  | <b>FTE</b>   | 19.0                 | 1.0                   |                   |
| Includes \$171,000 GF/GP and authorization for 1.0 FTE position to help administer an updated IT system and application process.   | <b>Gross</b> | <b>\$4,581,200</b>   | <b>\$171,000</b>      |                   |
|  | IDG          | 213,600              | 0                     |                   |
|  | Restricted   | 3,958,400            | 0                     |                   |
|  | GF/GP        | \$409,200            | \$171,000             |                   |
| <b>7. Attainable and Workforce Housing Program Administration</b>  | <b>FTE</b>   | NA                   | 4.0                   |                   |
| Includes \$665,000 GF/GP and authorization for 4.0 FTE positions for oversight and administration of tax credit programs to be established under the newly enacted Attainable Housing Facilities Act, Residential Housing Facilities Act, and expansion of the Neighborhood Enterprise Zone Act (PAs 236, 237, and 238 of 2022).   | <b>Gross</b> | NA                   | <b>\$665,000</b>      |                   |
|  | GF/GP        | NA                   | \$665,000             |                   |
| <b>GRANTS</b>  | <b>Gross</b> |                      | <b>\$3,420,000</b>    |                   |
| <b>8. Qualified Heavy Equipment Rental Personal Property Tax Implementation</b>  | Restricted   | NA                   | 3,420,000             |                   |
| Includes \$3.4 million restricted funding for administration of a new program (\$420,000) and for estimated tax refunds (\$3.0 million) under 2022 PA 35 which exempted the personal property tax on heavy equipment rentals and imposed a 2.0% tax on the rental price of heavy equipment. From the revenues generated by the 2.0% tax, 90.0% will be distributed to eligible local tax collecting units.   | GF/GP        | NA                   | \$0                   |                   |
| <b>9. Recreational Marijuana Grants to Locals</b>  | <b>Gross</b> | <b>\$50,580,000</b>  | <b>\$21,090,000</b>   |                   |
| Includes \$21.1 million restricted funding to align grant payments to local governments with the expected increase in revenues.  | Restricted   | 50,580,000           | 21,090,000            |                   |
|  | GF/GP        | \$0                  | \$0                   |                   |
| <b>10. Election Administration Support Fund</b>  | <b>Gross</b> | NA                   | <b>\$18,765,400</b>   |                   |
| Includes \$18.8 million GF/GP for funding for local election administration support.   | GF/GP        | NA                   | \$18,765,400          |                   |
| <b>BUREAU OF STATE LOTTERY</b>   | <b>FTE</b>   | 211.0                | 1.0                   |                   |
| <b>11. Michigan State Lottery</b>  | <b>Gross</b> | <b>\$30,327,000</b>  | <b>\$1,000,000</b>    |                   |
| Includes \$1.0 million restricted funding and authorization for 1.0 FTE position to increase support for Lottery's efforts to sell and promote products through both online and retail outlets.  | Restricted   | 30,327,000           | 1,000,000             |                   |
|  | GF/GP        | \$0                  | \$0                   |                   |

**GENERAL GOVERNMENT: TREASURY**

|   |                   |                   | <b>FY 2022-23</b>     | <b>FY 2023-24</b>   |
|---|-------------------|-------------------|-----------------------|---------------------|
|   |                   |                   | <b>Year-to-Date</b>   | <b>Enacted</b>      |
|   |                   |                   | <b>(as of 2/8/23)</b> | <b>Change</b>       |
| <b>Major Budget Changes from FY 2022-23 YTD Appropriations</b>  |                   |                   |                       |                     |
| <b>CASINO GAMING</b>  |                   | FTE               | 169.0                 | 16.0                |
| <b>12. Michigan Gaming Control Board (MGCB)</b>   | <b>Gross</b>      | <b>Restricted</b> | <b>\$32,742,600</b>   | <b>\$2,544,700</b>  |
| Includes \$2.5 million restricted funding and authorization for 16.0 FTE positions for additional staff, MGCB Board expenses, and IT upgrades for increased responsibilities related to the regulation of internet gaming and sports betting activities. New FTE positions will be for regulation officers, auditors, and financial and department analysts positions.  | GF/GP             |                   | 32,742,600            | 2,544,700           |
|   |                   |                   | \$0                   | \$0                 |
| <b>13. Advertising for Responsible Gaming</b>   | <b>Gross</b>      | <b>Restricted</b> | <b>\$3,000,000</b>    | <b>\$0</b>          |
| Transfers the \$3.0 million restricted funding for advertising for responsible gaming that is one-time funding in FY 2022-23 to on-going funding.   | GF/GP             |                   | 3,000,000             | 0                   |
|   |                   |                   | \$0                   | \$0                 |
| <b>14. Executive Revision 2024-1</b>  | <b>Gross</b>      | <b>Restricted</b> | <b>\$2,129,700</b>    | <b>\$6,900</b>      |
| Includes \$6,900 restricted funding for economic adjustments for horse racing staff.  | GF/GP             |                   | 2,129,700             | 6,900               |
|   |                   |                   | \$0                   | \$0                 |
| <b>PAYMENT IN LIEU OF TAXES</b>   | <b>Gross</b>      | <b>Restricted</b> | <b>\$30,175,400</b>   | <b>\$2,112,700</b>  |
| <b>15. Payment in Lieu of Taxes (PILT) Increase</b>   | <b>Private</b>    | <b>Restricted</b> | <b>31,000</b>         | <b>2,200</b>        |
| Includes \$2.1 million Gross (\$1.7 million GF/GP) increase in PILT payments for property tax payments to local units of government for state lands owned by the Department of Natural Resources to align payments with current property tax estimates.   | GF/GP             |                   | 6,212,800             | 435,100             |
|   |                   |                   | \$23,931,600          | \$1,675,400         |
| <b>CITY INCOME TAX ADMINISTRATION</b>   | FTE               |                   | 72.0                  | 5.0                 |
| <b>16. City Income Tax Administration Program Expansion</b>   | <b>Gross</b>      | <b>Local</b>      | <b>\$10,148,200</b>   | <b>\$1,850,000</b>  |
| Includes \$1.9 million local funding and authorization for 5.0 FTE positions for the administration of a proposed expansion of the city income tax administration program. In the DTMB budget, related additional GF/GP funding is appropriated to the ITIF to improve the program's IT system to be able to expand it on a voluntary basis to the 23 cities that currently levy city income taxes. Currently, the City of Detroit is the only city that uses the administration program. Of the \$1.9 million increase in the Treasury budget, \$850,000 will support additional staff and \$1.0 million will support the department's IT-related costs. | GF/GP             |                   | 10,148,200            | 1,850,000           |
|   |                   |                   | \$0                   | \$0                 |
| <b>ONE-TIME APPROPRIATIONS</b>  | <b>Gross</b>      |                   | <b>NA</b>             | <b>\$2,000,000</b>  |
| <b>17. MGCB Information Technology Accounts Receivable System</b>   | <b>Restricted</b> |                   | <b>NA</b>             | <b>2,000,000</b>    |
| Includes \$2.0 million one-time restricted funding for an upgraded accounts receivable system for invoicing and payment collections.  | GF/GP             |                   | NA                    | \$0                 |
| <b>18. Presidential Primary One-Time Funding</b>  | <b>Gross</b>      |                   | <b>NA</b>             | <b>\$20,000,000</b> |
| Includes \$20.0 million one-time GF/GP for the Michigan presidential primary election and additional related costs of Proposal 2 of 2022. In past presidential primary elections, the state has provided funding to local clerks for the costs of this primary.   | GF/GP             |                   | NA                    | \$20,000,000        |
| <b>19. Organ Donor Registry</b>   | <b>Gross</b>      |                   | <b>NA</b>             | <b>\$150,000</b>    |
| Includes \$150,000 one-time GF/GP to implement new program to allow taxpayers to sign up for the organ donor registry on state income tax forms.  | GF/GP             |                   | NA                    | \$150,000           |
| <b>20. Local Unit Municipal Pension Grants</b>  | <b>Gross</b>      |                   | <b>NA</b>             | <b>\$35,000,000</b> |
| Includes \$35.0 million GF/GP for Local Unit Municipal Retirement Pension and Health Care Benefit Premium Payment Grants.   | GF/GP             |                   | NA                    | \$35,000,000        |

| <b><u>Major Budget Changes from FY 2022-23 YTD Appropriations</u></b>   | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b>  | <b>FY 2023-24<br/>Enacted<br/>Change</b>  |
|---|--|---|
| <b>21. Beverage Container Distributor Grants</b><br>Includes \$8.0 million one-time GF/GP for grants to licensed distributors for beverage container deposit costs. Grants must equal 1/2 of 1 cent per returnable container for beer, ale, or other malt drinks, or mixed wine or spirit drink.  | <b>Gross</b><br>GF/GP<br>NA<br>NA  | <b>\$8,000,000</b><br>\$8,000,000   |
| <b>22. Election Administration Support Fund</b><br>Includes \$27.2 million one-time GF/GP for new Election Administration Support Fund. Funding may only be expended upon appropriation or legislative transfer.  | <b>Gross</b><br>GF/GP<br>NA<br>NA  | <b>\$27,209,200</b><br>\$27,209,200   |
| <b>23. High Crime Community Support</b><br>Includes \$12.0 million one-time GF/GP for grants to be awarded to county prosecutors in 6 specific communities to address caseload backlogs.  | <b>Gross</b><br>GF/GP<br>NA<br>NA  | <b>\$12,000,000</b><br>\$12,000,000   |
| <b>24. FY 2022-23 One-Time Appropriations</b><br>Removes the following one-time GF/GP appropriations included in FY 2022-23: <ul style="list-style-type: none"> <li>• \$750.0 million – Local municipal pension principal payment grants</li> <li>• \$100.0 million – Deposit into the MSP retirement system</li> <li>• \$19.0 million – Transportation Administration Support Fund.</li> </ul>   | <b>Gross</b><br>GF/GP<br>\$869,000,000<br>\$869,000,000                                      | <b>(\$869,000,000)</b><br>(\$869,000,000)                                       |
| <b>25. Removal of FY 2022-23 Supplemental Appropriations</b><br>Removes \$25.0 million GF/GP included in FY 2022-23 supplemental in 2023 PA 1 for the Water Shutoff Prevention Fund.  | <b>Gross</b><br>GF/GP<br>\$25,000,000<br>\$25,000,000  | <b>(\$25,000,000)</b><br>(\$25,000,000)   |
| <b>26. Other Technical Adjustments</b><br>Includes the following technical adjustments: <ul style="list-style-type: none"> <li>• \$10.1 million restricted funding increase for the Convention Facility Development Distribution due to anticipated increased revenue</li> <li>• \$318,600 restricted funding increase for emergency 911 payments</li> <li>• \$150,000 restricted funding increase in Bureau of Investments</li> <li>• \$90,000 GF/GP increase for the Senior Citizen Cooperative Housing Tax Exemption Program for new facilities entering the program.</li> </ul> | <b>Gross</b><br>Restricted<br>GF/GP<br>NA<br>NA<br>NA  | <b>\$10,698,600</b><br>10,608,600<br>\$90,000                                   |
| <b>27. Economic Adjustments</b><br>Reflects reduced costs of \$804,200 million Gross (increase of \$32,100 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2023), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.   | <b>Gross</b><br>IDG<br>Federal<br>Local<br>Restricted<br>GF/GP<br>NA<br>NA<br>NA<br>NA<br>NA | <b>(\$804,200)</b><br>(55,800)<br>(48,900)<br>(21,500)<br>(710,100)<br>\$32,100 |

**Major Boilerplate Changes from FY 2022-23**

**TREASURY OPERATIONS**

**Sec. 938. Qualified Heavy Equipment Rental Personal Property Exemption (QHERPPE) – NEW**

Appropriates revenue collected in new QHERPPE reimbursement fund and directs the distribution of funding to follow section 9 of 2022 PA 35.

**Sec. 947. Financial Independence Teams – REVISED (UNENFORCEABLE)**

Stipulates that financial independence teams shall cooperate with the financial responsibility section to coordinate and streamline efforts in identifying and addressing fiscal emergencies in school districts and intermediate school districts. Revised to state that it is the intent of the legislature that the teams cooperate under this section. (Governor's signing letter states this section is unenforceable.)

## GENERAL GOVERNMENT: TREASURY

### **Major Boilerplate Changes from FY 2022-23**

#### **Sec. 948. Annual Legacy Costs – DELETED**

Identifies annual pension-related and retiree health care legacy costs.

#### **Sec. 949a. City Income Tax Expansion – REVISED**

Authorizes funds appropriated for the city income tax administration to be used for expansion of city individual income tax returns to one additional city. Revised to allow the department to expand program to additional cities; appropriates local funding received from agreements with cities for staffing and administration of the program.

#### **Sec. 949g. Equal Opportunity Program Funding Distribution – DELETED**

Appropriates tax capture revenues collected under the employment opportunity program and allows distribution of payments to qualified businesses pursuant to chapter 8F of the Michigan Strategic Fund Act.

#### **Sec. 949i. Transportation Administration Support Fund – DELETED**

Creates the Transportation Administration Support Fund in the Department of Treasury; requires funds to be carried forward and not lapse; subjects funds to appropriation; specifies that funding appropriated for the fund is to be deposited into the fund.

## **REVENUE SHARING**

#### **Sec. 952. City, Village, and Township (CVT) Revenue Sharing and County Incentive Program – REVISED**

Specifies distribution of \$266.2 million to all CVTs that received a payment under Section 950(2) of 2009 PA 128 greater than \$1,000.00; eligible payment is equal to 110.0% of its FY 2021-22 eligible payment; in order to qualify for its eligible payment, a CVT is required to comply with the items listed under accountability and transparency; to qualify for county incentive payment, counties are required to comply with the items listed under accountability and transparency; any unexpended funds are directed to be deposited in the Financial Distressed CVTs program in Sec. 956, subject to approval of transfers. Revised to require that payments equal 104.0% of FY 2022-23 payment and an additional 1.0% if the CVT has been expended, obligated, or declined by December 31, 2023 federal ARPA funding; includes 2.0% additional one-time funding for local public safety initiatives.

#### **Sec. 955. County Revenue Sharing Payments – REVISED**

Requires the county revenue sharing appropriation to be distributed so that each eligible county receives a payment (when coupled with the County Incentive Program payment) equal to 117.3115% of the amount determined pursuant to the Glenn Steil State Revenue Sharing Act of 1971, 1971 PA 140; requires counties receiving a payment to allocate the amount of their current year payment that is over their FY 2020-21 payment to their unfunded pension liabilities if they have a pension that is considered to be in unfunded status pursuant to the Protecting Local Government Retirement and Benefits Act, 2017 PA 202. (Counties are exempt if they have issued a municipal security to pay down their unfunded liability.) Revised to require that payments equal 116.4592% of statutory full funding which represents a 5.0% increase over FY 2022-23 ongoing payment; includes an additional 2.0% one-time funding increase for local public safety initiatives.

## **CASINO GAMING**

#### **Sec. 975. Responsible Gaming Advertising – NEW**

States legislative intent that in expending funding for advertising for responsible gaming, in addition to allocating funding for responsible gaming advertising, MGCB shall coordinate with DHHS on strategies to support addiction prevention and education efforts: requires report on expenditures.

#### **Sec. 978. Racing Commission Regulatory Changes – REVISED (UNENFORCEABLE)**

Requires the MGCB to determine the actual regulatory costs of conducting race dates; limits reimbursement to MGCB to actual expenses; specifies that in the case of reduced revenues, race dates can be reduced, after consultation with certified horsemen's organizations. Revised to remove language that states a certified horsemen's organization funds costs of races and inserts language referring to the MGCB funding races. (Governor's signing letter states this section is unenforceable.)

## **ONE-TIME APPROPRIATIONS**

#### **Sec. 990. Local Unit Municipal Retirement Pension and Health Care Benefit Premium Payment Grants – NEW**

Requires the department to establish and operate a grant program that provides relief to local governments with the greatest burden from qualified pension and retirement health benefit systems; department shall consult with relevant stakeholders to develop method of distribution and program requirements.

#### **Sec. 991. High-Crime Community Support – NEW**

Requires funding be used for grants to county prosecutors in 6 specific communities to address caseload backlogs; requires report.

**Major Boilerplate Changes from FY 2022-23****Sec. 992. Election Administration Support Fund – NEW**

Creates the Election Administration Support Fund; requires expenditure of funds to be subject to appropriation or legislative transfer; authorizes the state treasurer to direct the investment of the fund and to receive money or other assets for deposit into the fund including interest and earnings from the fund; authorizes funds to not lapse to the general fund at the close of the fiscal year.

**Sec. 993. Beverage Container Distributor Grants – NEW**

Requires funding be used for grants to licensed distributors for beverage container deposit costs; grants must equal 1/2 of 1 cent per returnable container for beer, ale, or other malt drinks, or mixed wine or spirit drink.

**FY 2022-23 Supplemental Appropriation Items****Public Act 119 of 2023 (House Bill 4437, Article 16)****1. Implementation of Workforce Housing Package**

Includes \$1.4 million GF/GP and authorization for 4.0 FTE positions to support administration and implementation of requirements of the Attainable Housing Facilities Act, Residential Housing Facilities Act, and Neighborhood Enterprise Zone Act.

|  | <u>Appropriation Change</u> |
|--|-----------------------------|
|--|-----------------------------|

|              |                    |
|--------------|--------------------|
| FTEs         | 4.0                |
| <b>Gross</b> | <b>\$1,374,000</b> |
| GF/GP        | \$1,374,000        |

**2. Qualified Heavy Equipment Rental Personal Property Tax Exemption**

Appropriates \$3.4 million of Qualified Heavy Equipment Rental Personal Property Exemption Fund revenue to be distributed according to the Qualified Heavy Equipment Rental Personal Property Specific Tax Act.

|              |                    |
|--------------|--------------------|
| <b>Gross</b> | <b>\$3,400,000</b> |
| Restricted   | 3,400,000          |
| GF/GP        | \$0                |

**3. Implementation of Earned Income Tax Credit Changes**

Includes \$925,000 GF/GP to be used to support implementation and administration activities related to expansion of the Michigan Earned Income Tax Credit.

|              |                  |
|--------------|------------------|
| <b>Gross</b> | <b>\$925,000</b> |
| GF/GP        | \$925,000        |

**4. Election Administration Support Fund**

Includes \$11.5 million GF/GP for deposit into the Election Administration Support Fund which is created to support costs to the Department of State for implementing Ballot Proposals 1 and 2 of 2022.

|              |                     |
|--------------|---------------------|
| <b>Gross</b> | <b>\$11,500,000</b> |
| GF/GP        | \$11,500,000        |

**5. Implementation of Retirement and Pension Income Tax Changes**

Includes \$900,000 GF/GP to support implementation and administration activities related to rollback of retirement and pension tax.

|              |                  |
|--------------|------------------|
| <b>Gross</b> | <b>\$900,000</b> |
| GF/GP        | \$900,000        |

**FY 2022-23 Supplemental Boilerplate Items****Public Act 119 of 2023 (House Bill 4437, Article 16)****Sec. 901. Qualified Heavy Equipment Rental Personal Property Exemption**

Appropriates revenue collected in the Qualified Heavy Equipment Rental Personal Property Exemption Fund and requires distribution according to the Qualified Heavy Equipment Rental Personal Property Specific Tax Act.

**Sec. 902. Earned Income Tax Credit (EITC) Implementation**

Requires funds to be used to support implementation and administration activities related to expansion of the Michigan EITC; authorizes the department to utilize limited-term employees; designates unexpended funds as a work project appropriation.

**Sec. 903. Election Administration Support Fund**

Creates the Election Administration Support Fund; requires expenditure of funds to be subject to appropriation or legislative transfer; authorizes the state treasurer to direct the investment of the fund and to receive money or other assets for deposit into the fund including interest and earnings from the fund; authorizes funds to not lapse to the general fund at the close of the fiscal year.

**Sec. 904. Implementation of the Rollback of the Retirement Tax**

Requires funds to be used to support implementation and administration activities related to rollback of retirement and pension tax; authorizes the department to utilize limited-term employees; designates unexpended funds as a work project appropriation.

## HEALTH AND HUMAN SERVICES

# DEPARTMENT OF HEALTH AND HUMAN SERVICES

## Summary of FY 2023-24 Enacted

### Public Act 119 of 2023 (House Bill 4437, Article 6)

Analysts: Sydney Brown, Kent Dell, and Kevin Koorstra

| IDG/IDT           | FY 2022-23 YTD<br>as of 2/8/23 | FY 2023-24<br>Enacted   | Difference: Enacted<br>From FY 2022-23 YTD |            |
|-------------------|--------------------------------|-------------------------|--|------------|
|                   |                                |                         | Amount                                     | %          |
| <b>Federal</b>    | \$14,696,000                   | \$14,676,900            | (\$19,100)                                 | (0.1)      |
| <b>Local</b>      | 23,693,049,100                 | 25,806,821,200          | 2,113,772,100                              | 8.9        |
| <b>Private</b>    | 170,002,300                    | 162,620,500             | (7,381,800)                                | (4.3)      |
| <b>Restricted</b> | 185,596,800                    | 179,694,600             | (5,902,200)                                | (3.2)      |
| <b>GF/GP</b>      | 3,132,592,800                  | 3,106,634,400           | (25,958,400)                               | (0.8)      |
| <b>Gross</b>      | <b>\$33,438,302,800</b>        | <b>\$35,734,583,000</b> | <b>\$2,296,280,200</b>                     | <b>6.9</b> |
| <b>FTEs</b>       | 15,690.5                       | 15,861.5                | 171.0                                      | 1.1        |

#### Notes:

(1) FY 2022-23 year-to-date figures include mid-year budget adjustments through February 8, 2023.  
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

#### Overview

The Department of Health and Human Services (DHHS) includes programs and services to assist Michigan's most vulnerable families, including public assistance programs, protecting children and assisting families by administering foster care, adoption, and family preservation programs and by enforcing child support laws, and funding for behavioral health (mental health and substance use disorder), public health, aging, crime victim, and medical services programs, including Medicaid and the Healthy Michigan Plan.

| Major Budget Changes from FY 2022-23 YTD Appropriations  | FY 2022-23<br>Year-to-Date<br>(as of 2/8/23)                       | FY 2023-24<br>Enacted<br>Change   |  |
|--|--|---|--|
|  |  | Gross   |  |
| <b>MEDICAID – GENERAL</b>  |  |   |  |
| <b>1. Traditional Medicaid Cost Adjustments</b>  |  |   |  |
| Includes an increase of \$398.4 million Gross (\$55.4 million GF/GP) to recognize caseload, utilization, and inflation adjustments, and traditional FMAP cost-sharing adjustments from FMAP increasing from 64.71% to 64.94%, plus 1 quarter of 1.5% enhanced FMAP provided under the federal Consolidated Appropriations Act, 2023, for medical and behavioral health services in the traditional Medicaid program. Compared to FY 2021-22 expenditures, and including actuarial soundness adjustments in item #3, May Consensus Revenue Estimating Conference between the State Budget Office, House Fiscal Agency, and Senate Fiscal Agency forecasts an average annual increase of 4.2%. | <b>Gross</b><br>Federal<br>Local<br>Private<br>Restricted<br>GF/GP | <b>\$16,581,775,400</b><br>10,703,491,400<br>38,994,800<br>13,748,800<br>2,339,439,900<br>\$3,486,100,500 | <b>\$398,422,800</b><br>352,144,800<br>(152,600)<br>(4,745,300)<br>(4,196,600)<br>\$55,372,500 |
| <b>2. Healthy Michigan Plan Cost Adjustments</b>   |  |   |  |
| Includes a reduction of \$55.8 million Gross (\$4.9 million GF/GP) to recognize caseload, utilization, and inflation adjustments for medical and behavioral health services in the Healthy Michigan Plan. Compared to FY 2021-22 expenditures, and including actuarial soundness adjustments in item #3, May Consensus Revenue Estimating Conference between the State Budget Office, House Fiscal Agency, and Senate Fiscal Agency forecasts an average annual increase of 1.5%.  | <b>Gross</b><br>Federal<br>Local<br>Private<br>Restricted<br>GF/GP | <b>\$5,799,632,800</b><br>5,211,580,900<br>2,021,400<br>1,381,600<br>486,516,000<br>\$98,132,900          | <b>(\$55,795,600)</b><br>(47,240,800)<br>12,400<br>0<br>(3,652,500)<br>(\$4,914,700)           |

Major Budget Changes from FY 2022-23 YTD Appropriations

**3. Actuarial Soundness**

Includes \$346.6 million Gross (\$92.5 million GF/GP) to support an estimated 2.5% actuarial soundness adjustment for prepaid inpatient health plans (PIHPs), 2.5% for Medicaid Health plans, 3.1% for Program of All-Inclusive Care for the Elderly (PACE), 3.0% for home- and community-based services, 2.0% for Integrated Care Organizations (MI Health Link), and 1.0% for Healthy Kids Dental.

**4. Direct Care Wage Increase**

Includes \$120.2 million Gross (\$42.7 million GF/GP) to support a \$0.85 per hour wage increase for direct care workers. Current year funding reflects recent appropriations for the \$2.35 hourly wage increase. Sections 231 and 1644 are related boilerplate.

**5. Long-Term Care: Non-Clinical Staff Wage Increase**

Includes \$19.9 million Gross (\$7.0 million GF/GP) to increase non-clinical nursing facility staff hourly wages by \$0.85. Eligible nursing facility staff would include, housekeeping, maintenance, plant operations, laundry, dining, medical records, social services, diversion therapy, beauty or barber, and gift or flower worker. Section 1644 is related boilerplate.

**DEPARTMENT ADMINISTRATION & INFORMATION TECHNOLOGY**

**6. Comprehensive Child Welfare Information System (CCWIS)**

Includes \$12.6 million Gross (\$7.5 million GF/GP), of which \$6.9 million Gross (\$3.5 million GF/GP) is on a one-time basis, and authorizes 11.0 FTE positions (6.0 on a one-time basis). CCWIS will replace the Michigan Statewide Child Welfare Information System (MiSACWIS) with the implementation of 9 cloud-based modules over the course of 3 to 5 years. Currently, 1 module is complete and 3 modules are in development.

**7. Relational Data Computer Usage Costs**

Includes \$3.3 million Gross (\$1.2 million GF/GP) to support DTMB data storage and processing for child welfare-related information regarding family data for each case. Increased costs are correlated with caseloads.

**8. Information Technology Inflationary Costs**

Includes \$6.4 million Gross (\$5.0 million GF/GP) for inflation-related cost increases for IT contracts with: Dewpoint, Guidesoft, Tibco, CGI Technologies and Solutions, Deloitte Consulting, Optum Government Solutions, Gainwell, Accenture, SourceHOV, Acro Service Corp, Crystal Lighting, and Altarum Institute.

**9. Property Management – Lease Cancellation Cost Reductions**

Includes a reduction of \$2.1 million Gross (\$849,100 GF/GP) to recognize a reduction in property costs related to multiple lease cancellations in Kalamazoo, Lansing, and Okemos.

**10. Legal Services**

Removes \$12.2 million GF/GP from ongoing legal services funding to recognize available funds currently available for legal services through work project-retained funds from previous fiscal years.

|              | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b> |
|--------------|---|--|
| <b>Gross</b> | <b>NA</b>   | <b>\$346,629,200</b>                     |
| Federal      | NA  | 254,134,200                              |
| GF/GP        | NA  | \$92,495,000                             |
| <b>Gross</b> | <b>\$405,058,900</b>                                  | <b>\$120,204,900</b>                     |
| Federal      | 259,091,400   | 77,544,800                               |
| GF/GP        | \$145,967,500   | \$42,660,100                             |
| <b>Gross</b> | <b>\$1,792,051,000</b>                                | <b>\$19,870,100</b>                      |
| Federal      | 1,198,936,400   | 12,866,500                               |
| Local        | 6,618,800   | 0  |
| Private      | 6,100,000   | 0  |
| Restricted   | 330,776,300   | 0  |
| GF/GP        | \$249,619,500   | \$7,003,600                              |
| <b>FTE</b>   | 0.0   | 11.0                                     |
| <b>Gross</b> | <b>\$3,373,200</b>                                    | <b>\$12,577,000</b>                      |
| Federal      | 870,300   | 5,041,600                                |
| GF/GP        | \$2,502,900   | \$7,535,400                              |
| <b>Gross</b> | <b>NA</b>   | <b>\$3,255,800</b>                       |
| Federal      | NA  | 2,056,000                                |
| GF/GP        | NA  | \$1,199,800                              |
| <b>Gross</b> | <b>NA</b>   | <b>\$6,384,200</b>                       |
| Federal      | NA  | 1,412,600                                |
| GF/GP        | NA  | \$4,971,600                              |
| <b>Gross</b> | <b>\$64,701,200</b>                                   | <b>(\$2,134,600)</b>                     |
| IDG/IDT      | 599,100   | 0  |
| TANF         | 10,667,900  | (165,600)                                |
| Federal      | 22,148,000  | (1,119,900)                              |
| Private      | 36,700  | 0  |
| Restricted   | 497,400   | 0  |
| GF/GP        | \$30,752,100  | (\$849,100)                              |
| <b>Gross</b> | <b>\$12,300,000</b>                                   | <b>(\$12,200,000)</b>                    |
| GF/GP        | \$12,300,000  | (\$12,200,000)                           |

## HEALTH AND HUMAN SERVICES

| <u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>  |   | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b>                  | <b>FY 2023-24<br/>Enacted<br/>Change</b>   |
|---|---|--|--|
| <b>11. Economic Adjustments</b><br>Includes a net cost reduction of \$3.9 million Gross (\$173,400 GF/GP) for both a net cost reduction of \$8.5 million Gross (\$4.2 million GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2023), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments and an increase of \$4.6 million Gross (\$4.0 million GF/GP) for the Civil Service wage increase for specific job classifications that have reported recruiting concerns as requested in Executive Revision 2024-1. | <b>Gross</b><br>IDG/IDT<br>TANF<br>Federal<br>Local<br>Private<br>Restricted<br>GF/GP | <b>NA</b><br>NA<br>NA<br>NA<br>NA<br>NA<br>NA                          | <b>(\$3,927,400)</b><br>(19,100)<br>(1,108,000)<br>(2,497,700)<br>(9,100)<br>(56,000)<br>(64,100)<br>(\$173,400) |
| <b>COMMUNITY SERVICES AND OUTREACH</b>  |   |  |  |
| <b>12. Diaper Assistance TANF Swap</b><br>Increases \$1.2 million GF/GP to offset a like amount of TANF authorization in order to use funding for administrative costs, and reduce vendor TANF reporting requirements.  | <b>Gross</b><br>TANF<br>GF/GP   | <b>\$4,404,400</b><br>4,404,400<br>\$0                                 | <b>\$0</b><br>(1,202,200)<br>\$1,202,200   |
| <b>13. Crime Victim Rights GF/GP Funding</b><br>Includes \$30.0 million GF/GP in the new Crime Victims' Rights Sustaining grants line and reduces federal Victims of Crime Act (VOCA) authorization by \$20.0 million based on recent federal awards. Crime victim rights services are also moved within the Health Policy and Initiatives Unit.  | <b>FTE</b><br><b>Gross</b><br>Federal<br>Restricted<br>GF/GP                          | 17.0<br><b>\$121,597,000</b><br>103,046,200<br>18,448,200<br>\$102,600 | 0.0<br><b>\$10,000,000</b><br>(20,000,000)<br>0<br>\$30,000,000  |
| <b>14. Kids Food Basket – One-Time</b><br>Includes \$1.0 million GF/GP in the one-time unit for the Kids Food Basket program. Program also receives \$525,000 GF/GP in ongoing funding.   | <b>Gross</b><br>GF/GP   | <b>\$525,000</b><br>\$525,000  | <b>\$1,000,000</b><br>\$1,000,000  |
| <b>15. 2-1-1 Community Information Exchange (CIE) – One-Time</b><br>Includes \$2.0 million GF/GP in the one-time unit for 2-1-1 Statewide Calling system upgrades. 2-1-1 also receives \$3.0 million GF/GP in ongoing funding.  | <b>Gross</b><br>GF/GP   | <b>\$2,950,000</b><br>\$2,950,000                                      | <b>\$2,000,000</b><br>\$2,000,000  |
| <b>16. Runaway and Homeless Youth</b><br>Includes \$5.3 million Gross (\$1.1 million GF/GP) to support the expansion of runaway and homeless youth capacity.  | <b>Gross</b><br>Federal<br>TANF<br>GF/GP  | <b>\$7,784,000</b><br>3,103,000<br>3,424,800<br>\$1,256,200            | <b>\$5,342,100</b><br>0<br>4,195,200<br>\$1,146,900  |
| <b>17. Cody Rouge Community Action Alliance Senior University – One-Time</b><br>Includes \$400,000 GF/GP for Cody Rouge Community Action Alliance's Senior University in the one-time unit.   | <b>Gross</b><br>GF/GP   | <b>NA</b><br>NA  | <b>\$400,000</b><br>\$400,000  |
| <b>18. Community Services and Outreach – One-Time</b><br>Includes \$5.0 million GF/GP to support capital projects and operations for the following programs:  | <b>Gross</b><br>GF/GP   | <b>NA</b><br>NA  | <b>\$5,000,000</b><br>\$5,000,000  |
| • Chaldean Community Foundation Affordable Housing (\$4.0 million)<br>• Nazarene Community House (\$500,000)<br>• Oaks Village Shelter (\$500,000)  |   |  |  |

Major Budget Changes from FY 2022-23 YTD Appropriations

**CHILDREN'S SERVICES AGENCY – CHILD WELFARE**

**19. Child Welfare Caseloads Adjustments**

Includes a savings of \$59.1 million Gross (\$46.1 million GF/GP) based on May caseload estimates as follows:

- Adoption subsidies cases reduced from 20,978 to 20,572
- Foster Care cases reduced from 7,924 to 7,277
- Guardianship Assistance Program cases reduced from 1,223 to 1,195

Amount includes \$499,500 GF/GP savings from changes in the FY 2023-24 FMAP up to 64.94% and with a first quarter, pandemic-related enhancement of 1.5% of additional E-FMAP.

**20. Child Care Fund – Community-Based State Reimbursement**

Includes \$31.5 million GF/GP to implement a recommendation from the Task Force on Juvenile Justice Reform to statutorily increase the state Child Care Fund reimbursement rate from 50% to 75% for community-based juvenile justice services.

**21. Bay Pines and Shawano Center**

Includes \$1.3 million Gross (\$643,600 GF/GP) and authorization for an additional 12.0 FTEs to provide services at Bay Pines and Shawano juvenile justice facilities based on a recommendation from the Task Force on Juvenile Justice Reform.

**22. Foster Family Maintenance Payment Increase**

Includes \$19.3 million Gross (\$7.8 million GF/GP) to fund an 8% increase to daily maintenance payments for foster parents, adoptive parents, and juvenile guardians. The increase would put Michigan's daily maintenance payment above the national average.

**23. Foster Care Respite Services**

Includes \$10.0 million GF/GP to implement a statewide foster care respite network to provide temporary, occasional relief to existing foster parents with the goal of keep existing foster homes open.

**24. Foster Care Education Pilot Program**

Includes \$1.7 million in federal funding to establish a scholarship program in partnership with state universities to provide tuition stipends, field placements, and cover other educational expenses for students seeking a Bachelor of Social Work or Master of Social Work. In exchange, students are obligated to work for Michigan child welfare agencies for one year.

**25. Elimination of Child Legal Representation pilot program**

Eliminates funding for a Child Legal Representation pilot program.

**26. Court Appointed Special Advocates – One-Time**

Includes \$1.5 million GF/GP one a one-time basis for court appointed special advocates for children who have been abused or neglected. Program also receives \$1.0 million GF/GP in ongoing funding.

**27. West Michigan Partnership for Children Reduction**

Includes a savings of \$7.2 million GF/GP from reductions to the capitated payments (\$6.4 million) and evaluation contract (\$800,000) for the West Michigan Partnership for Children.

|  | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b> |
|--|---|--|
|--|---|--|

|              |                      |                       |
|--------------|----------------------|-----------------------|
| <b>Gross</b> | <b>\$794,170,400</b> | <b>(\$59,109,900)</b> |
| TANF         | 79,698,900           | (9,637,100)           |
| Federal      | 197,740,400          | 3,491,200             |
| Local        | 38,258,900           | (5,713,200)           |
| Private      | 2,700,000            | (1,200,000)           |
| Restricted   | 2,000,000            | 0                     |
| GF/GP        | \$473,772,200        | (\$46,050,800)        |

|              |           |                     |
|--------------|-----------|---------------------|
| <b>Gross</b> | <b>NA</b> | <b>\$31,534,600</b> |
| GF/GP        | NA        | \$31,534,600        |

|              |                     |                    |
|--------------|---------------------|--------------------|
| FTE          | 94.0                | 12.0               |
| <b>Gross</b> | <b>\$11,749,500</b> | <b>\$1,287,200</b> |
| Federal      | 448,200             | 643,600            |
| Local        | 5,581,000           | 0                  |
| GF/GP        | \$5,720,300         | \$643,600          |

|              |           |                     |
|--------------|-----------|---------------------|
| <b>Gross</b> | <b>NA</b> | <b>\$19,278,700</b> |
| TANF         | NA        | 2,834,600           |
| Federal      | NA        | 7,875,000           |
| Local        | NA        | 749,700             |
| GF/GP        | NA        | \$7,819,400         |

|              |           |                     |
|--------------|-----------|---------------------|
| <b>Gross</b> | <b>NA</b> | <b>\$10,000,000</b> |
| GF/GP        | NA        | \$10,000,000        |

|              |            |                    |
|--------------|------------|--------------------|
| <b>Gross</b> | <b>\$0</b> | <b>\$1,744,100</b> |
| Federal      | 0          | 1,744,100          |
| GF/GP        | \$0        | \$0                |

|              |                  |                    |
|--------------|------------------|--------------------|
| <b>Gross</b> | <b>\$500,000</b> | <b>(\$500,000)</b> |
| GF/GP        | \$500,000        | (\$500,000)        |

|              |                    |                    |
|--------------|--------------------|--------------------|
| <b>Gross</b> | <b>\$1,000,000</b> | <b>\$1,500,000</b> |
| GF/GP        | \$1,000,000        | \$1,500,000        |

|              |           |                      |
|--------------|-----------|----------------------|
| <b>Gross</b> | <b>NA</b> | <b>(\$7,248,700)</b> |
| GF/GP        | NA        | (\$7,248,700)        |

**HEALTH AND HUMAN SERVICES**

| <b><u>Major Budget Changes from FY 2022-23 YTD Appropriations</u></b>  | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b>  | <b>FY 2023-24<br/>Enacted<br/>Change</b>  |  |
|--|--|---|--|
| <b>PUBLIC ASSISTANCE AND LOCAL OFFICE OPERATIONS</b>   |  |   |  |
| <b>28. Public Assistance Caseload Adjustments</b>  |  |   |  |
| Includes a net increase of \$1.1 billion Gross (reduction of \$2.6 million GF/GP) to support estimated public assistance program caseloads for FY 2022-23 and FY 2023-24 based on May Consensus Revenue Estimating Conference cost estimates. Increased costs are largely driven by an increase in federally-funded Supplemental Nutrition Assistance Program (SNAP) revenues for Food Assistance Program (FAP) cases. | <b>Gross</b><br>TANF<br>Federal<br>Restricted<br>GF/GP | <b>\$4,304,082,300</b><br>45,992,300<br>4,183,474,600<br>14,643,000<br>\$59,972,400 | <b>\$1,089,202,500</b><br>6,479,200<br>1,085,416,300<br>(109,900)<br>(\$2,583,100) |
| <b>29. Local Office Staff – Adult Protective Services</b>  |  |   |  |
| Includes \$2.7 million Gross (\$2.0 million GF/GP) and authorizes 20.0 FTE positions for Adult Protective Services operations as part of an effort to improve core department services.  | <b>FTE</b><br><b>Gross</b><br>Federal<br>GF/GP         | 530.0<br><b>\$63,788,500</b><br>33,226,700<br>\$30,561,800                          | 20.0<br><b>\$2,701,200</b><br>736,900<br>\$1,964,300                               |
| <b>30. Electronic Benefit Transfer (EBT) – Farm Bill Expungement</b>   |  |   |  |
| Includes \$510,000 Gross (\$255,000 GF/GP) to support a federal requirement to notify households prior to food assistance expungement. This requirement is a result of a modification to the federal Farm Bill providing for expungements at 9 months.   | <b>Gross</b><br>TANF<br>Federal<br>GF/GP               | <b>\$7,989,000</b><br>1,016,000<br>2,129,100<br>\$4,843,900                         | <b>\$510,000</b><br>0<br>255,000<br>\$255,000                                      |
| <b>31. Michigan Agriculture Surplus System</b>   |  |   |  |
| Includes \$10.0 million GF/GP to purchase additional surplus agricultural products to be distributed to food banks throughout the state through the Food Bank Council of Michigan.   | <b>Gross</b><br>GF/GP                                  | <b>\$2,045,000</b><br>\$2,045,000   | <b>\$10,000,000</b><br>\$10,000,000  |
| <b>32. Food Assistance – Delivery Services – One-Time</b>  |  |   |  |
| Includes \$5.0 million GF/GP, on a one-time basis, to support delivery costs and fees of food purchased remotely using SNAP benefits.  | <b>Gross</b><br>GF/GP                                  | <b>\$0</b><br>\$0   | <b>\$5,000,000</b><br>\$5,000,000  |
| <b>33. Food Market Expansion – One-Time</b>  |  |   |  |
| Includes \$500,000 GF/GP to provide a grant to Farmington CARES.   | <b>Gross</b><br>GF/GP                                  | <b>\$0</b><br>\$0   | <b>\$500,000</b><br>\$500,000  |
| <b>34. Family Independence Program – Clothing Allowance</b>  |  |   |  |
| Adds \$2.8 million TANF to the annual back-to-school clothing allowance for eligible TANF recipients, and separates the supplement into a stand-alone line item.   | <b>Gross</b><br>TANF<br>GF/GP                          | <b>\$7,230,000</b><br>7,230,000<br>\$0  | <b>\$2,770,000</b><br>2,770,000<br>\$0   |
| <b>35. Family Independence Program – Young Child Supplement</b>  |  |   |  |
| Includes an additional \$2.1 million TANF to support supplemental payments to FIP cases that include children under the age of 6 so that each supplemental payment is a minimum of \$400 per year.   | <b>Gross</b><br>TANF<br>GF/GP                          | <b>\$4,154,400</b><br>4,154,400<br>\$0  | <b>\$2,085,700</b><br>2,085,700<br>\$0   |
| <b>36. Flint Prenatal and Infant Allowance Pilot Program – One-Time</b>  |  |   |  |
| Includes \$16.5 million federal TANF to provide a grant to Michigan State University to implement and administer a 5-year pilot program with the intent of improving economic conditions for income eligible recipients of Flint who are expectant mothers or who have at least one child under 1 year of age. Section 2006 is related boilerplate.  | <b>Gross</b><br>TANF<br>GF/GP                          | <b>\$0</b><br>0<br>\$0  | <b>\$16,500,000</b><br>16,500,000<br>\$0   |
| <b>37. Senior Citizen Home Renovations – One-Time</b>  |  |   |  |
| Includes \$1.2 million GF/GP to the City of Detroit to renovate homes of individuals 65 years of age and older.  | <b>Gross</b><br>GF/GP                                  | <b>\$0</b><br>\$0   | <b>\$1,183,300</b><br>\$1,183,300  |
| <b>38. Life Remodeled – One-Time</b>   |  |   |  |
| Allocates \$1.0 million GF/GP to Life Remodeled to renovate and repurpose former school buildings into opportunity hubs in Detroit.  | <b>Gross</b><br>GF/GP                                  | <b>\$0</b><br>\$0   | <b>\$1,000,000</b><br>\$1,000,000  |

**Major Budget Changes from FY 2022-23 YTD Appropriations**

**39. Michigan Relief Plan – One-Time**

Includes \$2.0 million GF/GP to provide a grant to Big Brothers Big Sisters Michigan to hire, train, and place additional adult volunteers to provide one-to-one mentorship to youth throughout the state.

**40. Disability Determination Services**

Includes \$7.0 million in additional federal funding and 43.0 FTE positions to reduce case review waiting time.

|              | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b> |
|--------------|---|--|
| <b>Gross</b> | <b>\$0</b>  | <b>\$2,000,000</b>                       |
| GF/GP        | \$0   | \$2,000,000                              |
| <b>FTE</b>   | <b>581.3</b>  | <b>43.0</b>                              |
| <b>Gross</b> | <b>\$116,419,500</b>                                  | <b>\$7,000,000</b>                       |
| IDG/IDG      | 176,600   | 0  |
| Federal      | 112,224,900   | 7,000,000                                |
| GF/GP        | \$4,018,000   | \$0                                      |

**BEHAVIORAL HEALTH**

**41. Office of Recipient Rights**

Adds \$491,000 GF/GP and authorizes 4.0 FTE positions to increase the work capacity of the Office Recipient Rights, which receives and investigates Mental Health Code complaints as well as monitors program implementation and training.

**42. Conference of Western Wayne Substance Use Disorder Project**

Adds \$500,000 GF/GP for the Conference of Western Wayne specialized detoxification and case management program.

**43. Recovery High Schools**

Eliminates \$600,000 GF/GP for Recovery High School grants based on recent utilization.

**44. Certified Community Behavioral Health Clinics (CCBHC)**

Includes \$279.7 million Gross (\$65.4 million GF/GP) to expand the current 10 CCBHC provider organizations/sites by 19 additional provider organizations/sites. CCBHCs provide 24-hour crisis services, screenings, treatment planning, outpatient behavioral health services, outpatient primary care, target case management, psychiatric rehabilitation, and peer supports. Also assumes GF/GP savings of \$40.4 million from current Medicaid mental health programming being eligible for enhanced FMAP reimbursements of 75.46% rather than 64.94% provided at CCBHCs.

**45. Court-Appointed Guardian Reimbursements**

Eliminates \$5.0 million GF/GP allocated for court-appointed guardian reimbursements. Funding for a workgroup to determine funding method is included in FY 2022-23 supplemental.

**46. State Hospital Occupational Health Clinics**

Includes \$1.5 million GF/GP and authorizes 10.0 FTE positions to establish permanent occupational health clinics in each of the 5 state-operated psychiatric hospitals and centers. The occupational health clinics would manage occupational health issues including workplace safety, infectious disease control, and quality control.

**47. Behavioral Health Recruiting and Retention – One-Time**

Includes \$2.5 million federal Coronavirus State Fiscal Recovery Funds (SFRF) for recruitment and retention programs for behavioral health professionals on a one-time basis.

**48. Behavioral Health Accelerated Degree Program – One-Time**

Includes \$5.0 million GF/GP to provide grants to individuals who agree to enter into an accelerated social work degree program and to work for at least 2 years within the public behavioral health sector after completion of their degree.

|              | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b> |
|--------------|---|--|
| <b>Gross</b> | <b>\$0</b>  | <b>\$2,500,000</b>                       |
| SFRF         | 0   | 2,500,000                                |
| GF/GP        | \$0   | \$0                                      |
| <b>Gross</b> | <b>\$0</b>  | <b>\$5,000,000</b>                       |
| GF/GP        | \$0   | \$5,000,000                              |

## HEALTH AND HUMAN SERVICES

| <u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>   |  | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b>                                   | <b>FY 2023-24<br/>Enacted<br/>Change</b> |
|--|--|---|--|
| <b>49. Autism Navigator Program – One-Time</b><br>Adds \$1.0 million GF/GP for the autism navigator program, on a one-time basis.  | <b>Gross</b><br>GF/GP                          | <b>\$1,025,000</b><br>\$1,025,000   | <b>\$1,000,000</b><br>\$1,000,000        |
| <b>50. Recovery Community Organizations – One-Time</b><br>Adds \$1.8 million GF/GP for the recovery community organization grant program, on a one-time basis.   | <b>Gross</b><br>GF/GP                          | <b>\$1,200,000</b><br>\$1,200,000   | <b>\$1,800,000</b><br>\$1,800,000        |
| <b>51. Behavioral Health – One-Time</b><br>Includes \$78.0 million GF/GP for the following one-time behavioral health projects or programs:  | <b>Gross</b><br>GF/GP                          | <b>NA</b><br>NA   | <b>\$78,000,000</b><br>\$78,000,000      |
| <ul style="list-style-type: none"> <li>ACCESS substance use disorder clinic renovation (\$10.0 million)</li> <li>Continue one-time Multicultural integration contractual payments (\$8.6 million)</li> <li>Corewell Health/Beaumont psychiatric outpatient clinic and GME (\$8.0 million)</li> <li>Child and Family Services Ingham behavioral health campus (\$6.0 million)</li> <li>Continue one-time Families Against Narcotics service funding (\$5.0 million)</li> <li>Continue one-time First responder mental health services funding (\$5.0 million)</li> <li>Michigan Crisis and Access Line (MiCAL) (\$5.0 million)</li> <li>Clinton Eaton Ingham CMH crisis stabilization capacity increase (4.0 million)</li> <li>Western Michigan University Autism Center service expansion (\$4.0 million)</li> <li>Team Wellness opioid use disorder biomarker testing (\$3.5 million)</li> <li>Sacred Heart Rehabilitation Center building purchase (\$3.5 million)</li> <li>Tecumseh Psychiatric Hospital bed expansion (\$3.0 million)</li> <li>Continue one-time Jail Diversion Fund (\$2.5 million)</li> <li>Kalasho Education and Youth Services (KEYS) (\$2.5 million)</li> <li>Michigan Clinical Consultation and Care (MC3) (\$2.5 million)</li> <li>Altarum behavioral health integration software (\$2.0 million)</li> <li>Hype Athletics SUD (\$1.0 million)</li> <li>Developmental milestones toolkit (\$500,000)</li> <li>Michigan Osteopathic Association – Safe Opioid Use Task Force (\$500,000)</li> <li>Preserve Independence adult day center services (\$500,000)</li> <li>Dutton Farms supported employment program (\$250,000)</li> <li>Living and Learning Center (\$150,000)</li> </ul> |  |   |  |
| <b>PUBLIC HEALTH</b>   |  |   |  |
| <b>52. Michigan Coronavirus Task Force on Racial Disparity Initiatives</b><br>Includes a total of \$49.5 million Gross (\$44.5 million GF/GP) to implement recommendations of the Michigan Coronavirus Task Force on Racial Disparities, of which \$10.0 million GF/GP is for ongoing costs for community health programs and healthy community zones, \$1.0 million GF/GP and 8.0 FTEs is for DEI training within DHHS, and \$38.5 million Gross (\$33.5 million GF/GP) is included on a one-time basis to increase access to healthy food programming, mobile health units, support for community health programs and healthy community zones, as well as related IT improvements.   | <b>FTE</b><br><b>Gross</b><br>Federal<br>GF/GP | <b>8.0</b><br><b>NA</b><br><b>\$49,527,200</b><br>NA<br>5,000,000<br>NA<br>\$44,527,200 |  |

| <b><u>Major Budget Changes from FY 2022-23 YTD Appropriations</u></b>   |  | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b>                          | <b>FY 2023-24<br/>Enacted<br/>Change</b>                       |
|---|--|--|--|
| <b>53. Healthy Homes Expansion</b><br>Increases healthy homes funding by \$22.5 million GF/GP and authorizes 45.0 FTE positions to support lead investigations and abatements, community-based testing, expanded lab capacity, and water distribution needs.  | FTE<br><b>Gross</b><br>Federal<br>Private<br>Restricted<br>GF/GP | 21.0<br><b>\$32,799,400</b><br>19,606,500<br>77,800<br>723,700<br>\$12,391,400 | 45.0<br><b>\$22,500,000</b><br>0<br>0<br>0<br>\$22,500,000     |
| <b>54. Drinking Water Projects – One-Time</b><br>Includes \$61.4 million GF/GP on a one-time basis to replace lead-reducing filters, lead-containing faucets, and other plumbing in households at risk of lead exposure from drinking water, and includes administrative and public health data sharing collection.                                       | <b>Gross</b><br>GF/GP  | <b>\$0</b><br>\$0  | <b>\$61,439,400</b><br>\$61,439,400                            |
| <b>55. Newborn Screening Fees</b><br>Recognizes increased newborn screening fee revenue of \$1.9 million from automatic fee adjustment for inflation pursuant to statute, for screening of newborns for genetic conditions.   | <b>Gross</b><br>Restricted<br>GF/GP                              | <b>\$19,298,900</b><br>19,298,900<br>\$0                                       | <b>\$1,912,500</b><br>1,912,500<br>\$0                         |
| <b>56. Essential Local Public Health Services Increase</b><br>Includes \$25.0 million GF/GP to provide local health departments ongoing support for essential local public health services.   | <b>Gross</b><br>Local<br>GF/GP                                   | <b>\$51,419,300</b><br>5,150,000<br>\$46,269,300                               | <b>\$25,000,000</b><br>0<br>\$25,000,000                       |
| <b>57. Community Violence Prevention Initiatives</b><br>Includes a total of \$6.8 million GF/GP and authorizes 2.0 FTE positions to establish an Office of Community Violence and to provide \$6.0 million GF/GP of one-time funding for the community grant programming.   | FTE<br><b>Gross</b><br>Federal<br>Private<br>GF/GP               | 6.9<br><b>\$12,724,000</b><br>12,591,100<br>0<br>\$132,900                     | 2.0<br><b>\$6,800,000</b><br>0<br>0<br>\$6,800,000             |
| <b>58. Montcalm County FQHC</b><br>Includes \$1.5 million GF/GP for a grant to a local health and wellness hub in order to provide accessible health care and coordinating child care services.   | <b>Gross</b><br>GF/GP  | <b>\$0</b><br>\$0  | <b>\$1,500,000</b><br>\$1,500,000                              |
| <b>59. Perinatal Quality Collaboratives</b><br>Includes \$10.0 million GF/GP, with half the funds included on a one-time basis, and authorizes 2.0 FTE positions for grants to local Michigan Perinatal Quality Collaboratives.   | FTE<br><b>Gross</b><br>Federal<br>Restricted<br>GF/GP            | 15.0<br><b>\$36,861,800</b><br>15,828,300<br>50,000<br>\$20,983,500            | 2.0<br><b>\$10,000,000</b><br>0<br>0<br>\$10,000,000           |
| <b>60. Rare Disease Panel – One-Time</b><br>Includes an additional \$130,000 GF/GP in one-time funding for the rare disease panel. Program also receives \$70,000 GF/GP in ongoing funding.   | <b>Gross</b><br>GF/GP  | <b>\$70,000</b><br>\$70,000  | <b>\$130,000</b><br>\$130,000                                  |
| <b>61. Elimination of Human Embryo Funding</b><br>Recognizes a reduction of \$100,000 GF/GP to eliminate funding for public information on human embryo constitution provisions.  | <b>Gross</b><br>GF/GP  | <b>\$100,000</b><br>\$100,000  | <b>(\$100,000)</b><br>(\$100,000)                              |
| <b>62. Population Health – Non-GF/GP Funds Adjustments</b><br>Recognizes an increase of \$2.7 million federal, private, and restricted funding, including:  | <b>Gross</b><br>Federal<br>Private<br>Restricted<br>GF/GP        | <b>NA</b><br>NA<br>NA<br>NA<br>NA  | <b>\$2,729,300</b><br>1,000,000<br>1,250,000<br>479,300<br>\$0 |
| <ul style="list-style-type: none"> <li>• \$1.0 million federal funds for AIDS prevention, education, and treatment.</li> <li>• \$1.0 million private funds for healthy homes.</li> <li>• \$479,300 state restricted increase from Michigan Health Initiative Fund revenues.</li> <li>• \$250,000 private funds for chronic disease prevention.</li> </ul> |  |  |  |

## HEALTH AND HUMAN SERVICES

| <u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>  |                                  | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b>         |
|---|----------------------------------|---|--|
|   | <b>Gross<br/>GF/GP</b>           | <b>NA</b>   | <b>\$35,221,700</b>                              |
| <b>63. Public Health –One-Time</b><br>Includes \$35.2 million GF/GP for the following public health-related projects and programming:   | NA                               | \$35,221,700  |  |
| • Maternal Fetal Medicine Programming- SOS Maternal Network (\$8.0 million)   | NA                               | \$35,221,700  |  |
| • Critical Medication Reserve for purchase, storage, and distribution of pharmaceuticals in critical shortage (\$6.0 million)   |                                  |   |  |
| • Medical Debt Relief to purchase and then abolish medical debts for individuals below the Federal Poverty Level (\$4.5 million)  |                                  |   |  |
| • Dearborn Public Health Authority to expand services for residents (\$3.2 million)   |                                  |   |  |
| • Leaders Advancing & Helping Communities for autism programming, nutrition services, and substance use disorder programming (\$3.0 million)  |                                  |   |  |
| • My Community Dental Centers (MCDC) (\$2.4 million)  |                                  |   |  |
| • Wayne State Perinatology and Women's Health to support the Office of Women's Health (\$2.0 million)   |                                  |   |  |
| • Genesee County United Way for start-up costs associated with the social determinants of health hub (\$1.5 million)  |                                  |   |  |
| • Tobacco Prevention and Cessation Programs (\$1.5 million)   |                                  |   |  |
| • Trinity St. Mary Mobile Mammography for a new mobile unit (\$1.0 million)   |                                  |   |  |
| • Joy Southfield Community Development to support the Healthy Homes Rx program (\$500,000)  |                                  |   |  |
| • Wayne State Psychiatric Nurse Practitioners (\$500,000)   |                                  |   |  |
| • National Kidney Foundation of Michigan for expansion of Medicaid outreach chronic disease management (\$450,000)  |                                  |   |  |
| • Nurse Family Partnership (\$420,000)  |                                  |   |  |
| • Rides to Wellness Increase (\$250,000)  |                                  |   |  |
| • Tommy's Heart Foundation to provide free heart screening clinics to students (\$75,000)   |                                  |   |  |
| <b>AGING SERVICES</b>   |                                  |   |  |
| <b>64. Senior Community Services Increase</b><br>Includes \$658,000 GF/GP to Area Agencies on Aging for home- and community-based services.   | <b>Gross</b><br>Federal<br>GF/GP | <b>\$53,436,000</b><br>24,980,400<br>\$28,455,600     | <b>\$658,000</b><br>0<br>\$658,000               |
| <b>65. Nutrition Services-Meals on Wheels – One-Time</b><br>Includes one-time \$1.0 million GF/GP to provide home-delivered meal programs through the area agencies on aging.   | <b>Gross</b><br>GF/GP            | <b>NA</b><br>NA                                       | <b>\$1,000,000</b><br>\$1,000,000                |
| <b>66. Senior Caregiver Resource Center – One-Time</b><br>Includes \$5.0 million GF/GP to area agencies on aging to support unpaid family and informal caregivers.  | <b>Gross</b><br>GF/GP            | <b>NA</b><br>NA                                       | <b>\$5,000,000</b><br>\$5,000,000                |
| <b>HEALTH SERVICES</b>  |                                  |   |  |
| <b>67. Medicaid Ambulance Rates</b><br>Adds \$13.9 million Gross (\$3.5 million GF/GP) to keep Medicaid ambulance rates aligned with a recent Medicare ambulance rate increase.   | <b>Gross</b><br>Federal<br>GF/GP | <b>NA</b><br>NA<br>NA                                 | <b>\$13,914,600</b><br>10,463,800<br>\$3,450,800 |
| <b>68. Medicaid Dental Redesign Rates</b><br>Adds \$80.0 million federal in Medicaid matching funds related to \$30.0 million GF/GP previously included for the costs of future Medicaid adult dental redesign recommendations and rolls line out to the relevant managed care lines. | <b>Gross</b><br>Federal<br>GF/GP | <b>\$30,000,000</b><br>0<br>\$30,000,000              | <b>\$80,000,000</b><br>80,000,000<br>\$0         |

**HEALTH AND HUMAN SERVICES**

**Major Budget Changes from FY 2022-23 YTD Appropriations**

**69. Eliminate Medicaid 5-Year Waiting Period for Legal Residents**

Includes \$26.4 million Gross (\$6.4 million GF/GP) to support the elimination of a 5-year eligibility waiting period for legal residents who are up to 21 years old, or pregnant. DHHS estimates approximately 8,000 legal residents to apply.

**70. CenteringPregnancy**

Includes \$10.0 million Gross (\$5.0 million GF/GP), with half the funds included on a one-time basis, to support grants to CenteringPregnancy sites that provide group session for pregnancy services and resources.

**71. Hospital Maternal Health Incentives**

Includes \$10.0 million GF/GP for hospital maternal health incentives through the Alliance for Innovation in Maternal Health (AIM) including focusing on pregnancy-associated injury and death, racial disparities, and substance use disorder.

**72. Plan First!**

Includes \$6.2 million Gross (\$1.0 million GF/GP) to expand eligibility for Medicaid-funded family-planning services to individuals up to 200% of the Federal Poverty Level.

**73. Children's Special Health Care Services**

Includes \$17.0 million Gross (\$7.8 million GF/GP) to expand the age of eligibility for CSHCS services to 26 and to increase reimbursement rates for targeted case management and metabolic infant formula. Amount includes a transfer of \$11.8 million of Medicaid funding into CSHCS line related to the age of eligibility expansion.

**74. Van Andel Institute Grant – One-Time**

Moves \$1.0 million GF/GP for a biomedical research and science education grant to the one-time unit.

**75. Medicaid Professional Services Rate Increase**

Includes \$55.4 million Gross (\$14.8 million GF/GP) to increase Medicaid reimbursement rates by 7.5%, up to 61% of Medicare, for professional services, such as: physician services, podiatry services, chiropractic services, and vision and hearing services.

**76. Medicaid Anesthesia Rate Increase**

Includes \$2.9 million Gross (\$700,100 GF/GP) to increase Medicaid reimbursement rates for anesthesia services by 10%, up to 49% of Medicare.

**77. Medicaid Home Health Agency Rate Increase**

Includes \$1.7 million Gross (\$440,400 GF/GP) to increase Medicaid fee-for-service reimbursement rates by 10% for home-based skilled nursing care, physical therapy, and nurse's aide services.

**78. Medicaid Traumatic Brain Injury Rate Increase**

Includes \$9.5 million Gross (\$2.5 million GF/GP) to increase Medicaid reimbursement rates by 260% for daily residential and therapeutic services for treatment of patients of traumatic brain injury.

**79. Medicaid Hospital Services Rate Increase**

Includes \$81.2 million Gross (\$20.0 million GF/GP) to increase hospital rates for inpatient psychiatry and Level 1 and Level 2 trauma.

|  | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b> |
|--|---|--|
|--|---|--|

|              |            |                     |
|--------------|------------|---------------------|
| <b>Gross</b> | <b>\$0</b> | <b>\$26,359,200</b> |
| Federal      | 0          | 19,959,200          |
| GF/GP        | \$0        | \$6,400,000         |

|              |            |                     |
|--------------|------------|---------------------|
| <b>Gross</b> | <b>\$0</b> | <b>\$10,000,000</b> |
| Federal      | 0          | 5,000,000           |
| GF/GP        | \$0        | \$5,000,000         |

|              |            |                     |
|--------------|------------|---------------------|
| <b>Gross</b> | <b>\$0</b> | <b>\$10,000,000</b> |
| GF/GP        | \$0        | \$10,000,000        |

|              |            |                    |
|--------------|------------|--------------------|
| <b>Gross</b> | <b>\$0</b> | <b>\$6,200,000</b> |
| Federal      | 0          | 5,199,300          |
| GF/GP        | \$0        | \$1,000,700        |

|              |           |                     |
|--------------|-----------|---------------------|
| <b>Gross</b> | <b>NA</b> | <b>\$17,012,800</b> |
| Federal      | NA        | 9,241,500           |
| GF/GP        | NA        | \$7,771,300         |

|              |                    |            |
|--------------|--------------------|------------|
| <b>Gross</b> | <b>\$1,000,000</b> | <b>\$0</b> |
| GF/GP        | \$1,000,000        | \$0        |

|              |           |                     |
|--------------|-----------|---------------------|
| <b>Gross</b> | <b>NA</b> | <b>\$55,350,000</b> |
| Federal      | NA        | 40,550,000          |
| GF/GP        | NA        | \$14,800,000        |

|              |           |                    |
|--------------|-----------|--------------------|
| <b>Gross</b> | <b>NA</b> | <b>\$2,900,000</b> |
| Federal      | NA        | 2,199,900          |
| GF/GP        | NA        | \$700,100          |

|              |           |                    |
|--------------|-----------|--------------------|
| <b>Gross</b> | <b>NA</b> | <b>\$1,700,000</b> |
| Federal      | NA        | 1,259,600          |
| GF/GP        | NA        | \$440,400          |

|              |           |                    |
|--------------|-----------|--------------------|
| <b>Gross</b> | <b>NA</b> | <b>\$9,500,000</b> |
| Federal      | NA        | 6,954,900          |
| GF/GP        | NA        | \$2,545,100        |

|              |           |                     |
|--------------|-----------|---------------------|
| <b>Gross</b> | <b>NA</b> | <b>\$81,154,600</b> |
| Federal      | NA        | 61,154,600          |
| GF/GP        | NA        | \$20,000,000        |

## HEALTH AND HUMAN SERVICES

|  |                                     | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b>       |
|--|-------------------------------------|---|--|
| <b>Major Budget Changes from FY 2022-23 YTD Appropriations</b>   |                                     |   |  |
| <b>80. Medicaid Rural Hospital Pool</b><br>Increases rural access hospital pool \$1.3 million GF/GP to add Memorial Health in Owosso.  | <b>Gross</b><br>GF/GP               | <b>\$13,904,800</b><br>\$13,904,800                   | <b>\$1,300,000</b><br>\$1,300,000              |
| <b>81. Medicaid Recuperative Care Benefit</b><br>Includes \$5.0 million Gross (\$2.2 million GF/GP) to provide for a transitional service to homeless Medicaid recipients to assist as they exit inpatient services. Benefit would include Medicaid-funded services and a GF/GP funded housing/bed-day component.  | <b>Gross</b><br>Federal<br>GF/GP    | <b>\$0</b><br>0<br>\$0                                | <b>\$4,960,000</b><br>2,802,200<br>\$2,157,800 |
| <b>82. Medicare Buy-In Compliance</b><br>Includes \$11.1 million GF/GP to comply with the federally mandated inclusion of Medicare Part B premium reimbursements for Medicaid recipients that are eligible for both Medicare and traditional Medicaid (dual-eligible).   | <b>Gross</b><br>GF/GP               | <b>NA</b><br>NA                                       | <b>\$11,131,600</b><br>\$11,131,600            |
| <b>83. Program of All-Inclusive Care for the Elderly – Site Expansion</b><br>Includes \$2.6 million Gross (\$906,500 GF/GP) to both increase the enrollment cap at the Kent County PACE site and open an additional site in Alpena by the end of FY 2023-24.   | <b>Gross</b><br>Federal<br>GF/GP    | <b>\$227,102,100</b><br>146,957,800<br>\$80,144,300   | <b>\$2,614,000</b><br>1,707,500<br>\$906,500   |
| <b>84. Poison Control</b><br>Adds 378,600 GF/GP to the Poison Control program at Wayne State University. Year-to-date amount is an estimated, annual average amount.   | <b>Gross</b><br>Federal<br>GF/GP    | <b>\$2,400,000</b><br>1,278,600<br>\$1,121,400        | <b>\$378,600</b><br>0<br>\$378,600             |
| <b>85. Medicaid Restricted Fund Adjustments</b><br>Increases a net \$10.1 million GF/GP as a net-zero replacement of restricted revenue authorization to recognize a decrease in revenues from the Medicaid Benefits Trust Fund (\$48.1 million) and Healthy Michigan Fund (\$5.4 million) and recognize an increase in revenues from the Insurance Providers Assessment (\$43.4 million).   | <b>Gross</b><br>Restricted<br>GF/GP | <b>NA</b><br>NA<br>NA                                 | <b>\$0</b><br>(10,052,700)<br>\$10,052,700     |
| <b>86. Health Services – One-Time</b><br>Includes a total of \$57.1 million GF/GP for the following health services projects and programs:   | <b>Gross</b><br>GF/GP               | <b>NA</b><br>NA                                       | <b>\$57,125,000</b><br>\$57,125,000            |
| <ul style="list-style-type: none"> <li>• BAMF Health to open a second theranostics clinic (\$20.0 million)</li> <li>• Helen Newberry Joy Hospital renovations (\$7.325 million)</li> <li>• FQHC Alternative Payment model transition (\$6.0 million)</li> <li>• Mary Free Bed to construct a children rehabilitation hospital (\$5.0 million)</li> <li>• U of D Dental clinic programming (\$4.0 million)</li> <li>• American Indian Health and Family Services construction costs (\$3.0 million)</li> <li>• Corktown Health Center to open a new center (\$2.0 million)</li> <li>• Honor Community Health residency program (\$2.0 million)</li> <li>• Sparrow Eaton cancer infusion center construction costs (\$2.0 million)</li> <li>• McLaren Thumb Obstetrics services (\$1.5 million)</li> <li>• Hamilton Community Health Network (FQHC) new clinic construction (\$1.5 million)</li> <li>• Access Health "three-share" health coverage program (\$1.2 million)</li> <li>• Wayne Health Center facility and equipment modernization (\$1.0 million)</li> <li>• Children's Healing Center programming (\$350,000)</li> <li>• Wayne, Oakland, and Macomb children's health care access program for children enrolled in Medicaid (\$250,000)</li> </ul> |                                     |   |  |

|   |   | FY 2022-23<br>Year-to-Date<br>(as of 2/8/23)                           | FY 2023-24<br>Enacted<br>Change  |
|---|---|--|--|
| <b>Major Budget Changes from FY 2022-23 YTD Appropriations</b>  |   |  |  |
| <b>ONE-TIME APPROPRIATIONS</b>  |   |  |  |
| <b>87. Remove FY 2022-23 One-Time Appropriations</b>  |   |  |  |
| Removes one-time appropriations included in FY 2022-23, including one-time appropriations within 194 PA 2022 (SB 844). Any of this funding that is retained into FY 2023-24 is noted elsewhere. | FTE<br><br><b>Gross</b><br><br>Federal<br><br>GF/GP | 6.0<br><br><b>\$555,543,300</b><br><br>59,706,100<br><br>\$495,837,200 | (6.0)<br><br><b>(\$555,543,300)</b><br><br>(59,706,100)<br><br>(\$495,837,200) |

**Major Boilerplate Changes from FY 2022-23****GENERAL SECTIONS****Sec. 210. Legislative Contingency Transfer Authorization – REVISED**

Allows for the legislative transfer process to increase federal authorization by up to \$20 million, state restricted authorization by up to \$20 million, local authorization by up to \$5 million, and private authorization by up to \$2 million; prohibits increasing TANF authorization through the legislative contingency transfer process. Revises to increase private contingency transfer authorization by \$10.0 million.

**Sec. 218. Basic Health Services and Report – REVISED**

Directs DHHS to provide an annual list of proposed basic health services by October 1 to the Legislature as required under Part 23 of the Public Health Code. Revises to list out services including immunizations, STD control, newborn screenings, emergency management plan, prenatal care, and mental health.

**Sec. 235. Access to State and Local Services – NEW**

Prohibits appropriations from being used to restrict or impede a marginalized community's access to government programs or facilities; requires local governments to report on actions that attempt to restrict duties of local health officers.

**Sec. 237. Conditions on Funding Regarding COVID Information and Requirements – DELETED**

Prohibits DHHS from requiring proof of individual COVID-19 vaccination to access state facilities or services, creating a COVID vaccine passport, or providing COVID vaccine status of an individual to any entity or person without the individual's consent. Also prohibits DHHS from requiring proof of COVID vaccination as a condition of certain employment or subjecting an individual to negative employment consequences because of COVID vaccine status, and requires exemptions to any COVID vaccine policy required to be established due to a federal mandate.

**Sec. 250. Single Recipient Grants – NEW**

Requires that for any grant program or project funded in part 1 intended for a single recipient organization or local government, the grant program or project is for a public purpose and the department shall follow procurement statutes of this state, including any bidding requirements, unless it can fully validate, through information detailed in this section and outline departmental process for review and execution of grants outlined.

**Sec. 252. Appropriations for Healthy Michigan Plan – DELETED**

Specifies that appropriations for the Healthy Michigan Plan (HMP) are contingent upon 2013 PA 107 not being amended, repealed, or otherwise altered to eliminate the HMP. Also specifies that if any of those actions occur, the remaining funds in the HMP line items shall be used only to pay for previously incurred costs.

**Sec. 253. Tribal Access to Program and Grants – NEW**

Requires DHHS to ensure federally recognized tribes are able to apply for services, programs, grants, and contracts.

**Sec. 258. Initiatives Regarding Trauma, Human Trafficking, and Sexual Abuse Prevention – DELETED**

Directs DHHS to collaboratively promote and support school and education initiatives including training regarding use of trauma-informed practices and age-appropriate information about human trafficking and sexual abuse prevention; and shall provide a report by March 1.

**Sec. 288. Services and Administrative Limitations for New Contracts – DELETED**

Requires that after the first year of a contract, no less than 90% of a contract supported solely from state funds for a specific entity to provide services to individuals be expended for those services; allows exceptions; and requires a report by September 30 on the rationale for all exceptions and the number of contracts terminated due to violations, unless no exceptions or terminations were made.

## HEALTH AND HUMAN SERVICES

### **Major Boilerplate Changes from FY 2022-23**

#### **Sec. 295. Healthy Moms/Healthy Babies Report – NEW**

Requires DHHS to report on budgeted amounts, expenditures, remaining balances, program goals, and program outcomes of the Healthy Moms, Healthy Babies initiatives.

#### **Sec. 299. Request for Proposal for Contract – DELETED**

Prohibits DHHS from issuing a request for proposal (RFP) for a contract in excess of \$5 million, without first considering issuing a request for information (RFI) or a request for qualification (RFQ); DTMB must be notified of evaluation of use of RFI or RFQ; requires that all vendors receive detailed notices of RFP results; and requires report by September 30.

## COMMUNITY SERVICES AND OUTREACH

### **Sec. 464. Diaper Assistance Payments – REVISED**

Requires DHHS to allocate TANF funding as grants to diaper assistance programs, maternity homes, and other nonprofit agencies for diapering supplies. Allows for administrative spending for up to 15% of total expenditures, requires report. Designates unallocated funds as work project appropriation.

### **Sec. 466. Runaway and Homeless Youth Grants – NEW**

Allocates funds for the expansion of runaway and homeless youth programming and capacity. Directs funds to be allocated to counties with underserved communities for capacity, staffing, and infrastructure improvements.

## CHILDREN'S SERVICES AGENCY – CHILD WELFARE

### **Sec. 510. Alternative Payment Method – REVISED**

Directs DHHS to allocate state funds for capacity payments to private child caring institutions. Requires contracts to be competitively bid.

### **Sec. 514. Foster Care Respite Program – NEW**

Requires the department to establish a statewide respite care services network to provide support to licensed foster parents and unlicensed relative caregivers; requires report.

### **Sec. 518. Child Care Fund Reimbursement Report – NEW**

Requires DHHS to report on cumulative child care fund expenditures of in-home juvenile justice care that is eligible for the 75% state 25 % local match.

### **Sec. 578. Child Welfare Education Pilot – NEW**

Requires DHHS to establish a scholarship program in partnership with state universities to provide tuition stipends, field placements, and cover other educational expenses for students seeking a Bachelor of Social Work or Master of Social Work. In exchange, students are obligated to work for Michigan child welfare agencies for one year. Requires report.

## PUBLIC ASSISTANCE

### **Sec. 678. FIP Young Child Supplement – REVISED**

Provides for a one-time, lump-sum distribution of \$600 for each child under the age of 6 to each applicable FIP case. Revises to include total appropriation amount and stipulate a \$400 per-year minimum.

## LOCAL OFFICE OPERATIONS AND SUPPORT SERVICES

### **Sec. 801. Public Assistance Benefits Notification – REVISED**

Requires the department to report monthly on the Food Assistance Program payment distribution error rates, as reported to the USDA – FNS; and requires the department to report annually on the status of implementing the corrective action plan agreement between the department and USDA – FNS. Revises to include local office error rate specificity to the annual corrective action plan report.

### **Sec. 825. Discretionary Vehicle Repair Grants – REVISED**

Provides for grants up to \$900 to assist individuals with needed repairs for vehicles used to commute to employment; and includes a reporting requirement. Revises to increase maximum grants to \$2,000 and removes the reporting requirement.

## BEHAVIORAL HEALTH

### **Sec. 908. Uniform Community Mental Health Credentialing – DELETED**

States that contracts with PIHPs and CMHSPs must work toward implementing section 206b of the Mental Health Code on uniform community mental health services credentialing.

### **Sec. 917. Michigan Opioid Healing and Recovery Fund – REVISED**

Allocates \$23.2 million from the Michigan Opioid Healing and Recovery Fund, MCL 12.253, to supplement other opioid-related programs and services. Adds a semiannual report on revenue deposits and expenditures.

**Major Boilerplate Changes from FY 2022-23**

**Sec. 927. Uniform Behavioral Health Service Provider Audits – DELETED**

Requires DHHS to create a uniform community mental health services auditing process for CMHSPs and PIHPs, outlines auditing process requirements, and requires a report.

**Sec. 1005. Health Home Programs – REVISED**

Requires DHHS to maintain the number of behavioral health homes in PIHP regions 1, 2, 6, 7, and 8 and the number of opioid health homes in PIHP regions 1, 2, 4, 6, 7, 9 and 10, and permits expansion into additional PIHP regions; requires a report. Revises to update location of health homes, permits expansion into at least one additional PIHP region and revises to a semiannual report.

**Sec. 1012. Medicaid Reimbursement for Justice-Involved Individuals – DELETED**

States legislative intent that DHHS pursue any and all federal Medicaid waivers to maximize the use of Medicaid reimbursements for justice involved individuals, and requires a report.

**Sec. 1061. Caro Regional Mental Health Center – DELETED**

Requires DHHS to only use the funds appropriated for the Caro Regional Mental Health Center to support a psychiatric hospital at its current location, includes legislative intent that the Caro Regional Mental Health Center remain open and operational at its current location and that any capital outlay funding be used for planning and construction of a new or updated facility at the current location instead of a new location.

**POPULATION HEALTH**

**Sec. 1142. Options for Incentivizing Primary Care Medical School Students to Stay in Michigan – DELETED**

Requires DHHS to find methods to increase retention of Michigan medical school students who complete their residency requirements to remain within the state and serve as primary care physicians.

**Sec. 1146. Bone Marrow Donor Program – DELETED**

Allocates \$250,000 to Versiti Blood Center for the match registry of the national marrow donor program. *Note: funding moved to Sec. 1147.*

**Sec. 1147. Blood Bank Programs – REVISED**

Allocates \$500,000 to Versiti Blood Center for a cord blood bank and to enhance collection of fetal umbilical cord blood and stem cells for transplant, expanded laboratory services, and expanded diversity of collections. Revises to allocate \$750,000 to Versiti Michigan for cellular therapy programming and to build IT infrastructure.

**Sec. 1162. Crime Victim Trauma Recovery Center Pilot Projects – NEW**

Allocates crime victim justice assistance grants at \$4.0 million for 3-year trauma recovery center pilot projects. Designates unallocated funds as work project appropriation.

**Sec. 1303. Contract Restrictions for Family Planning Local Agreements with State Funds – DELETED**

Prohibits DHHS from contracting with an organization that provides elective abortions, or abortion counseling or referrals, for services funded with state restricted or GF/GP funds appropriated for family planning local agreements. Prohibits an organization under contract with DHHS from subcontracting with an organization that provides elective abortions or abortion counseling or referrals, for services that are to be funded with state restricted or GF/GP funds appropriated for family planning local agreements.

**Sec. 1304. Prohibit Use of State Funds for Abortion Counseling, Referrals, or Services – DELETED**

States DHHS is unable to use state restricted or GF/GP funds appropriated in pregnancy prevention program or family planning local agreements for abortion counseling, referrals, or services.

**Sec. 1312. Prenatal Care and Premature Birth Avoidance Grant Allocation – REVISED**

Allocates \$1.0 million as a grant to fulfill DHHS contract obligations with Strong Beginnings, a federal Healthy Start program in Kent County, for the purpose of support to underserved populations for prenatal care and premature birth avoidance. Revises to allocate through a competitive grant process to fulfill contract obligations between DHHS and a federal Healthy Start Program located in Kent County. Eligibility for the program funding requires partnership between various health agencies to support underserved populations with the goal of improving and reducing infant death rates and negative maternal outcomes. Requires report.

**HEALTH SERVICES**

**Sec. 1615. Encounter Claims Data – DELETED**

Requires the department to provide oversight of Medicaid claims encounter data to insure the integrity of actuarial rates; allows the department to request certain information from Medicaid health plans; and provides for the intent that the department conduct annual audits of Medicaid claims and provide for remedial actions to mitigate errors in actuarial rates.

## HEALTH AND HUMAN SERVICES

### Major Boilerplate Changes from FY 2022-23

#### **Sec. 1616. Community Health Workers – REVISED**

Requires DHHS to seek federal authority to enroll and recognize Community Health Workers as Medicaid providers; seek federal matching funds for services; requires any expansion be geographically broad-based, evidence-based, and commensurate with applicable training; details the extent of the authority request; and requires a report. Revises date from September 30 to October 1.

#### **Sec. 1788. Ambulance Reimbursements – REVISED**

Provides for reimbursements for ground ambulance services at 100% of Medicare reimbursement rates, including ambulance quality assurance assessment program (QAAP). Revises to reference Medicare "base" rates as of January 1, 2023.

#### **Sec. 1832. CHIP Requirements, Receive and Expend – NEW**

Includes authorization for the department to receive and expend any federal or state restricted revenue resulting from Centers for Medicare and Medicaid Services rule changes to the Children's Health Insurance Program; restricts receive and expend authorization to request for rulemaking number CMS-2439-P.

#### **Sec. 1854. PACE Enrollment Cap – REVISED**

Requires DHHS to maintain an enrollment cap equal to, or greater than, 7,288 PACE slots. Revises enrollment cap to 7,553.

#### **Sec. 1871. Healthy Michigan Plan Healthy Behaviors Incentives – DELETED**

Requires Healthy Michigan Plan healthy behaviors incentive program funding to only be provided to reduce cost-sharing responsibilities and to not include other financial rewards such as gift cards.

#### **Sec. 1875. Prior Authorization for Certain Drugs – DELETED**

Does not allow DHHS to subject Medicaid prescription drugs to prior authorization if they were either carved out or not subject to prior authorization procedures as of January 22, 2021 or is an orally administered treatment for Duchenne Muscular Dystrophy, defines "prior authorization".

#### **Sec. 1881. Risk Corridor Prohibition – DELETED**

Prohibits a 2-way risk corridor for managed care capitation rates during the current fiscal year.

#### **Sec. 1895. Long-Term Care Variable Cost Component – DELETED**

Requires DHHS to adjust the variable cost component and plant cost component of Medicaid reimbursements for class 1, 3, and 4 nursing home providers; and specifies adjustments by class.

### FY 2022-23 Supplemental Appropriation Items

#### Public Act 119 of 2023 (House Bill 4437, Article 16)

##### **1. Traditional Medicaid Cost Adjustments**

Includes a net increase of \$689.8 million Gross (reduction of \$336.8 million GF/GP) for traditional Medicaid caseload, cost, utilization, and financing adjustments based on the May Caseload Consensus between the State Budget Office, House Fiscal Agency, and Senate Fiscal Agency. Adjustments include a GF/GP savings from the continuation of enhanced FMAP of 6.2% in quarters 1 and 2, 5.0% in quarter 3, and 2.5% in quarter 4. Increase in Gross funding is primarily associated with revising the assumed eligibility redetermination date from October 1, 2022 to April 1, 2023. Compared to FY 2021-22 expenditures, May Consensus Revenue Estimating Conference forecasts a Gross annual increase of 11.3%.

##### **2. Healthy Michigan Plan Cost Adjustments**

Includes \$423.9 million Gross (\$42.4 million GF/GP) for Healthy Michigan Plan caseload, cost, and utilization adjustments based on the May Caseload Consensus between the State Budget Office, House Fiscal Agency, and Senate Fiscal Agency. Increase is primarily associated with revising the assumed eligibility redetermination date from October 1, 2022 to April 1, 2023. Compared to FY 2021-22 expenditures, May Consensus Revenue Estimating Conference forecasts a Gross annual increase of 8.3%.

|              |                      | <u>Appropriation Change</u> |
|--------------|----------------------|-----------------------------|
| <b>Gross</b> | <b>\$689,810,900</b> |                             |
| Federal      | 1,026,568,400        |                             |
| Private      | (5,000)              |                             |
| GF/GP        | (\$336,752,500)      |                             |
| <b>Gross</b> | <b>\$423,904,400</b> |                             |
| Federal      | 381,488,600          |                             |
| GF/GP        | \$42,415,800         |                             |

FY 2022-23 Supplemental Appropriation Items  
Public Act 119 of 2023 (House Bill 4437, Article 16)

**3. Special Medicaid Payment Cost Adjustments**

Includes a reduction of \$190.2 million Gross (reduction of \$100.6 million GF/GP) in special Medicaid payment cost adjustments, including provider tax funded supplemental Medicaid payments and physician and dental adjuster payments, based on the May Caseload Consensus between the State Budget Office, House Fiscal Agency, and Senate Fiscal Agency.

|              | <u>Appropriation Change</u> |
|--------------|-----------------------------|
| <b>Gross</b> | <b>(\$190,198,500)</b>      |
| Federal      | 13,666,500                  |
| Local        | (5,929,700)                 |
| Private      | (3,660,900)                 |
| Restricted   | (93,626,000)                |
| GF/GP        | (\$100,648,400)             |

**4. Child Welfare Caseload Adjustments**

Reduces funding for child welfare programs by \$73.5 million Gross (\$68.8 million GF/GP) based on the May Caseload Consensus between the State Budget Office, House Fiscal Agency, and Senate Fiscal Agency. Amount includes adjustments to the Federal Medicaid Assistance Percentage (FMAP).

| <b>Gross</b> | <b>(\$73,482,900)</b> |
|--------------|-----------------------|
| TANF         | (2,006,400)           |
| Federal      | 2,213,900             |
| Local        | (4,881,700)           |
| GF/GP        | (\$68,808,700)        |

**5. Social Work Scholarship Pilot Program**

Includes \$1.7 million in federal Title IV-E funds to implement a pilot program that supports education and training of individuals seeking Bachelor's or Master of Social Work degrees and intending to work in the child welfare field.

| <b>Gross</b> | <b>\$1,700,000</b> |
|--------------|--------------------|
| Federal      | 1,700,000          |
| GF/GP        | \$0                |

**6. Technical Transfer of FTE Positions**

Includes a technical net-zero transfer of FTE positions from various line items throughout the budget to align positions with program funding.

|              |            |
|--------------|------------|
| <b>FTEs</b>  | 0.0        |
| <b>Gross</b> | <b>\$0</b> |
| GF/GP        | \$0        |

**7. Sexual Assault Evidence Kit Tracking System**

Authorizes the remaining \$528,000 of the Sexual Assault Evidence Tracking Kit Fund revenue to be utilized.

| <b>Gross</b> | <b>\$528,000</b> |
|--------------|------------------|
| Restricted   | 528,000          |
| GF/GP        | \$0              |

**8. Settlement Monitor Contract**

Includes \$489,900 Gross (\$418,900 GF/GP) to fund an increase for the settlement monitor contract due to court-ordered Maltreatment in Care (MIC) case reviews related to MISEP.

| <b>Gross</b> | <b>\$489,900</b> |
|--------------|------------------|
| Federal      | 71,000           |
| GF/GP        | \$418,900        |

**9. West Michigan Partnership for Children Contract**

Includes \$194,000 GF/GP to support an inflationary increase to the West Michigan Partnership for Children administrative rate. The inflationary increase is tied to the Detroit CPI.

| <b>Gross</b> | <b>\$194,000</b> |
|--------------|------------------|
| GF/GP        | \$194,000        |

**10. Public Assistance Caseload Adjustments**

Recognizes an increase of \$766.8 million Gross (\$4.0 million GF/GP) resulting from adjusted estimates to Family Independence Program (FIP), Food Assistance Program (FAP) including pandemic-related increases to food assistance (P-EBT), State Disability Assistance (SDA), and State Supplementation (SSI) caseloads for FY 2022-23.

| <b>Gross</b> | <b>\$766,767,700</b> |
|--------------|----------------------|
| Federal      | 762,737,400          |
| Restricted   | 16,200               |
| GF/GP        | \$4,014,100          |

**11. Family Independence Program – Supplemental Payment**

Includes \$2.1 million of TANF revenue to support a \$50.00 monthly supplement payment for every child under 6 years of age within a Family Independence Program group.

| <b>Gross</b> | <b>\$2,085,600</b> |
|--------------|--------------------|
| TANF         | 2,085,600          |
| GF/GP        | \$0                |

**12. LIHEAP Grant Increase**

Includes \$82.5 million of federal LIHEAP block-grant funds to support State Emergency Relief programs.

| <b>Gross</b> | <b>\$82,523,900</b> |
|--------------|---------------------|
| Federal      | 82,523,900          |
| GF/GP        | \$0                 |

**13. Refugee Assistance**

Includes \$4.8 million in additional federal refugee assistance program funding.

| <b>Gross</b> | <b>\$4,817,200</b> |
|--------------|--------------------|
| Federal      | 4,817,200          |
| GF/GP        | \$0                |

**14. EBT Expungement**

Includes \$1.5 million in federal funds to support a requirement to notify households prior to food assistance expungement. This requirement is a result of a modification to the federal Farm Bill providing for expungements at 9 months.

| <b>Gross</b> | <b>\$1,470,000</b> |
|--------------|--------------------|
| Federal      | 1,470,000          |
| GF/GP        | \$0                |

**15. LIHEAP Departmental Analyst**

Includes \$153,000 in federal funds to support an additional LIHEAP departmental analyst.

| <b>Gross</b> | <b>\$153,000</b> |
|--------------|------------------|
| Federal      | 153,000          |
| GF/GP        | \$0              |

**HEALTH AND HUMAN SERVICES**

**FY 2022-23 Supplemental Appropriation Items**  
**Public Act 119 of 2023 (House Bill 4437, Article 16)**

|   |              | <b>Appropriation Change</b> |
|---|--------------|-----------------------------|
| <b>16. Family Support Subsidy Caseloads Adjustments</b>   | <b>Gross</b> | <b>\$1,676,600</b>          |
| Includes \$1.7 million of federal TANF based on updated Family Support Subsidy caseload estimates.  | TANF         | 1,676,600                   |
|   | GF/GP        | \$0                         |
| <b>17. Certified Community Behavioral Health Clinic</b>   | <b>Gross</b> | <b>\$25,000,000</b>         |
| Includes an additional \$25.0 million in federal funds to support greater than anticipated program costs.   | Federal      | 25,000,000                  |
|   | GF/GP        | \$0                         |
| <b>18. Behavioral Health Federal Funding Adjustments</b>  | <b>Gross</b> | <b>\$16,353,100</b>         |
| Includes \$16.4 million of federal funding based on available federal matching funds for the Michigan Crisis and Access Line (\$12.4 million) and additional federal mental health block grant funding (\$4.0 million).           | Federal      | 16,353,100                  |
|   | GF/GP        | \$0                         |
| <b>19. Court-Appointed Guardian Workgroup</b>   | <b>Gross</b> | <b>\$0</b>                  |
| Includes a net \$0 reappropriation to authorize funds for a workgroup facilitator to develop a funding method for clients for which a court-appointed guardian receives no reimbursement.   | GF/GP        | \$0                         |
| <b>20. State Psychiatric Hospital and Center Enhanced FMAP Adjustments</b>  | <b>Gross</b> | <b>\$0</b>                  |
| Reflects a savings of \$2.0 million GF/GP from continuation of enhanced FMAP of 6.2% in quarters 1 and 2, 5.0% in quarter 3, and 2.5% in quarter 4. GF/GP savings are offset with a like amount of federal E-FMAP reimbursements. | Federal      | 2,033,800                   |
|   | GF/GP        | (\$2,033,800)               |
| <b>21. Healthy Homes Program Enhanced FMAP Adjustments</b>  | <b>Gross</b> | <b>\$0</b>                  |
| Authorizes \$841,000 in federal funds received as an adjustment to the Enhanced FMAP rate for the Children's Health Insurance Program (CHIP). GF/GP is offset by a like amount.   | Federal      | 841,000                     |
|   | GF/GP        | (\$841,000)                 |
| <b>22. Healthy Homes Program</b>  | <b>Gross</b> | <b>\$1,000,000</b>          |
| Appropriates \$1.0 million in private revenue from homeowner's contributions towards lead abatement of homes.   | Private      | 1,000,000                   |
|   | GF/GP        | \$0                         |
| <b>23. AIDS Prevention, Testing, and Care</b>   | <b>Gross</b> | <b>\$1,000,000</b>          |
| Appropriates \$1.0 million in federal grant revenue received to support AIDS prevention, testing, and care services.  | Federal      | 1,000,000                   |
|   | GF/GP        | \$0                         |
| <b>24. Cancer Prevention and Control</b>  | <b>Gross</b> | <b>(\$1,000,000)</b>        |
| Reduces funding by \$1.0 million as a result of losing federal grant support for the Breast and Cervical Cancer Control program.  | Federal      | (1,000,000)                 |
|   | GF/GP        | \$0                         |
| <b>25. Chronic Disease Control and Health Promotion</b>   | <b>Gross</b> | <b>\$250,000</b>            |
| Appropriates \$250,000 in private Health Endowment grant revenue to support the chronic disease program.  | Private      | 250,000                     |
|   | GF/GP        | \$0                         |
| <b>26. Medicaid Ambulance Rates</b>   | <b>Gross</b> | <b>\$10,435,900</b>         |
| Includes \$10.4 million Gross (\$2.3 million GF/GP) to keep Medicaid ambulance rates aligned with recently increased Medicare ambulance rates.  | Federal      | 8,121,200                   |
|   | GF/GP        | \$2,314,700                 |
| <b>27. Medicaid Dental Redesign Rates</b>   | <b>Gross</b> | <b>\$40,000,000</b>         |
| Includes \$40.0 million in federal Medicaid matching funds related to \$30.0 million of state general funds previously included for costs of future Medicaid adult dental redesign recommendations.                               | Federal      | 40,000,000                  |
|   | GF/GP        | \$0                         |
| <b>28. Medicaid Restricted Fund Adjustments</b>   | <b>Gross</b> | <b>\$0</b>                  |
| Includes \$48.7 million GF/GP to offset a decrease in state restricted revenues from the Medicaid Benefits Trust Fund (\$44.0 million) and from the Healthy Michigan Fund (\$4.7 million).  | Restricted   | (48,700,000)                |
|   | GF/GP        | \$48,700,000                |
| <b>29. ARP – Cooperative Agreement for Emergency Response</b>   | <b>Gross</b> | <b>\$29,704,600</b>         |
| Appropriates the remaining \$29.7 million in unexpended federal ARP funds to assist with expanding, training, and sustaining a response-ready public health workforce statewide.  | Federal      | 29,704,600                  |
|   | GF/GP        | \$0                         |

**FY 2022-23 Supplemental Appropriation Items**  
**Public Act 119 of 2023 (House Bill 4437, Article 16)**

|  |                           | <b>Appropriation<br/>Change</b> |
|--|---------------------------|---------------------------------|
|  | <b>Gross</b>              | <b>\$379,391,000</b>            |
| <b>30. ARP – Home and Community-Based Services Projects</b><br>Includes \$379.4 million Gross (\$189.7 million in home and community based GF/GP) to enhance and expand home and community-based services, including, respite services, eligibility expansions, options counseling, training, supported employment, infrastructure projects, and presumptive eligibility. Federal funds reflect prior fiscal year federal claims that need to be accounted for and then called home and community based GF/GP. | Federal<br>HCBS-<br>GF/GP | 189,695,500<br>\$189,695,500    |
| <b>31. ARP – Local Water Utility Affordability</b><br>Includes \$35.0 million in federal Coronavirus State Fiscal Recovery Fund revenue to cap or lower utility bills, reduce customer debt, improve in-home plumbing, and protect customers at risk of losing water service for their homes.  | Federal<br>GF/GP          | 35,000,000<br>\$0               |
| <b>32. ARP – Pre-Weatherization</b><br>Includes \$25.0 million in federal Coronavirus State Fiscal Recovery Fund revenue to improve homes, reduce energy usage, and lower utility bills.   | Federal<br>GF/GP          | 25,000,000<br>\$0               |
| <b>33. ARP – Senior Centers</b><br>Includes \$28.0 million in federal Coronavirus State Fiscal Recovery Fund revenue to construct, renovate, or relocate 4 senior, community, or multigenerational centers.  | Federal<br>GF/GP          | 28,000,000<br>\$0               |
| <b>34. ARP – Senior Project Fresh Enhancement</b><br>Includes \$1.2 million in federal ARP funds to create an electronic implementation solution for senior project fresh, enhance nutrition education, and develop alternatives for communities without internet accessibility.   | Federal<br>GF/GP          | 1,200,000<br>\$0                |
| <b>35. ARP – Sexually Transmitted Disease Prevention and Control</b><br>Includes \$27.7 million in federal ARP funds to support training in new disease surveillance techniques, contractual costs, administrative costs, multi-media campaign, and information technology activities supporting the Michigan Integrated Data Application system for sexually transmitted infections and HIV.  | Federal<br>GF/GP          | 27,696,800<br>\$0               |
| <b>36. ARP – Strengthening U.S. Public Health Infrastructure, Workforce, and Data Systems</b><br>Includes \$80.9 million in federal ARP funds to support prevention, preparedness, and response to emerging health threats, improved outcomes for other public health areas, and to ensure the state has people, services, and systems to promote and protect health.  | Federal<br>GF/GP          | 80,880,600<br>\$0               |
| <b>37. ARP – Vaccine Support</b><br>Appropriates the remaining \$36.1 million in unexpended federal ARP funds to continue support for immunization and vaccine efforts to address the COVID-19 pandemic.   | Federal<br>GF/GP          | 36,095,900<br>\$0               |
| <b>38. Long-Term Care Ombudsman</b><br>Includes \$568,100 of federal ARP funds to enhance and improve the ability of the adult protective services system to investigate allegations of abuse, neglect, and exploitation of seniors.   | Federal<br>GF/GP          | 568,100<br>\$0                  |
| <b>39. Behavioral Health Care Services and Facilities</b><br>Includes a net \$0 reappropriation to broaden the use of a \$5.0 million GF/GP behavioral health facilities grant to DMC Children's Hospital initially allocated to increase pediatric psychiatric beds by 10 and intensive outpatient day therapy services.  | Federal<br>GF/GP          | \$0<br>\$0                      |

**FY 2022-23 Supplemental Boilerplate Items**  
**Public Act 119 of 2023 (House Bill 4437, Article 16)**

**Sec. 551. Social Work Scholarship Pilot Program**

Requires DHHS to implement a pilot program that supports education and training of individuals seeking a Bachelor's or Master of Social Work degree and intending to work in the child welfare field; directs participating institutions to provide required matching funds; requires program participants to work in Michigan for at least one year after degree completion.

## **HEALTH AND HUMAN SERVICES**

### **FY 2022-23 Supplemental Boilerplate Items** **Public Act 119 of 2023 (House Bill 4437, Article 16)**

#### **Sec. 552. Court-Appointed Guardianship Funding Workgroup**

Requires DHHS to convene a workgroup, including consulting services, to develop a funding method recommendation for clients for which a court-appointed guardian receives no fee; designates unexpended funds as a work project appropriation.

#### **Sec. 553. Receive and Expend Authorization for Federal and State Restricted Medicaid Payments**

Permits DHHS to receive and expend federal and state restricted funds related to proposed federal regulatory changes issued on May 3, 2023.

#### **Sec. 554. Cooperative Agreement for Emergency Response**

Designates unexpended funds for Cooperative Agreement for Emergency Response as a work project appropriation; funds would be used to conduct activities necessary to expand, train, and sustain a response-ready public health workforce.

#### **Sec. 555. Home and Community-Based Services Projects**

Creates a ARP – Home and Community Based Services Projects Fund; requires deposit of appropriations into the fund; directs the state treasurer to invest the fund, with interest and earnings deposited in the general fund; requires funds to not lapse to the general fund; outlines the eligible uses of the fund, along with any federal matching funds, including, respite services, eligibility expansions, options counseling, training, supported employment, infrastructure projects, and presumptive eligibility; designates unexpended funds as a work project appropriation.

#### **Sec. 556. Local Water Utility Affordability**

Requires funding to be used to support efforts by community water systems to ensure affordability; designates unexpended funds as a work project appropriation.

#### **Sec. 557. Pre-Weatherization**

Designates unexpended funds for Pre-Weatherization as a work project appropriation; funds would be used to improve homes, reduce energy usage, and lower utility bills.

#### **Sec. 558. Senior Centers – Meridian Senior and Community Center**

Allocates funding to Meridian Charter Township to construct a new senior and community center; designates unexpended funds as a work project appropriation.

#### **Sec. 559. Senior Centers – Livonia Senior Center**

Allocates funding to Livonia to relocate its senior center; designates unexpended funds as a work project appropriation.

#### **Sec. 560. Senior Centers – Dexter Senior and Community Center**

Allocates funding to Dexter Community Schools to construct a senior and community center; designates unexpended funds as a work project appropriation.

#### **Sec. 561. Senior Centers – Waverly Multigenerational Center**

Allocates funding to Waverly Community Schools to construct a multigenerational center; designates unexpended funds as a work project appropriation.

#### **Sec. 562. Senior Project Fresh**

Designates unexpended funds for Senior Project Fresh as a work project appropriation; funds would be used for senior project fresh, to enhance nutrition education, and to develop alternatives for communities without internet accessibility.

#### **Sec. 563. Sexually Transmitted Disease Prevention and Control**

Designates unexpended funds for Sexually Transmitted Disease Prevention and Control as a work project appropriation; funds would be used to support training in new disease surveillance techniques and activities supporting the integrated data application system.

#### **Sec. 564. Public Health Infrastructure, Workforce, and Data Systems**

Designates unexpended funds for Strengthening U.S. Public Health Infrastructure, Workforce, and Data Systems as a work project appropriation; funds would be used to support prevention, preparedness, and response to emerging health threats, to improve outcomes for other public health areas, and to ensure the state has people, services, and systems to promote and protect health.

#### **Sec. 565. Vaccine Support**

Designates unexpended funds for Vaccine Support as a work project appropriation; funds would be used to continue supporting immunization and vaccine efforts to address the COVID-19 pandemic.

**FY 2022-23 Supplemental Boilerplate Items**  
**Public Act 119 of 2023 (House Bill 4437, Article 16)**

**Sec. 566. *Behavioral Health Care Services and Facilities***

Allocates funds to Detroit Medical Center Children's Hospital; specifies conditions for receipt of funding.

**HIGHER EDUCATION****Summary of FY 2023-24 Enacted****Public Act 103 of 2023 (Senate Bill 173, Article 3)****Analyst: Perry Zielak**

| IDG/IDT           | FY 2022-23 YTD<br>as of 2/8/23 | FY 2023-24<br>Enacted  | Difference: Enacted<br>From FY 2022-23 YTD |             |
|-------------------|--------------------------------|------------------------|--|-------------|
|                   |                                |                        | Amount                                     | %           |
| <b>Federal</b>    | \$0                            | \$0                    | \$0  | --          |
| <b>Local</b>      | 128,526,400                    | 131,026,400            | 2,500,000                                  | 1.9         |
| <b>Private</b>    | 0                              | 0                      | 0  | --          |
| <b>Restricted</b> | 347,888,300                    | 482,268,300            | 134,380,000                                | 38.6        |
| <b>GF/GP</b>      | 1,540,221,000                  | 1,677,754,100          | 137,533,100                                | 8.9         |
| <b>Gross</b>      | <b>\$2,016,635,700</b>         | <b>\$2,291,048,800</b> | <b>\$274,413,100</b>                       | <b>13.6</b> |

**Notes:**

(1) FY 2023-24 year-to-date figures include mid-year budget adjustments through February 8, 2023.  
 (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

The Higher Education budget, contained in Article 3 of the compiled School Aid Act, provides funding for operational support of the state's 15 public universities, the AgBioResearch and Extension programs operated by Michigan State University; some retirement costs for employees who participate in the state public school employee retirement system; various financial aid programs for students attending public and independent colleges and universities in the state; and several other smaller higher education-related programs.

| <u>Major Budget Changes from FY 2022-23 YTD Appropriations</u> | <u>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</u> | <u>FY 2023-24<br/>Enacted<br/>Change</u> |
|--|---|--|
|--|---|--|

**1. University Operations Increase**

Includes a net increase of \$99.2 million Gross (\$753,200 GF/GP reduction) for university operations, a 6.4% increase. This includes:

- \$77.6 million GF/GP ongoing increase to operations grants for universities, with all universities receiving a 5.0% increase.
- \$21.4 million GF/GP increase to fund a \$4,500 funding floor based on fiscal year equated students (FYES) phased in over two years instead of the planned three-year phase-in. The funding floor calculation will be applied before the ongoing operations increase.
- \$257,200 GF/GP increase based on FY 2021-22 North American Indian Tuition Waiver program costs reported by institutions.
- Replaces \$100.0 million GF/GP with a corresponding amount of School Aid Fund (SAF).

Attainment of the operations increase and FYES floor funding will be conditioned on restraining resident undergraduate tuition and fee increases to the greater of 4.5% or \$676 (set at 5.0% or \$722 in the current year). Projected funding changes for universities will range from 4.7% to 19.8%. Total funding for operations will be \$1.6 billion Gross (\$1.2 billion GF/GP).

Major Budget Changes from FY 2022-23 YTD Appropriations**2. Michigan State University Extension and AgBioResearch Programs Increase**

Includes a net increase of \$3.4 million GF/GP for MSU's AgBioResearch and Extension program funding. This includes:

- \$1.8 million GF/GP ongoing operations increase for the MSU AgBioResearch program, a 5.0% increase.
- \$1.6 million GF/GP ongoing operations increase for the MSU Extension program, a 5.0% increase.

Total funding for AgBioResearch and Extension programs will be \$71.7 million GF/GP.

**3. Michigan Public School Employee Retirement System (MPSERS) State Share of Unfunded Actuarial Accrued Liability (UAAL) Stabilization Payment**

Removes \$70,000 SAF for the state's share of the universities' MPSERS UAAL contribution, a 100.0% decrease. The state's share is the difference between the calculated UAAL contribution to the system and the employer contribution cap of 25.73% of payroll for the seven universities with MPSERS employees (Central, Eastern, Ferris, Lake Superior State, Michigan Tech, Northern, and Western). Due to a one-time FY 2021-22 MPSERS deposit, the amount needed for the state share was reduced due to no institution being above the payroll contribution cap based on projections from the Office of Retirement Services.

**4. MPSERS Normal Cost Offset**

Increases reimbursement funding provided to universities to offset certain normal costs by \$4.5 million SAF, a 95.7% increase, due to lowering the assumed rate of return for MPSERS from 6.8% to 6.0% pursuant to the dedicated gains policy. Total funding for the MPSERS Normal Cost Offset will be \$9.1 million SAF.

**5. Michigan Achievement Scholarship/Postsecondary Scholarship Fund Deposit**

Includes a net increase of \$50.0 million GF/GP for deposit into the Postsecondary Scholarship Fund, a 20.0% increase, which is the funding source for Michigan Achievement Scholarships. The scholarships are awarded to eligible in-state students that graduate high school or achieve an equivalency certificate in 2023 or after and attend an eligible Michigan public university, community college, tribal college or independent nonprofit college or university full-time. After a total \$300.0 million GF/GP deposit into the Postsecondary Scholarship Fund, total funding for Michigan Achievement Scholarships for FY 2023-24 will be \$300.0 million restricted.

**6. Tuition Incentive Program**

Increases funding for the Tuition Incentive Program (TIP) by \$2.5 million federal Temporary Assistance for Needy Families (TANF) funding, a 3.5% increase. TIP pays Medicaid-eligible students' tuition costs for associate degrees under Phase I and bachelor's degrees under Phase II. The increase addresses an anticipated increase in program costs that began in FY 2022-23. Total funding for TIP will be \$73.8 million TANF.

|   |                                     | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b> |
|---|-------------------------------------|---|--|
| <b>2. Michigan State University Extension and AgBioResearch Programs Increase</b>   | <b>Gross</b><br>GF/GP               | <b>\$68,327,100</b><br>\$68,327,100                   | <b>\$3,416,300</b><br>\$3,416,300        |
| <b>3. Michigan Public School Employee Retirement System (MPSERS) State Share of Unfunded Actuarial Accrued Liability (UAAL) Stabilization Payment</b> | <b>Gross</b><br>Restricted<br>GF/GP | <b>\$70,000</b><br>70,000<br>\$0                      | <b>(\$70,000)</b><br>(70,000)<br>\$0     |
| <b>4. MPSERS Normal Cost Offset</b>   | <b>Gross</b><br>Restricted<br>GF/GP | <b>\$4,650,000</b><br>4,650,000<br>\$0                | <b>\$4,450,000</b><br>4,450,000<br>\$0   |
| <b>5. Michigan Achievement Scholarship/Postsecondary Scholarship Fund Deposit</b>   | <b>Gross</b><br>Restricted<br>GF/GP | <b>\$250,000,000</b><br>0<br>\$250,000,000            | <b>\$50,000,000</b><br>0<br>\$50,000,000 |
| <b>6. Tuition Incentive Program</b>   | <b>Gross</b><br>Federal<br>GF/GP    | <b>\$71,300,000</b><br>71,300,000<br>\$0              | <b>\$2,500,000</b><br>2,500,000<br>\$0   |

## HIGHER EDUCATION

### Major Budget Changes from FY 2022-23 YTD Appropriations

#### **7. Michigan Competitive Scholarship**

Decreases funding for Michigan Competitive Scholarships by \$3.0 million GF/GP, a 10.0% decrease. The scholarships are awarded to students with a qualifying SAT score and demonstrated financial need. The reduction is due to the anticipated phase-out of the scholarship program as student awards increase under the new Michigan Achievement Scholarship program. Total funding for Michigan Competitive Scholarships will be \$26.9 million Gross (\$2.9 million GF/GP).

#### **8. Infrastructure, Technology, Equipment, Maintenance, and Safety**

Adds \$79.0 million GF/GP for Infrastructure, Technology, Equipment, Maintenance, and Safety (ITEMS), which will allow public universities to repair, improve, or maintain existing buildings, facilities, equipment, technological and physical infrastructure, debt, and school safety measures. Public universities that receive a Capital Outlay project authorization by December 15, 2023 will not be eligible to receive ITEM funding. Individual public university allocations will be distributed based on calculated FY 2021-22 fiscal year equated student (FYES) enrollment and will not be distributed until January 2024. Total funding for ITEM will be \$79.0 million GF/GP.

#### **9. Michigan State University Engineering and Digital Innovation Center**

Adds \$30.0 million SAF for Michigan State University's Engineering and Digital Innovation Center. The new building will contain classrooms, laboratories and project studios that will focus on computational sciences and digital literacy disciplines. Total funding for Michigan State's Engineering and Digital Innovation Center will be \$30.0 million SAF.

#### **10. Critical Incident Mapping**

Adds \$5.0 million GF/GP for critical incident mapping. The distribution of funds will be proportional to each university's operations funding. Total funding for critical incident mapping will be \$5.0 million GF/GP.

#### **11. Michigan Geological Survey**

Adds \$3.0 million GF/GP to develop and construct a new facility for the Michigan Geological Survey, which will be located at Western Michigan University. Total funding for the Michigan Geological Survey will be \$3.0 million GF/GP.

#### **12. Michigan Technological University Bachelor of Science in Nursing (BSN) Program Creation**

Adds \$870,000 GF/GP for the creation of a BSN program at Michigan Technological University. The BSN program will offset the loss of a four-year nursing program in the Western Upper Peninsula with the closure of Finlandia University at the end of the 2022-23 academic year. Total funding for the creation of Michigan Tech's BSN program will be \$870,000 GF/GP.

|  |              | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b> |
|--|--------------|---|--|
| <b>7. Michigan Competitive Scholarship</b>   | <b>Gross</b> | <b>\$29,861,700</b>                                   | <b>(\$3,000,000)</b>                     |
|  | Federal      | 23,930,800  | 0  |
|  | GF/GP        | \$5,930,900   | (\$3,000,000)                            |
| <b>8. Infrastructure, Technology, Equipment, Maintenance, and Safety</b>                           | <b>Gross</b> | <b>\$0</b>  | <b>\$79,000,000</b>                      |
|  | GF/GP        | \$0   | \$79,000,000                             |
| <b>9. Michigan State University Engineering and Digital Innovation Center</b>                      | <b>Gross</b> | <b>\$0</b>  | <b>\$30,000,000</b>                      |
|  | Restricted   | 0   | 30,000,000                               |
|  | GF/GP        | \$0   | \$0                                      |
| <b>10. Critical Incident Mapping</b>   | <b>Gross</b> | <b>\$0</b>  | <b>\$5,000,000</b>                       |
|  | GF/GP        | \$0   | \$5,000,000                              |
| <b>11. Michigan Geological Survey</b>  | <b>Gross</b> | <b>\$0</b>  | <b>\$3,000,000</b>                       |
|  | GF/GP        | \$0   | \$3,000,000                              |
| <b>12. Michigan Technological University Bachelor of Science in Nursing (BSN) Program Creation</b> | <b>Gross</b> | <b>\$0</b>  | <b>\$870,000</b>                         |
|  | GF/GP        | \$0   | \$870,000                                |

**Major Boilerplate Changes from FY 2022-23**

***Consolidation of Boilerplate Reporting Requirements***

Consolidates various reporting requirements into Sections 241a, 241b, and 241c. The following sections were revised or deleted to facilitate the consolidation (unless otherwise stated section was DELETED):

- Section 241a: Sections 241 – HEIDI reporting (revised), 245 – Transparency Website (see additional details below), and 245a – Campus Safety Information and Resources
- Section 241b: Sections 265b – Operations Funding Criteria and Sexual Assault/Title IX Standards (see additional details below), 274c – Sexual Assault Response Training Reporting, and 274d – Annual Clery Act/Security Reporting
- Section 241c: Sections 265 – Performance Funding Tuition and Fees Restraint Requirement and 267 – Tuition and Fees Rate Reporting Requirement

***Sec. 236h. FY 2022-23 MPSERS One-Time Payment Detail – REVISED***

Revises language to detail the \$200.0 million one-time payment for MPSERS unfunded actuarial accrued liability contributions to the system for the seven universities with MPSERS employees (Central, Eastern, Ferris, Lake Superior State, Michigan Tech, Northern, and Western) and states payments will be distributed no later than September 30, 2023.

***Sec. 236i. Postsecondary Scholarship Fund Detail – REVISED***

Creates the Postsecondary Scholarship Fund in the Department of Treasury. States money in the fund would require an appropriation to be expended; provides that money in the fund at the end of a fiscal year does not lapse; and deposits \$250.0 million into the fund for FY 2022-23. Revises to include language allowing the Department of Treasury to use up to \$10.0 million for outreach and marketing efforts for the Michigan Achievement Scholarship and deposits \$300.0 million into the fund for FY 2023-24.

***Sec. 236k. Fiscal Year Equated Student (FYES) Funding Floor – REVISED***

Details the three-year implementation of a \$4,500 FYES funding floor for each university below the per-student funding calculation. Revises calculation from three years to one year for the universities below the funding calculation to accelerate the phase-in by one year.

***Sec. 236m. Infrastructure, Technology, Equipment, Maintenance, and Safety (ITEMS) Appropriation Detail – NEW***

Adds language that details infrastructure, technology, equipment, maintenance, safety and debt repayment categories that ITEMS funding could be used for by public universities. Specifies that only public universities that do not receive a Capital Outlay planning or construction authorization between January 1, 2023 and December 15, 2023 are eligible for ITEMS funding. Stipulates that distribution of funding is based on FY 2021-22 calculated FYES headcount and lump-sum payments will be distributed in January 2024.

***Sec. 236n. FY 2022-23 Supplemental Increase for Tuition Incentive Program – NEW***

Adds language that increases FY 2022-23 funding for the Tuition Incentive Program by \$2.5 million federal TANF funding.

***Sec. 241a. Annual University HEIDI and Public Reporting Requirements – NEW***

Consolidates language originally located in Sections 241, 245, and 245a that details various annual reporting requirements around university finances, safety, and institutional data, along with posting information on a public website. Requires a public university to submit certification regarding compliance with the public website postings to the fiscal agencies and the state budget director.

***Sec. 241b. Annual University Safety and Title IX Reporting Requirements – NEW***

Consolidates language originally located in Sections 265b, 274c, and 274d that requires universities to submit their annual Clery Act security report, a Title IX summary report and certify compliance on Title IX reporting requirements.

***Sec. 241c. University Tuition and Fee Restraint and Annual Rate Reporting Requirements – NEW***

Consolidates language originally located in Sections 265 and 267 that requires tuition and fee data to be submitted to the HEIDI database and a report of any revisions to tuition and fees within 15 days of adoption, and specifies tuition and fee restraint requirements in order to receive the operations increase and FYES student floor funding for FY 2023-24, set at 4.5% or \$676, whichever is greater (currently set at 5.0% or \$722). Incorporates language originally located in Section 265a on reverse transfer agreements with community colleges, the counting of credits earned outside the university and participation in the Michigan Transfer Network.

## HIGHER EDUCATION

### **Major Boilerplate Changes from FY 2022-23**

#### **Sec. 241d. Michigan Office of Postsecondary Educational Attainment – NEW**

Adds language that creates the Michigan Office of Postsecondary Educational Attainment in the Department of Labor and Economic Opportunity, which will review, evaluate and recommend improvements to all state financial aid programs within the Executive branch, serve as the coordinating office for agencies responsible for state financial aid programs, survey stakeholders on improving financial aid program administration, consolidate reports and make available to the Executive and legislature, and provide data analysis to assist prospective students on postsecondary options. The office will provide a report to the legislature on expenses, achievements, and recommendations to improve financial aid administration and postsecondary education by September 30, 2024.

#### **Sec. 245. Transparency Website and Various Reporting Requirements – DELETED**

Requires each university to post on its website and submit to the state budget director, who will report the data to the legislature all of the following: specified data on budget, revenue, expenditures, and employee compensation; university performance data; information on transfer policies and opportunities for high school students to earn college credit; collective bargaining agreements; benefit plans; audits; and Free Application for Federal Student Aid (FAFSA) information. Allows state budget director to withhold payments for noncompliance. Deletes and relocates reporting requirements to Section 241a, deletes language on transfer policies and earning college credit.

#### **Sec. 248. Michigan Achievement Scholarship Program Detail – REVISED**

Provides for distribution of funds appropriated for Michigan Achievement Scholarships. Specifies criteria for scholarship eligibility. Details award amounts of up to \$2,750 for students at a community college or tribal institution, up to \$4,000 for students at an independent nonprofit college or university, and up to \$5,500 for students at public universities. Requires Department of Treasury to report on numerous awarded scholarship data and requires institutions to report financial aid data. Revises language to specify students earning a baccalaureate at an eligible community college can receive up to \$5,500. Revises last-dollar payment definition; adds minimum payment definition; allows Department of Treasury to expend up to \$10.0 million for marketing; includes requirement for the Department of Treasury to convene a workgroup to advise on scholarship administration, aid packaging order, and definitions; revises institutional financial aid reporting requirements.

#### **Sec. 251. Michigan Competitive Scholarship Program Detail – REVISED**

Provides for distribution of funds appropriated for State Competitive Scholarships. Specifies grant amount of \$1,500, unless insufficient funds are available, in which case a report is required. Students enrolled less than full-time in a semester or term will receive a proportional scholarship amount. Adds legislative intent language stating students enrolled in college after the end of FY 2022-23 would be ineligible for the scholarship due to potential eligibility for the Michigan Achievement Scholarship.

#### **Sec. 252. Tuition Grant Program Detail – REVISED**

Provides for distribution of funds appropriated for Tuition Grants; specifies grant amount of \$3,000, unless insufficient funds are available, in which case a report is required. Deletes language that specifies that the \$5.0 million institutional cap does not apply to any other student financial aid program or in combination with any other financial aid program and removes March 1 application deadline.

#### **Sec. 256. Tuition Incentive Program Detail – REVISED**

Specifies criteria for Tuition Incentive Program (TIP) eligibility. Provides for award conditions and limits under Phase I dealing with associate degree and certificate programs and Phase II, third and fourth years toward bachelor's degree. Revises to remove gendered language.

#### **Sec. 263b. Michigan State University's SEEDSS Initiative – NEW**

Adds language allowing funds from MSU's AgBioResearch and Extension appropriations to be used for the SEEDSS Initiative (Solving Emerging Environmental Developments and Securing Sustainability), which addresses sustainability issues in Michigan agriculture and educates agricultural workers on improving sustainability.

#### **Sec. 265a. Performance Funding Formula Detail and Additional Requirements – DELETED**

Deletes language that includes requirements for a university to receive the performance funding increase and details performance funding formula, relocates the following requirements to Section 241c:

- Certify that university participates in reverse transfer agreements with at least three Michigan community colleges.
- Certify that credits earned outside of the university will count whether or not credits were earned using dual enrollment, the location of the course, if the course was online or in person, or if the credits were used toward high school graduation requirements.
- Actively participate in Michigan Transfer Network.

**Major Boilerplate Changes from FY 2022-23**

***Sec. 265b. Operations Funding Criteria and Sexual Assault/Title IX Standards – DELETED***

Penalizes universities with a 10% reduction in operations funding for schools that fail to submit certification of compliance to the state budget director on Title IX reporting requirements found in sections 274c and 274d and a number of other requirements. Deletes and relocates Title IX reporting requirements to Section 241b, removes 10% penalty.

***Sec. 265f. College Level Equivalent Credit Examination Requirements – DELETED***

Deletes language that requires public universities to develop and implement policies for awarding academic credit for college level equivalent credit examinations, allow students to earn college credit through exams once enrolled, post the policies and opportunities for credit examinations and submit a report if the university requires exam scores higher than those recommended by the American Council on Education to earn credit through examinations.

***Sec. 265g. Accelerated Degree Completion Pathways Requirement – DELETED***

Deletes language that requires public universities to provide all students with information on accelerated degree completion pathways within the first semester of enrollment, post the information on a public website and create accelerated degree completion pathways if they do not exist. Independent colleges and universities are encouraged to create accelerated degree completion pathways.

***Sec. 266a. University Declining Enrollment Testimony – DELETED***

Deletes legislative intent language that states public universities who have a 10% decline in enrollment since 2012 may be called to testify to the House or Senate higher education appropriation subcommittees to answer questions on enrollment, finances, tuition and possible consolidation of services with another public university.

***Sec. 268. North American Indian Tuition Waiver Reporting Requirements – REVISED***

States legislative intent that funds be allocated for unfunded Indian Tuition Waiver costs at public universities from the general fund. Requires Department of Civil Rights to report certain information related to the waivers by January 15, and requires universities and tribal colleges receiving waiver pass-through funding to provide data under guidelines and procedures developed by the Department of Civil Rights by January 1. Adds the number of students who transfer to a four-year university and the number of students who receive a waiver to reporting requirements.

***Sec. 269. Saginaw Chippewa Tribal College North American Indian Tuition Waiver Funding – REVISED***

Specifies a \$31,000 pass-through payment from Central Michigan's North American Indian Tuition Waiver appropriation to Saginaw Chippewa Tribal College for costs of the Indian Tuition Waiver Program. Requires the tribal college to report waiver information specified under Sec. 268 to the Department of Civil Rights. Revises payment from \$31,000 to \$63,200.

***Sec. 270c. Keweenaw Bay Ojibwa Community College North American Indian Tuition Waiver Funding – REVISED***

Specifies an \$87,800 pass-through payment from Northern Michigan's North American Indian Tuition Waiver appropriation to Keweenaw Bay Ojibwa Community College for costs of the Indian Tuition Waiver Program. Requires the tribal college to report waiver information specified under Sec. 268 to the Department of Civil Rights. Revises payment from \$87,800 to \$90,200.

***Sec. 271a. Union-Related Activities Prohibition – DELETED***

Deletes legislative intent language that prohibits universities from knowingly and directly using state funds to offer instructional activity that targets specific companies or specific groups of companies for unionization or decertification of a union.

***Sec. 274. Embryonic Stem Cell Research Reporting – DELETED***

Deletes legislative intent language that requires universities conducting research using human embryonic stem cells to report to the Department of Health and Human Services regarding compliance with federal guidelines and stem cell lines derived by university.

***Sec. 275. University Veteran-Friendly Policies – REVISED***

Requires universities to participate in the Yellow Ribbon GI Education Enhancement Program and provide other veterans-related services. Requires report on program participation. States universities should consider all veterans as in-state residents for determining tuition/fees and waive enrollment fees for all veterans. Requires reasonable programming and scheduling accommodation for military duties and training obligations. Requires report on all services provided specific to veterans and active duty military personnel. Requires universities to provide college-level equivalent credit examination opportunities for veterans, active military members, National Guard or military reserves, and to grant college credit or create a structure that awards college credit for military service and prior experiences. Deletes reporting requirements on program participation and services provided.

## HIGHER EDUCATION

### **Major Boilerplate Changes from FY 2022-23**

#### **Sec. 275f. Free and Open Speech Policies Reporting Requirement – DELETED**

Deletes legislative intent language that requires universities to report on activities related to strategic planning or assessment of policies that provide for open and free speech while protecting students from hate speech and discrimination.

#### **Sec. 275g. COVID-19 Federal Funding Reporting Requirement – DELETED**

Deletes language that requires universities to report all federal funding received related to the COVID-19 pandemic and requires report to be posted on a public website.

#### **Sec. 275h. Campus Advocacy Policy – DELETED**

Deletes legislative intent language that requires universities adopt advocacy policies for distribution and demonstrations around first amendment activities and political speech.

#### **Sec. 275i. University COVID-19 Vaccination Exemption Requirement – DELETED**

Deletes language that details exemptions and reporting requirements that universities must provide to students and employees if a campus mandatory vaccine policy is implemented.

#### **Sec. 275k. University Charter School Authorization Reporting Requirement – NEW**

Adds language that requires universities that serve or have served as an authorizer of charter schools to submit a report to the legislature that contains various details about the charter schools authorized, the academic performance of the schools, enrollment data, fees, board members, and university actions in regards to compliance for each authorized school.

#### **Sec. 281a. Martin Luther King, Jr. – Cesar Chavez – Rosa Parks (KCP) Reporting Requirements – DELETED**

Deletes language that requires public universities to report various data about the six support programs behind the King-Chavez-Parks university programs to the Department of Labor and Economic Opportunity by December 15 and requires the department report the compiled information to the legislature and state budget director by February 15.

#### **Sec. 283. University Student Aggregate Academic Data Report to High Schools – REVISED**

Requires Center for Educational Performance and Information (CEPI) to inform high schools regarding the academic status of students from each high school. Requires universities to work with CEPI to implement requirement. Adds language stating CEPI will conduct a review of the data system to allow for the legal dissemination of student information to public and independent non-profit postsecondary institutions and recommend a process by June 30, 2024.

#### **Sec. 284a. P-20 Longitudinal Data Reporting by Legislative District – NEW**

Adds language stating CEPI will work towards using the P-20 longitudinal data system to report on postsecondary outcomes and enrollment broken down by legislative district by working with the Michigan Association of State Universities, the Michigan Community College Association, Michigan Independent Colleges and Universities and the Michigan Association of Secondary School Principals.

| <u>Supplemental Recommendations for FY 2022-23 Appropriations</u>  | <u>FY 2022-23 Recommendation</u> |                      |     |
|--|----------------------------------|----------------------|-----|
| <b>1. FY 2022-23 MPSERS One-Time UAAL Payment</b>  | <b>Gross</b>                     | <b>\$200,000,000</b> |     |
| Adds \$200.0 million SAF for a one-time payment for MPSERS UAAL contributions to the system for the seven universities with MPSERS employees (Central, Eastern, Ferris, Lake Superior State, Michigan Tech, Northern, and Western). Total FY 2022-23 funding for MPSERS one-time UAAL payment is \$200.0 million SAF.  | Restricted                       | 200,000,000          | \$0 |
|  | GF/GP                            |                      |     |
| <b>2. Tuition Incentive Program</b>  | <b>Gross</b>                     | <b>\$2,500,000</b>   |     |
| Increases funding for the Tuition Incentive Program (TIP) by \$2.5 million federal TANF funding. TIP pays Medicaid-eligible students' tuition costs for associate degrees under Phase I and bachelor's degrees under Phase II. The increase addresses higher spending levels in FY 2022-23 compared to the previous fiscal year. Total FY 2022-23 funding for TIP will be \$73.8 million TANF. | Federal                          | 2,500,000            | \$0 |
|  | GF/GP                            |                      |     |

**FY 2023-24 University Operations Appropriations**  
Enacted Summary

| University     | FY 2022-23             |                     |                        | FYES Funding | Total               | Indian Tuition      | Indian Tuition      | Total FY24       | Total            | Change From         |                        |             |
|----------------|------------------------|---------------------|------------------------|--------------|---------------------|---------------------|---------------------|------------------|------------------|---------------------|------------------------|-------------|
|                | Total                  | Indian Tuition      | Waiver                 |              |                     | Waiver              | Pass-Through        | Indian Tuition   | Indian Tuition   | Waiver              | Percent                |             |
|                | FY 2022-23             | Appropriation       | Payment                | Supplemental | Operations          | Tuition             | Waiver              | Payments         | Waiver           | Waiver              | Change                 |             |
|                |                        |                     |                        |              |                     |                     |                     |                  |                  |                     |                        |             |
| Central        | \$91,145,100           | \$1,793,100         | \$89,352,000           | \$0          | \$4,467,600         | \$1,531,000         | \$63,200            | (\$198,900)      | \$1,594,200      | \$95,413,800        | 4.7%                   |             |
| Eastern        | 79,152,400             | 353,600             | 78,798,800             | 0            | 3,939,900           | 406,000             | 0                   | 52,400           | 406,000          | 83,144,700          | 5.0%                   |             |
| Ferris         | 56,952,900             | 826,900             | 56,126,000             | 0            | 2,806,300           | 714,200             | 0                   | (112,700)        | 714,200          | 59,646,500          | 4.7%                   |             |
| Grand Valley   | 81,253,800             | 1,279,300           | 79,974,500             | 11,560,000   | 4,576,700           | 1,253,800           | 0                   | (25,500)         | 1,253,800        | 97,365,000          | 19.8%                  |             |
| Lake Superior  | 14,361,900             | 788,800             | 13,573,100             | 0            | 678,700             | 938,500             | 0                   | 149,700          | 938,500          | 15,190,300          | 5.8%                   |             |
| Michigan State | 303,727,700            | 2,046,400           | 301,681,300            | 0            | 15,084,100          | 1,943,800           | 0                   | (102,600)        | 1,943,800        | 318,709,200         | 4.9%                   |             |
| Michigan Tech  | 51,951,000             | 847,400             | 51,103,600             | 0            | 2,555,200           | 866,900             | 0                   | 19,500           | 866,900          | 54,525,700          | 5.0%                   |             |
| Northern       | 50,751,100             | 1,161,300           | 49,589,800             | 0            | 2,479,500           | 1,160,500           | 90,200              | 89,400           | 1,250,700        | 53,320,000          | 5.1%                   |             |
| Oakland        | 60,761,900             | 355,300             | 60,406,600             | 8,123,900    | 3,426,500           | 331,800             | 0                   | (23,500)         | 331,800          | 72,288,800          | 19.0%                  |             |
| Saginaw Valley | 32,274,600             | 188,300             | 32,086,300             | 0            | 1,604,300           | 203,900             | 0                   | 15,600           | 203,900          | 33,894,500          | 5.0%                   |             |
| UM-Ann Arbor   | 339,198,000            | 837,700             | 338,360,300            | 0            | 16,918,000          | 1,290,500           | 0                   | 452,800          | 1,290,500        | 356,568,800         | 5.1%                   |             |
| UM-Dearborn    | 28,115,900             | 246,200             | 27,869,700             | 1,699,800    | 1,478,500           | 185,500             | 0                   | (60,700)         | 185,500          | 31,233,500          | 11.1%                  |             |
| UM-Flint       | 25,159,200             | 384,400             | 24,774,800             | 0            | 1,238,700           | 391,200             | 0                   | 6,800            | 391,200          | 26,404,700          | 5.0%                   |             |
| Wayne State    | 213,639,700            | 353,100             | 213,286,600            | 0            | 10,664,300          | 403,600             | 0                   | 50,500           | 403,600          | 224,354,500         | 5.0%                   |             |
| Western        | 114,351,900            | 599,300             | 113,752,600            | 0            | 5,687,600           | 543,700             | 0                   | (55,600)         | 543,700          | 119,983,900         | 4.9%                   |             |
| <b>TOTAL:</b>  | <b>\$1,542,797,100</b> | <b>\$12,061,100</b> | <b>\$1,530,736,000</b> |              | <b>\$21,383,700</b> | <b>\$77,605,900</b> | <b>\$12,164,900</b> | <b>\$153,400</b> | <b>\$257,200</b> | <b>\$12,318,300</b> | <b>\$1,642,043,900</b> | <b>6.4%</b> |
|                |                        |                     |                        |              |                     |                     |                     |                  |                  |                     |                        |             |

**DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**  
**Summary of FY 2023-24 Enacted**  
**Public Act 119 of 2023 (House Bill 4437, Article 7)**

Analyst: Marcus Coffin

|                   | FY 2022-23 YTD<br>as of 2/8/23 | FY 2023-24<br>Enacted | Difference: Enacted<br>From FY 2022-23 YTD |              |
|-------------------|--------------------------------|-----------------------|--|--------------|
|                   |                                |                       | Amount                                     | %            |
| <b>IDG/IDT</b>    | \$736,500                      | \$732,100             | (\$4,400)                                  | (0.6)        |
| <b>Federal</b>    | 1,017,100                      | 1,017,100             | 0  | 0.0          |
| <b>Local</b>      | 0                              | 0                     | 0  | --           |
| <b>Private</b>    | 0                              | 0                     | 0  | --           |
| <b>Restricted</b> | 72,581,900                     | 72,398,700            | (183,200)                                  | (0.3)        |
| <b>GF/GP</b>      | 0                              | 0                     | 0  | --           |
| <b>Gross</b>      | <b>\$74,335,500</b>            | <b>\$74,147,900</b>   | <b>(\$187,600)</b>                         | <b>(0.3)</b> |
| <b>FTEs</b>       | 390.5                          | 394.5                 | 4.0  | 1.0          |

**Notes:**

(1) FY 2022-23 year-to-date figures include mid-year budget adjustments through February 8, 2023.  
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

The Department of Insurance and Financial Services (DIFS) is responsible for regulating and promoting the insurance and financial services industries operating within the state. The department also provides consumer protection by managing consumer information and inquiries and investigating consumer complaints. DIFS administers and enforces state statutes pertaining to state-chartered banks and credit unions; mortgage brokers, lenders, and servicers; consumer finance entities; insurance companies, agents, and products; and health maintenance organizations.

| <u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>   |              | FY 2022-23<br>Year-to-Date<br>(as of 2/8/23) | FY 2023-24<br>Enacted<br>Change |
|--|--------------|--|---------------------------------|
| <b>1. Regulatory Staff Increase</b><br>Includes authorization for 4.0 FTE positions, which will be used to hire 3 mortgage examiners to conduct examinations of mortgage companies and 1 financial institutions specialist, who will coordinate and direct examinations pertaining to domestic insurer risk.                       | FTE          | NA   | 4.0                             |
|  | <b>Gross</b> | <b>NA</b>                                    | <b>\$0</b>                      |
|  | GF/GP        | NA   | \$0                             |
| <b>2. Economic Adjustments</b><br>Reflects decreased net costs of \$187,600 Gross (\$0 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2023), overtime, longevity, actuarially required retirement contributions, other employee retirement costs, building occupancy charges, and other economic adjustments. | <b>Gross</b> | <b>NA</b>                                    | <b>(\$187,600)</b>              |
|  | IDG/IDT      | NA   | (4,400)                         |
|  | Restricted   | NA   | (183,200)                       |
|  | GF/GP        | NA   | \$0                             |

**Major Boilerplate Changes from FY 2022-23****Sec. 205. Standard List of Report Recipients – NEW**

Requires all reports required in boilerplate to be submitted to the Senate and House Subcommittees on LARA/DIFS, the Senate and House fiscal agencies, the Senate and House policy offices, and the State Budget Office.

**Sec. 207. Communication with the Legislature – RETAINED (UNENFORCEABLE)**

Prohibits DIFS from taking disciplinary action against employees for communicating with legislators or their staff, unless the communication is prohibited by law. (Governor's signing letter states this section is unenforceable.)

**Major Boilerplate Changes from FY 2022-23**

**Sec. 214. Legacy Costs – DELETED**

States that estimated funding to be expended on legacy costs in FY 2022-23 is \$8.9 million (\$5.4 million on pension related legacy costs and \$3.5 million on health care legacy costs).

**Sec. 214. Department Scorecard Website – REVISED**

Requires DIFS to maintain, on a publicly accessible website, a scorecard that identifies, tracks, and regularly updates key metrics used to monitor and improve department performance. Revised to eliminate the scorecard, but requires the information to be posted.

**Sec. 216. FTE Vacancies and Remote Work Reports – REVISED**

Requires DIFS to submit quarterly reports containing FTE volumes and a comparison of actual and authorized FTE position counts; requires an annual report on the number of employees engaged in remote work in 2022, number of employees authorized to work remotely and the actual number working remotely, and estimated net cost savings and reduced use of office space achieved by remote work. Revised to delete remote work reporting provisions.

**Sec. 217. Work Project Usage – RETAINED (UNENFORCEABLE)**

Stipulates that appropriations are not to be expended, if possible, until all existing work project authorization for the same purpose is exhausted. (Governor's signing letter states this section is unenforceable.)

**Sec. 218. State Administrative Board Transfers – RETAINED (UNENFORCEABLE)**

Stipulates that the legislature may intertransfer funds via concurrent resolution if the State Administrative Board transfers funds. (Governor's signing letter states this section is unenforceable.)

**Sec. 221. Severance Pay Reporting – REVISED**

Requires DIFS to report any severance pay for a director or other high-ranking official not later than 14 days after a severance agreement is signed; maintain an internet site posting any severance pay in excess of 6 weeks of wages; report the total amount of severance pay remitted and the number of DIFS employees receiving severance pay in FY 2021-22. Revised to align report recipients with section 205, delete the requirement to maintain an internet site posting any severance pay in excess of 6 weeks of wages, and update fiscal year references.

**Sec. 222. COVID-19 Vaccine Stipulations – DELETED**

Prohibits requiring proof of having received a COVID-19 vaccine as a condition of accessing any facility or services, except as required by federal law; prohibits producing, developing, issuing, or requiring a COVID-19 vaccine passport; prohibits developing a database or making an existing database publicly available to access an individual's COVID-19 vaccine status; prohibits requiring proof of having received a COVID-19 vaccine as a condition of employment, with exceptions for hospitals and medical facilities; prohibits adverse employment consequences due to an individual's COVID-19 vaccination status; requires that exemptions be created for individuals who medically cannot receive the vaccine or who have religious or consistently held objections to vaccination if a federal mandate requires establishment of a COVID-19 vaccine policy.

**Sec. 223. Access to State and Local Services – NEW**

Prohibits appropriations from being used to restrict or impede a marginalized community's access to government resources, programs, or facilities; requires local governments to report on actions that attempt to restrict or interfere with duties of local health officers.

**Sec. 301. Health Insurers Rate Filings Report – REVISED**

Requires DIFS to submit a report based on health insurer annual rate filings; delineates information to be included. Revised to require electronic transmission of the health insurance rate change report prepared pursuant to 45 CFR 154.301(b).

**Sec. 302. Conservatorship and Insurance Liquidation Funds – REVISED**

Requires funds collected by DIFS in connection with a conservatorship pursuant to section 32 of 1987 PA 173 and from corporations being liquidated pursuant to 1956 PA 218 to be appropriated for expenses necessary to provide required services and to not lapse to the General Fund; limits appropriations to \$400,000. Revised to increase the cap to \$1.0 million.

**Sec. 303. Fees for Customized Listings – REVISED**

Permits DIFS to provide customized lists of non-confidential information to interested parties and to charge reasonable fees; requires funds to lapse to appropriate restricted fund accounts and limits amount appropriated to \$400,000. Revised to increase the cap to \$1.0 million.

## INSURANCE AND FINANCIAL SERVICES

### Major Boilerplate Changes from FY 2022-23

#### **Sec. 306. State or Regional Health Care Claims Database Grant Award Criteria – DELETED**

Requires DIFS to consider not-for-profit and Michigan-based status, prior experience collecting and analyzing relevant information, and prior work experiences when awarding any grant for the creation of a state or regional health care claims database utilizing federal funds.

**JUDICIARY****Summary of FY 2023-24 Enacted****Public Act 119 of 2023 (House Bill 4437, Article 8)****Analyst: Robin R. Risko**

|                   | FY 2022-23 YTD<br>as of 2/8/23 | FY 2023-24<br>Enacted | Difference: Enacted<br>From FY 2022-23 YTD |               |
|-------------------|--------------------------------|-----------------------|--|---------------|
|                   |                                |                       | Amount                                     | %             |
| <b>IDG/IDT</b>    | \$1,902,300                    | \$1,902,300           | \$0  | 0.0           |
| <b>Federal</b>    | 6,340,300                      | 6,751,300             | 411,000                                    | 6.5           |
| <b>Local</b>      | 7,782,600                      | 0                     | (7,782,600)                                | (100.0)       |
| <b>Private</b>    | 1,524,200                      | 1,903,900             | 379,700                                    | 24.9          |
| <b>Restricted</b> | 95,181,400                     | 95,152,600            | (28,800)                                   | 0.0           |
| <b>GF/GP</b>      | 370,774,900                    | 250,218,100           | (120,556,800)                              | (32.5)        |
| <b>Gross</b>      | <b>\$483,505,700</b>           | <b>\$355,928,200</b>  | <b>(\$127,577,500)</b>                     | <b>(26.4)</b> |
| <b>FTEs</b>       | 537.0                          | 598.0                 | 61.0                                       | 11.4          |

**Notes:**

(1) FY 2022-23 year-to-date figures include mid-year budget adjustments through February 8, 2023.

(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

Article VI of the State Constitution of 1963 forms the basis for Michigan's judicial branch of government. The Judiciary budget provides operational funding for the Michigan Supreme Court, the Court of Appeals, and related judicial agencies. The budget funds the salaries of justices of the Supreme Court and judges of the appeals, circuit, probate, and district courts according to constitutional and statutory requirements. Funding assistance for local trial court operations is provided through a variety of grant programs. The largest of these, the Court Equity Fund Reimbursement program, reimburses counties for trial court operations based on a statutory formula that recognizes circuit and probate caseloads and the number of judgeships.

| <b>Major Budget Changes from FY 2022-23 YTD Appropriations</b>   | FY 2022-23                     |                    | FY 2023-24           |
|--|--------------------------------|--------------------|----------------------|
|  | Year-to-Date<br>(as of 2/8/23) | Enacted            | Change               |
| <b>1. Statewide Judicial Case Management System</b>  | FTE                            | NA                 | 60.0                 |
| Includes a total of \$11.9 million GF/GP and authorization for 16.0 new FTE positions for continued support of the statewide judicial case management system. Of the total, \$5.4 million will be used to support staff and other operating costs as trial courts transition to the system, and \$6.5 million will be used to offset local user fee revenue that was previously paid by trial courts already transitioned to the system. (A total of 60.0 FTE positions are reflected; the figure includes 44.0 FTE positions transferred from the Direct Trial Court Automation Support line item. See #2 below.) | <b>Gross</b>                   | <b>NA</b>          | <b>\$11,899,100</b>  |
|  | GF/GP                          | NA                 | \$11,899,100         |
| <b>2. Consolidate Direct Trial Court Automation Support</b>  | FTE                            | 44.0               | (44.0)               |
| Consolidates the Direct Trial Court Automation Support line item with the Judicial Information Systems line item as a part of implementing the statewide judicial case management system. Consolidating reflects elimination of the cost to trial courts for providing online court services and resource sharing.   | <b>Gross</b>                   | <b>\$7,752,900</b> | <b>(\$7,752,900)</b> |
|  | Local                          | 7,752,900          | (7,752,900)          |
|  | GF/GP                          | \$0                | \$0                  |
| <b>3. Statewide Court Data Transparency Project</b>  | <b>Gross</b>                   | <b>NA</b>          | <b>\$4,500,000</b>   |
| Includes \$4.5 million in one-time GF/GP to support costs of improving data collection, reporting and analysis, and publication of court data through a public portal.   | GF/GP                          | NA                 | \$4,500,000          |

|  |              | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b> |
|--|--------------|---|--|
| <b>Major Budget Changes from FY 2022-23 YTD Appropriations</b>   |              |   |  |
| <b>4. SADO MAACS Roster Attorney Compensation Grants</b>   | FTE          | NA  | 1.0                                      |
| Includes \$3.2 million GF/GP and authorization for 1.0 FTE position to create a cost-share grant program to support counties that increase pay rates for appellate counsel for indigent offenders that are assigned through the Michigan Appellate Assigned Counsel System (MAACS). New rates will be consistent with rates adopted under Michigan Indigent Defense Commission standards.  | <b>Gross</b> | NA  | <b>\$3,160,700</b>                       |
|  | GF/GP        | NA  | \$3,160,700                              |
| <b>5. Juvenile Justice Task Force Recommendation #2</b>  | FTE          | NA  | 13.0                                     |
| Includes \$2.0 million GF/GP and authorization for 13.0 FTE positions to support recommendation #2 made by the Task Force on Juvenile Justice Reform. The recommendation was to create and support a Juvenile Justice Services Division within the State Court Administrative Office.  | <b>Gross</b> | NA  | <b>\$2,025,000</b>                       |
|  | GF/GP        | NA  | \$2,025,000                              |
| <b>6. Juvenile Justice Task Force Recommendation #3</b>  | FTE          | NA  | 3.0                                      |
| Includes \$556,900 GF/GP and authorization for 3.0 FTE positions to support recommendation #3 made by the Task Force on Juvenile Justice Reform. The recommendation was to expand the role of the State Appellate Defender's Office to include appellate defense for juvenile justice cases.   | <b>Gross</b> | NA  | <b>\$556,900</b>                         |
|  | GF/GP        | NA  | \$556,900                                |
| <b>7. Resentencing of Youth Serving Life Sentences</b>   | FTE          | NA  | 18.0                                     |
| Includes a total of \$2.5 million GF/GP and authorization for 18.0 FTE positions for the State Appellate Defender Office to ensure continued compliance with the U.S. Supreme Court ruling on the <i>Montgomery v. Louisiana</i> case (\$958,100 GF/GP and 7.0 FTE positions) and the Michigan Supreme Court rulings on the <i>People v. Parks</i> , <i>People v. Poole</i> , and <i>People v. Stovall</i> cases (\$1.6 million GF/GP and 11.0 FTE positions). Because mandatory life sentences without the possibility of parole for most juveniles, including 18-year-olds, convicted of certain offenses were ruled to be unconstitutional and life sentences for juveniles convicted of second-degree murder were ruled to be unconstitutional, resentencing of offenders is required. Resentencing hearings are required to take place before a judge, not a jury, and the appellate court is required to review trial court decisions in these cases for potential abuse of discretion. There are over 30 inmates still waiting for resentencing hearings under the U.S. Supreme Court ruling and roughly 350 inmates eligible for resentencing hearings under the Michigan Supreme Court rulings. | <b>Gross</b> | NA  | <b>\$2,529,600</b>                       |
|  | GF/GP        | NA  | \$2,529,600                              |
| <b>8. Expungement Initiative</b>   | <b>Gross</b> | NA  | <b>\$700,000</b>                         |
| Includes \$700,000 GF/GP to be allocated as follows: \$650,000 GF/GP for Legal Aid Defender Association, Inc. in Detroit to provide expungement services and \$50,000 GF/GP to Allegan County to provide legal aid services.   | GF/GP        | NA  | \$700,000                                |
| <b>9. District Court Judges' Salary Adjustments</b>  | <b>Gross</b> | <b>\$38,690,200</b>                                   | <b>\$504,900</b>                         |
| Includes \$504,900 GF/GP to cover costs of increased salaries for district court judges as required by 2022 PA 177. Public Act 177 requires an increase in compensation for district court judges to equal the compensation of probate court judges, effective October 1, 2022. Funding will also cover associated retirement and social security costs.   | GF/GP        | \$38,690,200  | \$504,900                                |

| <u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>   |                                  | <u>FY 2022-23</u><br><u>Year-to-Date</u><br><u>(as of 2/8/23)</u> | <u>FY 2023-24</u><br><u>Enacted</u><br><u>Change</u> |
|--|----------------------------------|---|--|
| <b>10. Judicial Institute Curriculum and Bench Book Development</b><br>Includes \$482,000 GF/GP (\$182,000 ongoing; \$300,000 one-time) and authorization for 1.0 FTE position for curriculum and bench book development. Ongoing funding will be used for curriculum development, including expanded online training modules, virtual training, and implementation of an attendance/participation tracking system for the mandatory continuing judicial education requirement. One-time funding will support costs of developing a court administration bench book. | FTE<br><br><b>Gross</b><br>GF/GP | NA<br><br>NA<br>NA  | 1.0<br><br><b>\$482,000</b><br>\$482,000             |
| <b>11. Justice for All Initiative</b><br>Includes \$475,000 GF/GP for continuing the Justice for All initiative implemented in the FY 2021-22 budget. The Justice for All initiative aims to simplify the court system, court rules, processes, and forms in order to increase court and community engagement and access to justice. Funding will be used for process improvements, pilot programs, training court personnel, and community outreach.  | <b>Gross</b><br>GF/GP            | NA<br>NA  | <b>\$475,000</b><br>\$475,000                        |
| <b>12. Judicial Tenure Commission</b><br>Includes \$422,600 GF/GP and authorization for 4.0 FTE positions to support additional staff that will assist with eliminating case backlog and investigating misconduct claims in a timelier manner.   | FTE<br><br><b>Gross</b><br>GF/GP | NA<br><br>NA<br>NA  | 4.0<br><br><b>\$422,600</b><br>\$422,600             |
| <b>13. Federal Grant for Friend of the Court Bureau</b><br>Includes authorization for SCAO to receive \$420,000 in federal Safe Access for Victims Economic Security (SAVES) grant funding made available by the U.S. Department of Human Services, Office of Child Support Enforcement. Funding will be used to increase safe access to child support services for domestic violence victims/survivors who currently are not receiving services.  | <b>Gross</b><br>Federal<br>GF/GP | NA<br>NA<br>NA  | <b>\$420,000</b><br>420,000<br>\$0                   |
| <b>14. Supreme Court Security</b><br>Includes \$415,000 GF/GP and authorization for 2.0 FTE positions to support costs of providing additional security for supreme court justices, including home security systems and protection while traveling.  | FTE<br><br><b>Gross</b><br>GF/GP | NA<br><br>NA<br>NA  | 2.0<br><br><b>\$415,000</b><br>\$415,000             |
| <b>15. Private Michigan Justice Funds for SADO</b><br>Includes authorization for SADO's Project Reentry to receive \$380,000 in private grant funding from the Michigan Justice Fund, a new philanthropic initiative aimed at criminal justice reform initiatives. Funding will be used to increase opportunities for formerly incarcerated individuals to achieve increased economic mobility.  | <b>Gross</b><br>Private<br>GF/GP | NA<br>NA<br>NA  | <b>\$380,000</b><br>380,000<br>\$0                   |
| <b>16. Michigan Court of Appeals Law Clerks</b><br>Includes \$292,200 GF/GP and authorization for 2.0 FTE positions to support 2 full-time law clerks to assist Court of Claims judges. Currently, 4 judges share 1 law clerk.   | FTE<br><br><b>Gross</b><br>GF/GP | NA<br><br>NA<br>NA  | 2.0<br><br><b>\$292,200</b><br>\$292,200             |
| <b>17. Board of Law Examiners Funding Adjustment</b><br>Includes \$162,000 GF/GP to offset a shortfall of state restricted Law Exam Fee revenue that supports the Board of Law Examiners within the Supreme Court. Fees are collected from applicants for admission to the bar. There has been a decrease in the amount of fee revenue collected.  | <b>Gross</b><br>GF/GP            | NA<br>NA  | <b>\$162,000</b><br>\$162,000                        |
| <b>18. Increased Costs for Facility Security</b><br>Includes \$105,400 GF/GP to cover increased costs of security staff provided through a contract with DK Security. Hourly minimum wage for security staff was increased.  | <b>Gross</b><br>GF/GP            | NA<br>NA  | <b>\$105,400</b><br>\$105,400                        |

## JUDICIARY

|  |              | FY 2022-23<br>Year-to-Date<br>(as of 2/8/23) | FY 2023-24<br>Enacted<br>Change |
|--|--------------|--|---------------------------------|
| <b>Major Budget Changes from FY 2022-23 YTD Appropriations</b>   |              |  |                                 |
| <b>19. Judgeship Changes</b>   | <b>Gross</b> | <b>NA</b>                                    | <b>(\$134,600)</b>              |
| Reflects a net savings of \$134,600 GF/GP from the following statutory changes: eliminating one district court judgeship in Alger/Schoolcraft County under 2012 PA 34; eliminating one district court judgeship in Huron County under 2012 PA 36; and annualizing costs for circuit court judgeships added in Marquette County under 2021 PA 74, Wayne, Muskegon, and Ottawa Counties under 2022 PA 8, and a probate court judgeship in Kent County under 2022 PA 8. | GF/GP        | NA   | (\$134,600)                     |
| <b>20. Additional FTE Position Authorization</b>   | <b>FTE</b>   | <b>NA</b>                                    | <b>8.0</b>                      |
| Includes authorization for an additional 8.0 FTE positions. Of the 8.0 positions, 2.0 will be allocated for implementing the Judicial Institute mandatory continuing judicial education program, 2.0 will be allocated for the Drug Treatment Courts program, and 4.0 will be allocated to the SCAO line item. Funding exists to support these positions.  | <b>Gross</b> | <b>NA</b>                                    | <b>\$0</b>                      |
|  | <b>GF/GP</b> | <b>NA</b>                                    | <b>\$0</b>                      |
| <b>21. Eliminate Current-Year One-Time Funding</b>   | <b>FTE</b>   | <b>7.0</b>                                   | <b>(7.0)</b>                    |
| Reduces the budget by \$151.4 million GF/GP and 7.0 FTE positions to reflect elimination of one-time funding included in the FY 2022-23 budget. Eliminated funding includes: \$150.0 million for the Statewide Judicial Case Management System, \$962,900 (7.0 FTE positions) for SADO, \$249,300 for the Judicial Tenure Commission, and \$225,000 for judicial workload assessment.  | <b>Gross</b> | <b>\$151,437,200</b>                         | <b>(\$151,437,200)</b>          |
|  | <b>GF/GP</b> | <b>\$151,437,200</b>                         | <b>(\$151,437,200)</b>          |
| <b>22. Economic Adjustments</b>  | <b>Gross</b> | <b>NA</b>                                    | <b>\$2,716,800</b>              |
| Reflects increased costs of \$2.7 million Gross (\$2.8 million GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2023), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.  | Federal      | NA   | (9,000)                         |
|  | Local        | NA   | (29,700)                        |
|  | Private      | NA   | (300)                           |
|  | Restricted   | NA   | (28,800)                        |
|  | GF/GP        | NA   | \$2,784,600                     |

### Major Boilerplate Changes from FY 2022-23

#### **Sec. 211. Website for Performance Information – REVISED**

Requires judiciary to maintain, on a publicly accessible website, a scorecard that identifies, tracks, and regularly updates key metrics used to monitor and improve judiciary's performance. Revised "scorecard" to "information".

#### **Sec. 212. Legacy Costs – DELETED**

States that the total amount of funding estimated to be expended on legacy costs in FY 2022-23 is \$13.8 million (\$8.4 million on pension-related legacy costs; \$5.4 million on health care-related legacy costs).

#### **Sec. 212. Disciplinary Action Against State Employees – RETAINED (UNENFORCEABLE)**

Prohibits judicial branch from taking disciplinary action against employees for communicating with legislators or their staff unless the communication is prohibited by law and the judicial branch is exercising its authority. (Governor's signing letter states *this section is unenforceable*.)

#### **Sec. 215. Linking Swift and Sure Sanctions Program to DHHS, LEO, and MDOC Programming – REVISED**

Requires SCAO to identify programs within the Departments of Health and Human Services, Labor and Economic Opportunity, and Corrections that have programmatic connections with Swift and Sure Sanctions program participants for the purpose of leveraging collaborations and determining avenues of success for offenders who are eligible for state-provided programs; requires SCAO to provide guidance to courts participating in the Swift and Sure Sanctions program of available DHHS, LEO, and MDOC programming. Revised to delete the requirement that SCAO identify programs, instead "allowing" SCAO to identify programs.

#### **Sec. 301. Direct Trial Court Automation Support – DELETED**

Requires Direct Trial Court Automation Support program to recover direct and overhead costs from trial courts by charging fees for services rendered; requires fees to cover actual costs incurred in providing services.

**Major Boilerplate Changes from FY 2022-23*****Sec. 309. Oral Fluid Testing Program – REVISED***

Requires SCAO to allocate \$100,000 for a program in a veterans treatment court, mental health treatment court, or both, that investigates the effectiveness of oral fluid testing to determine compliance with required mental health medications or requirements; requires SCAO to report on oral fluid testing programs established in the state, number of program participants in each jurisdiction, and rearrest rate of participants while participating in the program. Revised to require SCAO to continue the program and to include program testing and results, program treatment, and program outcomes in the report.

***Sec. 311. Parental Rights Restoration Act – DELETED***

Requires SCAO to report on the total number of petitions filed by minors seeking court-issued waivers of parental consent under the Parental Rights Restoration Act, and the total number of petitions granted.

***Sec. 311. Report on Status of Statewide Judicial Case Management System – NEW***

Requires SCAO to report on the statewide judicial case management system, including a status update on development and implementation of the system and an accounting of all appropriations and expenditures for the previous and current fiscal years.

***Sec. 312. Allocation of Funding for Statewide Judicial Case Management System – NEW***

Requires not more than \$6.5 million of the appropriation to be used to offset the loss of local user fee revenue and \$5.4 million of the appropriation to be used to support staff and other operating costs as trial courts continue to transition to the new system.

***Sec. 316. MAACS Roster Attorney Compensation Grants – NEW***

Requires MAACS to administer and provide grants to counties as reimbursement for approximately one-half of the compensation provided to public defenders appointed as appellate defense counsel; requires counties to pay appellate counsel consistent with rates established by the Michigan Indigent Defense Commission.

***Sec. 401. Expungement Initiative – NEW***

Requires allocation of \$650,000 to Legal Aid Defender Association, Inc. in Detroit for providing expungement services and \$50,000 to Allegan County for providing legal aid services.

***Sec. 402. Statewide Judicial Case Management System – DELETED***

Requires SCAO to establish a system that demonstrates the ability to integrate criminal justice data across the state and local units; prohibits funds from being used to supplant current user fee systems and administrative purposes unrelated to the system; requires system to comply with all security measures and restrictions and to be hosted in a secure cloud by an experienced vendor; requires implementation status report; designates unexpended funding as a work project appropriation.

***Sec. 402. Court Administration Bench Book – NEW***

Designates unexpended funding as a work project appropriation; states purpose of the project is to develop and maintain a court administration bench book.

***Sec. 403. Statewide Court Data Transparency Project – NEW***

Designates unexpended funding as a work project appropriation; states purpose of the project is to collect and analyze court data, publish court data in a data portal, and develop data-driven criminal justice policies and goals.

**FY 2022-23 Supplemental Appropriation Items****Public Act 119 of 2023 (House Bill 4437, Article 16)****Appropriation Change*****1. Juvenile Justice Services Division***

Includes \$500,000 GF/GP and authorization for 6.5 FTE positions to establish a Juvenile Justice Services Division within SCAO that will coordinate implementation of risk/needs and detention screening and assessment tools, provide technical assistance in local implementation of policies, programs, and practices, and coordinate statewide court policies, funding, and data collection.

|              |                  |
|--------------|------------------|
| FTEs         | 6.5              |
| <b>Gross</b> | <b>\$500,000</b> |
| GF/GP        | \$500,000        |

## JUDICIARY

### FY 2022-23 Supplemental Appropriation Items Public Act 119 of 2023 (House Bill 4437, Article 16)

#### **2. District Court Judges' Salary Increase**

Includes \$495,700 GF/GP to cover costs of increased salaries for district court judges. 2022 PA 177 requires compensation for district court judges to equal that of probate court judges beginning October 1, 2022. Funding will also cover associated retirement and social security costs.

#### Appropriation Change

| <b>Gross</b> | <b>\$495,700</b> |
|--------------|------------------|
| GF/GP        | \$495,700        |

#### **3. Indigent Civil Legal Assistance – State Court Fund**

Includes \$704,300 GF/GP to backfill a decline in State Court Fund revenue that is used to support indigent civil legal assistance.

| <b>Gross</b> | <b>\$704,300</b> |
|--------------|------------------|
| GF/GP        | \$704,300        |

#### **4. Juvenile Justice Data Management Project**

Includes authorization for SCAO to receive and expend \$10.0 million in federal grant revenue from the DOJ's National Criminal History Improvement Program. Funds will be used to establish a juvenile probation data software application that has the ability to interface and connect with the larger statewide judicial case management system.

| <b>Gross</b> | <b>\$10,000,000</b> |
|--------------|---------------------|
| Federal      | 10,000,000          |
| GF/GP        | \$0                 |

### FY 2022-23 Supplemental Boilerplate Items

#### Public Act 119 of 2023 (House Bill 4437, Article 16)

#### **Sec. 576. Juvenile Justice Data Management Project**

Designates unexpended funds for Juvenile Justice Data Management Project as a work project appropriation; states purpose of the project is to establish a juvenile probation data software application that has the ability to interface and connect with the larger statewide judicial case management system.

# LABOR AND ECONOMIC OPPORTUNITY

## Summary of FY 2023-24 Enacted with Vetoed Public Act 119 of 2023 (House Bill 4437, Article 9)

Analyst: Viola Bay Wild

| IDG/IDT           | FY 2022-23 YTD<br>as of 2/8/23 | FY 2023-24<br>Enacted  | Difference: Enacted<br>From FY 2022-23 YTD |               |
|-------------------|--------------------------------|------------------------|--|---------------|
|                   |                                |                        | Amount                                     | %             |
| <b>Federal</b>    | \$0                            | \$0                    | \$0  | --            |
| <b>Local</b>      | 1,459,595,000                  | 1,183,654,200          | (275,940,800)                              | (18.9)        |
| <b>Private</b>    | 10,700,000                     | 10,700,000             | 0  | 0.0           |
| <b>Restricted</b> | 12,430,700                     | 12,539,200             | 108,500                                    | 0.9           |
| <b>GF/GP</b>      | 265,920,600                    | 358,863,400            | 92,942,800                                 | 35.0          |
| <b>Gross</b>      | <b>\$4,689,486,200</b>         | <b>\$2,867,264,800</b> | <b>(\$1,822,221,400)</b>                   | <b>(38.9)</b> |
| <b>FTEs</b>       | 2,593.9                        | 2,648.9                | 55.0                                       | 2.1           |

## Notes:

(1) FY 2022-23 year-to-date figures include mid-year budget adjustments through February 8, 2023.  
 (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Department of Labor and Economic Opportunity (LEO) engages in economic development; community growth and development; affordable housing; tourism; job creation, retention, and training; and workforce development and preparedness. LEO includes the Michigan Strategic Fund (MSF)/Michigan Economic Development Corporation (MEDC), Bureau of Employment Relations, Bureau of Services for Blind Persons, Michigan Occupational Safety & Health Administration (MIOSHA), Workforce Development, Michigan Rehabilitation Services, Office of Global Michigan, Unemployment Insurance Agency (UIA), Workers' Disability Compensation Agency, State Land Bank, and Michigan State Housing Development Authority (MSHDA).

| <u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>   | <u>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</u> | <u>FY 2023-24<br/>Enacted<br/>Change</u> |
|--|---|--|
| <b>WORKFORCE DEVELOPMENT</b>   |   |  |
| <b>1. Michigan Reconnect Grant Program</b>   |   |  |
| Includes \$10.2 million GF/GP to reflect current cost estimates of program.  | <b>Gross</b><br>GF/GP                                 | <b>\$55,000,000</b><br>\$55,000,000      |
|  |   | <b>\$10,212,200</b><br>\$10,212,200      |
| <b>2. At-Risk Youth Grants</b>   |   |  |
| Includes an increase of \$950,000 GF/GP for Jobs for Michigan Graduates program.                                       | <b>Gross</b><br>GF/GP                                 | <b>\$4,750,000</b><br>\$4,750,000        |
|  |   | <b>\$950,000</b><br>\$950,000            |
| <b>3. 23+ High School Diploma Program</b>  |   |  |
| Includes an increase of \$500,000 GF/GP for the former Graduation Alliance program.                                    | <b>Gross</b><br>GF/GP                                 | <b>\$2,500,000</b><br>\$2,500,000        |
|  |   | <b>\$500,000</b><br>\$500,000            |
| <b>4. MiSTEM Advisory Council</b>  |   |  |
| Includes an increase of \$350,000 GF/GP and authorization for 3.0 FTE positions for MiSTEM Advisory Council.           | <b>FTE</b><br><b>Gross</b><br>GF/GP                   | 0.0<br><b>\$300,000</b><br>\$300,000     |
|  |   | 3.0<br><b>\$350,000</b><br>\$350,000     |
| <b>5. Tri-Share Child Care Program</b>   |   |  |
| Includes an increase of \$900,000 GF/GP to be allocated for new hubs, as long as existing hubs receive needed support. | <b>Gross</b><br>GF/GP                                 | <b>\$2,500,000</b><br>\$2,500,000        |
|  |   | <b>\$900,000</b><br>\$900,000            |

## LABOR AND ECONOMIC OPPORTUNITY

| <u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>   |  | <u>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</u>                                  | <u>FY 2023-24<br/>Enacted<br/>Change</u>                         |
|--|--|--|--|
| <b>6. Workforce Development Programs Federal Grants</b><br>Includes \$3.5 million federal funding for 2 grant programs: \$1.0 million for Michigan Career Opportunity Academies (MiCOACH) to recruit and train workers from eligible communities for behavioral health careers and \$2.5 million for a Michigan Citizen Reentry Initiative (MiCRI) pilot program to expand support and training services at a federal corrections facility and 4 residential reentry centers to support successful prisoner reentry. | <b>Gross</b><br>Federal<br>GF/GP                                   | <b>NA</b><br>NA<br>NA  | <b>\$3,540,600</b><br>3,540,600<br>\$0                           |
| <b>7. Workforce Development Programs</b><br>Includes \$1.5 million federal funding to realign program funding with actual expenditures.  | <b>Gross</b><br>Federal<br>GF/GP                                   | <b>NA</b><br>NA<br>NA  | <b>\$1,500,000</b><br>1,500,000<br>\$0                           |
| <b>MICHIGAN REHABILITATION SERVICES</b>  |  |  |  |
| <b>8. Michigan Rehabilitation Services</b><br>Adds \$1.5 million GF/GP for state matching funds required to receive available federal funding.   | <b>Gross</b><br>Federal<br>Local<br>Private<br>Restricted<br>GF/GP | <b>\$138,061,300</b><br>112,085,100<br>5,300,000<br>521,500<br>188,300<br>\$19,966,400 | <b>\$1,500,000</b><br>0<br>0<br>0<br>0<br>\$1,500,000            |
| <b>9. Centers for Independent Living</b><br>Includes additional \$1.2 million GF/GP for Centers for Independent Living operations costs and to provide services.   | <b>Gross</b><br>Federal<br>Private<br>GF/GP                        | <b>\$18,531,700</b><br>8,451,600<br>10,000<br>\$10,070,100                             | <b>\$1,186,900</b><br>0<br>0<br>\$1,186,900                      |
| <b>EMPLOYMENT SERVICES</b>   |  |  |  |
| <b>10. Michigan Occupational Safety and Health Administration (MIOSHA)</b><br>Includes \$4.8 million Gross (\$1.5 million GF/GP) and authorization for 4.0 FTE positions to recognize available federal funding, to provide state matching funds required to receive federal funding, and to support additional staff.   | <b>FTE</b><br><b>Gross</b><br>Federal<br>Restricted<br>GF/GP       | 197.0<br><b>\$31,272,400</b><br>12,915,200<br>18,357,200<br>\$0                        | 4.0<br><b>\$4,777,800</b><br>2,389,000<br>860,000<br>\$1,528,800 |
| <b>11. Wage and Hour Program</b><br>Includes \$250,000 restricted funding and authorization for 4.0 FTE positions to support additional staff to respond to employer and worker inquiries on wage issues and to conduct additional child labor and wage theft investigations.  | <b>FTE</b><br><b>Gross</b><br>Restricted<br>GF/GP                  | 29.0<br><b>\$4,208,900</b><br>4,208,900<br>\$0   | 4.0<br><b>\$250,000</b><br>250,000<br>\$0                        |
| <b>12. Office of Global Michigan</b><br>Includes an increase of \$750,000 GF/GP and authorization for 2.0 FTE positions.   | <b>FTE</b><br><b>Gross</b><br>Federal<br>GF/GP                     | 13.0<br><b>\$39,127,500</b><br>38,369,000<br>\$758,500                                 | 2.0<br><b>\$750,000</b><br>0<br>\$750,000                        |
| <b>COMMISSIONS</b>   |  |  |  |
| <b>13. Michigan Community Service Commission</b><br>includes \$7.6 million Gross (\$250,000 GF/GP) to support the AmeriCorps program.  | <b>Gross</b><br>Federal<br>Private<br>GF/GP                        | <b>\$12,013,500</b><br>10,826,000<br>204,100<br>\$983,400                              | <b>\$7,570,100</b><br>7,274,200<br>45,900<br>\$250,000           |
| <b>14. Michigan Women's Commission</b><br>Includes an increase of \$62,000 GF/GP for operations of the Michigan Women's Commission.  | <b>Gross</b><br>Federal<br>Private<br>GF/GP                        | <b>\$1,473,600</b><br>100,000<br>1,000,000<br>\$373,600                                | <b>\$62,000</b><br>0<br>0<br>\$62,000                            |

**LABOR AND ECONOMIC OPPORTUNITY**

| <b><u>Major Budget Changes from FY 2022-23 YTD Appropriations</u></b>  |   | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b>                       | <b>FY 2023-24<br/>Enacted<br/>Change</b>               |
|--|---|---|--|
| <b>STRATEGIC OUTREACH AND ATTRACTION RESERVE</b>   |   |   |  |
| <b>15. Strategic Outreach and Attraction Reserve (SOAR) Program</b><br>Includes \$100 restricted funding for the Michigan Strategic Site Readiness Program and \$100 restricted funding for the Critical Industry Program.                                 | <b>Gross</b><br>Restricted<br>GF/GP                       | <b>NA</b><br>NA<br>NA   | <b>\$200</b><br>200<br>\$0                             |
| <b>MICHIGAN STRATEGIC FUND</b>   |   |   |  |
| <b>16. Pure Michigan</b><br>Eliminates \$15.0 million federal State Fiscal Recovery Fund (SFRF) for the Pure Michigan program.   | <b>Gross</b><br>Federal<br>Local<br>Private<br>GF/GP      | <b>\$40,000,000</b><br>15,000,000<br>5,000,000<br>5,000,000<br>\$15,000,000 | <b>(\$15,000,000)</b><br>(15,000,000)<br>0<br>0<br>\$0 |
| <b>17. Job Creation Services – Brownfield Redevelopment Fund</b><br>Includes an increase of \$1.8 million restricted funding to recognize increased state brownfield redevelopment fund revenue collections.   | <b>Gross</b><br>Federal<br>Private<br>Restricted<br>GF/GP | <b>\$28,917,200</b><br>4,673,300<br>200,000<br>6,160,600<br>\$17,883,300    | <b>\$1,825,000</b><br>0<br>0<br>1,825,000<br>\$0       |
| <b>18. Michigan Defense Center Program</b><br>Includes \$5.0 million GF/GP to support the defense and homeland security industry in the state.   | <b>Gross</b><br>GF/GP                                     | <b>NA</b><br>NA   | <b>\$5,000,000</b><br>\$5,000,000                      |
| <b>19. Revitalization and Placemaking Program</b><br>Allocates \$50.0 million restricted funding to establish a grant program for rehabilitation of vacant, underused, and blighted structures and to help develop traditional downtown infrastructure.    | <b>Gross</b><br>Restricted<br>GF/GP                       | <b>NA</b><br>NA<br>NA   | <b>\$50,000,000</b><br>50,000,000<br>\$0               |
| <b>MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY</b>  |   |   |  |
| <b>20. Michigan State Housing Development Authority (MSHDA) Staffing</b><br>Includes authorization for 20.0 additional FTE positions to administer housing and rental assistance programs; additional staff will be supported with current appropriations. | <b>FTE</b><br><b>Gross</b><br>Restricted<br>GF/GP         | 273.0<br><b>\$47,601,600</b><br>47,601,600<br>\$0                           | 20.0<br><b>\$0</b><br>0<br>\$0                         |
| <b>21. Michigan Housing and Community Development Program</b><br>Allocates \$50.0 million restricted funding for program to expand access to affordable housing and to revitalize downtown areas.  | <b>Gross</b><br>Restricted<br>GF/GP                       | <b>NA</b><br>NA<br>NA   | <b>\$50,000,000</b><br>50,000,000<br>\$0               |
| <b>STATE LAND BANK AUTHORITY</b>   |   |   |  |
| <b>22. Land Bank Authority Increase</b><br>Includes an increase of \$2.0 million GF/GP.  | <b>Gross</b><br>Federal<br>Restricted<br>GF/GP            | <b>\$4,377,800</b><br>1,000,000<br>3,377,800<br>\$0                         | <b>\$2,000,000</b><br>0<br>0<br>\$2,000,000            |
| <b>ONE-TIME APPROPRIATIONS</b>   |   |   |  |
| <b>23. Adult Literacy Opportunity Fund</b><br>Includes \$2.0 million GF/GP one-time funding for adult literacy program.  | <b>Gross</b><br>GF/GP                                     | <b>NA</b><br>NA   | <b>\$2,000,000</b><br>\$2,000,000                      |
| <b>24. Voluntary Income Tax Assistance Grants</b><br>Includes \$3.3 million GF/GP one-time funding for a voluntary income tax assistance grants program for tax preparation services.  | <b>Gross</b><br>GF/GP                                     | <b>NA</b><br>NA   | <b>\$3,300,000</b><br>\$3,300,000                      |
| <b>25. Child Savings Accounts</b><br>Includes \$2.5 million GF/GP one-time funding for additional child savings account pilot programs.  | <b>Gross</b><br>GF/GP                                     | <b>NA</b><br>NA   | <b>\$2,500,000</b><br>\$2,500,000                      |

## LABOR AND ECONOMIC OPPORTUNITY

| <u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>  |                                     | <u>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</u> | <u>FY 2023-24<br/>Enacted<br/>Change</u>          |
|---|-------------------------------------|---|---|
| <b>26. College Success Fund</b><br>Includes \$37.8 million Gross (\$15.0 million State Fiscal Recovery Fund; \$22.8 million GF/GP) one-time funding for the College Success Fund and the Student Wrap Around Services program.  | <b>Gross</b><br>Federal<br>GF/GP    | <b>NA</b><br>NA<br>NA                                 | <b>\$37,800,000</b><br>15,000,000<br>\$22,800,000 |
| <b>27. Digital Workforce Development</b><br>Includes \$4.9 million GF/GP one-time funding to develop a digital platform to provide career exploration and skill development and to connect potential employees with employers in the platform through intermediate school districts.  | <b>Gross</b><br>GF/GP               | <b>NA</b><br>NA                                       | <b>\$4,900,000</b><br>\$4,900,000                 |
| <b>28. Focus: HOPE</b><br>Includes \$1.0 million GF/GP one-time funding for Focus: HOPE to support workforce and youth development programs.  | <b>Gross</b><br>GF/GP               | <b>NA</b><br>NA                                       | <b>\$1,000,000</b><br>\$1,000,000                 |
| <b>29. Talent Investment Pilot</b><br>Includes \$5.0 million GF/GP for Talent Investment Pilot program.   | <b>Gross</b><br>GF/GP               | <b>NA</b><br>NA                                       | <b>\$5,000,000</b><br>\$5,000,000                 |
| <b>30. Workers' Disability Compensation Agency</b><br>Includes \$1.2 million GF/GP one-time funding for operations of the Workers' Disability Compensation Agency to replace declining restricted revenues.   | <b>Gross</b><br>Restricted<br>GF/GP | <b>\$8,338,400</b><br>4,834,900<br>\$3,503,500        | <b>\$1,200,000</b><br>0<br>\$1,200,000            |
| <b>31. Convention and Visitors Bureau Relief</b><br>Includes \$10.0 million GF/GP one-time funding for grants for all convention and visitors bureaus to promote tourism, hospitality, and travel.  | <b>Gross</b><br>GF/GP               | <b>NA</b><br>NA                                       | <b>\$10,000,000</b><br>\$10,000,000               |
| <b>32. Habitat for Humanity Home Ownership Program</b><br>Includes \$10.0 million GF/GP one-time funding for a statewide housing home ownership program.  | <b>Gross</b><br>GF/GP               | <b>NA</b><br>NA                                       | <b>\$10,000,000</b><br>\$10,000,000               |
| <b>33. Workforce Training: Hospitality Training Program</b><br>Includes \$10.0 million GF/GP one-time funding to the Michigan Hospitality Training Institute to provide training and certifications for hospitality employees.  | <b>Gross</b><br>GF/GP               | <b>NA</b><br>NA                                       | <b>\$10,000,000</b><br>\$10,000,000               |
| <b>34. Fire Gear Equipment Grants</b><br>Includes \$15.0 million GF/GP one-time funding for fire gear equipment grants to provide funding for a second set of fire gear for firefighters statewide. Grants shall not exceed \$3,500 per full-time member of the department.   | <b>Gross</b><br>GF/GP               | <b>NA</b><br>NA                                       | <b>\$15,000,000</b><br>\$15,000,000               |
| <b>35. Housing Readiness Incentive Grant Program</b><br>Includes \$5.0 million GF/GP one-time funding for grants to cities, villages, and townships for costs associated with adopting land use policies, master plan updates, zoning text amendments, and similar actions that help increase housing supply and affordability. | <b>Gross</b><br>GF/GP               | <b>NA</b><br>NA                                       | <b>\$5,000,000</b><br>\$5,000,000                 |
| <b>36. Minority Owned Business Support</b><br>Includes \$10.0 million GF/GP one-time funding for grant program for minority-owned businesses.   | <b>Gross</b><br>GF/GP               | <b>NA</b><br>NA                                       | <b>\$10,000,000</b><br>\$10,000,000               |
| <b>37. Skilled Trade Grant Program</b><br>Includes \$28.0 million GF/GP one-time funding for a skilled trade grant program to provide funding to four skilled trades worker associations for training programs.   | <b>Gross</b><br>GF/GP               | <b>NA</b><br>NA                                       | <b>\$28,000,000</b><br>\$28,000,000               |
| <b>38. Community Development Financial Institution Grants</b><br>Includes \$19.0 million Gross (\$9.0 million GF/GP) one-time funding for community development financial institutions investments.   | <b>Gross</b><br>Restricted<br>GF/GP | <b>NA</b><br>NA<br>NA                                 | <b>\$19,000,000</b><br>10,000,000<br>\$9,000,000  |

**LABOR AND ECONOMIC OPPORTUNITY**

| <b><u>Major Budget Changes from FY 2022-23 YTD Appropriations</u></b>   |                       | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b> |
|---|-----------------------|---|--|
| <b>39. New Michigander Support</b><br>Includes \$3.0 million GF/GP one-time funding for the Office of Global Michigan for services to new residents.  | <b>Gross</b><br>GF/GP | <b>NA</b><br>NA                                       | <b>\$3,000,000</b><br>\$3,000,000        |
| <b>40. Lansing Municipal Infrastructure Project</b><br>Includes \$40.0 million GF/GP one-time funding for the development costs of a city's campus plan for Lansing that includes the modernization of the municipal administration campus. | <b>Gross</b><br>GF/GP | <b>NA</b><br>NA                                       | <b>\$40,000,000</b><br>\$40,000,000      |
| <b>41. Transformational Housing Projects</b><br>Includes \$40.0 million GF/GP one-time funding to support redevelopment projects to create affordable housing units or to complete other corridor improvements in Lansing.                  | <b>Gross</b><br>GF/GP | <b>NA</b><br>NA                                       | <b>\$40,000,000</b><br>\$40,000,000      |
| <b>42. Michigan Nurse Scholarship</b><br>Includes \$3.0 million GF/GP one-time funding for a statewide nonprofit foundation to support a nursing scholarship program.   | <b>Gross</b><br>GF/GP | <b>NA</b><br>NA                                       | <b>\$3,000,000</b><br>\$3,000,000        |
| <b>43. Sports Infrastructure Compliance</b><br>Includes \$3.0 million GF/GP one-time funding for capital improvement costs to stadium facilities for affiliate compliance requirements of a professional baseball organization.             | <b>Gross</b><br>GF/GP | <b>NA</b><br>NA                                       | <b>\$3,000,000</b><br>\$3,000,000        |
| <b>44. Workforce Stabilization</b><br>Includes \$3.0 million GF/GP one-time funding for health workforce initiatives and a nursing scholarship program.   | <b>Gross</b><br>GF/GP | <b>NA</b><br>NA                                       | <b>\$3,000,000</b><br>\$3,000,000        |
| <b>45. Community Enhancement Grants – PARTIALLY VETOED</b><br>Includes \$122.2 million GF/GP one-time funding for 68 community enhancement grants (see table). (Governor vetoed Sec. 1003 (26) which appropriated \$2.0 million GF/GP.)     | <b>Gross</b><br>GF/GP | <b>NA</b><br>NA                                       | <b>\$120,220,000</b><br>\$120,220,000    |
| <b>46. Economic Development Grants</b><br>Includes \$66.2 million GF/GP one-time funding for 14 economic development grants (see table).  | <b>Gross</b><br>GF/GP | <b>NA</b><br>NA                                       | <b>\$66,240,000</b><br>\$66,240,000      |
| <b>47. Healthcare Grants</b><br>Includes \$91.1 million GF/GP one-time funding for 11 healthcare grants (see table).  | <b>Gross</b><br>GF/GP | <b>NA</b><br>NA                                       | <b>\$91,100,000</b><br>\$91,100,000      |
| <b>48. High Speed Rail Grants</b><br>Includes \$20.0 million GF/GP one-time funding for high speed rail grants to be awarded to local governments, public authorities, or other governmental entities.                                      | <b>Gross</b><br>GF/GP | <b>NA</b><br>NA                                       | <b>\$20,000,000</b><br>\$20,000,000      |
| <b>49. Housing Grants</b><br>Includes \$39.3 million GF/GP one-time funding for 11 housing grants (see table).  | <b>Gross</b><br>GF/GP | <b>NA</b><br>NA                                       | <b>\$39,250,000</b><br>\$39,250,000      |
| <b>50. Michigan Enhancement Grants</b><br>Includes \$4.0 million GF/GP one-time funding for 6 grant projects (see table).   | <b>Gross</b><br>GF/GP | <b>NA</b><br>NA                                       | <b>\$4,000,000</b><br>\$4,000,000        |
| <b>51. Public Infrastructure Grants</b><br>Includes \$234.4 million GF/GP one-time funding for 69 public infrastructure grants (see table).   | <b>Gross</b><br>GF/GP | <b>NA</b><br>NA                                       | <b>\$234,420,000</b><br>\$234,420,000    |
| <b>52. Public Safety Grants</b><br>Includes \$176.4 million GF/GP one-time funding for 23 public safety grants (see table).   | <b>Gross</b><br>GF/GP | <b>NA</b><br>NA                                       | <b>\$176,400,000</b><br>\$176,400,000    |

## LABOR AND ECONOMIC OPPORTUNITY

| <u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>   |  | <u>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</u>                  | <u>FY 2023-24<br/>Enacted<br/>Change</u>                                       |
|--|--|--|--|
| <b>53. Workforce Development Grants</b><br>Includes \$35.0 million GF/GP one-time funding for 12 workforce development grants (see table).   | <b>Gross</b><br>GF/GP  | <b>NA</b><br>NA  | <b>\$35,000,000</b><br>\$35,000,000  |
| <b>54. Other Technical Adjustments</b><br>Includes an increase of \$979,400 Gross (\$0 GF/GP) for technical adjustments.   | <b>Gross</b><br>Federal<br>Private<br>Restricted<br>GF/GP    | <b>NA</b><br>NA<br>NA<br>NA<br>NA                                      | <b>\$979,400</b><br>924,500<br>50,000<br>4,900<br>\$0                          |
| <b>55. Administrative Staff</b><br>Includes \$600,000 GF/GP and authorization for 6.0 FTE positions for additional staff for the administration of grants and other programs.  | <b>FTE</b><br><b>Gross</b><br>GF/GP                          | <b>NA</b><br><b>NA</b><br>NA   | <b>6.0</b><br><b>\$600,000</b><br>\$600,000                                    |
| <b>56. Executive Revision 2024-1</b><br>Includes \$687,800 Gross (\$13,100 GF/GP) for adjustments requested in executive revision for various line items.  | <b>FTE</b><br><b>Gross</b><br>Federal<br>Restricted<br>GF/GP | <b>NA</b><br><b>NA</b><br>NA<br>NA<br>NA                               | <b>16.0</b><br><b>\$687,800</b><br>105,400<br>569,300<br>\$13,100              |
| <b>57. Removal of FY 2022-23 Supplemental Funding</b><br>Removes FY 2022-23 funding from the following supplemental acts:  | <b>Gross</b><br>Federal<br>Restricted<br>GF/GP               | <b>\$1,789,140,200</b><br>240,000,000<br>20,000,200<br>\$1,529,140,000 | <b>(\$1,789,140,200)</b><br>(240,000,000)<br>(20,000,200)<br>(\$1,529,140,000) |
| <b>58. Removal of FY 2022-23 One-Time Appropriations</b><br>Removes funding for the following one-time appropriations:   | <b>Gross</b><br>Federal<br>GF/GP                             | <b>\$1,205,024,500</b><br>50,750,000<br>\$1,154,274,500                | <b>(\$1,205,024,500)</b><br>(50,750,000)<br>(\$1,154,274,500)                  |
| • \$251.5 million GF/GP – Economic Development and Workforce Grants<br>• \$212.8 million GF/GP – Michigan Infrastructure Grants<br>• \$205.3 million GF/GP – Michigan Enhancement Grants<br>• \$130.0 million GF/GP – Electric Vehicle Teaching, Training, and Development Center<br>• \$100.0 million GF/GP – Academic Research Building<br>• \$100.0 million GF/GP – Cancer Institute Project<br>• \$75.0 million GF/GP – Blight Elimination Program<br>• \$75.0 million GF/GP – Michigan Community Development Financial Institution Fund Grants<br>• \$50.0 million federal – ARP – Nonprofit Relief Grants<br>• \$2.0 million GF/GP – Arts and Cultural Program<br>• \$1.0 million GF/GP – Focus: Hope<br>• \$1.0 million GF/GP – Seawall Project<br>• \$750,000 federal – State Historic Preservation Office Grant Program<br>• \$700,000 GF/GP – Office of Global Michigan Language Access Plans. |  |  |  |
| <b>59. Economic Adjustments</b><br>Reflects reduced costs of \$1.5 million Gross (\$50,400 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2023), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.  | <b>Gross</b><br>Federal<br>Private<br>Restricted<br>GF/GP    | <b>NA</b><br>NA<br>NA<br>NA<br>NA                                      | <b>(\$1,528,700)</b><br>(924,500)<br>12,600<br>(566,400)<br>(\$50,400)         |

**Major Boilerplate Changes from FY 2022-23**

**GENERAL SECTIONS**

**Sec. 205. Disciplinary Action Against State Employees – NEW**

Requires all reports to be submitted to the Senate and House Appropriations Subcommittees on Labor and Economic Opportunity, the Senate and House fiscal agencies, the Senate and House policy offices, and the state budget office, unless directed otherwise.

**Sec. 207. Disciplinary Action Against State Employees – RETAINED (UNENFORCEABLE)**

Prohibits departments from taking disciplinary action against employees in the state classified civil service for communicating with legislators or their staff; stipulates disciplinary action may be taken if the communication is prohibited by law and disciplinary action is exercised as authorized by law. (*Governor's signing letter states this section is unenforceable.*)

**Sec. 215. Businesses in Deprived and Depressed Communities – REVISED**

Requires directors of each department and agency to take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts. Revised to replace "deprived and depressed communities" with "geographically disadvantaged business enterprises".

**Sec. 216. FTE Vacancies and Remote Work Report – REVISED**

Requires departments and agencies to provide quarterly report on FTE counts by classification and actual FTE position counts compared to authorized FTE position counts; requires report on number of employees engaged in remote work, number of employees authorized to work remotely, and actual number working remotely, estimated net cost savings from remote work, and reduced use of office space associated with remote work. Revised to delete all reporting requirements except for a comparison of FTE positions authorized and positions filled.

**Sec. 217. Work Project Expenditures – RETAINED (UNENFORCEABLE)**

Prohibits appropriations from being expended in cases where existing work project authorization is available for the same expenditures. (*Governor's signing letter states this section is unenforceable.*)

**Sec. 218. State Administrative Board Transfers – RETAINED (UNENFORCEABLE)**

Authorizes legislature, by concurrent resolution adopted by majority of members elected to and serving in each house, to inter-transfer funds if State Administrative Board transfers funds. (*Governor's signing letter states this section is unenforceable.*)

**Sec. 222. Severance Pay Report – REVISED**

Requires departments to report name and any amount of severance pay given to high-ranking department officials; requires department to maintain an internet site and post severance pay in excess of 6 weeks of wages for former employees; requires department to submit annual report on total amount of severance pay remitted to former employees during prior fiscal year and total number of those employees; defines "severance pay". Revised to eliminate language requiring an internet site that posts any severance pay in excess of 6 weeks of wages.

**Sec. 224. Purchase of Ownership Interest in a Casino – DELETED**

Prohibits use of appropriations to purchase an ownership interest in a casino enterprise or gambling operation.

**Sec. 224. Access to State and Local Services – NEW**

Prohibits appropriations from being used to restrict or impede a marginalized community's access to government resources, programs, or facilities; requires local governments to report on actions that attempt to restrict duties of local health officers.

**Sec. 225. Prohibitions on State Employer COVID-19 Vaccine Status Verifications – DELETED**

Prohibits various state government entities from requiring proof of COVID-19 vaccination as condition of accessing state services or facilities, producing COVID-19 vaccine passports, developing, or making existing databases public, accessing individuals COVID-19 vaccine status, and requiring proof of receiving COVID-19 vaccine as condition of employment; prohibits state entities from subjecting an individual to negative consequences because of COVID-19 vaccine status; allows an individual to provide proof of COVID-19 vaccine status with consent; exempts certain individuals from federally mandated vaccine policies.

## LABOR AND ECONOMIC OPPORTUNITY

### **Major Boilerplate Changes from FY 2022-23**

#### **Sec. 225. Initiatives and Recommendations Related to Savings Identified in Audit Reports – REVISED (UNENFORCEABLE)**

Requires departments to report on their efforts and progress made toward achieving savings and efficiencies identified by the auditor general in audit reports; authorizes the auditor general to perform and charge for a subsequent audit to ensure that the initiatives related to savings and efficiencies have been implemented if the required report is not received within 6 months of the release of the audit. Revised to delete requirement of subsequent audit if required report is not received within 6 months. (Governor's signing letter states this section is unenforceable.)

#### **Sec. 235. Federal Funding Contingency Plan – DELETED**

Requires the state budget director, in consultation with the appropriate department, to recommend a contingency plan for any federal funding reduction of 10% or more to a federal funding source of \$10.0 million or more.

#### **Sec. 240. New Program Metrics – DELETED**

Requires state budget office to provide a list of new programs and program enhancements that exceed \$500,000; requires identified programs to use program-specific measuring metrics in addition to the metrics required under Section 447 of the Management and Budget Act; requires report on metrics and performance progress of identified programs by September 30 of the following fiscal year; expresses legislative intent that future program funding increases be based on prior performance.

## DEPARTMENT ADMINISTRATION

#### **Sec. 989 301. Legislative Contingency Transfer Authorization – REVISED**

Allows for the legislative transfer process to increase federal authorization by up to \$15.0 million, state restricted authorization by up to \$5.0 million, local authorization by up to \$1.0 million, and private authorization by up to \$1.0 million. Revised to retain federal at \$15.0 million, increase restricted to \$510.0 million, increase private to \$11.0 million, and increase local to \$2.0 million.

#### **Sec. 983. Broadband Bonding Prohibition – DELETED**

Prohibits LEO, the Michigan Strategic Fund (MSF), and the Michigan State House Development Authority (MSHDA) from issuing or refinancing bonds or using any funds for broadband construction, expansion, repairs, or upgrades.

#### **Sec. 989c. Broadband-Focused Employees – DELETED**

States legislative intent that all of the broadband-focused state employees be consolidated into LEO.

#### **Sec. 308. Transparency Grant Requirements – NEW**

Requires that for any grant program in part 1 for a single organization or local government, the project is for a public purpose and the department must follow state procurement statutes, including bidding requirements, unless it can validate which organization or local government will receive funding and how funds will be administered and expended; requires that a standard application process and grantee reporting requirements be developed; requires a sponsor of grant to be either a legislator or the department; requires a report listing grants and grant recipients on a public website.

## STRATEGIC OUTREACH AND ATTRACTION RESERVE

#### **Sec. 350. Strategic Outreach and Attraction Reserve (SOAR) Appropriation – NEW**

Appropriates up to \$500.0 million restricted funding from the SOAR fund; funds must be used to support activities under the Michigan Strategic Fund Act; requires funding not restricted, obligated, or committed at end of fiscal year to lapse to the state general fund.

#### **Sec. 351. Critical Industry Program and Michigan Strategic Site Readiness Program – NEW**

States that the legislature finds and declares that Critical Industry Program (CIP) and Michigan Strategic Site Readiness Program (MSSRP) appropriations are for a public purpose to serve the health, safety, and general welfare of residents of the state.

#### **Sec. 352. SOAR Program: CIP and MSSRP Expenditures – NEW**

States legislative intent that CIP and MSSRP funding be expended to maximize job creation, grow wages, support existing state businesses and attract new businesses; states legislative intent that the MSF prioritize specific conditions when expending funds, including claw-back provisions if jobs are not retained for 5 years, locating projects in qualified census tracts that have unemployment rates higher than state average, community benefits agreements, and agreements that qualified business offer specific employee services.

**Major Boilerplate Changes from FY 2022-23**

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**

***Sec. 990. 401. Michigan State Housing Development Authority Annual Report – REVISED***

Requires Michigan State Housing Development Authority (MSHDA) to annually present a report on the status of the authority's housing production goals under all financing programs. Revised by adding language that MSHDA shall not restrict eligibility for housing units without a permanent foundation unless it is a federal restriction for program.

***Sec. 402. Michigan Housing and Community Development Program – NEW***

Requires that funding for program be expended for projects described in the State Housing Development Authority Act.

**STATE LAND BANK AUTHORITY**

***Sec. 995.451. State Land Bank Authority – REVISED***

Authorizes the authority to expend additional revenues received under the Land Bank Fast Track Act for the purposes of the act. Revised to include language requiring a report on the number of properties acquired, leased, managed, demolished, maintained, or rehabilitated in previous year.

**MICHIGAN STRATEGIC FUND**

***Sec. 4005a. 503. Pure Michigan Appropriations – REVISED***

Requires Coronavirus State Fiscal Recovery Fund and GF/GP appropriated for Pure Michigan and ARP – Pure Michigan to be appropriated for certain specified purposes; authorizes fund to contract any of the authorized activities; authorizes fund to work with local units of government, non-profit entities, and private entities on Pure Michigan promotion campaigns. Revised to include that Michigan promotional advertising should focus on talent attract, labor retention, and working and relocating to Michigan.

***Sec. 4009 509. Land Purchase Provisions – RETAINED (UNENFORCEABLE)***

Prohibits MEDC from purchasing land or land options unless the land is in an economically distressed area or purchase is at invitation of local unit of government and economic development agency; authorizes consideration of purchases where proposed use is consistent with a regional land use plan, will result in redeveloping an economically distressed area, can be supported with existing infrastructure, and will not cause population to shift from population centers; requires a report that lists all properties purchased, all options on land purchased, the location of the land purchased, and the purchase price if the fund purchases options on land or land. (*Governor's signing letter states this section is unenforceable.*)

***Sec. 4013. 513. Fundraising Activity – RETAINED (UNENFORCEABLE)***

Prohibits MEDC staff involved in fundraising from being party to grant award, incentives, or tax abatement decisions. (*Governor's signing letter states this section is unenforceable.*)

***Sec. 1041. Business Attraction and Community Revitalization Transfer of Funds – DELETED***

Requires MSF to request not more than 60% of the funds appropriated for Business Attraction and Community Revitalization prior to April 1.

***Sec. 531. Job Creation Services Report – NEW***

Requires department to provide a biannual report that includes expenditures by division and program unit within the job creation services line item.

***Sec. 532. Michigan Defense Center – NEW***

Requires that funding be used to support the defense and homeland security industry in the state; allows funding to be used to help businesses identify federal defense contract opportunities, provide technical assistance for bidding contracts, and strengthen business' cybersecurity compliance.

***Sec. 533. Revitalization and Placemaking Program – NEW***

Requires that funding be expended for projects as described in section 696 of the Income Tax Act of 1967.

**EMPLOYMENT SERVICES**

***Sec. 1057. MIOSHA Records – DELETED***

Requires MIOSHA to maintain physical or virtual records of notes and documents in accordance with the state's record retention policies for cases in which an employer was issued a citation or fine for a violation of the Michigan Occupational Safety and Health Act.

***Sec. 601. Wage and Hour Division Investigations – NEW***

Requires that the Wage and Hour Division increase investigations of child labor violations and wage theft from workers.

## LABOR AND ECONOMIC OPPORTUNITY

### Major Boilerplate Changes from FY 2022-23

#### **WORKFORCE DEVELOPMENT**

##### **Sec. 4059. 701. Tri-Share Child Care Program – REVISED**

Requires \$2.5 million of funding to be used to continue the Tri-Share Child Care program; requires funds to be used to fund existing child care facilitator hubs; requires facilitators to be a nonprofit, limited liability company, C-corporation, S-Corporation, or a sole proprietor; caps administration costs at \$100,000. Revised to allow funding of new child care facilitator hubs provided that existing hubs receive sufficient support; requires new hubs to increase the number of participating counties or serve statewide employers; caps administration costs at \$200,000.

##### **Sec. 1069. Healthy Michigan Work Requirement Assistance – DELETED**

Authorizes funds appropriated for Workforce Development Program to be used for employment and training-related services and to assist Healthy Michigan plan recipients to secure and maintain training and employment; authorizes funds to be used to hire additional department field staff to educate impacted Healthy Michigan Plan recipients on requirements and available services, make referrals, assess and address barriers to employment, and manage other caseload-related impacts; requires quarterly report.

##### **Sec. 807. Unemployment Insurance Agency Federal Funding – NEW**

Appropriates funding earned or authorized by the USDOL in addition to part 1 authorization and allows department to expend funding for staffing and related expenses after notification to the state budget director and relevant legislative subcommittees of purpose and amount of each grant award.

#### **ONE-TIME APPROPRIATIONS**

##### **Sec. 1000. Adult Literacy Opportunity Fund – NEW**

Requires LEO to allocate \$2.0 million for a grant program to be administered by a nonprofit organization for adult education programs; requires each grant recipient to be a 501(c)(3) organization and authorizes receipt of \$2,000 per learner, up to \$150,000.

##### **Sec. 1001. Child Savings Accounts – NEW**

Allocates \$2.5 million to a nonprofit trade association for enhancing current child savings account programs and for pilot programs in depressed and deprived communities; allows administration costs up to \$250,000.

##### **Sec. 1002. College Success Fund and Student Wraparound Services and Basic Needs Supports – NEW**

Requires \$11.5 million funding to be for student wraparound services and basic needs supports to support public colleges, universities, and tribal colleges to address students' basic needs; authorizes department to award grants to higher education institutions and to nonprofit organizations for student wraparound supports, including public assistance benefit screening, emergency housing, child care, food pantries, emergency grants to students, mental health supports, and re-enrollment support; designates unexpended funds as a work project appropriation.

##### **Sec. 1003. Community Enhancement Grants – NEW (PARTIALLY VETOED)**

Requires funding to be used for 68 specific projects (see table). (Governor vetoed subsection (26) which appropriated \$2.0 million GF/GP to Livingston County Catholic Charities.)

##### **Sec. 1004. Convention and Visitors Bureau Relief – NEW**

Requires funding to be expended to provide grants to all convention and visitors bureaus for promoting hospitality, tourism, and travel; allows up to 1.0% for administration costs; requires report.

##### **Sec. 1005. Digital Workforce Development – NEW**

Requires funding to be used for a single digital platform for career exploration and skill development to connect prospective employees with employers; requires platform to be made available to intermediate school districts and employers and to include a library of virtual reality content for skill development and education, career exploration tools, and a tool to connect employers with certain students.

##### **Sec. 1006. Economic Development Grants – NEW**

Requires funding to be used for 14 specific economic development projects (see table).

##### **Sec. 1007. Fire Gear Equipment Grants – NEW**

Requires funding to be expended for a grant program to fund a second set of turnout gear for fire fighters statewide in eligible departments; prohibits grants from exceeding \$3,500 per full time member of the department; designates unexpended funds as a work project appropriation.

##### **Sec. 1010. Healthcare Grants – NEW**

Requires funding to be used for 11 specific healthcare projects (see table).

**Major Boilerplate Changes from FY 2022-23**

**Sec. 1011. High Speed Rail Grants – NEW**

Requires department to grant funding to MDOT to allocate to governmental entities; requires funding to be allocated for projects that support new or expand existing high-speed rail or rapid transit bus services; requires matching funds; requires report; designates unexpended funds as a work project appropriation.

**Sec. 1012. Housing Grants – NEW**

Requires funding to be used for 11 specific housing projects (see table).

**Sec. 1013. Transformational Housing Projects – NEW**

Requires funding to be allocated to support redevelopment projects to create affordable housing units or complete other corridor improvements in Lansing; designates unexpended funds as a work project appropriation.

**Sec. 1014. Michigan Community Development Financial Institutions Fund Grants – NEW**

Creates the Michigan CDFI Fund and requires grants to be awarded by the MSF to eligible community development financial institutions; requires reports from grant recipients; designates unexpended funds as a work project appropriation.

**Sec. 1015. Michigan Enhancement Grants – NEW**

Requires funding to be used for 6 specific projects (see table).

**Sec. 1016. Michigan Nurse Scholarship – NEW**

Requires funding be allocated to a statewide nonprofit foundation for a nursing scholarship program for existing nursing students or existing nurses seeking advanced degrees or certifications.

**Sec. 1017. Minority Owned Business Support – NEW**

Requires department to award grants to minority owned businesses or nonprofit business organizations for small business development initiatives; requires department to seek opportunities to award grants in a geographically diverse manner; requires funds to be allocated subject to the following: not less than 25% of funding to support small businesses in alternative energy sectors, including electric vehicles, \$500,000 for a business accelerator and other activities in Lansing, \$500,000 for a nonprofit business alliance in Detroit; requires report; designates unexpended funds as a work project appropriation.

**Sec. 1019. Public Infrastructure Grants – NEW**

Requires funding to be used for 69 specific public infrastructure projects (see table).

**Sec. 1020. Public Safety Grants – NEW**

Requires funding to be used for 23 specific public safety projects (see table).

**Sec. 1021. Skilled Trade Grant Program – NEW**

Allocates funding for a skilled trade grant program to 4 nonprofit skilled trade worker associations to provide skilled trade training programs.

**Sec. 1022. Sports Infrastructure Compliance – NEW**

Requires department to allocate funding to support capital improvement costs of professional baseball organizations that are needed for affiliate compliance; limits grant awards to \$1.5 million for a professional sports team.

**Sec. 1024. Voluntary Income Tax Assistance Grants – NEW**

Requires \$3.3 million to be allocated to a nonprofit trade association to provide free tax preparation services and to expand local capacity to provide free tax preparation services; allows up to \$300,000 for administration costs.

**Sec. 1025. Workforce Development Grants – NEW**

Requires funding to be used for 12 specific workforce development projects (see table).

**Sec. 1026. Workforce Stabilization – NEW**

Requires department to allocate funding to a statewide nonprofit foundation to support health workforce initiatives, including a nursing scholarship program, recruitment, training, or other retention activities; designates unexpended funds as a work project appropriation.

**Sec. 1027. Workforce Hospitality Training Program – NEW**

Requires funding to be allocated to Michigan Hospitality Training Institute in Lansing to provide quality training to advance individual's skill sets, grow operational knowledge, and advance careers in the hospitality industry.

## LABOR AND ECONOMIC OPPORTUNITY

### Major Boilerplate Changes from FY 2022-23

#### **Sec. 1028. Housing Readiness Incentive Grant Program – NEW**

Requires funding to be expended to provide grants to cities, villages, and townships to cover the costs associated with adopting land use policies, master plan updates, zoning text amendments, and similar actions to encourage increasing housing supply and affordability; allows local units to receive a grant of not more than \$50,000; authorizes department to collaborate with the MEDC to review grant applications; designates unexpended funds as a work project appropriation.

#### **Sec. 1029. Lansing Municipal Infrastructure – NEW**

Requires funding to be allocated for the development costs of a city campus plan for Lansing which includes funding for the modernization of the municipal administration campus; designates unexpended funds as a work project appropriation.

### FY 2022-23 Supplemental Appropriation Items

#### Public Act 119 of 2023 (House Bill 4437, Article 16)

##### **1. Tri-Share Child Care Program**

Includes a net \$0 reappropriation of funding for the Tri-Share Child Care program in order to revise boilerplate language to allow funding to be allocated for new hubs, as long as existing hubs receive needed support. New hubs must increase the number of participating counties or serve statewide employers.

|  | <u>Appropriation Change</u> |
|--|-----------------------------|
|--|-----------------------------|

|              |     |
|--------------|-----|
| <b>Gross</b> | \$0 |
| Federal      | 0   |
| GF/GP        | \$0 |

##### **2. Workforce Development**

Includes \$2.1 million in federal grant funding for Michigan Career Opportunity Academies (MiCOACH) to recruit and train workers from eligible communities for behavioral health careers and for Michigan Incarcerated Veterans In-Reach Program (MIVIP) to provide employment services to incarcerated veterans.

|              |                    |
|--------------|--------------------|
| <b>Gross</b> | <b>\$2,100,000</b> |
| Federal      | 2,100,000          |
| GF/GP        | \$0                |

##### **3. Workforce Program Administration**

Includes \$2.8 million in federal funding for administration costs of workforce training programs.

|              |                    |
|--------------|--------------------|
| <b>Gross</b> | <b>\$2,844,600</b> |
| Federal      | 2,844,600          |
| GF/GP        | \$0                |

##### **4. Wage and Hour Program**

Includes \$250,000 in state restricted funding and authorization for 2.0 FTE positions to support additional staff to respond to employer and worker inquiries on wage issues.

|              |                  |
|--------------|------------------|
| <b>FTEs</b>  | 2.0              |
| <b>Gross</b> | <b>\$250,000</b> |
| Restricted   | 250,000          |
| GF/GP        | \$0              |

##### **5. Revitalization and Placemaking Program**

Includes \$50.0 million in state restricted funding to establish a grant program for rehabilitation of vacant, underused, and blighted structures and to help develop traditional downtown infrastructure.

|              |                     |
|--------------|---------------------|
| <b>Gross</b> | <b>\$50,000,000</b> |
| Restricted   | 50,000,000          |
| GF/GP        | \$0                 |

##### **6. Housing and Community Development Program**

Includes \$50.0 million in state restricted funding to expand access to affordable housing and support revitalization of downtown areas.

|              |                     |
|--------------|---------------------|
| <b>Gross</b> | <b>\$50,000,000</b> |
| Restricted   | 50,000,000          |
| GF/GP        | \$0                 |

##### **7. ARP – Michigan Reconnect Expansion to 21**

Includes \$70.0 million in federal Coronavirus State Fiscal Recovery Fund revenue to temporarily expand the Michigan Reconnect program to eligible students over 21 years old whose education was interrupted by the pandemic.

|              |                     |
|--------------|---------------------|
| <b>Gross</b> | <b>\$70,000,000</b> |
| Federal      | 70,000,000          |
| GF/GP        | \$0                 |

##### **8. ARP – Missing Middle Gap Program**

Includes \$10.0 million in federal Coronavirus State Fiscal Recovery Fund revenue to be used by the Michigan State Housing Development Authority to increase the supply of housing stock by providing cost defrayment to developers for specific housing projects for missing middle households.

|              |                     |
|--------------|---------------------|
| <b>Gross</b> | <b>\$10,000,000</b> |
| Federal      | 10,000,000          |
| GF/GP        | \$0                 |

##### **9. ARP – Talent Action Teams**

Includes \$15.0 million in federal Coronavirus State Fiscal Recovery Fund revenue for a Talent Action Teams Fast Track System. MSF and MEDC will work with institutions of higher education, Michigan Works agencies, private training providers, non-profits, and state and local governments to provide services and workforce training to businesses locating to or expanding in Michigan.

|              |                     |
|--------------|---------------------|
| <b>Gross</b> | <b>\$15,000,000</b> |
| Federal      | 15,000,000          |
| GF/GP        | \$0                 |

**FY 2022-23 Supplemental Appropriation Items**  
**Public Act 119 of 2023 (House Bill 4437, Article 16)**

**10. Deployment and Access to Broadband**

Includes \$1.6 billion in federal funding awarded to the state to ensure all residents of the state have access to reliable, affordable high-speed internet. Funding will be used to ensure broadband investments are maximized by prioritizing unserved and underserved areas.

**Appropriation Change**

|              |                        |
|--------------|------------------------|
| <b>Gross</b> | <b>\$1,600,000,000</b> |
| Federal      | 1,600,000,000          |
| GF/GP        | \$0                    |

**11. Enhancement Grants**

Includes \$15.2 million GF/GP for enhancement grants. Of the total, \$240,000 GF/GP will be allocated to Macomb Township to complete a culvert project to expand pedestrian access to Pitchford Park and \$15.0 million GF/GP will be allocated to Washtenaw County for a recreation and community center.

|              |                     |
|--------------|---------------------|
| <b>Gross</b> | <b>\$15,240,000</b> |
| GF/GP        | \$15,240,000        |

**12. Global Epicenter of Mobility – Detroit Region**

Includes \$5.0 million in federal grant funding to support proving, testing, and demonstration efforts within the advanced mobility industry. Funding will be used to support testing and demonstration efforts, including pilot programs to measure business model successes, challenges, and barriers.

|              |                    |
|--------------|--------------------|
| <b>Gross</b> | <b>\$5,000,000</b> |
| Federal      | 5,000,000          |
| GF/GP        | \$0                |

**13. Office of Global Michigan**

Includes \$7.0 million in federal funding to support refugee services for specific Ukrainian populations and other non-Ukrainian individuals.

|              |                    |
|--------------|--------------------|
| <b>Gross</b> | <b>\$7,000,000</b> |
| Federal      | 7,000,000          |
| GF/GP        | \$0                |

**14. Population Commission**

Includes \$2.0 million GF/GP and authorization for 5.0 FTE positions to establish a Population Commission to develop a strategy and recommendations on how to increase the state's resident population.

|              |                    |
|--------------|--------------------|
| FTEs         | 5.0                |
| <b>Gross</b> | <b>\$2,000,000</b> |
| GF/GP        | \$2,000,000        |

**15. Road Infrastructure Grants**

Includes \$28.2 million GF/GP to be used by the Michigan Strategic Fund to support road and other infrastructure projects associated with economic development projects. Funding will be allocated as follows: \$18.2 million GF/GP for road and other infrastructure projects in Eaton County and \$10.0 million GF/GP for road projects in Oakland County.

|              |                     |
|--------------|---------------------|
| <b>Gross</b> | <b>\$28,200,000</b> |
| GF/GP        | \$28,200,000        |

**16. Special Events and National Convention Attraction**

Includes \$10.0 million GF/GP to be used to promote Michigan as a destination for special events such as national conventions, conferences, and major sporting events.

|              |                     |
|--------------|---------------------|
| <b>Gross</b> | <b>\$10,000,000</b> |
| GF/GP        | \$10,000,000        |

**17. Targeted Energy Investment**

Includes \$150.0 million GF/GP to support efforts to restart the Palisades nuclear power plant. Funding will be contingent on federal commitments of support to restart the facility.

|              |                      |
|--------------|----------------------|
| <b>Gross</b> | <b>\$150,000,000</b> |
| GF/GP        | \$150,000,000        |

**FY 2022-23 Supplemental Boilerplate Items****Public Act 119 of 2023 (House Bill 4437, Article 16)****Sec. 601. Tri-Share Child Care Program**

Requires funds to be used to continue the child care pilot project and existing child care facilitator hubs; authorizes the department to fund new child care facilitator hubs if sufficient funding exists to support all existing hubs, including hubs currently funded with private revenue; requires adding new hubs to increase the number of participating counties or serve statewide employers; authorizes \$200,000 to be used for administration.

**Sec. 602. Strategic Outreach and Attraction Reserve Fund Appropriation**

Appropriates up to \$500.0 million restricted funding to the Strategic Outreach and Attraction Reserve Fund; stipulates how funding is to be used; requires funds not restricted, obligated, or committed at the close of the fiscal year to lapse to the general fund.

**Sec. 603. State Restricted Contingency Authorization**

Appropriates \$500.0 million state restricted contingency authorization; funding will be available for expenditure after transfer to another line item.

## **LABOR AND ECONOMIC OPPORTUNITY**

### **FY 2022-23 Supplemental Boilerplate Items**

**Public Act 119 of 2023 (House Bill 4437, Article 16)**

#### **Sec. 604. Revitalization and Placemaking Program**

Requires funds to be expended according to the Income Tax Act; designates unexpended funds as a work project appropriation; funds will be used to support revitalization and placemaking projects.

#### **Sec. 605. Michigan Housing and Community Development Program**

Requires funds to be expended for projects as described in the State Housing Development Authority Act; designates unexpended funds as a work project appropriation; funds will be used to address affordable housing needs of low-income households and to revitalize downtown areas.

#### **Sec. 606. ARP – Michigan Reconnect Expansion to 21**

Requires funds to be used for a limited time program supported with federal funds to provide last-dollar financial assistance to eligible individuals who are at least 21 years old and seeking associate degrees, industry-recognized certificates, or credentials; requires individuals to be between the ages of 21 and 24 and to have had their education disrupted by COVID-19 by not having previously earned an associate or bachelor's degree in order to receive grant funding; designates unexpended funds as a work project appropriation.

#### **Sec. 607. ARP – Missing Middle Gap Program**

Requires funds to be used by the Michigan State Housing Development Authority to increase supply of housing stock, in response to the economic impacts of the pandemic, by providing cost defrayment to developers investing in, constructing, or rehabilitating properties for missing middle households; requires at least 30% of awards to go to rural community projects; requires that not more than 15% of awards go to projects in any single city, village, or township; designates unexpended funds as a work project appropriation.

#### **Sec. 608. ARP – Talent Action Teams**

Appropriates funding to the Michigan Strategic Fund (MSF) to be transferred to the Michigan Economic Development Corporation (MEDC) for a Talent Action Teams Fast Track System; requires MSF and MEDC to work with institutions of higher education, Michigan Works agencies, private training providers, non-profits, and state and local governments to provide services and workforce training to businesses locating to or expanding in Michigan; designates unexpended funds as a work project appropriation.

#### **Sec. 609. Deployment and Access to Broadband**

Requires appropriation to be used consistent with requirements of the federal Broadband Equity, Access, and Deployment program; requires department to consider cooperatives, nonprofits, partnerships, companies, utilities, and local governments for eligibility to deploy and access broadband funds; requires a report; designates unexpended funds as a work project appropriation.

#### **Sec. 610. Enhancement Grants**

Earmarks \$240,000 to Macomb Township to complete construction of a culvert project to expand pedestrian access to Pitchford Park and \$15.0 million to Washtenaw County for a recreation and community center.

#### **Sec. 611. Global Epicenter of Mobility Detroit Region**

Designates unexpended funds for program as a work project appropriation; funds will be used to support proving, testing, and demonstration efforts in the advanced-mobility industry.

#### **Sec. 612. Office of Global Michigan**

Designates unexpended funds for Office of Global Michigan as a work project appropriation; funds will be used to provide refugee resettlement benefits and services to support specific Ukrainian populations and other non-Ukrainian individuals.

#### **Sec. 613. Population Commission**

Appropriates private funds received for creation, implementation, and administration of the population commission and its activities, with the goal of providing recommendations on how to increase the state's resident population.

#### **Sec. 614. Road Infrastructure Grants**

Requires funds to be used by the Michigan Strategic Fund to support road and other infrastructure projects associated with economic development projects; earmarks \$18.2 million for road and other infrastructure projects in Eaton County and \$10.0 million for road projects in Oakland County.

#### **Sec. 615. Special Events and National Convention Attraction**

Requires funds to be used to promote the state as a destination for special events including national conventions, national conferences, major sporting events, and other significant events that will feature the state to a national audience; lists requirements for eligible events; designates unexpended funds as a work project appropriation.

**FY 2022-23 Supplemental Boilerplate Items**  
**Public Act 119 of 2023 (House Bill 4437, Article 16)**

***Sec. 616. Targeted Energy Investment***

Requires funds to be used to support efforts to restart the Palisades nuclear power plant; funding will be contingent on federal commitments of support to restart the facility; requires LEO to execute a grant agreement with the facility and stipulates terms of disbursement; requires LEO to report on status of investment, federal funding committed, recipient and amount of funded expended, and timeline of facility restart; designates unexpended funds as a work project appropriation.

***Sec. 617. Authorization to Hire Limited-Term Employees ad Expend for Administration***

Authorizes the department to hire limited-term employees and to expend up to 2.5% of each appropriation for administrative implementation and oversight of programs.

**LABOR AND ECONOMIC OPPORTUNITY****Table 6: Community Enhancement Grants (Sec. 1003) Public Act 119 of 2023 (House Bill 4437, Article 9)**

|    |  |                      |
|----|--|----------------------|
| 1  | Statewide YMCA Grants  | \$12,000,000         |
| 2  | Ferris State Museum  | 5,000,000            |
| 3  | All of the Above Lansing   | 500,000              |
| 4  | Mikey23Foundation  | 500,000              |
| 5  | Conductive Learning Center   | 500,000              |
| 6  | Eviction Right to Counsel  | 2,500,000            |
| 7  | 100K Ideas, Flint  | 500,000              |
| 8  | Detroit Horse Power  | 1,000,000            |
| 9  | Roseville Optimists Club   | 100,000              |
| 10 | KNAC-non-profit  | 250,000              |
| 11 | Discover U   | 1,000,000            |
| 12 | Housing Co-op  | 1,000,000            |
| 13 | Williamston Theater  | 250,000              |
| 14 | Historical Society, Detroit  | 4,000,000            |
| 15 | Livingston Arts Council  | 2,000,000            |
| 16 | Refugee and Immigrant Community Center                                     | 500,000              |
| 17 | Ann Arbor Solar  | 5,000,000            |
| 18 | Yemeni Foundation  | 500,000              |
| 19 | Warren Parks and Recreation  | 1,500,000            |
| 20 | Berkley  | 380,000              |
| 21 | Freedom River Veteran Recreational Center                                  | 5,000,000            |
| 22 | Police Athletic League Renovations and Additions                           | 3,000,000            |
| 23 | Symphony Grant Program   | 3,000,000            |
| 24 | Vista Theatre Restoration - Negaunee                                       | 3,000,000            |
| 25 | Eaton Rapids Teen Center   | 3,000,000            |
| 26 | <del>Livingston County Catholic Charities</del> – VETOED                   | <del>2,000,000</del> |
| 27 | Farwell Recreation Center  | 2,000,000            |
| 28 | Holocaust Center - Farmington  | 2,000,000            |
| 29 | Making it Happen Foundation Entertainment Skilled Trades Program           | 2,000,000            |
| 30 | Grand Rapids Ballet  | 1,800,000            |
| 31 | Kingman Museum Structural Repairs - Battle Creek                           | 1,700,000            |
| 32 | The Diatribe Community Space Capital Investment                            | 3,500,000            |
| 33 | Charles H. Wright Museum   | 4,000,000            |
| 34 | Junior Achievement - Grand Rapids and Detroit                              | 2,000,000            |
| 35 | Forestbrooke Pool Renovation - Ann Arbor                                   | 1,200,000            |
| 36 | Blandford Nature Center - Kent County                                      | 1,500,000            |
| 37 | Detroit Opera House  | 1,000,000            |
| 38 | Girl Scouts of Southeast Michigan  | 1,000,000            |
| 39 | Grand Rapids Public Museum   | 1,000,000            |
| 40 | Oak Park Event Center  | 2,000,000            |
| 41 | Leelanau Early Childhood Development Commission                            | 800,000              |
| 42 | Empowerment Plan Detroit - Homeless Workforce Training Program             | 700,000              |
| 43 | L!FE Leaders Workforce Development Program                                 | 500,000              |
| 44 | Recreation Center - Ferndale   | 500,000              |
| 45 | Bohm Theatre - Albion  | 500,000              |
| 46 | The Children's Center - Youth Crisis Care/Crisis to Connection Programming | 500,000              |
| 47 | MML Foundation Michigan City and State Diplomacy Envoy and Task Force      | 500,000              |

**LABOR AND ECONOMIC OPPORTUNITY**

**Table 6: Community Enhancement Grants (Sec. 1003) Public Act 119 of 2023 (House Bill 4437, Article 9)**

|              |  |                      |
|--------------|--|----------------------|
| 48           | Michigan Fitness Foundation Farm-to-Family   | \$500,000            |
| 49           | Sound Mind Sound Body Youth Mentoring Program  | 400,000              |
| 50           | Big Brothers Big Sisters Flint Mental Health Services                                  | 300,000              |
| 51           | Development Centers - Mental Health, Early Childhood Learning, and Employment Training | 250,000              |
| 52           | Crown Boxing Gym Upgrades  | 250,000              |
| 53           | Save the Flags   | 200,000              |
| 54           | Ingham County Sustainability Action Plan   | 200,000              |
| 55           | Ele's Place Infrastructure   | 150,000              |
| 56           | Detroit Blight Busters - Kids Camp Facility Construction                               | 100,000              |
| 57           | Jackson County Fair Upgrades   | 40,000               |
| 58           | Holly Municipal Landfill Security Upgrades   | 100,000              |
| 59           | Fisher Building Redevelopment  | 5,000,000            |
| 60           | West Michigan Hispanic Chamber Capital Improvements                                    | 5,000,000            |
| 61           | Commerce Charter Township Nonmotorized Connectivity Trail                              | 1,000,000            |
| 62           | Portage Farmer's Market Outdoor Market Space   | 1,750,000            |
| 63           | Iron Belle Trail Expansion - Van Buren Charter Township                                | 1,800,000            |
| 64           | Henry Ford Museum Roof Infrastructure  | 4,000,000            |
| 65           | Special Olympics Center - Grand Rapids   | 5,000,000            |
| 66           | Canton Charter Township - Youth Center   | 2,000,000            |
| 67           | Saginaw Redevelopment  | 5,000,000            |
| 68           | The Greening of Detroit Operational Support and Green Infrastructure Projects          | 500,000              |
| <b>TOTAL</b> |  | <b>\$122,220,000</b> |
|              |  | <b>\$120,220,000</b> |

**Table 7: Economic Development Grants (Sec. 1006) Public Act 119 of 2023 (House Bill 4437, Article 9)**

|              |  |                     |
|--------------|--|---------------------|
| 1            | Detroit Flood Prevention   | \$240,000           |
| 2            | Invest Detroit Grant   | 500,000             |
| 3            | Vanguard Community Development   | 2,500,000           |
| 4            | Adrian Workforce Development Center  | 10,000,000          |
| 5            | Education System Study   | 500,000             |
| 6            | Midtown Cultural Center Planning Initiative  | 12,000,000          |
| 7            | Lee Plaza Detroit  | 6,000,000           |
| 8            | Fisher Body Plant Redevelopment  | 5,000,000           |
| 9            | Lansing Center   | 5,000,000           |
| 10           | Marygrove Development  | 10,000,000          |
| 11           | North American International Auto Show   | 8,000,000           |
| 12           | Redevelopment of Shopping Center - Sterling Heights                                      | 3,000,000           |
| 13           | National Guard Conference  | 2,000,000           |
|              | Most Worshipful Prince Hall Grand Lodge of Free and Accepted Masons of Michigan Building |                     |
| 14           | Renovations  | 1,500,000           |
| <b>TOTAL</b> |  | <b>\$66,240,000</b> |

**LABOR AND ECONOMIC OPPORTUNITY****Table 8: Healthcare Grants (Sec. 1010) Public Act 119 of 2023 (House Bill 4437, Article 9)**

|              |   |                     |
|--------------|---|---------------------|
| 1            | Post-Secondary Education for Foster Care Youth              | \$500,000           |
| 2            | Redford Wellness Center                                     | 2,000,000           |
| 3            | Hamilton FQHC   | 1,500,000           |
| 4            | Health and Social Services Disparity Grants                 | 10,000,000          |
| 5            | Lansing Warming Center                                      | 800,000             |
| 6            | Lansing Prevention and Treatment Services                   | 6,000,000           |
| 7            | Henry Ford Health Center                                    | 20,000,000          |
| 8            | Detroit Firefighter Health Care Support                     | 10,000,000          |
| 9            | Saginaw Economic Development Medical Center                 | 30,300,000          |
| 10           | DMC Children's Hospital - COVID Relief and Recovery Support | 5,000,000           |
| 11           | Mobile Healthcare Cardiac Imaging - Corazon                 | 5,000,000           |
| <b>TOTAL</b> |   | <b>\$91,100,000</b> |

**Table 9: Housing Grants (Sec. 1012) Public Act 119 of 2023 (House Bill 4437, Article 9)**

|              |   |                     |
|--------------|---|---------------------|
| 1            | Siren Shelter                                       | \$500,000           |
| 2            | Mount Clemens Housing Project                       | 5,000,000           |
| 3            | Muskegon Shaw-Walker Housing Development            | 18,000,000          |
| 4            | Southfield Affordable Housing Development           | 5,000,000           |
| 5            | Grandmont Rosedale Mixed Use Development            | 1,000,000           |
| 6            | Detroit Blight Busters - Tiny House Construction    | 450,000             |
| 7            | Traverse City Affordable Housing Programming        | 300,000             |
| 8            | Pope Francis Center Housing Project                 | 7,000,000           |
| 9            | Detroit Blight Busters - Orchard Village Apartments | 1,000,000           |
| 10           | Ann Arbor Housing Commission Renovations            | 800,000             |
| 11           | Ypsilanti Housing Commission Construction           | 200,000             |
| <b>TOTAL</b> |   | <b>\$39,250,000</b> |

**Table 10: Michigan Enhancement Grants (Sec. 1015) Public Act 119 of 2023 (House Bill 4437, Article 9)**

|              |                                       |                    |
|--------------|---------------------------------------|--------------------|
| 1            | Jackson Housing                       | \$1,000,000        |
| 2            | Muskegon Historic Building Renovation | 1,000,000          |
| 3            | Centers for Employment Opportunity    | 1,000,000          |
| 4            | Women of Tomorrow                     | 200,000            |
| 5            | SER Metro                             | 500,000            |
| 6            | Starr Commonwealth                    | 300,000            |
| <b>TOTAL</b> |                                       | <b>\$4,000,000</b> |

**Table 11: Public Infrastructure Grants (Sec. 1019) Public Act 119 of 2023 (House Bill 4437, Article 9)**

|    |  |            |
|----|--|------------|
| 1  | Allen Park Utility Line Burial   | \$500,000  |
| 2  | City of Pontiac  | 5,000,000  |
| 3  | Midland Water Infrastructure   | 15,000,000 |
| 4  | Huntington Woods Safe Streets Grant  | 100,000    |
| 5  | North Rosedale Community House   | 1,100,000  |
| 6  | Clinton County, Dewitt Road Projects   | 3,500,000  |
| 7  | Alpena Port Expansion  | 1,900,000  |
| 8  | Barryton Village Dam Repairs   | 700,000    |
| 9  | Grand Haven Environment Mitigation   | 2,500,000  |
| 10 | Paw Paw Water Dam  | 1,100,000  |
| 11 | Lansing Community Pool   | 1,200,000  |
| 12 | Keego Harbor Water Infrastructure  | 100,000    |
| 13 | MLK Community Lodge  | 6,000,000  |
| 14 | Downriver Community Conference Resiliency                                      | 2,000,000  |
| 15 | Handy Park Improvements  | 750,000    |
| 16 | Warner Mansion   | 1,000,000  |
| 17 | Jefferson Chalmers Flooding  | 1,000,000  |
| 18 | Taylor Heritage Park   | 500,000    |
| 19 | Marriott Park - Renaissance of Hope  | 1,000,000  |
| 20 | Harsen's Island Water Infrastructure   | 2,000,000  |
| 21 | Lansing Riverfront   | 1,700,000  |
| 22 | City of Pontiac Downtown Project   | 50,000,000 |
| 23 | Jackson CAA Weatherization   | 500,000    |
| 24 | Village of Brooklyn Park Infrastructure  | 250,000    |
| 25 | Village of Grass Lake Pedestrian Crossing                                      | 300,000    |
| 26 | Centerline Parks and Recreation Infrastructure                                 | 1,250,000  |
| 27 | Shelby Township Parks  | 780,000    |
| 28 | Benzie County Emergency Tower Improvements                                     | 2,200,000  |
| 29 | Yale School Street Crossing  | 300,000    |
| 30 | Grand Rapids Children's Museum   | 5,000,000  |
| 31 | Garden City Hospital flooding  | 5,000,000  |
| 32 | Pleasant Ridge Water Infrastructure  | 1,800,000  |
| 33 | Broadway Ave. - Muskegon Heights   | 6,000,000  |
| 34 | City of Wyoming Infrastructure Project   | 20,000,000 |
| 35 | John Ball Zoo  | 14,000,000 |
| 36 | Lake St. Clair Metropark Marina Renovations                                    | 5,000,000  |
| 37 | Jackson County Bridge Repair   | 4,000,000  |
| 38 | Linden Mills Restoration   | 4,000,000  |
| 39 | Southfield Local Road Repair   | 4,000,000  |
| 40 | Cascade Charter Township Urban/Suburban Recreational Pathway Interlink Project | 3,500,000  |
| 41 | Detroit Zoo Infrastructure   | 3,000,000  |
| 42 | Texas Township Flooding Infrastructure Project                                 | 2,200,000  |
| 43 | Muskegon Airport Roof Replacement  | 1,900,000  |
| 44 | Hackley Administration Building Preservation - Muskegon                        | 1,000,000  |
| 45 | Inclusive Playground - Clinton Charter Township                                | 1,000,000  |
| 46 | Utica - Pioneer Park Pavilion and Pedestrian Bridge                            | 1,000,000  |
| 47 | Sterling Heights Recreational Grant  | 1,000,000  |

**LABOR AND ECONOMIC OPPORTUNITY****Table 11: Public Infrastructure Grants (Sec. 1019) Public Act 119 of 2023 (House Bill 4437, Article 9)**

|              |  |                      |
|--------------|--|----------------------|
| 48           | Troy Cricket Field   | \$900,000            |
| 49           | Genesee County Dam Gate Repairs  | 750,000              |
| 50           | Royal Oak Parking Structure  | 600,000              |
| 51           | Sullivan Historic Baseball Field Restoration and Revitalization - Grand Rapids | 1,050,000            |
| 52           | Willow Beach Road - Keego Harbor   | 500,000              |
| 53           | River Rouge Infrastructure and Environmental Cleanup                           | 500,000              |
| 54           | Lincoln Charter Township Sidewalks and Paths                                   | 400,000              |
| 55           | Dimondale Village Hall   | 750,000              |
| 56           | Glassman Park Disc Golf Course - New Buffalo                                   | 200,000              |
| 57           | Harper Woods Pocket Park   | 200,000              |
| 58           | Plymouth - Kellogg Park Bandshell Replacement                                  | 200,000              |
| 59           | St. Joseph - Shoreline Softening Coastal Management                            | 200,000              |
| 60           | Novi Parks Splash Pad  | 200,000              |
| 61           | Hazel Park Library Meeting Pods  | 100,000              |
| 62           | Northville Maybury Park Facilities Upgrades                                    | 80,000               |
| 63           | Sand Lake Water Infrastructure   | 410,000              |
| 64           | Gratiot County Road Repairs  | 5,000,000            |
| 65           | Greektown Corridor Development   | 20,000,000           |
| 66           | Burma Center Parking Capital Improvements - Battle Creek                       | 750,000              |
| 67           | Economic Development Site Readiness Project - 5 Mile Road - Wayne County       | 10,000,000           |
| 68           | City of Portland Wastewater Treatment Repairs                                  | 3,000,000            |
| 69           | Ann Arbor Parks Splash Pads  | 1,000,000            |
| <b>TOTAL</b> |  | <b>\$234,420,000</b> |

**Table 12: Public Safety Grants (Sec. 1020) Public Act 119 of 2023 (House Bill 4437, Article 9)**

|              |   |                      |
|--------------|---|----------------------|
| 1            | Delhi Fire Station  | \$7,500,000          |
| 2            | Farmington Hills Emergency System Upgrade                 | 3,000,000            |
| 3            | Farmington Fire Station Renovation                        | 750,000              |
| 4            | Ecorse Fire Truck   | 500,000              |
| 5            | Garden City Fire Station                                  | 800,000              |
| 6            | Bloomfield Hills Community Safety                         | 15,000,000           |
| 7            | Dearborn Heights Fire Station                             | 10,000,000           |
| 8            | Macomb County Jail  | 40,000,000           |
| 9            | Grand Rapids Fire Stations                                | 35,000,000           |
| 10           | Jail Diversion Fund                                       | 2,500,000            |
| 11           | Canton Charter Township Fire Station Construction Project | 7,000,000            |
| 12           | Dearborn Fire Station Upgrades                            | 5,000,000            |
| 13           | Westland Fire Station and EMT Equipment                   | 7,000,000            |
| 14           | Olivet Fire Department                                    | 1,000,000            |
| 15           | Mount Clemens Fire Truck                                  | 500,000              |
| 16           | Eaton County Sheriff Equipment                            | 900,000              |
| 17           | Berrien County Jail Study                                 | 200,000              |
| 18           | Chocolay Township SCBA Fire Equipment                     | 150,000              |
| 19           | City of Plymouth Police Vehicle                           | 50,000               |
| 20           | Freeway Cameras for Public Safety                         | 30,000,000           |
| 21           | Washtenaw Court Security Infrastructure Improvements      | 5,000,000            |
| 22           | Traverse City Ladder Truck                                | 1,800,000            |
| 23           | Flint Police department                                   | 2,750,000            |
| <b>TOTAL</b> |   | <b>\$176,400,000</b> |

**Table 13: Workforce Development Grants (Sec. 1025) Public Act 119 of 2023 (House Bill 4437, Article 9)**

|              |   |                     |
|--------------|---|---------------------|
| 1            | AFL-CIO Workforce Development Institute                           | \$5,000,000         |
| 2            | GST Michigan Works!   | 2,500,000           |
| 3            | Cyber Security Program  | 1,000,000           |
| 4            | Kent County Healthcare Services                                   | 1,000,000           |
| 5            | Senior Housing and Childcare                                      | 1,000,000           |
| 6            | Lansing School Building Rehabilitation (Walter French)            | 2,500,000           |
| 7            | St. Clair Housing Services  | 1,000,000           |
| 8            | Henry Ford College Student Success Center                         | 10,000,000          |
| 9            | Mid-Michigan College Advanced Manufacturing/Skilled Trades Center | 2,500,000           |
| 10           | Michigan Minority Supplier Council                                | 2,500,000           |
| 11           | Calvin University Partnership                                     | 1,000,000           |
| 12           | Global Michigan Talent Initiative                                 | 5,000,000           |
| <b>TOTAL</b> |   | <b>\$35,000,000</b> |

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**  
**Summary of FY 2023-24 Enacted**  
**Public Act 166 of 2022 (House Bill 5783, Article 9)**

Analyst: Marcus Coffin

|                   | FY 2022-23 YTD<br>as of 2/8/23 | FY 2023-24<br>Enacted | Difference: Enacted<br>From FY 2022-23 YTD |             |
|-------------------|--------------------------------|-----------------------|--|-------------|
|                   |                                |                       | Amount                                     | %           |
| <b>IDG/IDT</b>    | \$47,026,900                   | \$46,897,200          | (\$129,700)                                | (0.3)       |
| <b>Federal</b>    | 29,659,200                     | 50,004,200            | 20,345,000                                 | 68.6        |
| <b>Local</b>      | 0                              | 0                     | 0  | --          |
| <b>Private</b>    | 0                              | 0                     | 0  | --          |
| <b>Restricted</b> | 249,325,900                    | 259,708,400           | 10,382,500                                 | 4.2         |
| <b>GF/GP</b>      | 213,822,400                    | 271,331,100           | 57,508,700                                 | 26.9        |
| <b>Gross</b>      | <b>\$539,834,400</b>           | <b>\$627,940,900</b>  | <b>\$88,106,500</b>                        | <b>16.3</b> |
| <b>FTEs</b>       | 1,879.9                        | 1,893.9               | 14.0                                       | 0.7         |

**Notes:**

(1) FY 2022-23 year-to-date figures include mid-year budget adjustments through February 8, 2023.  
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

The Department of Licensing and Regulatory Affairs (LARA) is the state's primary regulatory entity, and it is vested with regulatory authority spanning a variety of sectors, including commercial and occupational activities, construction and fire safety, health care and human services, public utilities, liquor control, and marihuana. Units within LARA also conduct and adjudicate administrative hearings, oversee rules promulgation, provide support for the Michigan Indigent Defense Commission and the Unarmed Combat Commission, and administer multiple grant programs, including Michigan Indigent Defense Commission grants.

|   |  | FY 2022-23<br>Year-to-Date<br>(as of 2/8/23) |                      | FY 2023-24<br>Enacted<br>Change |
|---|--|--|----------------------|---------------------------------|
|   |  | Gross  | Restricted           |                                 |
| <b>Major Budget Changes from FY 2022-23 YTD Appropriations</b>  |  |  |                      |                                 |
| <b>1. Michigan Indigent Defense Commission (MIDC) Grants</b>  |  | <b>Gross</b>                                 | <b>\$148,917,400</b> | <b>\$72,000,000</b>             |
| Includes \$72.0 million GF/GP to support grant distributions to district and circuit court funding units to fund the state's projected share of FY 2023-24 costs associated with MIDC standards 1, 2, 3, 4, 5, and 8: \$29.8 million is included for compliance with standards 1-5, which pertain to the education and training of defense counsel, timing and location of attorney-client interviews, defense investigations and experts, presence of counsel at first appearance and other critical stages, and the independence of indigent criminal defense services from the judiciary; \$42.2 million is included for costs incurred for compliance with MIDC Standard 8, which pertains to economic disincentives and incentives, including rates of payment for salaried public defenders, compensation and expenses for assigned counsel, indigent defense services contracting, conflict counsel, reimbursements, and payments. |  | Restricted                                   | 300,000              | 0                               |
|   |  | GF/GP  | \$148,617,400        | \$72,000,000                    |
| <b>2. Low Carbon Energy Infrastructure Enhancement and Development</b>  |  | <b>Gross</b>                                 | <b>\$25,000,000</b>  | <b>(\$25,000,000)</b>           |
| Removes \$25.0 million GF/GP that previously funded grants to businesses, nonprofit organizations, and local government units for planning, developing, designing, acquiring, or constructing low carbon energy facilities, which include natural gas facilities, combined heat and power facilities, and electrification programs.   |  | GF/GP  | \$25,000,000         | (\$25,000,000)                  |

Major Budget Changes from FY 2022-23 YTD Appropriations**3. Renewable Energy and Electrification Infrastructure Enhancement and Development**

Includes \$21.3 million Gross (\$20.0 million one-time Coronavirus State Fiscal Recovery Fund; \$1.3 million one-time GF/GP) for grants to businesses, nonprofit organizations, and local government units for planning, developing, designing, acquiring, or constructing renewable energy and electrification infrastructure projects, which include renewable natural gas facilities and electric vehicle fast-charging infrastructure within 1 mile of a U.S. highway or state trunkline roadway. From the gross funding total, \$500,000 and authorization for 2.0 FTEs is provided for the Public Service Commission to administer the grant program.

**4. Michigan Saves Green Bank**

Includes \$5.5 million GF/GP (one-time) for Michigan Saves, a non-profit green bank. Funding will be used to offer credit enhancement tools intended to incentivize lending to residential and commercial borrowers at lower rates and under better terms for renewable energy and energy efficiency improvement loans. Such credit enhancement tools could include a loan loss reserve fund.

**5. Cannabis Regulatory Agency Reference Laboratory**

Includes \$4.4 million of state restricted funding authorization (\$1.6 million ongoing, \$2.8 million one-time) from the Marijuana Regulation Fund (adult-use) and authorization for 5.0 FTE positions to establish a reference laboratory for the CRA. The laboratory will perform testing to support CRA investigations, ongoing proficiency testing, industry audits, and development and optimization of testing methods. The ongoing funding component will support staffing and operations costs, while the one-time funding component will be used for equipment purchases and any necessary construction.

**6. Corporations Online Filing Modernization**

Includes \$2.7 million of state restricted funding authorization from Corporation Fees (one-time) to continue modernization of the Corporations Online Filing System. The modernization project will improve system reliability and security, increase online functionality, and simplify the public portal. The system is used to process and store approximately 2.7 million records, of which 1.0 million are for active entities and 1.6 million are for inactive entities.

**7. Child Care Licensing Background Checks**

Includes \$2.2 million GF/GP (\$2.0 million ongoing, \$200,000 one-time) to support costs associated with background checks in the child care sector. The funding will offset costs associated with federally required criminal background checks for new providers and staff and federally required 5-year rechecks; it will also support staffing to implement statutory background check requirements. Specifically, the funding will support staffing costs and offset costs associated with new provider and staff fingerprinting and existing provider reprinting.

**8. Utility Consumer Representation Grants**

Includes \$1.8 million GF/GP (one-time) to provide additional funding for grants administered by the Utility Consumer Participation Board (UCPB) and awarded on an application basis to interest groups for advocating on behalf of residential consumers in utility rate cases and other proceedings.

|              | FY 2022-23<br>Year-to-Date<br>(as of 2/8/23) | FY 2023-24<br>Enacted<br>Change |
|--------------|--|---------------------------------|
| FTE          | NA   | 2.0                             |
| <b>Gross</b> | <b>NA</b>                                    | <b>\$21,300,000</b>             |
| Federal      | NA   | 20,000,000                      |
| GF/GP        | NA   | \$1,300,000                     |
| <b>Gross</b> | <b>NA</b>                                    | <b>\$5,500,000</b>              |
| GF/GP        | NA   | \$5,500,000                     |
| FTE          | NA   | 5.0                             |
| <b>Gross</b> | <b>NA</b>                                    | <b>\$4,400,000</b>              |
| Restricted   | NA   | 4,400,000                       |
| GF/GP        | NA   | \$0                             |
| <b>Gross</b> | <b>NA</b>                                    | <b>\$2,700,000</b>              |
| Restricted   | NA   | 2,700,000                       |
| GF/GP        | NA   | \$0                             |
| <b>Gross</b> | <b>NA</b>                                    | <b>\$2,200,000</b>              |
| GF/GP        | NA   | \$2,200,000                     |
| <b>Gross</b> | <b>NA</b>                                    | <b>\$1,800,000</b>              |
| GF/GP        | NA   | \$1,800,000                     |

## LICENSING AND REGULATORY AFFAIRS

|  |              |                     | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b> |
|--|--------------|---------------------|---|--|
| <b>Major Budget Changes from FY 2022-23 YTD Appropriations</b>   |              |                     |   |  |
| <b>9. Liquor Law Enforcement Grants</b>  | <b>Gross</b> | <b>\$8,400,000</b>  | <b>\$1,500,000</b>                                    |  |
| Provides an increase of \$1.5 million in state restricted funding authorization to the amount available for Liquor Law Enforcement Grants. Funding for the grants is supported by retailers' liquor license fees and license renewal fees. Statutorily, 55% of the revenue from these license fees is to be distributed in the jurisdiction in which they were collected for enforcement of the Liquor Control Code and associated administrative rules. Increased license and permit renewals and spirit sales have caused the revenue collected from retailers' liquor license fees and renewal fees to increase.                  | Restricted   | 8,400,000           | 1,500,000   |  |
|  | GF/GP        | \$0                 | \$0   |  |
| <b>10. Bureau of Survey and Certification</b>  | <b>Gross</b> | <b>NA</b>           | <b>\$1,200,000</b>                                    |  |
| Includes \$1.2 million GF/GP (one-time) to support the Bureau of Survey and Certification's health care provider survey and investigation activities (done on behalf of the federal government) and compliance with statutory changes to the Michigan Public Health Code. The statutory changes require the implementation of a quality assurance monitoring process and ongoing quality reviews and education.  | GF/GP        | NA                  | \$1,200,000   |  |
| <b>11. Child Care Licensing Bureau Staffing</b>  | <b>FTE</b>   | <b>127.0</b>        | <b>7.0</b>  |  |
| Includes \$1.1 million GF/GP and authorization for 7.0 FTE positions to onboard additional staff in the Child Care Licensing Bureau. The positions that will be filled include 1 resource development coordinator, 3 departmental analysts, and 3 child day care consultants. Activities that will be performed by the new staff include, but are not limited to, organizing mandated requirements, ensuring compliance with relevant trainings and health and safety requirements, monitoring corrective action plans, coordinating the development of the bureau's informational resources, and conducting special investigations. | <b>Gross</b> | <b>\$20,648,400</b> | <b>\$1,100,000</b>                                    |  |
|  | IDG/IDT      | 20,146,700          | 0   |  |
|  | Restricted   | 501,700             | 0   |  |
|  | GF/GP        | \$0                 | \$1,100,000   |  |
| <b>12. Bureau of Fire Services – Smoke Detectors</b>   | <b>Gross</b> | <b>NA</b>           | <b>\$1,000,000</b>                                    |  |
| Includes \$1.0 million GF/GP (one-time) for the Bureau of Fire Services to purchase and distribute sealed-battery smoke detectors to Michigan residents.   | GF/GP        | NA                  | \$1,000,000   |  |
| <b>13. Cannabis Regulatory Agency Social Equity Program</b>  | <b>Gross</b> | <b>NA</b>           | <b>\$1,000,000</b>                                    |  |
| Includes \$1.0 million of state restricted funding authorization (one-time) from the Marihuana Regulation Fund (adult-use) to support the CRA's Social Equity Program, which promotes participation in the cannabis sector by people from communities that have been disproportionately impacted by marihuana prohibition and enforcement.   | Restricted   | NA                  | 1,000,000   |  |
|  | GF/GP        | NA                  | \$0   |  |
| <b>14. Corporations Online Filing System Ongoing Maintenance</b>   | <b>Gross</b> | <b>NA</b>           | <b>\$1,000,000</b>                                    |  |
| Includes \$1.0 million of state restricted funding authorization from Corporation Fees to support ongoing maintenance costs for the Corporations Online Filing System.   | Restricted   | NA                  | 1,000,000   |  |
|  | GF/GP        | NA                  | \$0   |  |
| <b>15. Elevator Inspector Pay Rate Increase</b>  | <b>Gross</b> | <b>NA</b>           | <b>\$900,000</b>                                      |  |
| Includes \$900,000 of state restricted funding authorization from the Construction Code Fund to allow LARA to cooperate with the Office of the State Employer and the relevant collective bargaining unit to increase the pay rate for elevator inspectors employed by LARA.   | Restricted   | NA                  | 900,000   |  |
|  | GF/GP        | NA                  | \$0   |  |
| <b>16. Michigan Liquor Control Commission SIPS Maintenance and Licensing</b>   | <b>Gross</b> | <b>NA</b>           | <b>\$900,000</b>                                      |  |
| Includes \$900,000 of state restricted funding authorization to support maintenance and licensing costs associated with the MLCC's Sales, Inventory, Purchasing, and Licensing system.   | Restricted   | NA                  | 900,000   |  |
|  | GF/GP        | NA                  | \$0   |  |

| <u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>   |   | <u>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</u>              | <u>FY 2023-24<br/>Enacted<br/>Change</u>                 |
|--|---|--|--|
| <b>17. Michigan Public Service Commission Staff</b><br>Includes \$813,400 Gross (\$0 GF/GP) to support the onboarding of additional staff for the Gas Safety and Operations Division within the MPSC. Authorization for the FTEs is from the internal transfer detailed in item 22. The 5 additional positions will support the gas safety, infrastructure, and damage prevention programs by performing inspections and enforcement activities. Additional inspections have been necessitated by higher levels of infrastructure projects and to achieve compliance with federal regulations. | FTE<br><br><b>Gross</b><br>Federal<br>Restricted<br>GF/GP | 190.0<br><br><b>\$34,168,900</b><br>2,665,000<br>31,503,900<br>\$0 | 0.0<br><br><b>\$813,400</b><br>349,900<br>463,500<br>\$0 |
| <b>18. Civil Service Compensation Increases</b><br>Includes \$619,700 of state restricted funding authorization to defray costs associated with compensation rate increases for skilled trades workers within the Bureau of Construction Codes. Executive Budget Revision 2024-1 requested the funding increase, since compensation rate increases were approved by the Civil Service Commission in July and December of 2022.   | <b>Gross</b><br>Restricted<br>GF/GP                       | NA<br>NA<br>NA   | <b>\$619,700</b><br>619,700<br>\$0                       |
| <b>19. Child Care Licensing System Maintenance and Licensing</b><br>Includes \$600,000 GF/GP to support ongoing maintenance and licensing costs for the child care licensing system.   | <b>Gross</b><br>GF/GP                                     | NA<br>NA   | <b>\$600,000</b><br>\$600,000                            |
| <b>20. Michigan Liquor Control Commission Staffing</b><br>Includes \$514,600 of state restricted funding authorization to hire a department specialist, a department manager, and a finance position for auditing/product pricing. Authorization for these FTEs is from the internal transfer detailed in item 22. There has been appreciable growth in the number of products that the MLCC oversees and in sales volumes.  | FTE<br><br><b>Gross</b><br>Restricted<br>GF/GP            | 145.0<br><br><b>\$22,201,500</b><br>22,201,500<br>\$0              | 0.0<br><br><b>\$514,600</b><br>514,600<br>\$0            |
| <b>21. Michigan Indigent Defense Commission Staffing</b><br>Includes \$413,000 GF/GP to onboard 2 staff members for financial oversight of MIDC grants and to satisfy a statutory requirement for the MIDC to serve as a clearinghouse for experts and investigators in indigent defense cases. Authorization for these FTEs is from the internal transfer detailed in item 28.  | FTE<br><br><b>Gross</b><br>GF/GP                          | 16.0<br><br><b>\$2,763,000</b><br>\$2,763,000                      | 0.0<br><br><b>\$413,000</b><br>\$413,000                 |
| <b>22. Premanufactured Unit Plan Review Upgrades</b><br>Includes \$350,000 GF/GP (one-time) to allow the Bureau of Construction Codes to implement changes to decrease the average length of time that it takes to process and review premanufactured unit plan submissions (modular homes).   | <b>Gross</b><br>GF/GP                                     | NA<br>NA   | <b>\$350,000</b><br>\$350,000                            |
| <b>23. Industrial Hemp Processor-Handler Regulation</b><br>Includes \$300,000 of state restricted funding authorization from the Industrial Hemp Licensing and Registration Fund to support staffing and ancillary costs for licensing industrial hemp-process handlers, intaking and responding to complaints, and conducting necessary investigations.   | <b>Gross</b><br>Restricted<br>GF/GP                       | NA<br>NA<br>NA   | <b>\$300,000</b><br>300,000<br>\$0                       |
| <b>24. Bureau of Fire Services Aboveground Storage Tank Fees</b><br>Includes an additional \$100,000 of state restricted funding authorization from Aboveground Storage Tank Fees. The additional authorization will support Aboveground Storage Tank Program activities, which pertain to the regulation of storage for a variety of flammable liquids.   | <b>Gross</b><br>Restricted<br>GF/GP                       | NA<br>NA<br>NA   | <b>\$100,000</b><br>100,000<br>\$0                       |
| <b>25. MiLogin Rate Increase</b><br>Includes \$100,000 of state restricted funding authorization for an increase in the rate that the Department of Technology, Management, and Budget assesses for the MiLogin System, which is the State of Michigan's identity management solution.   | <b>Gross</b><br>Restricted<br>GF/GP                       | NA<br>NA<br>NA   | <b>\$100,000</b><br>100,000<br>\$0                       |

LICENSING AND REGULATORY AFFAIRS

| <u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>  |   | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b>                  | <b>FY 2023-24<br/>Enacted<br/>Change</b>                 |
|---|---|--|--|
| <b>26. Michigan Public Service Commission Gas Inspections</b><br>Includes \$73,900 Gross (\$0 GF/GP) to support increased inspection and enforcement activities of the Underground Natural Gas Storage Program within the MPSC. Additional activities have been necessitated by higher levels of infrastructure projects and to achieve compliance with federal regulations.  | FTE<br><br><b>Gross</b><br><br>Federal<br>Restricted<br>GF/GP | 190.0<br><br><b>\$34,168,900</b><br><br>2,665,000<br>31,503,900<br>\$0 | 0.0<br><br><b>\$73,900</b><br><br>69,500<br>4,400<br>\$0 |
| <b>27. Removal of FY 2022-23 One-Time Appropriations</b><br>Removes \$8.3 million Gross (\$4.5 million GF/GP) of one-time funding that was included in the FY 2022-23 budget to support the following:  | <b>Gross</b><br><br>Restricted<br>GF/GP                       | <b>\$8,343,600</b><br><br>3,843,600<br>\$4,500,000                     | <b>(\$8,343,600)</b><br><br>(3,843,600)<br>(\$4,500,000) |
| <ul style="list-style-type: none"> <li>• BFS – Smoke Detectors (\$1.0 million GF/GP)</li> <li>• Cannabis Market Taxation and Regulatory Compliance Analysis Pilot Program (\$500,000 state restricted funding authorization)</li> <li>• Corporations Online Filing Modernization (\$2.3 million state restricted funding authorization)</li> <li>• Michigan Saves (\$2.5 million GF/GP)</li> <li>• Michigan Task Force on Foreign Trained Medical Professional Licensing (\$1.0 million state restricted funding authorization)</li> <li>• Urban Search and Rescue (\$1.0 million GF/GP).</li> </ul>          |   |  |  |
| <b>28. Internal FTE Authorization Alignment</b><br>Includes an internal net to zero realignment of FTE authorizations for 8 line items to align authorization with current department needs. Line items that would be impacted include the following:   | FTE<br><br><b>Gross</b><br><br>GF/GP                          | NA<br><br><b>NA</b><br><br>NA  | 0.0<br><br><b>\$0</b><br><br>\$0                         |
| <ul style="list-style-type: none"> <li>• Public Service Commission – increase of 5.0 FTEs</li> <li>• Liquor Licensing and Enforcement – increase of 3.0 FTEs</li> <li>• Management Support Services – increase of 2.0 FTEs</li> <li>• Bureau of Construction Codes – decrease of 10.0 FTEs</li> <li>• Bureau of Professional Licensing – decrease of 3.0 FTEs</li> <li>• Child Care Licensing and Regulation – increase of 6.0 FTEs</li> <li>• Michigan Office of Administrative Hearings and Rules – decrease of 8.0 FTEs</li> <li>• Michigan Indigent Defense Commission – increase of 5.0 FTEs.</li> </ul> |   |  |  |

| <u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>   | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b> |                    |
|--|---|--|--------------------|
| <b>29. Technical Adjustments</b>   | <b>Gross</b>  | <b>NA</b>                                | <b>\$1,900</b>     |
| Includes \$1,900 Gross (\$0 GF/GP) to increase state restricted funding authorization from the Marihuana Regulatory Fund (medical marihuana) to align with projected revenues. Additional internal net to zero adjustments include the following:  | Restricted  | NA                                       | 351,900            |
|  | GF/GP   | NA                                       | (\$350,000)        |
| <ul style="list-style-type: none"> <li>Creates a new Bureau of Survey and Certification line item with authorization currently in the Bureau of Community and Health Systems Administration and Health Facilities Regulation line items.</li> <li>Rolls the Adult Foster Care and Camps Licensing and Regulation, Bureau of Community and Health Systems Administration, Health Facilities Regulation, and Nurse Aide Program line items into a single line item for the Bureau of Community and Health Systems.</li> <li>Rolls the Medical Marihuana Facilities Licensing and Tracking, Medical Marihuana Program, and Recreational Marihuana Regulation line items into a single Cannabis Regulatory Agency line item.</li> <li>Internally shifts \$375,000 in state restricted funding authorization from the Property Management line item to the Corporations, Securities, and Commercial Licensing Bureau line item.</li> <li>Adjusts marihuana state restricted funding authorizations to increase authorization from the Marihuana Regulation Fund (adult-use) by \$2.9 million, decrease authorization from the Marihuana Registry Fund (medical marihuana card program) by \$2.3 million, and decrease authorization from the Marihuana Regulatory Fund (medical marihuana) by \$588,200.</li> <li>Replaces \$1.0 million in state restricted funding authorization from the Licensing and Regulation Fund with authorization from the Health Professions Regulatory Fund.</li> <li>Replaces \$642,500 in state restricted funding authorization from Restructuring Mechanism Assessments to authorization from Public Utility Assessments, to reflect the elimination of restructuring mechanism assessments in September 2022.</li> <li>Replaces \$350,000 GF/GP in the Bureau of Professional Licensing line item with state restricted funding authorization from the Health Professions Regulatory Fund.</li> </ul> |   |  |                    |
| <b>30. Economic Adjustments</b>  | <b>Gross</b>  | <b>NA</b>                                | <b>(\$936,400)</b> |
| Reflects decreased net costs of \$936,400 Gross (\$104,300 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2023), overtime, longevity, actuarially required retirement contributions, other employee retirement costs, worker's compensation, building occupancy charges, rent, and other economic adjustments.  | IDG/IDT   | NA                                       | (129,700)          |
|  | Federal   | NA                                       | (74,400)           |
|  | Restricted  | NA                                       | (628,000)          |
|  | GF/GP   | NA                                       | (\$104,300)        |

Major Boilerplate Changes from FY 2022-23**GENERAL SECTIONS****Sec. 205. Standard List of Report Recipients – NEW**

Requires all reports required in boilerplate to be submitted to the Senate and House Subcommittees on LARA/DIFS, the Senate and House fiscal agencies, the Senate and House policy offices, and the State Budget Office.

**Sec. 207. Communication with the Legislature – RETAINED (UNENFORCEABLE)**

Prohibits LARA from taking disciplinary action against employees for communicating with legislators or their staff, unless the communication is prohibited by law. (Governor's signing letter states this section is unenforceable.)

## LICENSING AND REGULATORY AFFAIRS

### **Major Boilerplate Changes from FY 2022-23**

#### **Sec. 211. Legislative Contingency Transfer Authorization – REVISED**

Allows for the legislative transfer process to increase federal authorization by up to \$1.0 million, state restricted authorization by up to \$1.5 million, local authorization by up to \$200,000, and private authorization by up to \$100,000. Revised state restricted authorization to \$25.0 million.

#### **Sec. 214. Legacy Costs – DELETED**

Identifies total funding estimated to be expended on legacy costs in FY 2022-23, \$40.4 million (\$24.5 million on pension-related legacy costs and \$15.9 million on health care legacy costs).

#### **Sec. 216. FTE Vacancies and Remote Work Reports – REVISED**

Requires LARA to submit quarterly reports containing FTE volumes and a comparison of actual and authorized FTE position counts; requires an annual report on the number of employees engaged in remote work in 2022, number of employees authorized to work remotely and the actual number working remotely, and estimated net cost savings and reduced use of office space achieved by remote work. Revised to delete remote work reporting provisions and to align report recipients with section 205.

#### **Sec. 217. Work Project Usage – RETAINED (UNENFORCEABLE)**

Stipulates that appropriations are not to be expended, if possible, until all existing work project authorization for the same purpose is exhausted. (Governor's signing letter states this section is unenforceable.)

#### **Sec. 218. State Administrative Board Transfers – RETAINED (UNENFORCEABLE)**

Stipulates that the legislature may intertransfer funds via concurrent resolution if the State Administrative Board transfers funds. (Governor's signing letter states this section is unenforceable.)

#### **Sec. 221. Severance Pay Reporting – REVISED**

Requires LARA to report any severance pay for a director or other high-ranking official not later than 14 days after a severance agreement is signed; maintain an internet site posting any severance pay in excess of 6 weeks of wages; report the total amount of severance pay remitted and the number of LARA employees receiving severance pay in FY 2021-22. Revised to align report recipients with section 205, delete the requirement to maintain an internet site posting any severance pay in excess of 6 weeks of wages, and update fiscal year references.

#### **Sec. 222. COVID-19 Vaccine Stipulations – DELETED**

Prohibits requiring proof of having received a COVID-19 vaccine as a condition of accessing any facility or services, except as required by federal law; prohibits producing, developing, issuing, or requiring a COVID-19 vaccine passport; prohibits developing a database or making an existing database publicly available to access an individual's COVID-19 vaccine status; prohibits requiring proof of having received a COVID-19 vaccine as a condition of employment, with exceptions for hospitals and medical facilities; prohibits adverse employment consequences due to an individual's COVID-19 vaccination status; requires that exemptions be created for individuals who medically cannot receive the vaccine or who have religious or consistently held objections to vaccination if a federal mandate requires establishment of a COVID-19 vaccine policy.

#### **Sec. 223. Access to State and Local Services – NEW**

Prohibits appropriations from being used to restrict or impede a marginalized community's access to government resources, programs, or facilities; requires local governments to report on actions that attempt to restrict or interfere with duties of local health officers.

#### **Sec. 226. Private Grant Funded Projects – REVISED**

Authorizes appropriation of private grant revenues, subject to a limitation of \$1.5 million; requires report to subcommittees chairs within 10 days of receiving grants from private entities. Revised to increase the cap from \$1.5 million to \$4.0 million.

#### **Sec. 227. Informational, Training, and Special Events Revenue and Expenditures – REVISED**

Authorizes LARA to charge registration fees for events sponsored by LARA; requires fees to reflect costs of sponsoring events; appropriates revenue generated by fees for sponsorship costs; authorizes excess revenue to be carried forward; limits appropriation to \$500,000. Revised to increase the cap to \$1.0 million.

#### **Sec. 230. Regulatory Statistical Report – REVISED**

Requires LARA to submit an annual report specifying and summarizing statistical information pertaining to fees, revenues, expenditures, application determinations, timeliness, examinations, complaints, investigations, enforcement actions, administrative hearings, and adjudications for regulatory products administered by specified agencies within LARA. Revised to align report recipients with section 205, to eliminate a requirement for the data to include the 3 previous fiscal years, and to remove the Bureau of Construction Codes and the Bureau of Community and Health Systems as reporting entities.

**Major Boilerplate Changes from FY 2022-23**

**Sec. 231. Employee Performance Monitoring Process – REVISED**

Expresses legislative intent that LARA establish a consistent employee performance monitoring process and requires quarterly reports on planned or implemented changes to that process and the number of evaluations performed. Revised to align report recipients with section 205 and to reduce the reporting frequency from quarterly to annually.

**Sec. 233. Pending Litigation – DELETED**

Stipulates that pending litigation related to a licensee must not delay LARA investigations and licensing actions, unless prohibited by law.

**Sec. 234. Training Materials Reporting – DELETED**

Requires LARA to report on materials that employees and contractors are required to review or complete for mandatory training; requires materials be made available to subcommittee members or their designees for review.

**Sec. 235. Customer Service and Business Ethics Training – DELETED**

Requires all LARA employees to participate in 2 hours of customer service and business ethics training; stipulates topics that must be included in the training; requires a report on the training.

**PUBLIC SERVICE COMMISSION**

**Sec. 302. Low Carbon Energy Infrastructure Enhancement and Development – DELETED**

(1) Requires funding to be used only for grants to businesses, nonprofit organizations, and local government units for planning, developing, designing, acquiring, or constructing low carbon energy facilities, which may include natural gas and combined heat and power facilities and electrification programs; (2) requires PSC to develop and implement a grant application process within 6 months and establishes prioritization criteria for grant approvals; (3) establishes requirements for grant applicants, including submission of an impact study and proposal with a cost-benefit analysis and emissions details; (4) establishes further requirements for grant applicants for renewable natural gas infrastructure projects; (5) provides a 45-day review period for affected entities to review and comment on an application and a 15-day period for an applicant to modify their initial proposal; (6) requires PSC award grants to applicants who have met the grant criteria; (7) requires grant recipients to report to PSC on how the money was used within 30 days after a project's completion; (8) defines "renewable natural gas"; (9) designates unexpended funding as a work project appropriation.

**Sec. 302. Michigan Public Service Commission Public Hearings – NEW**

Requires the PSC to conduct at least 1 public hearing in each of the 4 judicial districts created under the Revised Judicature Act, and to require that if there is a city with a population between 195,000 and 700,000 in a district, that the hearing must occur in that city.

**OCCUPATIONAL REGULATION**

**Sec. 505. Fireworks Safety Inspection Reimbursement Report – DELETED**

Requires LARA to submit report providing information on amount of reimbursements to local units of government for delegated inspections of fireworks retail locations pursuant to Michigan Fireworks Safety Act.

**Sec. 505. Fees for False Final Inspections by the Bureau of Fire Services – REVISED**

Authorizes BFS to assess a fee not to exceed \$200 if BFS responds to multiple confirmed false inspection appointments; requires LARA to identify revenue generated by the fee within the state's accounting system; requires a report pertaining to fee, its effect on BFS costs, and recommendations to legislature. Revised to align report recipients with section 205 and to increase the maximum fee amount to \$800.

**Sec. 507. Elevator Inspector Pay – NEW**

Expresses legislative intent that at least \$900,000 be allocated for cooperating with the Office of the State Employer, the relevant collective bargaining unit, and any other stakeholders to increase the compensation rates for elevator inspectors employed by the department.

**Sec. 508. Notice of AFC, HFA, and LTC Facility Closure – DELETED**

Requires LARA to serve a facility and notify offices of representing legislators and the subcommittees on MDHHS when an order of suspension is received for a licensed adult foster care home, home for the aged, or nursing home.

**Sec. 508. Skilled Trades Inspectors Compensation Market Analysis – NEW**

Allows LARA to cooperate with the Office of the State Employer, the relevant collective bargaining unit, and any other stakeholders to conduct a market analysis of compensation rates for skilled trades inspectors employed by LARA, in order to determine whether there is a compensation disparity between LARA-employed skilled trades inspectors and inspectors employed by other government entities or in the private sector.

## LICENSING AND REGULATORY AFFAIRS

### **Major Boilerplate Changes from FY 2022-23**

#### **Sec. 509. Masking Requirement Prohibition – DELETED**

Prohibits LARA from enforcing masking requirements for children under 5 years of age and from taking any licensing or administrative action against licensees for not enforcing such a requirement.

#### **Sec. 511. Inspections of Places of Public Assembly – REVISED**

Requires BFS to allocate \$228,900 to increase the number of inspections conducted at places of public assembly. Revised to eliminate required allocation of \$228,900 and to include a requirement that the BFS cooperate with local governments to perform public assembly inspections at places with the highest risk.

## **CANNABIS REGULATORY AGENCY**

#### **Sec. 601. Cannabis Regulatory Agency Programs Report – REVISED**

Requires LARA to submit a report on all marihuana programs administered by the CRA, which must include information on application volumes and determinations, timeliness, revenues, expenditures, complaints, investigations, enforcement actions, and other topics. Revised to align report recipients with section 205 and to strike a reporting requirement regarding the cost of administering each marihuana licensing program.

#### **Sec. 602. Cannabis Regulatory Agency Investigative Reports – REVISED**

Requires CRA to post quarterly reports on a publicly accessible website detailing the number of investigative reports identifying suspected illegal or irregular activity, number of reports that identify suspected product without required tracking numbers, number of public complaints regarding product without required tracking numbers, number of public complaints regarding unlicensed commercial production or sale of delta-8 THC, number and outcome of CRA disciplinary proceedings, and number and category of law enforcement agency referrals. Revised reporting frequency from quarterly to annually.

#### **Sec. 603. Hemp Programs Report – REVISED**

Requires LARA to submit a report on all hemp programs administered by the CRA, which must include revenue collected from regulatory and licensing activities, total cost of administering hemp regulatory and licensing programs, number of hemp licensees by county, a description of any fees CRA assesses on hemp licensees, and a list and description of any personnel functions transferred to CRA under EO 2022-1. Revised to align report recipients with section 205 and to delete reporting requirements related to EO 2022-1.

#### **Sec. 604. CRA Inspection Activities – DELETED**

Requires CRA to use at least 5.0 FTEs to conduct in-person no-notice inspections of licensed processors, with priority given to facilities that produce distillate or other concentrates and those producing the most product; requires quarterly reporting on inspection outcomes, public complaints, and disciplinary proceedings; requires a report regarding disciplinary proceedings initiated against a licensee stemming from reports resulting from activities undertaken under the section.

## **COMMISSIONS**

#### **Sec. 801. MIDC Receipt of Federal Funding – REVISED**

Authorizes MIDC to receive and expend up to \$250,000 in federal Byrne grant funding and up to \$300,000 in other federal grant funding, if made available from U.S. Department of Justice. Revised to remove \$250,000 and \$300,000 caps.

#### **Sec. 803. MIDC Construction Expenses Prohibition – DELETED**

Prohibits an MIDC grant from being used by a recipient to support construction expenses for new structures.

#### **Sec. 803. MIDC Standards Cost Report – NEW**

Requires MIDC to report a detailed explanation of the total cost calculation for each indigent defense standard, an itemized listing of how much funding each grant recipient receives for each indigent defense standard, and an explanation of specific causal factors associated with any grant funding increase or decrease.

#### **Sec. 804. MIDC New Standards Notification – NEW**

Requires MIDC to notify the subcommittee chairs not more than 7 days after any new indigent defense standard is adopted and to estimate costs for funding the new standard in the initial and subsequent fiscal years.

## **ONE-TIME APPROPRIATIONS**

#### **Sec. 1001. Bureau of Fire Services – Smoke Detectors – REVISED**

Requires BFS to purchase and distribute sealed-battery smoke detectors to Michigan residents and allows BFS to purchase smoke detectors with additional capabilities for individuals with physical or psychological conditions that require an accommodative technology. Revised to include a report detailing the number of smoke detectors purchased, cost per unit, and a list of the municipalities where the smoke detectors were distributed.

**Major Boilerplate Changes from FY 2022-23*****Sec. 1002. Cannabis Market Taxation and Regulatory Compliance Analysis Pilot Program – DELETED***

Requires CRA to award a grant to conduct a pilot program to analyze tax reporting, collection, and regulatory compliance within the cannabis market; provides qualifications that must be considered when awarding the grant; requires a report regarding program findings and plans of action.

***Sec. 1002. Cannabis Regulatory Agency Social Equity Program – NEW***

Requires CRA to further develop the Social Equity Program established under the Michigan Regulation and Taxation of Marihuana Act and establishes the following program goals: to encourage and increase participation in the program, with a focus on people from communities that have been disproportionately impacted by marihuana prohibition and enforcement; to establish a minimum number of licensees participating in the program; and to consider area median income in designating disproportionately impacted communities.

***Sec. 1003. Michigan Saves – REVISED***

Allows PSC to award a \$2.5 million grant to a nonprofit green bank to make loans more affordable for families, businesses, and public entities in Michigan; stipulates grant funds may be used for a loan loss reserve fund or similar financial instrument. Revised to reflect \$5.5 million FY 2023-24 appropriation amount.

***Sec. 1004. Premanufactured Unit Plan Review Upgrades – NEW***

Requires the Bureau of Construction Codes to implement changes to expedite the processing and review of premanufactured unit plan submissions; requires a report on changes that BCC implements.

***Sec. 1005. Renewable Energy and Electrification Infrastructure Enhancement and Development – NEW***

(1) Requires funding to be used only for grants to businesses, nonprofit organizations, and local government units for planning, developing, designing, acquiring, or constructing renewable energy and electrification infrastructure projects, except for the \$500,000 allocated for PSC's administrative costs; (2) requires that, from the total amount of grants awarded for EV fast-charging infrastructure, 25% must be allocated for charging infrastructure at 350 kW or less and 75% must be allocated for charging infrastructure at 350 kW or greater; (3) requires PSC to develop and implement a grant application process within 6 months and prioritizes grant approvals that meet the goals of the MI Healthy Climate Plan; (4) requires that grant applicants submit an impact study; (5) establishes further requirements for renewable natural gas applicants; (6) provides a 45-day review period for affected entities to review and comment on an application and a 15-day period for an applicant to modify their initial proposal; (7) requires PSC award grants to applicants who have met the grant criteria; (8) requires grant recipients to report to PSC on how money was used within 30 days after a project's completion; (9) designates unexpended funding as a work project appropriation; (10) explicitly prohibits funds from being used for conventional natural gas expansion; (11) allows PSC to use up to \$500,000 for grant program administration; (12) defines "renewable energy and electrification infrastructure projects" to include renewable natural gas facilities and EV fast-charging infrastructure upgrades within 1 mile of a US highway or state trunkline roadway, and defines "renewable natural gas."

**FY 2022-23 Supplemental Appropriation Items**  
**Public Act 119 of 2023 (House Bill 4437, Article 16)**

|  |              | <b>Appropriation Change</b> |
|--|--------------|-----------------------------|
|  | <b>Gross</b> | <b>\$335,000</b>            |
| <b>1. Homeowner Construction Lien Recovery Fund</b>  | Restricted   | 335,000                     |
| Includes \$335,000 of state restricted Homeowners Construction Lien Recovery Fund revenue to address a complaint backlog in the Bureau of Construction Codes. There is a backlog of approximately 1,000 consumer complaints and additional funding would allow the BCC to address complaints against licensed residential builders and maintenance and alteration contractors. | GF/GP        | \$0                         |
| <b>2. COVID-19 Survey Activities</b>   | <b>Gross</b> | <b>\$366,000</b>            |
| Includes \$366,000 of federal funding awarded under the CARES Act to offset costs associated with nursing home and community health provider survey and certification activities.  | Federal      | 366,000                     |
|  | GF/GP        | \$0                         |
| <b>3. Industrial Hemp Program</b>  | <b>Gross</b> | <b>\$300,000</b>            |
| Includes \$300,000 of state restricted Industrial Hemp Licensing and Registration Fund revenue to support staffing and ancillary costs for licensing industrial hemp processor-handlers, intaking and responding to complaints, and conducting necessary investigations.   | Restricted   | 300,000                     |
|  | GF/GP        | \$0                         |

**DEPARTMENT OF MILITARY AND VETERANS AFFAIRS**  
**Summary of FY 2023-24 Enacted**  
**Public Act 119 of 2023 (House Bill 4437, Article 11)**

**Analyst: Michael Clossen**

| IDG/IDT           | FY 2022-23 YTD<br>as of 2/8/23 | FY 2023-24<br>Enacted | Difference: Enacted<br>From FY 2022-23 YTD |               |
|-------------------|--------------------------------|-----------------------|--|---------------|
|                   | Amount                         | %                     |  |               |
| <b>Federal</b>    | \$101,800                      | \$101,800             | \$0  | 0.0           |
| <b>Local</b>      | 200,364,300                    | 135,035,900           | (65,328,400)                               | (32.6)        |
| <b>Private</b>    | 0                              | 0                     | 0  | --            |
| <b>Restricted</b> | 640,000                        | 100,000               | (540,000)                                  | (84.4)        |
| <b>GF/GP</b>      | 18,794,900                     | 14,213,400            | (4,581,500)                                | (24.4)        |
| <b>Gross</b>      | 142,465,000                    | 98,889,300            | (43,575,700)                               | (30.6)        |
| <b>FTEs</b>       | <b>\$362,366,000</b>           | <b>\$248,340,400</b>  | <b>(\$114,025,600)</b>                     | <b>(31.5)</b> |

**Notes:**

(1) FY 2022-23 year-to-date figures include mid-year budget adjustments through February 8, 2023.  
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

The Department of Military and Veterans Affairs (DMVA) provides for the operations of the Michigan National Guard in support of military and security needs of the state and federal government. The department, through the Michigan Veterans Affairs Agency, oversees state programs for veterans, grants to veterans service organizations, the County Veteran Service Fund, and the Michigan Veterans Trust Fund. The department also houses the independent Michigan Veterans Facility Authority, which manages and operates the state's three veterans homes.

| Major Budget Changes from FY 2022-23 YTD Appropriations   | FY 2022-23<br>Year-to-Date<br>(as of 2/8/23) | FY 2023-24<br>Enacted<br>Change                                  |
|---|--|--|
| <b>1. Military Facilities Services Inflation Adjustment</b><br>Provides \$180,000 Gross (\$58,300 GF/GP) to align with increased contractual costs for various property management services at departmental military facilities. Services include janitorial, trash, snow removal, lawn, and others.          | <b>Gross</b><br>Federal<br>GF/GP             | <b>NA</b><br>NA<br>NA<br><b>\$180,000</b><br>121,700<br>\$58,300 |
| <b>2. Federal NG Bureau Unallowable Costs Backfill</b><br>Provides \$569,200 GF/GP to cover costs for military leave and firefighter's compensatory time that are no longer eligible for federal reimbursement under the federal National Guard Bureau's cooperative agreement. Funding by line item will be: | <b>Gross</b><br>GF/GP                        | <b>NA</b><br>NA<br><b>\$569,200</b><br>\$569,200                 |
| • \$58,300 for Headquarters and Armories<br>• \$215,900 for Michigan Youth ChalleNGe Academy<br>• \$295,000 for Military Training Sites and Support Facilities.   |  |  |

**Major Budget Changes from FY 2022-23 YTD Appropriations**

**3. FTE Authorization Transfer from MVFA**

Reduces authorization for 60.5 FTE positions from the Grand Rapids Home for Veterans and transfers authorization for 38.0 FTE authorizations to 6 line items for an overall reduction of 22.5 FTE positions. Excess authorization is available due to the new Grand Rapids facility being smaller with less personnel needs than the larger setting of the former home. No filled positions will be transferred. FTE authorizations will be allocated to the following line items:

- Headquarters and Armories – 17.0
- Military Training Sites and Support Facilities – 16.0
- National Guard Tuition Assistance Fund – 0.5
- County Veteran Service Grants – 2.0
- Veterans Service Grants – 2.0
- Veterans Cemetery – 0.5.

**4. Military Retirement**

Reduces \$106,000 GF/GP for the Military Retirement System to align funding with anticipated retirement obligations based on annual actuarial valuation of military retirement pension benefits.

**5. Selfridge Facilities Personnel Increase**

Provides \$1.5 million Gross (\$269,000 GF/GP) and authorization for 13.0 FTE positions for facilities operations and maintenance staff at Selfridge Air National Guard Base. The increased authorization will bring personnel counts to the full state personnel authorized amount under the National Guard Bureau's cooperative agreement.

**6. MVAA VA Claims Assistance Positions**

Provides \$500,000 GF/GP and authorization for 3.0 FTE positions to hire additional veteran service officers to accommodate an increased demand for claims assistance because of the enactment of the federal Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics (PACT) Act which extends VA health care and benefits to approximately 100,000 Michigan veterans exposed to burn pits, Agent Orange, and other toxic substances.

**7. MVAA Veterans Suicide Prevention**

Provides \$1.2 million GF/GP and authorization for 2.0 FTE positions for ongoing funding to continue an outreach campaign targeting current and former servicemembers and their families on reducing suicide incidents. The campaign received \$1.2 million GF/GP in one-time funding in FY 2022-23 and is part of the Governor's Challenge effort, in partnership with VA Substance Abuse and Mental Health Services Administration, to develop suicide prevention policy.

**8. MVFA Veterans Homes Operating Budget Adjustments**

Provides \$9.4 million Gross (\$7.9 million GF/GP) to align state restricted and federal funding with ongoing operational and administrative costs of the state's three veterans homes as operating costs stabilize and reflect anticipated occupancy levels at the new facilities for the Chesterfield Township Home for Veterans and the Grand Rapids Home for Veterans. A separate \$3.0 million GF/GP adjustment is included under one-time appropriations for the Grand Rapids Home for Veterans as described in item No. 9. Gross ongoing adjustments are:

- \$5.6 million to Chesterfield Township Home for Veterans
- (\$1.8 million) from D.J. Jacobetti Home for Veterans
- \$4.9 million to Grand Rapids Home for Veterans
- \$700,000 to Michigan Veterans Homes Administration.

|              | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b> |
|--------------|---|--|
| FTE          | NA  | (22.5)                                   |
| <b>Gross</b> | <b>NA</b>   | <b>\$0</b>                               |
| Federal      | NA  | 0  |
| GF/GP        | NA  | \$0                                      |

|              |                    |                    |
|--------------|--------------------|--------------------|
| <b>Gross</b> | <b>\$1,457,000</b> | <b>(\$106,000)</b> |
| GF/GP        | \$1,457,000        | (\$106,000)        |

|              |           |                    |
|--------------|-----------|--------------------|
| FTE          | NA        | 13.0               |
| <b>Gross</b> | <b>NA</b> | <b>\$1,475,000</b> |
| Federal      | NA        | 1,206,000          |
| GF/GP        | NA        | \$269,000          |

|              |           |                  |
|--------------|-----------|------------------|
| FTE          | NA        | 3.0              |
| <b>Gross</b> | <b>NA</b> | <b>\$500,000</b> |
| GF/GP        | NA        | \$500,000        |

|              |                    |            |
|--------------|--------------------|------------|
| FTE          | 0.0                | 2.0        |
| <b>Gross</b> | <b>\$1,200,000</b> | <b>\$0</b> |
| GF/GP        | \$1,200,000        | \$0        |

|              |           |                    |
|--------------|-----------|--------------------|
| <b>Gross</b> | <b>NA</b> | <b>\$9,435,100</b> |
| Federal      | NA        | 5,429,300          |
| Restricted   | NA        | (3,883,100)        |
| GF/GP        | NA        | \$7,888,900        |

**MILITARY AND VETERANS AFFAIRS**

|   |              | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b> |
|---|--------------|---|--|
| <b>Major Budget Changes from FY 2022-23 YTD Appropriations</b>  |              |   |  |
| <b>9. Part 1 Private Revenue Authorization Removal</b>  | <b>Gross</b> | <b>\$640,000</b>                                      | <b>(\$540,000)</b>                       |
| Eliminates authorization of \$540,000 from private Veterans' Homes Post and Posthumous Funds revenue from Part 1 of the budget, in recognition of authorization available under Part 2 boilerplate. Revenues in the fund are available for use by veterans homes and collected from private posthumous resident funds unclaimed by relatives after 2 years.   | Private      | 640,000   | (540,000)                                |
|   | GF/GP        | \$0   | \$0                                      |
| <b>10. Selfridge Air National Guard Base (One-Time)</b>   | <b>Gross</b> | <b>\$6,100,000</b>                                    | <b>\$3,900,000</b>                       |
| Provides \$10.0 million GF/GP to undertake infrastructure improvements at Selfridge Air National Guard base to be nationally competitive to attract next-generation aircraft flying missions. This is \$3.9 million more than the \$6.1 million GF/GP in one-time funding provided in FY 2022-23 for Selfridge Air National Guard base.   | GF/GP        | \$6,100,000   | \$3,900,000                              |
| <b>11. MVFA GRHV Transition Funding (One-Time)</b>  | <b>Gross</b> | <b>\$6,000,000</b>                                    | <b>(\$3,000,000)</b>                     |
| Provides \$3.0 million GF/GP to align funding with ongoing operational costs at the Grand Rapids Home for Veterans as operating costs stabilize and reflect anticipated occupancy levels at the home as it transitions from the larger, institutional setting in Grand Rapids to the smaller home operation. This is a reduction of \$3.0 million from a \$6.0 million GF/GP one-time appropriation in FY 2022-23 for similar purposes. | GF/GP        | \$6,000,000   | (\$3,000,000)                            |
| <b>12. Veteran Homelessness Grants</b>  | <b>Gross</b> | <b>\$0</b>  | <b>\$2,000,000</b>                       |
| Provides \$2.0 million GF/GP for MVAA to establish a pilot grant program to provide grants of \$150,000 to non-profit organizations to provide, or assist in providing, housing for homeless veterans and their families in an effort to eliminate veteran homelessness.  | GF/GP        | \$0   | \$2,000,000                              |
| <b>13. Removal of FY 2022-23 One-Time Funding</b>   | <b>Gross</b> | <b>\$133,806,000</b>                                  | <b>(\$133,806,000)</b>                   |
| Eliminates \$133.8 million Gross (\$60.9 million GF/GP) of one-time funding appropriated in FY 2022-23:   | Federal      | 72,331,000  | (72,331,000)                             |
|   | Restricted   | 560,000   | (560,000)                                |
| • \$115.0 million Gross (\$55.0 million GF/GP) for statewide Armory Modernization projects  | GF/GP        | \$60,915,000  | (\$60,915,000)                           |
| • \$100,000 GF/GP for Michigan Volunteer Defense Force  |              |   |  |
| • \$12.0 million Gross (\$1.5 million GF/GP) for State Veterans Cemetery  |              |   |  |
| • \$250,000 GF/GP for Veterans Cemetery Feasibility Study   |              |   |  |
| • \$6.5 million Gross (\$4.1 million GF/GP) for Grand Rapids Home for Veterans Transition.  |              |   |  |
| <b>14. NG Tuition Assistance Expansion to Dependents</b>  | <b>FTE</b>   | 2.5   | 1.0                                      |
| Provides \$5.0 million GF/GP and authorization for a 1.0 FTE position to allow transferability of Michigan National Guard Tuition Assistance Program benefits from eligible servicemembers to their spouses and dependent children up to age 26. Expansion of benefits was authorized under 2023 PA 33.   | <b>Gross</b> | <b>\$6,521,900</b>                                    | <b>\$5,000,000</b>                       |
|   | GF/GP        | \$6,521,200   | \$5,000,000                              |
| <b>15. Executive Revision 2024-1</b>  | <b>Gross</b> | <b>NA</b>   | <b>\$1,186,300</b>                       |
| Includes \$1.2 million Gross (\$595,800 GF/GP) and concurs with Executive Revision 2024-1 which provided increases in compensation rates for certain state classified position in the healthcare, skilled trades, and transportation fields. \$1.1 million of this amount will be allocated to the 3 state veterans homes.  | Federal      | NA  | 590,500                                  |
|   | GF/GP        | NA  | \$595,800                                |

| <u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>   | <u>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</u> | <u>FY 2023-24<br/>Enacted<br/>Change</u> |
|--|---|--|
| <b>16. Economic Adjustments</b>  | <b>Gross</b>  | <b>(\$819,200)</b>                       |
| Adjusts for decreased costs of \$819,200 Gross (\$335,900 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2023), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments. | Federal   | NA (344,900)                             |
|  | Restricted  | NA (138,400)                             |
|  | GF/GP   | NA (\$335,900)                           |

Major Boilerplate Changes from FY 2022-23**Sec. 205. Standard List of Report Recipients – NEW**

Requires boilerplate reports to be submitted to the senate and house appropriations subcommittees, the senate and house fiscal agencies, senate and house policy offices, and the state budget office unless directed otherwise.

**Sec. 207. Disciplinary Action Against State Employees – RETAINED (UNENFORCEABLE)**

Prohibits departments from taking disciplinary action against employees in the state classified civil service for communicating with legislators or their staff; stipulates disciplinary action may be taken if the communication is prohibited by law and disciplinary action is exercised as authorized by law. *(Governor's signing letter states this section is unenforceable.)*

**Sec. 214. Annual Legacy Costs – DELETED**

Identifies annual pension-related and retiree health care legacy costs.

**Sec. 215. Businesses in Deprived and Depressed Communities – REVISED**

Requires directors of each department and agency to take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts. Revised to replace "deprived and depressed communities" with "geographically disadvantaged business enterprises".

**Sec. 221. Work Project Expenditures – RETAINED (UNENFORCEABLE)**

Prohibits appropriations from being expended in cases where existing work project authorization is available for the same expenditures. *(Governor's signing letter states this section is unenforceable.)*

**Sec. 222. Access to State and Local Services – NEW**

Prohibits appropriations from being used to restrict or impede community access to government programs; requires local governments to report on actions that attempt to restrict duties of local health officers.

**Sec. 224. Intention to Sell Department Property – RETAINED (UNENFORCEABLE)**

Requires department to provide a 60-day notice of intent to sell property. *(Governor's signing letter states this section is unenforceable.)*

**Sec. 225. Court Settlements Report – DELETED**

Requires department to report tentative plans for required payment of any court judgment against department and details regarding timing and budget impact the payment will have on department.

**Sec. 226. State Administrative Board Transfers – RETAINED (UNENFORCEABLE)**

Authorizes legislature, by concurrent resolution adopted by majority of members elected to and serving in each house, to inter-transfer funds if State Administrative Board transfers funds. *(Governor's signing letter states this section is unenforceable.)*

**Sec. 228. Prohibitions on State Employer COVID-19 Vaccine Status Verifications – DELETED**

Prohibits various state government entities from requiring proof of COVID-19 vaccination as condition of accessing state services or facilities, producing COVID-19 vaccine passports, developing, or making existing databases public, accessing individuals COVID-19 vaccine status, and requiring proof of receiving COVID-19 vaccine as condition of employment; prohibits state entities from subjecting an individual to negative consequences because of COVID-19 vaccine status; allows an individual to provide proof of COVID-19 vaccine status with consent; exempts certain individuals from federally mandated vaccine policies.

## MILITARY AND VETERANS AFFAIRS

### Major Boilerplate Changes from FY 2022-23

#### MILITARY

##### **Sec. 302. Armories and Joint Force Readiness – REVISED**

Requires department to provide for effective and efficient executive level administration of department, operations of Michigan military establishment, and maintenance and operation of National Guard armories as provided under listed laws and regulations; requires biannual report on status of armories; requires National Guard components to provide a culture free of sexual assault through various preventative efforts; requires report assessing current state of armories and developing an investment strategy for physical improvements at armories, including consolidation of armories and establishment of new armories. Revised to delete requirement to provide for effective and efficient direction and leadership; change biannual report on the status of armories to an annual report; delete requirement to provide a culture free of sexual assault through preventative efforts and include it as its own section as section 313; add a review of construction activities and expenditures related to the armory modernization projects that received one-time funding under 2022 PA 166 for FY 2022-23.

##### **Sec. 304. Military Family Relief Fund – REVISED**

Requires DMVA to provide grant funding from Military Family Relief Fund, outreach services to military families of members of reserve component called into active duty, and biannual reports on financial activities of fund. Revised to require the department to notify families of deployed reserve members on the availability of assistance through the Military Family Relief Fund.

##### **Sec. 305. National Guard Training Facilities and Air Bases – REVISED**

Requires department to provide Army National Guard (ARNG) and Air National Guard (ANG) forces, when directed, in support of state and local emergencies, and in support of federal military requirements; requires department to operate and maintain ARNG facilities (including Fort Custer and Camp Grayling) and ANG facilities (Selfridge ANG Base, Battle Creek ANG Base, and Alpena Combat Readiness Training Center); requires biannual reports on National Guard personnel strength. Revised to make biannual report due annually.

##### **Sec. 313. Sexual Assault Prevention and Response – NEW**

Requires the Michigan Army and Air National Guard to work to provide a culture that is free of sexual assault, through an environment of prevention, education and training, response capability, victim support, reporting procedures, and appropriate accountability for the well-being of all guard members.

##### **Sec. 313. National Guard COVID-19 Vaccine Waiver Report – DELETED**

Requires department to report on figures of vaccine waiver requests by National Guard members that are received, denied, appealed, and reasons stated for requests.

##### **Sec. 314. National Guard Retirement Request Processing Time Report – DELETED**

Requires the department to report on the average number of days taken to process National Guard retirement requests and the number of requests for which processing exceeded 120 days.

#### MICHIGAN VETERANS AFFAIRS AGENCY

##### **Sec. 404. MVAA Private Donations – REVISED**

Authorizes receipt of private donations to MVAA in excess of funds appropriated and permits expenditure of those funds for purpose designated by donor, if specified; requires quarterly reports of donations under \$10,000 and notification to legislature within 14 days of donations of \$10,000 or more; requires all private donations to be used for the benefit and life enrichment of veterans. Revised to authorize unexpended and unencumbered private donations to not lapse to the General Fund and to carry forward to the subsequent fiscal year and to make quarterly reports annual.

##### **Sec. 405. Veterans' Trust Fund Grants – REVISED**

Requires MVAA to report biannually on Michigan Veterans Trust Fund financial status, awarded grants, and operating and administrative expenses; requires the provision of emergency grants; requires an annual report on grants issues, county administrative practices and expenditures, details on applications received, and what efforts are done to reduce program administrative costs. Revised to make biannual report annual.

**Major Boilerplate Changes from FY 2022-23**

***Sec. 410. MVAA and County Counseling Services – REVISED (PARTIALLY UNENFORCEABLE)***

Requires MVAA to assist veterans in filing claims for VA benefits; establishes a capacity metric of 500 claims per year; requires biannual data on number and type of claims activities; requires MVAA to provide training to county veterans counselors (CVCs); establishes performance metrics for training and CVC-filed claims for VA benefits; requires biannual reports on number and percentage of CVCs requesting training by MVAA; authorizes up to \$50,000 to be expended to provide legal services to represent veterans benefit cases before federal courts in order to maintain accreditation by VA. Revised to make biannual report annual and to increase legal services expenditure authorization from \$50,000 to \$100,000. (*Governor's signing letter states requirement for staffing and resources in subsection (1) is unenforceable.*)

***Sec. 411. Grants to Veterans Service Organizations – REVISED***

Requires MVAA to provide competitive grants to veterans service organizations (VSOs) using a regional service delivery model and lists requirements for the competitive grant process; requires quarterly reports from grantees on claims and services provided; requires grant recipients to meet performance metrics, specifies basic parameters of grant agreement; requires MVAA to report on grant activities. Revised to appropriate \$208,500 to cover administrative costs and to authorize unexpended funding as a work project.

***Sec. 412. Interagency Agreement with Department of Health and Human Services – REVISED***

Requires department to enter into cooperative agreement with DHHS to identify veteran Medicaid recipients who may be eligible for other benefits; requires annual report of number of veterans identified and referred for additional benefits under agreement. Revised to eliminate reporting requirement.

***Sec. 413. County Veterans Service Fund – REVISED***

Requires funds appropriated for County Veteran Service Fund to be deposited into County Veteran Service Fund created in 2018 PA 210; allocates \$72,100 to Clare County for veteran-related services; stipulates funds are available for expenditure to support county veterans' services grants; authorizes up to \$210,500 to be used to cover costs associated with administration and providing technical assistance to counties participating in grant program; requires an annual detailed expenditure report on counties' use of grant funding. Revised to eliminate funding allocation for Clare County and adjusts the appropriation to the fund accordingly; add requirement to report the amount expended for administration in the report.

***Sec. 414. State Veterans Cemetery Report – NEW***

Requires the department to provide a report on the status of the construction, operations, and finances of the state veterans cemetery authorized under 2022 PA 166.

***Sec. 415. MVAA Veteran Homelessness Study – NEW***

Requires the MVAA to complete a study that includes an analysis of the scope of veteran homelessness in Michigan, identification of challenges to securing housing for homeless veterans, and recommendations for future partnerships and actions that will assist in eliminating veteran homelessness while minimizing additional costs to local units of government.

***Sec. 416. Suicide Prevention Research Contracts and Grants – NEW***

Authorizes the department to contract with or provide grants to local health care providers to accelerate research and deployment of treatments for suicide prevention that have been granted breakthrough therapy designation by the United States Food and Drug Administration; authorizes hiring of up to 3.0 FTE positions.

**MICHIGAN VETERANS' FACILITY AUTHORITY**

***Sec. 451. Private Donations to Veteran Homes – REVISED***

Appropriates money privately donated to this state's veterans homes and permits its use for the purpose designated by private donor if used for the benefit and life-enrichment of veterans; requires quarterly reports of donations under \$10,000 and notification to the legislature within 14 days of donations of \$10,000 or more. Revised to authorize unexpended and unencumbered private donations to not lapse to the General Fund and to carry forward to the subsequent fiscal year and to make quarterly reports annual.

***Sec. 453. Mental Health Services Contractors and Competency Evaluated Nursing Assistants – REVISED***

Requires contractors providing mental health services to Michigan veterans homes to use evidence-based best practices supported by entities listed. Revised requirements for mental health interventions from best practices supported by the listed entities to provision of services that complies with all applicable USDVA and CMS regulations; add training and education regulations associated with staff licensure or certification to the requirement.

***Sec. 454. Competency Evaluated Nursing Assistants Standards – DELETED***

Requires contractors that provide Competency Evaluated Nursing Assistants at veterans homes to meet certain performance standards regarding pre-service and in-service training and experience.

## **MILITARY AND VETERANS AFFAIRS**

### **Major Boilerplate Changes from FY 2022-23**

#### **Sec. 456. Veterans Homes Complaint Management Process – REVISED**

Requires complaints of alleged abuse or neglect received by supervisors at veterans homes be reported to director of nursing upon receipt; requires director of nursing to provide information on the nature and final disposition of complaints received at least monthly; requires display of the process for registering complaints to be displayed in high-traffic areas throughout veterans homes. Revised to subject reports of abuse to VA and CMS regulations.

#### **Sec. 458. Member Care Standards – REVISED**

Requires Michigan Veterans Homes to provide all veterans homes members on-site, board-certified psychiatrist, safe and secure environment, and to ensure veterans homes develop, execute, and monitor all comprehensive care plans in accordance with federal regulations and internal policies. Revised to eliminate requirement that psychiatric care be "on-site".

#### **Sec. 460. Veterans Home Internal Controls – REVISED**

Requires Michigan Veterans Homes to establish internal controls over food, maintenance, pharmaceutical, and medical supply inventories, calculating members' maintenance assessments, donations, and handling members' personal funds. Revised to add financial reporting and accounting to internal controls to be established and implemented.

#### **Sec. 461. Posting to Public Website – REVISED**

Requires the Michigan Veterans Homes to post on its website all adopted policies related to administrative operations of a veterans home, agenda and minutes of MVFA board meetings, report of each veterans home's USDVA State Veteran Home quarterly report, biannual reports on number of members residing in each veterans home and status of Centers for Medicare and Medicaid certification efforts, and results of any for-cause survey and any corresponding corrective action plan. Revised to require bi-monthly reports instead of biannual; delete requirement to report CMS certification statuses; add reporting requirement for bi-monthly report on figures for patient numbers and financial status of the homes; add requirement for MVFA to report on strategies to maximize revenues from non-general fund sources and cost savings strategies.

#### **Sec. 462. Veterans Homes CMS Certification Reporting – DELETED**

Requires department to report to legislature regarding improvements in full-spectrum health care resulting from facility upgrades to obtain CMS certification. (*Governor deemed this section unenforceable in FY 2022-23.*)

#### **Sec. 464. New Upper Peninsula Veterans' Facility – NEW**

Requires the department to report on the construction, operation, and finances of the new upper peninsula veterans' facility funded in article 14 of 2022 PA 166.

#### **Sec. 465. Carryforward Authority for Federal Funds – NEW**

Authorizes unexpended and unencumbered federal revenues received by the MVFA to not lapse to the state general fund, but to carry forward to the subsequent fiscal year.

## **ONE-TIME APPROPRIATIONS**

#### **Sec. 601. State Veterans Cemetery – DELETED**

Requires one-time funds to be used to acquire or to designate state land as a state veterans cemetery and for supporting costs of engineering, designing, conducting environmental impact studies, preparing the land, expenses for applying for and receiving federal funds, and other ongoing expenses of operating a state veterans cemetery; authorizes unexpended funds to not lapse at close of fiscal year and to carry forward to FY 2026-27.

#### **Sec. 601. Eliminating Veteran Homelessness Grants – NEW**

Requires the MVAA to create and operate a grant program to provide grants of \$150,000 to non-profit organizations to provide, or assist in providing, housing for homeless veterans and their families; requires a report summarizing grant program activities and expenditures; provides definitions for "veteran" and "homeless"; designates unexpended funds as a work project, to not lapse at close of fiscal year, and to carry forward to FY 2027-28.

#### **Sec. 602. Report on Veteran Homes Plan for Federal Revenue Support – DELETED**

Requires the MVFA to provide a detailed strategy, action plan, and timeline for the MVFA to transition the state's veterans' homes to be fully supported by federal and state restricted revenues and to not require state GF/GP revenue.

#### **Sec. 603. Veteran Outreach Program Work Project Authorization – DELETED**

Authorizes unexpended funds appropriated for veterans suicide prevention outreach to not lapse at close of fiscal year and to carry forward to FY 2025-26 to provide outreach to prevent suicide among service members, veterans, and their families.

**FY 2022-23 Supplemental Appropriation Items**  
**Public Act 119 of 2023 (House Bill 4437, Article 16)**

**Appropriation  
Change**

**1. *Selfridge Air National Guard Base***

Includes \$3.2 million GF/GP for shifting runway placement at Selfridge Air National Guard Base to help attract new aircraft flying missions. The runway adjustment is necessary to comply with Air Installation Compatible Use Zone Program requirements and to correct an ongoing concern with real estate development encroaching on the base. Funding will be used for an environmental assessment, land purchase surveys, and appraisals that need to be done prior to shifting the runway.

| <b>Gross</b> | <b>\$3,200,000</b> |
|--------------|--------------------|
| GF/GP        | \$3,200,000        |

**FY 2022-23 Supplemental Boilerplate Items**  
**Public Act 119 of 2023 (House Bill 4437, Article 16)**

***Sec. 676. Selfridge Air National Guard Base***

Requires funds to be used to comply with Air Installation Compatible Use Zone Program requirements and projects to attract new aircraft flying missions; lists eligible uses of funds.

## NATURAL RESOURCES

# DEPARTMENT OF NATURAL RESOURCES

## Summary of FY 2023-24 Enacted

### Public Act 119 of 2023 (House Bill 4437, Article 12)

Analyst: Austin Scott

|                   | FY 2022-23 YTD<br>as of 2/8/23 | FY 2023-24<br>Enacted | Difference: Enacted<br>From FY 2022-23 YTD |            |
|-------------------|--------------------------------|-----------------------|--|------------|
|                   |                                |                       | Amount                                     | %          |
| <b>IDG/IDT</b>    | \$203,100                      | \$202,600             | (\$500)                                    | (0.2)      |
| <b>Federal</b>    | 93,630,000                     | 122,923,800           | 29,293,800                                 | 31.3       |
| <b>Local</b>      | 0                              | 0                     | 0  | --         |
| <b>Private</b>    | 7,039,200                      | 7,289,200             | 250,000                                    | 3.6        |
| <b>Restricted</b> | 340,206,500                    | 353,778,000           | 13,571,500                                 | 4.0        |
| <b>GF/GP</b>      | 94,404,000                     | 88,054,500            | (6,349,500)                                | (6.7)      |
| <b>Gross</b>      | <b>\$535,482,800</b>           | <b>\$572,248,100</b>  | <b>\$36,765,300</b>                        | <b>6.9</b> |
| <b>FTEs</b>       | 2,418.8                        | 2,555.3               | 136.5                                      | 5.6        |

#### Notes:

- (1) FY 2022-23 year-to-date figures include mid-year budget adjustments through February 8, 2023.
- (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

#### Overview

The Department of Natural Resources (DNR) manages Michigan's natural and cultural resources through conservation and protection. State parks, wildlife, fisheries, forests, and minerals management are all administered by DNR.

| <u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>   | FY 2022-23<br>Year-to-Date<br>(as of 2/8/23) |              | FY 2023-24<br>Enacted<br>Change |
|--|--|--------------|---------------------------------|
|  | FTE  | Gross        |                                 |
| <b>1. Invasive Species Prevention and Control</b><br>Provides \$4.0 million GF/GP and authorizes 8.0 FTE positions to establish a team to address invasive species and habitat deterioration; \$2.0 million GF/GP is appropriated on a one-time basis. | 13.0   | \$5,101,600  | 8.0<br>\$3,951,100              |
|  | FTE  | NA           | 13.8                            |
|  | Gross  | NA           | \$8,000,000                     |
|  | GF/GP  | NA           | \$8,000,000                     |
| <b>2. Nature Awaits</b><br>Appropriates \$8.0 million GF/GP and authorizes 13.8 FTE positions for grants to schools to cover transportation and other costs related to connecting all Michigan fourth grades to the state park system.                 | NA   | NA           | 22.0<br>\$3,738,800             |
|  | FTE  | NA           | 22.0                            |
|  | Gross  | NA           | \$3,738,800                     |
|  | GF/GP  | NA           | \$3,738,800                     |
| <b>3. Wildfire Protection and Technology</b><br>Provides \$3.7 million GF/GP and authorizes 22.0 FTE positions to expand state firefighting personnel and equipment.   | NA   | NA           | 0.0<br>\$3,549,500              |
|  | FTE  | 293.0        | 0.0                             |
|  | Gross  | \$47,253,700 | \$3,549,500                     |
|  | Federal                                      | 6,921,000    | 0                               |
|  | Restricted                                   | 27,426,300   | 0                               |
|  | GF/GP  | \$12,906,400 | \$3,549,500                     |
| <b>4. General Law Enforcement</b><br>Appropriates \$3.5 million GF/GP for pay increases to conservation officers to approach compensation rates of comparable law enforcement personnel, including the Michigan State Police.                          | NA   | NA           | NA                              |
|  | FTE  | NA           | NA                              |
|  | Gross  | NA           | NA                              |
|  | GF/GP  | NA           | NA                              |
| <b>5. Great Lakes Splash Pads (One-Time)</b><br>Provides \$1.0 million GF/GP for splash pad playgrounds on the shores of Lake Michigan.  | NA   | NA           | \$1,000,000                     |
|  | Gross  | NA           | \$1,000,000                     |
|  | GF/GP  | NA           | \$1,000,000                     |

NATURAL RESOURCES

| <u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>  |   | FY 2022-23<br>Year-to-Date<br>(as of 2/8/23) | FY 2023-24<br>Enacted<br>Change                     |
|---|---|--|---|
| <b>6. Outreach and Engagement to Underrepresented Communities in Parks and Museums</b>  | FTE<br><b>Gross</b>                                   | NA<br>NA                                     | 7.0<br><b>\$1,500,000</b>                           |
| Appropriates \$1.5 million Gross (\$780,900 GF/GP) and authorizes 7.0 FTE positions for outreach to disadvantaged communities and underrepresented populations for engagement with state parks and Michigan History Center museums; restricted funding comes from the Park Improvement Fund.  | Restricted<br>GF/GP                                   | NA<br>NA                                     | 719,100<br>\$780,900                                |
| <b>7. Body Cameras for Conservation Officers</b>  | FTE<br><b>Gross</b><br>GF/GP                          | 0.0<br><b>\$600,000</b><br>\$600,000         | 5.0<br><b>\$258,900</b><br>\$258,900                |
| Appropriates \$258,900 GF/GP and authorizes 5.0 FTE positions to manage body camera data and FOIA requests.   |   |  |   |
| <b>8. Capital Outlay Adjustments</b>  | <b>Gross</b>  | NA   | <b>\$12,000,000</b>                                 |
| Provides a net of \$12.0 million Gross (\$2.0 million GF/GP) for funding increases to Forest Development Infrastructure; Shooting Range Development, Enhancement, and Restoration; State Game and Wildlife Area Infrastructure; State Parks Repair and Maintenance; and Wetlands Restoration, Enhancement, and Acquisition. Funding decreases are also included to Local Boating Infrastructure and Maintenance and State Boating Infrastructure and Maintenance. | Federal<br>Private<br>Restricted<br>GF/GP             | NA<br>NA<br>NA<br>NA                         | 4,575,000<br>250,000<br>5,175,000<br>\$2,000,000    |
| <b>9. Parks and Recreation Division Operations</b>  | FTE<br><b>Gross</b><br>Restricted<br>GF/GP            | NA<br>NA<br>NA<br>NA                         | 54.7<br><b>\$7,753,500</b><br>7,753,500<br>\$0      |
| Appropriates \$7.8 million in available restricted revenues from the Forest Recreation Account, Michigan State Waterways Fund, and Park Improvement Fund and authorizes 54.7 FTE positions to expand personnel and support for operations across state parks system.  |   |  |   |
| <b>10. Forest Land Management Equipment (One-Time)</b>  | <b>Gross</b>  | NA   | <b>\$2,500,000</b>                                  |
| Provides \$2.5 million in available restricted revenue from the Forest Development Fund to support management of forest resources and to purchase new forestry equipment.   | Restricted<br>GF/GP                                   | NA<br>NA                                     | 2,500,000<br>\$0                                    |
| <b>11. Federal Funding for Fire Protection</b>  | <b>Gross</b>  | NA   | <b>\$1,751,500</b>                                  |
| Appropriates \$1.8 million in available federal revenues to expand state and local fire protection.   | Federal<br>GF/GP                                      | NA<br>NA                                     | 1,751,500<br>\$0                                    |
| <b>12. Climate and Carbon Sequestration Program Expansion</b>   | FTE<br><b>Gross</b><br>Restricted<br>GF/GP            | NA<br>NA<br>NA<br>NA                         | 4.0<br><b>\$1,463,600</b><br>1,463,600<br>\$0       |
| Provides \$1.5 million in available restricted revenues from the Forest Recreation Account, Michigan State Waterways Fund, and Park Improvement Fund and authorizes 4.0 FTE positions to support current sales and expansion of the carbon offset credit program.   |   |  |   |
| <b>13. Restricted Authorization Alignment</b>   | <b>Gross</b>  | NA   | <b>(\$1,432,400)</b>                                |
| Reduces restricted funding by \$1.4 million across divisions to align spending authorization with available resources.  | Restricted<br>GF/GP                                   | NA<br>NA                                     | (1,432,400)<br>\$0                                  |
| <b>14. Fleet Rate Increase</b>  | <b>Gross</b>  | NA   | <b>\$1,229,100</b>                                  |
| Appropriates \$1.2 million Gross (\$0 GF/GP) to cover increased mileage rates and transportation leasing costs.   | Federal<br>Restricted<br>GF/GP                        | NA<br>NA<br>NA                               | 2,900<br>1,226,200<br>\$0                           |
| <b>15. Finance and Operations Expansion</b>   | FTE<br><b>Gross</b><br>Federal<br>Restricted<br>GF/GP | NA<br>NA<br>NA<br>NA<br>NA                   | 5.0<br><b>\$724,700</b><br>23,900<br>700,800<br>\$0 |
| Provides \$724,700 Gross (\$0 GF/GP) and authorizes 5.0 FTE positions to manage departmental grants, land transactions, and procurement processes.  |   |  |   |

## NATURAL RESOURCES

|  |              |                     | <b>FY 2022-23</b><br><b>Year-to-Date</b><br><b>(as of 2/8/23)</b> | <b>FY 2023-24</b><br><b>Enacted</b><br><b>Change</b> |
|--|--------------|---------------------|---|--|
| <b>Major Budget Changes from FY 2022-23 YTD Appropriations</b>   |              |                     |   |  |
| <b>16. Forest Management and Timber Market Development</b>   | FTE          | 185.0               | 15.0  |  |
| Provides \$540,800 in available federal revenues (\$0 GF/GP) and authorizes 15.0 FTE positions to expand the Forest Health and Good Neighbor Authority programs within the Forest Resources Division.  | <b>Gross</b> | <b>\$44,532,400</b> | <b>\$540,800</b>  |  |
|  | Federal      | 10,435,600          | 540,800   |  |
|  | Private      | 930,400             | 0   |  |
|  | Restricted   | 33,166,400          | 0   |  |
|  | GF/GP        | \$0                 | \$0   |  |
| <b>17. Michigan Wildlife Council</b>   | <b>Gross</b> | <b>\$1,600,000</b>  | <b>(\$200,000)</b>  |  |
| Reduces funding from the Wildlife Management Public Education Fund by \$200,000 to align spending authority with available revenues and rolls up the four extant Michigan Wildlife Council appropriations into a single line item.   | Restricted   | 1,600,000           | (200,000)   |  |
|  | GF/GP        | \$0                 | \$0   |  |
| <b>18. Information Technology Services and Projects</b>  | <b>Gross</b> | <b>\$10,562,500</b> | <b>\$54,200</b>   |  |
| Appropriates \$54,200 in available restricted revenues (\$0 GF/GP) to cover increases resulting from increased use of the MiLogin system.  | Restricted   | 9,330,200           | 54,200  |  |
|  | GF/GP        | \$1,232,300         | \$0   |  |
| <b>19. Cross-Divisional Internal Transfers</b>   | <b>Gross</b> | <b>NA</b>           | <b>\$0</b>  |  |
| Transfers the Shooting Range Specialist Program from Departmental Administration and Support to Communication and Customer Services; transfers the Land and Water Conservation Fund Program, Off-road Vehicle Trail Development and Maintenance, and Snowmobile Trail Development and Maintenance programs from the Grants section to Capital Outlay; all changes net to zero.   | GF/GP        | NA                  | \$0   |  |
| <b>20. Removal of FY 2022-23 One-Time Funding</b>  | <b>Gross</b> | <b>\$46,935,000</b> | <b>(\$46,935,000)</b>   |  |
| Removes \$46.9 million Gross (\$45.4 million GF/GP) for one-time programs included in the FY 2022-23 budget. Programs included Archives of Michigan Digitization, Body Cameras for Conservation Officers, Chronic Wasting Disease Testing, Equipment Lifecycle Replacement, Great Lakes Vessel Modernization, and State Fish Hatchery Upgrades and Improvements.   | Restricted   | 1,550,000           | (1,550,000)   |  |
|  | GF/GP        | \$45,385,000        | (\$45,385,000)  |  |
| <b>21. Aggregate Mapping (One-Time)</b>  | <b>Gross</b> | <b>NA</b>           | <b>\$5,000,000</b>  |  |
| Provides \$5.0 million GF/GP to map Michigan's aggregate deposits in collaboration with the Michigan Geological Survey at Western Michigan University.   | GF/GP        | NA                  | \$5,000,000   |  |
| <b>22. Michigan Conservation Corps (One-Time)</b>  | <b>Gross</b> | <b>\$934,000</b>    | <b>\$500,000</b>  |  |
| Appropriates an additional \$500,000 GF/GP to the Michigan Conservation Corp program.  | GF/GP        | \$934,000           | \$500,000   |  |
| <b>23. State Water Trail Organizations (One-Time)</b>  | <b>Gross</b> | <b>NA</b>           | <b>\$500,000</b>  |  |
| Appropriates \$500,000 GF/GP to support state water trail organizations.   | GF/GP        | NA                  | \$500,000   |  |
| <b>24. Wetland Restoration in Urban Areas (One-Time)</b>   | <b>Gross</b> | <b>NA</b>           | <b>\$550,000</b>  |  |
| Provides \$550,000 GF/GP for wetland restoration in urban areas.   | GF/GP        | NA                  | \$550,000   |  |
| <b>25. Cultural Resource Management</b>  | FTE          | NA                  | 2.0   |  |
| Provides \$2.0 million GF/GP and authorizes 2.0 FTE positions to expand the department's archeological operations and establishes an ongoing process that requires increased consultation with known lineal descendants and Native American tribe officials of tribes on whose aboriginal lands a planned archeological activity will occur or where an inadvertent discovery has been made in addressing the identification, treatment, and disposition of Native American Cultural items; \$1.0 million GF/GP is appropriated on a one-time basis. | <b>Gross</b> | <b>NA</b>           | <b>\$2,000,000</b>  |  |
|  | GF/GP        | NA                  | \$2,000,000   |  |

NATURAL RESOURCES

| <u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>  |  | <u>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</u> | <u>FY 2023-24<br/>Enacted<br/>Change</u>                          |
|---|--|---|---|
| <b>26. Vehicle Travel Services</b><br>Appropriates \$946,300 Gross (\$790,000 GF/GP) to cover increased travel costs related to vehicle mileage rates and leasing costs.  | <b>Gross</b><br>Federal<br>Restricted<br>GF/GP                   | NA<br>NA<br>NA<br>NA                                  | \$946,300<br>8,400<br>147,900<br>\$790,000                        |
| <b>27. Swimming Pool Restoration Project (One-Time)</b><br>Provides \$5.0 million GF/GP to restore Moore's Park pool in Lansing.  | <b>Gross</b><br>GF/GP  | NA<br>NA  | \$5,000,000<br>\$5,000,000  |
| <b>28. Dam Management Grant Program (One-Time)</b><br>Appropriates \$1.3 million GF/GP for dam management grants.   | <b>Gross</b><br>GF/GP  | NA<br>NA  | \$1,250,000<br>\$1,250,000  |
| <b>29. Swimming Pool Repair Project (One-Time)</b><br>Provides \$200,000 GF/GP to repair a public swimming pool in Ypsilanti.   | <b>Gross</b><br>GF/GP  | NA<br>NA  | \$200,000<br>\$200,000  |
| <b>30. Executive Revision 2024-1</b><br>Reflects a net reduction of \$2.3 million Gross (\$7,600 GF/GP increase) to concur with Executive Revision 2024-1 issued on April 14, 2023.   | <b>Gross</b><br>Federal<br>Restricted<br>GF/GP                   | NA<br>NA<br>NA<br>NA                                  | (\$2,482,900)<br>5,800<br>(2,496,300)<br>\$7,600                  |
| <b>31. Fresh Water Research and Innovation Center</b><br>Appropriates \$15.0 million in federal Coronavirus State Fiscal Recovery Fund to nonprofit Discovery Great Lakes in Traverse City to build a fresh water research and innovation center on Lake Michigan.  | <b>Gross</b><br>Federal<br>GF/GP                                 | NA<br>NA<br>NA  | \$15,000,000<br>15,000,000<br>\$0                                 |
| <b>32. Urban and Community Forestry Assistance</b><br>Appropriates \$7.5 million in available federal revenues to increase equitable access to urban tree canopy and associated human health benefits, broaden community engagement in local urban forest planning, and improve resilience to climate change. | <b>Gross</b><br>Federal<br>GF/GP                                 | NA<br>NA<br>NA  | \$7,500,000<br>7,500,000<br>\$0                                   |
| <b>33. Economic Adjustments</b><br>Reflects a net reduction of \$646,400 Gross (\$41,300 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2023), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.   | <b>Gross</b><br>IDG<br>Federal<br>Private<br>Restricted<br>GF/GP | NA<br>NA<br>NA<br>NA<br>NA<br>NA                      | (\$646,400)<br>(500)<br>(114,500)<br>0<br>(490,100)<br>(\$41,300) |

Major Boilerplate Changes from FY 2022-23

**Sec. 205. Report Recipients – NEW**

Requires boilerplate reports be submitted to appropriations subcommittees, fiscal agencies, legislative policy offices, and the state budget office unless otherwise stated.

**Sec. 207. Disciplinary Action Against State Employees – RETAINED (UNENFORCEABLE)**

Prohibits department from disciplining state employees for communicating with members of the legislature and their staffs, unless communication is prohibited by law. (Governor's signing letter states this section is unenforceable.)

**Sec. 210. GF/GP Lapse – REVISED**

Requires report of estimated GF/GP appropriation lapses at close of previous year. Revised due date to December 15 and report recipients to those listed in Sec. 205.

**Sec. 213. Restricted Fund Revenues, Expenditures, and Fund Balances – REVISED**

Requires annual report on fund balances, revenues, and expenditures for state restricted funds for previous and current fiscal years. Revised report recipients to those listed in Sec. 205.

**Sec. 214. Website Scorecard – REVISED**

Requires department to maintain on a publicly accessible website a department scorecard with key metrics concerning the department's performance. Revised to strike "department scorecard" and replaces with "information."

## NATURAL RESOURCES

### **Major Boilerplate Changes from FY 2022-23**

#### **Sec. 215. Identification of Legacy Costs – DELETED**

Estimates annual appropriations for legacy costs, including pension-related legacy costs and health care-related legacy costs.

#### **Sec. 217. FTE Vacancies and Remote Work Report – REVISED**

Requires department to report on the number of FTE positions filled, FTE vacancies, the number of employees working remotely, the number of employees authorized to work remotely, estimated cost savings from remote work, and reduction in office space due to working remotely. Revised to delete all provisions related to remote work and revised report recipients to those listed in Sec. 205.

#### **Sec. 219. State Administrative Board Transfers – RETAINED (UNENFORCEABLE)**

Allows legislature to adopt a concurrent resolution to intertransfer funds within the department's budget if the State Administrative Board transfers appropriated funds. (*Governor's signing letter states this section is unenforceable.*)

#### **Sec. 223. Severance Reporting – REVISED**

Requires department to report details of severance pay for certain departmental employees. Revised to remove internet posting requirement.

#### **Sec. 224. COVID-19 Vaccine Disclosure – DELETED**

Prohibits state officials from requiring COVID-19 vaccine disclosure as a condition of receiving state services or developing a vaccine passport.

#### **Sec. 224. Expenditure Available Work Project Authorization – RETAINED (UNENFORCEABLE)**

Advises department not to expend appropriations until existing work project authorization for the same purpose has been expended. (*Governor's signing letter states this section is unenforceable.*)

#### **Sec. 225. Access to State and Local Services – NEW**

Prohibits appropriations from being used to restrict or impede a marginalized community's access to government programs; requires local governments to report on actions that attempt to restrict duties of local health officers.

#### **Sec. 229. Energy and Noise Efficiency – NEW**

Requires preference for goods and services that are energy efficient and minimize noise pollution.

#### **Sec. 240. Office of the State Archaeologist – DELETED**

Establishes an Office of the State Archaeologist and outlines six FTE positions.

#### **Sec. 240. Cultural Resource Management – NEW**

Expands the department's archeological operations and establishes an ongoing process that requires increased consultation with known lineal descendants and Native American tribe officials of tribes on whose aboriginal lands a planned archeological activity will occur or where an inadvertent discovery has been made in addressing the identification, treatment, and disposition of Native American cultural items.

#### **Sec. 241. Incident Management Team Notification – DELETED**

Requires department to notify local legislators when Incident Management Team has been activated in their district.

#### **Sec. 242. Testing Laboratories – NEW**

Prohibits the department from consolidating their testing laboratories.

#### **Sec. 252. Invasive Species Fund – NEW**

Authorizes department to expend the Invasive Species Fund for invasive species response efforts; requires report to legislature.

#### **Sec. 304. Receive and Expend for Carbon Offset Credits – NEW**

Authorizes department to receive and expend revenues to pay vendors for administering carbon offset credits.

#### **Sec. 408. Land Transactions – REVISED**

Requires detailed report to legislature by October 21 on land purchases, sales, and exchanges. Revised due date to December 1.

#### **Sec. 501. Work Project – Nature Awaits – NEW**

Authorizes unexpended funds for Nature Awaits totaling \$8.0 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to support the Nature Awaits program in the Parks and Recreation Division.

**Major Boilerplate Changes from FY 2022-23**

**Sec. 506. USDA Wildlife Services Deer Harvesting – DELETED**

Encourages United States Department of Agriculture Wildlife Services to harvest all deer during targeted removal required under Enhanced Wildlife Biosecurity Program.

**Sec. 802. Timber Marking – REVISED**

Requires department to report quarterly on number of acres of state forest land marked or treated for timber harvest. Revised to annual report due January 1.

**Sec. 901. Snowmobile Law Enforcement Grants – DELETED**

Authorizes snowmobile law enforcement grant funds to county law enforcement agencies in counties with state snowmobile trails.

**Sec. 902. Marine Safety Grants – DELETED**

Requires report on Marine Safety Grant Program; requires report to include watercraft registration revenues, revenues and expenditures of Marine Safety Fund, grant distribution methodology, and list of grant awards by county.

**Sec. 903. Body Cameras for Conservation Officers – DELETED**

Requires appropriation to be expended on body cameras for conservation officers.

**Sec. 1201. Chronic Wasting Disease Testing – DELETED**

Requires appropriation to be used for provision of CWD check stations or drop stations in core CWD areas, management zones, or surveillance areas before the 2023 hunting season.

**Sec. 1201. Work Project – Aggregate Mapping – NEW**

Authorizes unexpended funds for aggregate mapping totaling \$5.0 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to map aggregate deposits of this state.

**Sec. 1202. Work Project – Great Lakes Research Vessel – DELETED**

Authorizes unexpended funds appropriated for Great Lakes Research Vessel to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to replace and upgrade the Lake Michigan survey vessel.

**Sec. 1202. Work Project – Forest Land Management Equipment – NEW**

Authorizes unexpended funds for Dam Management Grant Program totaling \$1.3 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used for dam management grants.

**Sec. 1203. Body Cameras for Conservation Officers, One-Time – DELETED**

Requires one-time funding to be used for body cameras for conservation officers.

**Sec. 1203. Work Project – Forest Land Management Equipment – NEW**

Authorizes unexpended funds for Forest Land Management Equipment totaling \$2.5 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to acquire new forest land management equipment.

**Sec. 1204. Fresh Water Research and Innovation Center – NEW**

Awards \$15.0 million GF/GP to nonprofit Discovery Great Lakes in Traverse City to build a fresh water research and innovation center on Lake Michigan.

**Sec. 1205. Invasive Species Prevention and Control Fund Deposit – NEW**

Deposits funding for Invasive Species Prevention and Control into the Invasive Species Fund.

**Sec. 1206. Work Project – State Water Trail Organizations – NEW**

Authorizes unexpended funds for State Water Trail Organizations totaling \$500,000 to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to support state water trail organizations.

**Sec. 1207. Swimming Pool Repair Project – NEW**

Awards \$200,000 GF/GP to the City of Ypsilanti to repair a public swimming pool.

**Sec. 1208. Swimming Pool Restoration Project – NEW**

Awards \$5,000,000 GF/GP to the City of Lansing to restore a public swimming pool.

## NATURAL RESOURCES

### Major Boilerplate Changes from FY 2022-23

#### **Sec. 1209. Work Project – Urban and Community Forestry Assistance – NEW**

Authorizes unexpended funds for Urban and Community Forestry Assistance totaling \$7.5 million to be considered a work project appropriation and carried forward into succeeding fiscal year; funds will be used to increase equitable access to urban tree canopy and associated human health benefits, broaden community engagement in local urban forest planning, and improve resilience to climate change.

| <b>FY 2022-23 Supplemental Appropriation Items<br/>Public Act 119 of 2023 (House Bill 4437, Article 16)</b>   |  | <b>Appropriation<br/>Change</b>        |
|---|--|--|
| <b>1. Off-Road Vehicle Trail Program Administration</b><br>Includes \$32,800 from the Off-Road Vehicle Trail Improvement Fund to be used for off-road vehicle trail program administration.   | <b>Gross</b><br>Restricted<br>GF/GP                | \$32,800<br>32,800<br>\$0              |
| <b>2. Carbon Credits from Sale of State Forest Lands</b><br>Includes \$1.7 million in restricted funding and authorization for 5.0 FTE positions to support current sales and expansion of the carbon offset credit program.  | <b>FTEs</b><br><b>Gross</b><br>Restricted<br>GF/GP | 5.0<br>\$1,662,000<br>1,662,000<br>\$0 |
| <b>3. General Law Enforcement</b><br>Includes \$570,000 from the Off-Road Vehicle Trail Improvement Fund to be used for increased staffing hours and new equipment for off-road vehicle law enforcement.  | <b>Gross</b><br>Restricted<br>GF/GP                | \$570,000<br>570,000<br>\$0            |
| <b>4. Belle Isle Park</b><br>Includes \$450,000 from the Park Improvement Fund to be used to replace revenue for Belle Isle Park that was lost due to relocation of the Grand Prix race.  | <b>Gross</b><br>Restricted<br>GF/GP                | \$450,000<br>450,000<br>\$0            |
| <b>5. Off-Road Vehicle Trail Improvement Grants</b><br>Includes \$555,000 from the Off-Road Vehicle Trail Improvement Fund to be used for ORV damage restoration grants (\$300,000), ORV law enforcement grants (\$180,000), and ORV trail maintenance grants (\$75,000).   | <b>Gross</b><br>Restricted<br>GF/GP                | \$555,000<br>555,000<br>\$0            |
| <b>6. Brandon Road Interbasin Project</b><br>Includes \$64.0 million GF/GP to support the state's nonfederal match for planning and construction of the Brandon Road Interbasin Project to block invasive carp from Lake Michigan.  | <b>Gross</b><br>GF/GP                              | \$64,000,000<br>\$64,000,000           |
| <b>7. Off-Road Vehicle Trail Development and Maintenance</b><br>Includes \$1.2 million from the Off-Road Vehicle Trail Improvement Fund to repair the flooded Lake Linden Trail in Houghton County.   | <b>Gross</b><br>Restricted<br>GF/GP                | \$1,200,000<br>1,200,000<br>\$0        |
| <b>8. Snowmobile Trail Development and Maintenance</b><br>Includes \$2.7 million from the Snowmobile Trail Improvement Fund to repair the flooded Lake Linden Trail in Houghton County (\$800,000), for local grants to purchase snow groomers (\$1.5 million), and for snowmobile trail system maintenance (\$400,000).  | <b>Gross</b><br>Restricted<br>GF/GP                | \$2,700,000<br>2,700,000<br>\$0        |
| <b>9. Net River Dam</b><br>Includes \$1.2 million GF/GP for structural stabilization of the Net River Dam in Baraga County in response to partial dam failure in 2022.  | <b>Gross</b><br>GF/GP                              | \$1,200,000<br>\$1,200,000             |
| <b>10. Waterways Boating Program – Marina Improvements</b><br>Includes \$3.6 million in available federal funding for the following improvements: \$1.5 million for Adelaide Pointe Marina in Muskegon County; \$848,000 for Discovery Center and Pier in Leelanau County; \$956,200 for Village of Spring Lake Transient Marinas in Ottawa County; and \$335,700 for Wyandotte Transient Marina in Wayne County. | <b>Gross</b><br>Federal<br>GF/GP                   | \$3,612,700<br>3,612,700<br>\$0        |
| <b>11. State Boating Infrastructure Maintenance</b><br>Includes \$1.2 million in available federal funding for improvements to the Lexington State Harbor in Sanilac County.  | <b>Gross</b><br>Federal<br>GF/GP                   | \$1,200,000<br>1,200,000<br>\$0        |

**FY 2022-23 Supplemental Appropriation Items**  
**Public Act 119 of 2023 (House Bill 4437, Article 16)**

**12. ARP – Belle Isle Park Infrastructure**

Includes \$23.0 million in federal ARP funding for physical plant renovations, maintenance, and safety upgrades at Belle Isle Park in Wayne County.

**Appropriation  
Change**

|              |                     |
|--------------|---------------------|
| <b>Gross</b> | <b>\$23,000,000</b> |
| Federal      | 23,000,000          |
| GF/GP        | \$0                 |

**13. Flint State Park**

Includes \$23.0 million GF/GP to be allocated as follows: \$22.2 million to be deposited into the endowment fund; and \$800,000 for operations and ongoing costs at Flint State Park.

|              |                     |
|--------------|---------------------|
| <b>Gross</b> | <b>\$23,000,000</b> |
| GF/GP        | \$23,000,000        |

**FY 2022-23 Supplemental Boilerplate Items**  
**Public Act 119 of 2023 (House Bill 4437, Article 16)**

**Sec. 701. Carbon Offset Credits Receive and Expend**

Authorizes the department to receive and expend restricted funding to administer the carbon offset credits program.

**Sec. 702. Brandon Road Interbasin Project**

Designates unexpended funds for the Brandon Road Interbasin Project as a work project appropriation; funds will be used for Michigan's Great Lakes Compact obligation to support the Brandon Road Dam in Illinois that prevents invasive carp from entering the Great Lakes.

**Sec. 703. Belle Isle Park Infrastructure**

Earmarks federal ARP funding for physical plant renovations, maintenance, and safety upgrades at Belle Isle Park in Wayne County.

**Sec. 704. Flint State Park**

Earmarks funding for an endowment fund deposit and for operational and ongoing costs at Flint State Park.

## SCHOOL AID

### **SCHOOL AID**

#### **Summary of FY 2023-24 Enacted**

#### **Public Act 103 of 2023 (Senate Bill 173, Article 1)**

**Analysts: Jacqueline Mullen and Noel Benson**

| IDG/IDT           | FY 2022-23 YTD<br>as of 2/8/23 | FY 2023-24<br>Enacted   | Difference: Enacted<br>From FY 2022-23 YTD |            |
|-------------------|--------------------------------|-------------------------|--|------------|
|                   |                                |                         | Amount                                     | %          |
| <b>Federal</b>    | 2,524,243,500                  | 2,200,793,500           | (323,450,000)                              | (12.8)     |
| <b>Local</b>      | 0                              | 0                       | 0  | --         |
| <b>Private</b>    | 0                              | 0                       | 0  | --         |
| <b>Restricted</b> | 16,966,472,900                 | 19,170,957,800          | 2,204,484,900                              | 13.0       |
| <b>GF/GP</b>      | 124,200,000                    | 87,900,000              | (36,300,000)                               | (29.2)     |
| <b>Gross</b>      | <b>\$19,614,916,400</b>        | <b>\$21,459,651,300</b> | <b>\$1,844,734,900</b>                     | <b>9.4</b> |

#### **Notes:**

(1) FY 2022-23 year-to-date figures include mid-year budget adjustments through February 8, 2023.  
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

#### Overview

The School Aid budget makes appropriations to the state's 537 local school districts, 295 public school academies (PSAs), and 56 intermediate school districts (ISDs) for operations and certain categorical programs. It also appropriates funds to the Michigan Department of Education (MDE), Center for Educational Performance and Information (CEPI), and other entities to implement certain grants and other programs related to K-12 education.

| <b>Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations</b>   | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b>                         | <b>FY 2023-24<br/>Enacted<br/>Change</b>                            |
|---|---|---|
| <b>1. Foundation Allowance (Secs. 22a &amp; 22b)</b><br>Increases by \$611.0 million Gross to provide a \$458 (5.0%) increase in the per-pupil foundation allowance, from \$9,150 to \$9,608.   | <b>Gross</b> \$10,134,000,000<br>Restricted 10,133,609,300<br>GF/GP \$390,700 | <b>\$611,000,000</b><br>611,354,300<br>(\$354,300)                  |
| <b>2. Foundation: Cyber Schools Reduction (Secs. 22a &amp; 22b)</b><br>Maintains cyber school foundation allowances at \$9,150, for an estimated savings of \$9.8 million SAF.  | <b>Gross</b><br>Restricted<br>GF/GP   | <b>NA</b><br>NA<br>NA<br><b>(\$9,800,000)</b><br>(9,800,000)<br>\$0 |
| <b>3. Enrollment Stabilization (Sec. 29) – NEW</b><br>Includes \$71.0 million Enrollment Stabilization Fund to provide districts with declining enrollment an amount equal to the difference between a two-year average blend and the district's FY 2023-24 pupil count, multiplied by the Target foundation allowance. | <b>Gross</b><br>Restricted<br>GF/GP   | <b>\$0</b><br>0<br>\$0<br><b>\$71,000,000</b><br>71,000,000<br>\$0  |

| <b>Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations</b>  | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b>                      |
|--|---|---|
| <b>4. Michigan Public School Employees Retirement System (MPSERS) (Secs. 147a, 147c, 147e, &amp; 147f)</b><br>Removes one-time appropriations of \$1.0 billion SAF and \$140.4 million MPSERS Retirement Obligation Reform Reserve Fund, and increases state support for K-12 MPSERS costs by \$650.1 million Gross (\$50,000 GF/GP) for a total of \$2.5 billion Gross (\$600,000 GF/GP). Revises as follows:   | <b>Gross</b><br>Restricted<br>GF/GP                   | <b>\$2,964,650,000</b><br>2,964,100,000<br>\$550,000          |
| • Provides \$11.9 million one-time SAF to expand the allocation to offset a portion of costs for districts to also include ISDs and district libraries, to be distributed proportionally based on payroll (Sec 147a(3));   |   | <b>(\$490,261,000)</b><br>(490,311,000)<br>\$50,000           |
| • Provides \$215.8 million MPSERS Retirement Obligation Reform Reserve Fund for the costs necessary to continue an accelerated reduction in the payroll growth assumption to 0.75% (an additional 50 basis points reduction from what is statutorily required) (Sec. 147c);  |   |   |
| • Provides \$48.5 million one-time SAF to reimburse districts for an estimated 0.5 percentage points of their 20.96% contribution cap for unfunded liability costs (Sec. 147f);  |   |   |
| • Adds \$373.9 million Gross (\$50,000 GF/GP) for cost adjustments, including a reduction in the assumed rate of return to 6.0% due to a dedicated gains policy.   |   |   |
| <b>5. Per-Pupil Mental Health and School Safety Grant (Sec. 31aa)</b><br>Provides one-time funding of \$328.0 million Gross (\$18.0 million GF/GP) for districts, ISDs, the Michigan Schools for the Deaf and Blind, and nonpublic schools for activities to improve mental health and improve school safety. Provides intent that at least 50% of funds will be spent on mental health. This section also provided \$150.0 million one-time SAF for mental health grants for districts in FY 2022-23. | <b>Gross</b><br>Restricted<br>GF/GP                   | <b>\$150,000,000</b><br>150,000,000<br>\$0                    |
|  |   | <b>\$178,000,000</b><br>160,000,000<br>\$18,000,000           |
| <b>6. Special Education (Secs. 51a, 51c, 51d, 51e, 53a, 54 &amp; 56)</b><br>Increases by \$310.3 million SAF, including \$170.0 million for revised cost estimates and \$140.3 million to reduce the amount of a special education pupil's foundation allowance that counts toward special education costs from 25% to 0%. Total estimated special education expenditures for FY 2023-24 are \$2.2 billion.  | <b>Gross</b><br>Federal<br>Restricted<br>GF/GP        | <b>\$1,921,503,100</b><br>461,000,000<br>1,460,503,100<br>\$0 |
|  |   | <b>\$310,293,000</b><br>0<br>310,293,000<br>\$0               |
| <b>7. Consolidation Grants (Sec. 12c) – NEW</b><br>Provides one-time funding of \$245.0 million School Consolidation and Infrastructure Fund for grants to districts and ISDs for the initial costs of physical or service consolidation identified in an ISD feasibility study under Sec. 11x.  | <b>Gross</b><br>Restricted<br>GF/GP                   | <b>\$0</b><br>0<br>\$0  |
|  |   | <b>\$245,000,000</b><br>245,000,000<br>\$0                    |
| <b>8. Student Loan Repayment Pilot (Sec. 27k) – NEW</b><br>Provides one-time funding of \$225.0 million SAF for districts and ISDs to repay student loans of employees who work directly with students. Payments are capped at the lesser of actual loan payments or \$200 per month, or up to \$400 per month if the employee works in a district where at least 85% of pupils are economically disadvantaged.  | <b>Gross</b><br>Restricted<br>GF/GP                   | <b>\$0</b><br>0<br>\$0  |
|  |   | <b>\$225,000,000</b><br>225,000,000<br>\$0                    |
| <b>9. At-Risk (Sec. 31a)</b><br>Increases by \$204.5 million SAF for a total of \$952.0 million SAF. Implements an opportunity index to provide funding weights between 35% and 47% of the Target foundation allowance based on districts' concentrations of economically disadvantaged students. Payments would be prorated to an estimated range of 11.5% to 15.3% of the Target foundation allowance.   | <b>Gross</b><br>Restricted<br>GF/GP                   | <b>\$747,500,000</b><br>747,500,000<br>\$0                    |
|  |   | <b>\$204,500,000</b><br>204,500,000<br>\$0                    |

## SCHOOL AID

|  |                                |  | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b> |
|--|--------------------------------|--|---|--|
| <b>Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations</b>  |                                |  |   |  |
| <b>10. Universal School Breakfast and Lunch (Sec. 30d) – NEW</b>   | <b>Gross</b>                   | <b>\$0</b>                             | <b>\$160,000,000</b>                                  |  |
| Provides \$100.0 million SAF and \$60.0 million School Meals Reserve Fund to provide free school lunch and breakfast for all PreK-12 students when combined with other available federal and state funding. Encourages, but does not require, districts to meet the dietary restrictions, including gluten free, vegetarian, vegan, and, upon request, kosher, halal, and any allergy restrictions as confirmed by a doctor's note. Appropriates additional School Meals Reserve Fund in the amount necessary if current appropriations are insufficient. Also provides funding for FY 2022-23 (See Sec. 30d for FY 2022-23).  | Restricted<br>GF/GP            | 0<br>\$0                               | 160,000,000<br>\$0                                    |  |
| <b>11. Early Literacy Instruction (Sec. 35j) – NEW</b>   | <b>Gross</b>                   | <b>\$0</b>                             | <b>\$140,000,000</b>                                  |  |
| Provides one-time funding of \$140.0 million SAF to be spread over two years for grants to districts and ISDs in an equal amount per PreK-5 pupil to improve literacy instructional practices. Requires a recipient to ensure all PreK-5 teachers complete selected training.  | Restricted<br>GF/GP            | 0<br>\$0                               | 140,000,000<br>\$0                                    |  |
| <b>12. MI Clean School Bus Grants (Sec. 74b) – NEW</b>   | <b>Gross</b>                   | <b>\$0</b>                             | <b>\$125,000,000</b>                                  |  |
| Provides one-time funding of \$125.0 million SAF for matching grants to districts, ISDs, or district-contracted school bus companies to purchase low or no greenhouse gas emission buses or other alternative fuel vehicles. Requires awards to cover 90% of the cost for prioritized recipients and 70% of costs for non-prioritized recipients, with priority for disadvantaged communities. Requires funds to be used to purchase American-made goods or services if comparable to foreign-made.  | Restricted<br>GF/GP            | 0<br>\$0                               | 125,000,000<br>\$0                                    |  |
| <b>13. Transportation Costs (Sec. 22I) – NEW</b>   | <b>Gross</b>                   | <b>\$0</b>                             | <b>\$125,000,000</b>                                  |  |
| Provides \$125.0 million School Transportation Fund to districts based on a formula that groups districts into quartiles based on riders per square mile and distributes funding equal to the median transportation cost per rider for that quartile or the district's actual transportation costs per general education student, whichever is lesser.   | Restricted<br>GF/GP            | 0<br>\$0                               | 125,000,000<br>\$0                                    |  |
| <b>14. Great Start Readiness Program (GSRP) (Secs. 32d &amp; 39)</b>   | <b>Gross</b>                   | <b>\$452,470,000</b>                   | <b>\$90,850,000</b>                                   |  |
| Increases by \$90.9 million Gross (including the elimination of \$83.0 million Federal SFRF and an increase of \$250,000 GF/GP) for a total of \$543.3 million Gross (\$600,000 GF/GP) for school readiness preschool programs for 4-year-old children in low-income families. Increases the allocation per child in line with the Target foundation increase, from \$9,150 to \$9,608 for a full-day program and from \$4,575 to \$4,804 for a part-day program. Adds GSRP extended programs (programs that operate for the same length as first grade programs) as an eligible program and funds at \$11,530 per child. Appropriates additional GSRP Reserve Fund in the amount necessary if current appropriations are insufficient to fund as many full- and part-day slots as the prior year. Also increases the eligibility threshold from 250% of the federal poverty guidelines to 300% and increases the secondary threshold from 300% to 400% if all eligible children have been served. Increases the allocation for transportation by \$18.0 million GSRP Reserve Fund for a total of \$28.0 million Gross, from \$300 per child to \$500. (See Major Boilerplate Changes for Secs. 32d & 39 below.) | Federal<br>Restricted<br>GF/GP | 83,000,000<br>369,120,000<br>\$350,000 | (83,000,000)<br>173,600,000<br>\$250,000              |  |
| <b>15. Educator Compensation Program (Sec. 27I) – NEW</b>  | <b>Gross</b>                   | <b>\$0</b>                             | <b>\$63,800,000</b>                                   |  |
| Provides one-time funding of \$63.8 million SAF for equal per-pupil payments to districts with stated legislative intent that districts use the funds to increase educator compensation.   | Restricted<br>GF/GP            | 0<br>\$0                               | 63,800,000<br>\$0                                     |  |

**SCHOOL AID****Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations*****16. Mentoring Grants (Sec. 27h) – NEW***

Provides one-time funding of \$50.0 million SAF to be spread over five years (legislative intent is that up to \$10.0 million be expended each year) for grants to districts for mentoring to support and retain new teachers, school counselors, and administrators and improve their instructional practices. Allowable expenses include: stipends and training for mentors; books, materials, professional learning expenses, and other resources for mentoring; staffing costs to cover time spent by both mentors and mentees outside of regular job duties; and contracting with an organization to provide mentoring services to administrators. Includes a \$500,000 competitive grant to assist MDE with the development of research-based mentor standards, curriculum, and professional learning. Also includes a \$500,000 competitive grant to conduct a program evaluation.

***17. Before and After School Programs (Sec. 32n)***

Provides one-time funding of \$50.0 million SAF to Clinton County RESA to partner with MDE to award competitive grants for before and after school programs and summer school programs. Requires at least 60% of funding to go to community-based organizations (CBOs). Allocates 2% of total funding to a nonprofit entity to provide start-up grants and other assistance. Establishes an advisory committee to make recommendations to MDE on before and after school programs. This section also provided \$25.0 million one-time Federal SFRF for MDE to award competitive grants in FY 2022-23.

***18. Flint Declaration of Emergency (Sec. 11s)***

Maintains appropriation of \$8.1 million Gross (\$3.1 million GF/GP), but removes \$2.0 million SAF for interventions for children aged 3-5 and \$1.0 million SAF for universal GSRP and increases by \$3.0 million SAF the allocation for interventions for K-12 students. Adds that a \$2.4 million SAF allocation for school nurses, classroom aides, and school social workers may also be used for community health workers, behavioral or mental health supports, parental engagement activities, community coordination activities, other support services, and program supplies. Also strikes \$5.0 million in state restricted contingency fund authorization.

***19. School-Based Health Center Facility Upgrades (Sec. 12b) – NEW***

Provides one-time funding of \$45.0 million SAF for school-based health centers to modernize medical equipment, improve security and patient safety measures, invest in new patient-centered technologies, renovate physical space, and implement a patient data IT system. Caps awards at \$250,000.

***20. Categorical Offset Payments (Sec. 20f)***

Continues funding to partially offset categorical reductions in FY 2013-14 and FY 2015-16, but revises to a one-time appropriation of \$27.0 million SAF to be spent over two fiscal years, with a stated legislative intent to maintain \$18.0 million SAF in FY 2023-24, provide \$9.0 million SAF in FY 2024-25, and provide \$0 in FY 2025-26.

|              | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b> |
|--------------|---|--|
| <b>Gross</b> | <b>\$0</b>  | <b>\$50,000,000</b>                      |
| Restricted   | 0   | 50,000,000                               |
| GF/GP        | \$0   | \$0                                      |

|            | <b>Gross</b> | <b>\$25,000,000</b> | <b>\$25,000,000</b> |
|------------|--------------|---------------------|---------------------|
| Federal    | 25,000,000   | (25,000,000)        |                     |
| Restricted | 0            | 50,000,000          |                     |
| GF/GP      | \$0          | \$0                 |                     |

|            | <b>Gross</b> | <b>\$8,075,000</b> | <b>\$0</b> |
|------------|--------------|--------------------|------------|
| Restricted | 5,000,000    | 0                  |            |
| GF/GP      | \$3,075,000  | \$0                |            |

|            | <b>Gross</b> | <b>\$0</b> | <b>\$45,000,000</b> |
|------------|--------------|------------|---------------------|
| Restricted | 0            | 45,000,000 |                     |
| GF/GP      | \$0          | \$0        |                     |

|            | <b>Gross</b> | <b>\$18,000,000</b> | <b>\$9,000,000</b> |
|------------|--------------|---------------------|--------------------|
| Restricted | 18,000,000   | 9,000,000           |                    |
| GF/GP      | \$0          | \$0                 |                    |

## SCHOOL AID

|   |                     |                           | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b> |
|---|---------------------|---------------------------|---|--|
| <b>Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations</b>   |                     |                           |   |  |
| <b>21. Partnership Model Districts (Sec. 21h)</b>   | <b>Gross</b>        | <b>\$6,137,400</b>        | <b>\$36,000,000</b>                                   |  |
| In addition to maintaining ongoing funding of \$6.1 million SAF, provides one-time funding of \$36.0 million SAF to be spent over three fiscal years for supplemental funding for districts that are in a partnership to improve student achievement. As a condition of receiving ongoing funding, requires partnership districts to craft academic goals that increase high school graduation rates, reduce class sizes, and improve attendance rates and provide access to training for district leadership on areas of education fiscal and policy matters.  | Restricted<br>GF/GP | 6,137,400<br>\$0          | 36,000,000<br>\$0                                     |  |
| <b>22. Isolated District Funding (Sec. 22d)</b>   | <b>Gross</b>        | <b>\$8,858,000</b>        | <b>\$2,743,000</b>                                    |  |
| Increases by \$2.7 million SAF for a total of \$11.1 million SAF to do all of the following:  | Restricted<br>GF/GP | 8,858,000<br>\$0          | 2,743,000<br>\$0                                      |  |
| <ul style="list-style-type: none"> <li>• Increase the allocations by 5% for small, isolated districts; districts with fewer than 10.0 pupils per square mile; and districts with greater than 250 square miles.</li> <li>• Provide an additional one-time \$1.8 million increase for small, isolated districts.</li> <li>• Provide one-time funding of \$500,000 SAF for a district (Grosse Ile) that is located on an island with a bridge and that does not otherwise receive funding under this section.</li> </ul>  |                     |                           |   |  |
| <b>23. Technology Regional Data Hubs (Sec. 22m)</b>   | <b>Gross</b>        | <b>\$2,200,000</b>        | <b>\$1,300,000</b>                                    |  |
| Increases by \$1.3 million SAF for a total of \$3.5 million SAF to support integration of local school data systems into the Michigan Data Hub Network.   | Restricted<br>GF/GP | 2,200,000<br>\$0          | 1,300,000<br>\$0                                      |  |
| <b>24. Mathematics Teaching and Learning (Sec. 23h) – NEW</b>   | <b>Gross</b>        | <b>\$0</b>                | <b>\$25,000,000</b>                                   |  |
| Provides one-time funding of \$25.0 million SAF to be spread over two fiscal years for grants to districts and ISDs to support mathematics teaching and learning through capacity building for early math specialists, purchasing and implementation of instructional materials, expansion of math recovery specialists statewide, and supports for personalized support programs.  | Restricted<br>GF/GP | 0<br>\$0                  | 25,000,000<br>\$0                                     |  |
| <b>25. Friends of the Children (Sec. 23i) – NEW</b>   | <b>Gross</b>        | <b>\$0</b>                | <b>\$397,000</b>                                      |  |
| Provides one-time funding of \$397,000 SAF for River Rouge School District to partner with a nonprofit (Friends of the Children) to provide mentoring for youth and their families from grades K-12.  | Restricted<br>GF/GP | 0<br>\$0                  | 397,000<br>\$0  |  |
| <b>26. Covenant House (Sec. 25k) – NEW</b>  | <b>Gross</b>        | <b>\$0</b>                | <b>\$1,000,000</b>                                    |  |
| Provides one-time funding of \$1.0 million SAF for Covenant House to provide educational services to students who reside in a secure residential facility.  | Restricted<br>GF/GP | 0<br>\$0                  | 1,000,000<br>\$0                                      |  |
| <b>27. MI Future Educator Fellowship Program (Sec. 27a)</b>   | <b>Gross</b>        | <b>\$25,000,000</b>       | <b>\$0</b>  |  |
| Maintains \$25.0 million Gross (\$5.0 million GF/GP) to offset tuition costs for college students earning their initial teacher certification, but strikes nonpublic schools from the list of eligible workplaces where recipients must pledge to work for a certain number of years after graduation (remaining eligible workplaces are public schools and qualifying public preschool programs). Adds that an eligible educator preparation program may be provided by an MDE-approved alternative route provider. Also adds that the repayment of funds for recipients who do not fulfill program requirements may be extended beyond ten years as determined by the Department of Treasury. Requires the Department of Treasury to submit a report on the number and amount of awards granted and the number of recipients who had their awards converted to loans. | Restricted<br>GF/GP | 20,000,000<br>\$5,000,000 | 0<br>\$0  |  |

| <b>Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations</b>   | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b>     |
|---|---|--|
| <b>28. MI Future Educator Student Teacher Stipend (Sec. 27c)</b><br>Maintains \$50.0 million SAF for public and private institutions of higher education to provide payments to student teachers. Strikes list of allowable expenses. Adds City Year corps members enrolled in an eligible educator preparation program as eligible recipients.   | <b>Gross</b><br>Restricted<br>GF/GP                   | <b>\$50,000,000</b><br>50,000,000<br>\$0     |
| <b>29. Rural Educator Credentialing Hub (Sec. 27i) – NEW</b><br>Provides one-time funding of \$15.0 million SAF for a grant to an educator preparation institution to, in conjunction with a consortium of other institutions and rural districts, pilot a rural educator credentialing hub to support prospective educators through certifications and career experiences.   | <b>Gross</b><br>Restricted<br>GF/GP                   | <b>\$0</b><br>0<br>\$0                       |
| <b>30. Special Education Capacity Building (Sec. 27j) – NEW</b><br>Provides one-time funding of \$5.0 million SAF for a partnership between an ISD and a statewide special education organization to provide personnel with training on special education processes.  | <b>Gross</b><br>Restricted<br>GF/GP                   | <b>\$0</b><br>0<br>\$0                       |
| <b>31. National Board Certification Fund (Sec. 27m) – NEW</b><br>Provides one-time funding of \$5.0 million SAF for districts and ISDs to fund awards to teachers who hold National Board Certification by January 1, 2024. Allocates \$1.0 million SAF to cover certification fees for first-time candidates in Title I schools.   | <b>Gross</b><br>Restricted<br>GF/GP                   | <b>\$0</b><br>0<br>\$0                       |
| <b>32. SVSU Saginaw Grow Your Own (Sec. 27n) – NEW</b><br>Provides one-time funding of \$2.0 million SAF for employees in the Saginaw Public School District to earn their teaching certificate.  | <b>Gross</b><br>Restricted<br>GF/GP                   | <b>\$0</b><br>0<br>\$0                       |
| <b>33. Learner Wallet (Sec. 27o) – NEW</b><br>Provides one-time funding of \$2.0 million SAF to Eaton RESA to establish a real-time tracking tool to record academic performance results for students who are candidates for tutoring services.   | <b>Gross</b><br>Restricted<br>GF/GP                   | <b>\$0</b><br>0<br>\$0                       |
| <b>34. Hamtramck Accelerated Learning Coaches (Sec. 27q) – NEW</b><br>Provides one-time funding of \$2.0 million SAF for Hamtramck school district to hire and train accelerated learning coaches.  | <b>Gross</b><br>Restricted<br>GF/GP                   | <b>\$0</b><br>0<br>\$0                       |
| <b>35. Local Produce in School Meals (Sec. 31j)</b><br>Retains \$4.8 million SAF intended as one-time funding for a total of \$9.3 million Gross (\$500,000 GF/GP), of which \$4.8 million SAF is one-time, to support a competitive grant program for districts and non-school sponsors to increase purchases of local produce.  | <b>Gross</b><br>Restricted<br>GF/GP                   | <b>\$9,300,000</b><br>8,800,000<br>\$500,000 |
| <b>36. ISD Mental Health and Support Services (Sec. 31n(6))</b><br>Increases by \$24.4 million SAF for a total of \$87.2 million SAF to ISDs for mental health and support services for general education pupils. Increases the initial payment to each ISD by 5% from \$955,300 to \$1.0 million and increases the remaining funds, allocated on a per-pupil basis, from \$9.3 million to \$31.1 million. Revises to give ISDs increased flexibility in how they spend leftover funds. | <b>Gross</b><br>Restricted<br>GF/GP                   | <b>\$62,800,000</b><br>62,800,000<br>\$0     |
| <b>37. ISD Mental Health Program Administration (Sec. 31n(10))</b><br>Increases by \$4.5 million SAF for a total of \$5.0 million SAF to ISDs on an equal basis for program administration.   | <b>Gross</b><br>Restricted<br>GF/GP                   | <b>\$500,000</b><br>500,000<br>\$0           |
| <b>38. Novi Schools Wellness Center (Sec. 31r) – NEW</b><br>Provides one-time funding of \$1.0 million SAF for Novi Community School District to support a wellness center that offers mental health support, a resource hub for families, a medical clinic, on-site tutoring, and a staff wellness wing.   | <b>Gross</b><br>Restricted<br>GF/GP                   | <b>\$0</b><br>0<br>\$0                       |

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|   |                     |                     | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b> |
|---|---------------------|---------------------|---|--|
| <b>Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations</b>   |                     |                     |   |  |
| <b>39. SMART Internship Grant Program (Sec. 31ff) – NEW</b>   | <b>Gross</b>        | <b>\$0</b>          | <b>\$15,000,000</b>                                   |  |
| Provides \$15.0 million Gross (\$500,000 GF/GP) for districts, ISDs, and IHEs to implement the SMART internship grant program for students in graduate-level mental health professional programs. Allocates \$500,000 GF/GP to MDE for administration.  | Restricted<br>GF/GP | 0<br>\$0            | 14,500,000<br>\$500,000                               |  |
| <b>40. Early Childhood Block Grants (Sec. 32p)</b>  | <b>Gross</b>        | <b>\$13,400,000</b> | <b>\$6,000,000</b>                                    |  |
| Increases by \$6.0 million SAF for a total of \$19.4 million SAF for early childhood funding block grants to ISDs and for early childhood programs for children from birth through age 8. Increases the allocation for home visits to at-risk children and their families by \$1.0 million SAF for a total of \$3.5 million SAF. (See Major Boilerplate Changes for Sec. 32p below.)  | Restricted<br>GF/GP | 13,400,000<br>\$0   | 6,000,000<br>\$0                                      |  |
| <b>41. Dolly Parton Imagination Library (Sec. 32p(6)) – NEW</b>   | <b>Gross</b>        | <b>\$0</b>          | <b>\$4,000,000</b>                                    |  |
| Provides \$4.0 million one-time SAF for ISDs to enroll children in services through the Dolly Parton Imagination Library, Reach Out and Read Michigan, or other early literacy programs. Allocates funding in the same manner as under Sec. 32p.  | Restricted<br>GF/GP | 0<br>\$0            | 4,000,000<br>\$0                                      |  |
| <b>42. Three-Year-Old GSRP Pilot Program (Sec. 32t)</b>   | <b>Gross</b>        | <b>\$2,200,000</b>  | <b>\$15,800,000</b>                                   |  |
| Provides one-time funding of \$18.0 million SAF to be spread over three years to Clinton County RESA for a three-year-old preschool pilot program to provide services to children who meet the eligibility criteria for GSRP but are three years old. Adds new requirement that CCRESA provide a report that includes a model the state could use to scale the program statewide. Also requires funding to be maintained for current programs. This section also provided \$2.2 million one-time SAF in FY 2022-23. | Restricted<br>GF/GP | 2,200,000<br>\$0    | 15,800,000<br>\$0                                     |  |
| <b>43. GOAL Line Detroit (Sec. 32w) – NEW</b>   | <b>Gross</b>        | <b>\$0</b>          | <b>\$6,000,000</b>                                    |  |
| Provides one-time funding of \$6.0 million SAF to be used over three years for a district or ISD to support GOAL Line Detroit in providing access to high-quality, engaging after school enrichment learning.   | Restricted<br>GF/GP | 0<br>\$0            | 6,000,000<br>\$0                                      |  |
| <b>44. Levin Center (Sec. 32x) – NEW</b>  | <b>Gross</b>        | <b>\$0</b>          | <b>\$4,000,000</b>                                    |  |
| Provides one-time funding of \$4.0 million SAF for statewide implementation of the Learning by Hearings civic education program by the Carl Levin Center for Oversight and Democracy at Wayne State University.   | Restricted<br>GF/GP | 0<br>\$0            | 4,000,000<br>\$0                                      |  |
| <b>45. K-5 Music Education Pilot (Sec. 33) – NEW</b>  | <b>Gross</b>        | <b>\$0</b>          | <b>\$11,000,000</b>                                   |  |
| Provides one-time funding of \$11.0 million SAF for districts to begin music education programs for grades K through 5.   | Restricted<br>GF/GP | 0<br>\$0            | 11,000,000<br>\$0                                     |  |
| <b>46. Early Literacy Teacher Coaches (Sec. 35a(4))</b>   | <b>Gross</b>        | <b>\$31,500,000</b> | <b>\$10,500,000</b>                                   |  |
| Increases by \$10.5 million SAF for a total of \$42.0 million SAF to increase the number of literacy coaches from 280 to 336 and increase the amount per literacy coach from \$112,500 to \$125,000.  | Restricted<br>GF/GP | 31,500,000<br>\$0   | 10,500,000<br>\$0                                     |  |
| <b>47. Early Literacy Added Instructional Time (Sec. 35a(5))</b>  | <b>Gross</b>        | <b>\$19,900,000</b> | <b>\$0</b>  |  |
| Maintains \$19.9 million SAF for districts to provide added instructional time for pupils in grades PreK-3, but expands to pupils in grades PreK-5.   | Restricted<br>GF/GP | 19,900,000<br>\$0   | 0<br>\$0  |  |
| <b>48. Michigan Education Corps (Sec. 35a(8))</b>   | <b>Gross</b>        | <b>\$5,000,000</b>  | <b>\$0</b>  |  |
| Provides one-time funding of \$5.0 million GF/GP to the Michigan Education Corps for the PreK Reading Corps, the K3 Reading Corps, and the Math Corps. This section also provided \$5.0 million one-time GF/GP in FY 2022-23.   | Restricted<br>GF/GP | 0<br>\$5,000,000    | 0<br>\$0  |  |

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| <b>Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations</b>   | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b>   |
|---|---|--|
| <b>49. LETRS Professional Learning (Sec. 35a(10))</b><br>Provides one-time funding of \$10.0 million SAF for LETRS professional learning for PreK to grade 3 teachers, administrators, and early literacy coaches. This section also provided \$10.0 million one-time SAF in FY 2022-23.  | <b>Gross</b><br>Restricted<br>GF/GP                   | <b>\$10,000,000</b><br>10,000,000<br>\$0   |
| <b>50. Orton-Gillingham (Sec. 35d)</b><br>Provides one-time funding of \$1.0 million SAF for districts and ISDs to purchase teacher trainings for children with dyslexia. This section also provided \$1.0 million one-time GF/GP in FY 2022-23.  | <b>Gross</b><br>Restricted<br>GF/GP                   | <b>\$1,000,000</b><br>0<br>\$1,000,000     |
| <b>51. Chaldean Community Foundation (Sec. 35f) – NEW</b><br>Provides one-time funding of \$1.3 million SAF to Macomb ISD to partner with the Chaldean Community Foundation for early childhood learning opportunities and increasing high school graduation rates for new Americans. This section also provided \$1.0 million one-time GF/GP to the Chaldean Community Foundation in FY 2022-23.   | <b>Gross</b><br>Restricted<br>GF/GP                   | <b>\$1,000,000</b><br>0<br>\$1,000,000     |
| <b>52. MiFamily Engagement Centers (Sec. 35i) – NEW</b><br>Provides one-time funding of \$14.0 million SAF to be spread over four years for ISDs to administer ten MiFamily Engagement Centers across the state.  | <b>Gross</b><br>Restricted<br>GF/GP                   | <b>\$0</b><br>0<br>\$0                     |
| <b>53. Early Literacy Hub Campaign (Sec. 35i(5)) – NEW</b><br>Provides one-time funding of \$2.0 million SAF for the recipients of MI Family Engagement Centers funds to implement a statewide campaign to share how parents can support early literacy for children birth to fifth grade.  | <b>Gross</b><br>Restricted<br>GF/GP                   | <b>\$0</b><br>0<br>\$0                     |
| <b>54. Detroit Parent Network (Sec. 35k) – NEW</b><br>Provides one-time funding of \$3.0 million SAF for a district or ISD to support the Detroit Parent Network in providing at least 5,000 families over 10 counties with parental training programs, parental support groups, early literacy and family education programs, programs that support healthy families, and programs supporting civic engagement and community advocacy.   | <b>Gross</b><br>Restricted<br>GF/GP                   | <b>\$0</b><br>0<br>\$0                     |
| <b>55. Lake Shore Early Childhood Center (Sec. 35l) – NEW</b><br>Provides one-time funding of \$1.3 million SAF for Lake Shore Public Schools to support the construction of an early childhood community center.   | <b>Gross</b><br>Restricted<br>GF/GP                   | <b>\$0</b><br>0<br>\$0                     |
| <b>56. Federal Grants (Sec. 39a)</b><br>Increases federal grants under Every Student Succeeds Act (ESSA) by \$2.4 million and other federal grants by \$4.0 million.  | <b>Gross</b><br>Federal<br>GF/GP                      | <b>\$815,200,000</b><br>815,200,000<br>\$0 |
| <b>57. Bilingual Education (Sec. 41)</b><br>Increases by \$13.3 million SAF for a total of \$39.8 million SAF for services for English language learners (ELLs) through the following tiered formula: \$1,476 per ELL with a WIDA score between 1.0 and 1.9; \$1,019 per ELL with a WIDA score between 2.0 and 2.9; and \$167 per ELL with a WIDA score between 3.0 and 3.9. Adds intent to increase these amounts until they reach 75%, 50%, and 35% of the Target foundation allowance. | <b>Gross</b><br>Restricted<br>GF/GP                   | <b>\$26,511,000</b><br>26,511,000<br>\$0   |
| <b>58. Immigrant Support Services (Sec. 41b)</b><br>Provides one-time funding of \$1.5 million SAF for KEYS Grace Academy to partner with Kalasho Education and Youth Services to provide education support services to immigrants. This section also provided \$1.3 million one-time SAF in FY 2022-23.  | <b>Gross</b><br>Restricted<br>GF/GP                   | <b>\$1,250,000</b><br>1,250,000<br>\$0     |

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|  |                     |                     | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b> |
|--|---------------------|---------------------|---|--|
| <b>Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations</b>  |                     |                     |   |  |
| <b>59. Early On (Sec. 54d)</b>   | <b>Gross</b>        | <b>\$21,250,000</b> | <b>\$1,063,000</b>                                    |  |
| Increases by \$1.1 million SAF (5%) for a total of \$22.3 million SAF for grants to ISDs to provide Early On services for children birth to age 3.   | Restricted<br>GF/GP | 21,250,000<br>\$0   | 1,063,000<br>\$0                                      |  |
| <b>60. Career and Technical Education (CTE) (Sec. 61a)</b>   | <b>Gross</b>        | <b>\$47,611,300</b> | <b>\$400,000</b>                                      |  |
| Increases by \$400,000 one-time SAF and retains \$10.0 million SAF intended as one-time funding for FY 2022-23 for a total of \$48.0 million SAF (\$10.4 million one-time) for reimbursements to districts and ISDs for vocational education programs.   | Restricted<br>GF/GP | 47,611,300<br>\$0   | 400,000<br>\$0  |  |
| <b>61. CTE Equipment Upgrades (Sec. 61c)</b>   | <b>Gross</b>        | <b>\$7,500,000</b>  | <b>\$7,500,000</b>                                    |  |
| Provides one-time funding of \$15.0 million SAF for career education planning districts (CEPDs) for which at least 50% of the area served is in an ISD that does not levy a vocational millage. Adds requirement that recipients must include their funding request on grant applications. If the full amount is not distributed, MDE may offer a second grant opportunity with remaining funds open to CEPDs that are not eligible in the first round. Also expands allowable uses to include new equipment. This section also provided \$7.5 million one-time SAF in FY 2022-23. | Restricted<br>GF/GP | 7,500,000<br>\$0    | 7,500,000<br>\$0                                      |  |
| <b>62. CTE Incentive Payments (Sec. 61d)</b>   | <b>Gross</b>        | <b>\$5,000,000</b>  | <b>\$0</b>  |  |
| Maintains \$5.0 million SAF for CTE incentive payments, but strikes requirement that the payment for a CTE student at an ISD must be split equally between the student's district and the ISD.   | Restricted<br>GF/GP | 5,000,000<br>\$0    | 0<br>\$0  |  |
| <b>63. Downriver CTE Consortium (Sec. 61j) – NEW</b>   | <b>Gross</b>        | <b>\$0</b>          | <b>\$10,700,000</b>                                   |  |
| Provides one-time funding of \$10.7 million SAF for the Huron School District to support the Downriver Career and Technical Education Consortium.  | Restricted<br>GF/GP | 0<br>\$0            | 10,700,000<br>\$0                                     |  |
| <b>64. Mott Bilingual Center (Sec. 61k) – NEW</b>  | <b>Gross</b>        | <b>\$0</b>          | <b>\$2,600,000</b>                                    |  |
| Provides one-time funding of \$2.6 million SAF for Mott Community College to renovate a building in Flint for a bilingual early childhood center.  | Restricted<br>GF/GP | 0<br>\$0            | 2,600,000<br>\$0                                      |  |
| <b>65. Schoolcraft Early/Middle College Expansion (Sec. 61l) – NEW</b>   | <b>Gross</b>        | <b>\$0</b>          | <b>\$1,200,000</b>                                    |  |
| Provides one-time funding of \$1.2 million SAF for Schoolcraft College to expand its early middle college program.   | Restricted<br>GF/GP | 0<br>\$0            | 1,200,000<br>\$0                                      |  |
| <b>66. Beecher High School (Sec. 61m) – NEW</b>  | <b>Gross</b>        | <b>\$0</b>          | <b>\$2,500,000</b>                                    |  |
| Provides one-time funding of \$2.5 million SAF to Beecher Community School District to build a new high school.  | Restricted<br>GF/GP | 0<br>\$0            | 2,500,000<br>\$0                                      |  |
| <b>67. Waverly High School (Sec. 61n) – NEW</b>  | <b>Gross</b>        | <b>\$0</b>          | <b>\$3,000,000</b>                                    |  |
| Provides one-time funding of \$3.0 million SAF for Waverly Community Schools for renovation planning and construction capital costs for a high school auditorium.  | Restricted<br>GF/GP | 0<br>\$0            | 3,000,000<br>\$0                                      |  |
| <b>68. DPSCD Elementary School (Sec. 61o) – NEW</b>  | <b>Gross</b>        | <b>\$0</b>          | <b>\$6,500,000</b>                                    |  |
| Provides one-time funding of \$6.5 million SAF for DPSCD for renovations and essential structural improvements for Coleman A. Young Elementary School.   | Restricted<br>GF/GP | 0<br>\$0            | 6,500,000<br>\$0                                      |  |
| <b>69. DPSCD Foreign Language School (Sec. 61p) – NEW</b>  | <b>Gross</b>        | <b>\$0</b>          | <b>\$5,000,000</b>                                    |  |
| Provides one-time funding of \$5.0 million SAF for DPSCD for renovations and essential structural improvements for a foreign language immersion and cultural studies school.   | Restricted<br>GF/GP | 0<br>\$0            | 5,000,000<br>\$0                                      |  |

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| <b>Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations</b>  | <b>Gross</b>        | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b> |
|--|---------------------|---|--|
| <b>70. Michigan Joint Training Innovation Center (Sec. 61q) – NEW</b><br>Provides one-time funding of \$5.0 million SAF for Ingham ISD to establish the Michigan Joint Training Innovation Center as a public-private initiative to provide workforce training.  | Restricted<br>GF/GP | \$0<br>0<br>\$0                                       | \$5,000,000<br>5,000,000<br>\$0          |
| <b>71. Lansing Schools Hill Center Track (Sec. 61r) – NEW</b><br>Provides one-time funding of \$500,000 SAF to Lansing Public School District for the Hill Center track.   | Restricted<br>GF/GP | \$0<br>0<br>\$0                                       | \$500,000<br>500,000<br>\$0              |
| <b>72. Eaton RESA FFA (Sec. 61s) – NEW</b><br>Provides one-time funding of \$4.0 million SAF for Eaton RESA to partner with FFA for capital improvements and equipment, credentialing and updating of Perkins 5, general agricultural education, and current FFA structures.   | Restricted<br>GF/GP | \$0<br>0<br>\$0                                       | \$4,000,000<br>4,000,000<br>\$0          |
| <b>73. Harper Woods CTE Center (Sec. 61t) – NEW</b><br>Provides one-time funding of \$1.0 million SAF for Harper Woods school district to support the construction of a CTE Center.  | Restricted<br>GF/GP | \$0<br>0<br>\$0                                       | \$1,000,000<br>1,000,000<br>\$0          |
| <b>74. Romulus CTE Center (Sec. 61u) – NEW</b><br>Provides one-time funding of \$1.6 million SAF for Romulus Community Schools to support the construction of a CTE center.  | Restricted<br>GF/GP | \$0<br>0<br>\$0                                       | \$1,600,000<br>1,600,000<br>\$0          |
| <b>75. Detroit Area PreCollege Engineering Program (Sec. 65)</b><br>Revises \$500,000 SAF intended as one-time funding for FY 2022-23 as ongoing to maintain a total of \$900,000 SAF for DAPCEP.  | Restricted<br>GF/GP | \$900,000<br>900,000<br>\$0                           | \$0<br>0<br>\$0                          |
| <b>76. College and Career Preparation (Sec. 67)</b><br>Increases by \$2.0 million one-time GF/GP for a total of \$5.0 million GF/GP (\$2.0 million one-time) for the College Access Program Administered by the Department of Labor and Economic Opportunity (LEO) in collaboration with the Michigan College Access Network (MCAN).   | Restricted<br>GF/GP | \$3,000,000<br>0<br>\$3,000,000                       | \$2,000,000<br>0<br>\$2,000,000          |
| <b>77. Developer Academy (Sec. 67c)</b><br>Provides one-time funding of \$3.0 million GF/GP for Michigan State University to recruit and provide stipends for participants in a developer academy. This section also provided \$3.0 million one-time GF/GP in FY 2022-23.  | Restricted<br>GF/GP | \$3,000,000<br>0<br>\$3,000,000                       | \$0<br>0<br>\$0                          |
| <b>78. FAFSA Completion Challenge (Sec. 67f) – NEW</b><br>Provides one-time funding of \$10.0 million SAF for districts to improve Free Application for Federal Student Aid (FAFSA) completion rates. Provides an initial payment by November 30, 2023, and a secondary payment by September 30, 2024, each equal to \$50 per 12th grade student. Initial payments must be used for activities known to drive FAFSA completion and secondary payments are encouraged to be used to continue FAFSA completion work. | Restricted<br>GF/GP | \$0<br>0<br>\$0                                       | \$10,000,000<br>10,000,000<br>\$0        |
| <b>79. Ready Rosie (Sec. 67g) – NEW</b><br>Provides one-time funding of \$1.0 million GF/GP for an online early childhood family engagement platform that offers content in English and Spanish.   | Restricted<br>GF/GP | \$0<br>0<br>\$0                                       | \$1,000,000<br>0<br>\$1,000,000          |
| <b>80. ISD General Operations (Sec. 81)</b><br>Increases by \$3.8 million SAF for a total of \$79.4 million SAF for payments to ISDs for general operations. Provides each ISD with 105% of its FY 2022-23 funding. Strikes requirement that ISDs coordinate COVID-19 response efforts for constituent districts and that ISDs must ensure PSAs have equitable access to meetings and programming.   | Restricted<br>GF/GP | \$75,642,600<br>75,642,600<br>\$0                     | \$3,782,100<br>3,782,100<br>\$0          |

## SCHOOL AID

|   |                     |                     | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b> |
|---|---------------------|---------------------|---|--|
| <b>Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations</b>   |                     |                     |   |  |
| <b>81. AP/IB/CLEP Incentive Program (Sec. 94)</b>   | <b>Gross</b>        | <b>\$1,200,000</b>  |   | <b>\$0</b>                               |
| Maintains \$1.2 million GF/GP to pay all or part of Advanced Placement (AP), International Baccalaureate (IB), and College-Level Examination Program (CLEP) fees for low-income students, but revises to allow any leftover funds to be used to reimburse AP, IB, and CLEP costs for students who exceed low-income status. | Restricted<br>GF/GP | 0<br>\$1,200,000    |   | 0<br>\$0                                 |
| <b>82. Value-Added Growth and Analytics System (Sec. 95b)</b>   | <b>Gross</b>        | <b>\$2,000,000</b>  |   | <b>\$0</b>                               |
| Provides one-time funding of \$2.0 million GF/GP for a model value-added growth and projection analytics system. Adds requirement to complete a system security plan. This section also provided \$2.0 million one-time GF/GP in FY 2022-23.  | Restricted<br>GF/GP | 0<br>\$2,000,000    |   | 0<br>\$0                                 |
| <b>83. Navigate 360 (Sec. 97a)</b>  | <b>Gross</b>        | <b>\$1,947,000</b>  |   | <b>\$53,000</b>                          |
| Provides one-time funding of \$2.0 million GF/GP for Michigan Virtual University to support Navigate 360. Expands eligible uses to include the MichiganCares, PBIS Rewards, and Intervention programs. This section also provided \$1.9 million one-time GF/GP in FY 2022-23.   | Restricted<br>GF/GP | 0<br>\$1,947,000    |   | 0<br>\$53,000                            |
| <b>84. School Resource Officers (Sec. 97b)</b>  | <b>Gross</b>        | <b>\$25,000,000</b> |   | <b>(\$25,000,000)</b>                    |
| Eliminates \$25.0 million SAF for schools, districts, and ISDs to hire school resource officers.  | Restricted<br>GF/GP | 25,000,000<br>\$0   |   | (25,000,000)<br>\$0                      |
| <b>85. School Safety and Mental Health Commission (Sec. 97e)</b>  | <b>Gross</b>        | <b>\$2,000,000</b>  |   | <b>\$0</b>                               |
| Provides one-time funding of \$2.0 million SAF for a School Safety and Mental Health Commission within MDE. Revises to make requirements for the commission optional. This section also provided \$2.0 million one-time GF/GP in FY 2022-23.  | Restricted<br>GF/GP | 0<br>\$2,000,000    |   | 2,000,000<br>(\$2,000,000)               |
| <b>86. Cybersecurity Risk Assessments (Sec. 97g) – NEW</b>  | <b>Gross</b>        | <b>\$0</b>          |   | <b>\$9,000,000</b>                       |
| Provides one-time funding of \$9.0 million SAF for an ISD to establish a statewide security operations center to monitor and assist in responding to threats and attacks on critical technology infrastructure for districts and ISDs.  | Restricted<br>GF/GP | 0<br>\$0            |   | 9,000,000<br>\$0                         |
| <b>87. Zero Eyes (Sec. 97i) – NEW</b>   | <b>Gross</b>        | <b>\$0</b>          |   | <b>\$3,000,000</b>                       |
| Provides one-time funding of \$3.0 million SAF for grants to districts and ISDs for a firearm detection software that integrates into existing security cameras.  | Restricted<br>GF/GP | 0<br>\$0            |   | 3,000,000<br>\$0                         |
| <b>88. Early Interventions (Sec. 97j) – NEW</b>   | <b>Gross</b>        | <b>\$0</b>          |   | <b>\$6,000,000</b>                       |
| Provides one-time funding of \$6.0 million SAF for districts and ISDs to purchase and implement tools to identify early behaviors that could require intervention to prevent abuse, self-harm, or violence in schools.  | Restricted<br>GF/GP | 0<br>\$0            |   | 6,000,000<br>\$0                         |
| <b>89. Student Advocacy Center of Michigan (Sec. 97k) – NEW</b>   | <b>Gross</b>        | <b>\$0</b>          |   | <b>\$100,000</b>                         |
| Provides one-time funding of \$100,000 SAF to a district for the Student Advocacy Center of Michigan's statewide helpline for families in educational crisis.   | Restricted<br>GF/GP | 0<br>\$0            |   | 100,000<br>\$0                           |
| <b>90. Dearborn Cybersecurity (Sec. 97l) – NEW</b>  | <b>Gross</b>        | <b>\$0</b>          |   | <b>\$250,000</b>                         |
| Provides one-time funding of \$250,000 SAF for Dearborn City School District for a cybersecurity certificate program.   | Restricted<br>GF/GP | 0<br>\$0            |   | 250,000<br>\$0                           |

**SCHOOL AID**

| <b>Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations</b>   | <b>Gross</b>     | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b> |
|---|------------------|---|--|
| <b>91. Michigan Virtual University (Sec. 98)</b><br>Revises \$500,000 GF/GP intended as one-time funding for FY 2022-23 to be ongoing and increases by an additional one-time \$1.3 million GF/GP for a total of \$9.3 million GF/GP (\$1.3 million one-time) for Michigan Virtual University. Adds intent that Michigan Virtual Learning Research Institute and external stakeholders coordinate with MDE for professional development for employees in childcare facilities, early childhood facilities, and after school programs. | Restricted GF/GP | \$8,000,000<br>0<br>\$8,000,000                       | \$1,300,000<br>0<br>\$1,300,000          |
| <b>92. Michigan Learning Channel (Sec. 98d) – NEW</b><br>Provides one-time funding of \$5.0 million SAF to Northern Michigan University to support the Michigan Learning Channel.   | Restricted GF/GP | \$0<br>0<br>\$0                                       | \$5,000,000<br>5,000,000<br>\$0          |
| <b>93. Heroes Circle (Sec. 99a) – NEW</b><br>Provides one-time funding of \$100,000 GF/GP to Heroes Circle to expand programming for social-emotional learning.   | Restricted GF/GP | \$0<br>0<br>\$0                                       | \$100,000<br>0<br>\$100,000              |
| <b>94. Computer Science Professional Learning (Sec. 99b) – NEW</b><br>Provides one-time funding of \$4.0 million SAF for districts to develop and implement teacher professional development programs for computer science and computational thinking courses and content.  | Restricted GF/GP | \$0<br>0<br>\$0                                       | \$4,000,000<br>4,000,000<br>\$0          |
| <b>95. Diverse Histories Pilot (Sec. 99d) – NEW</b><br>Provides one-time funding of \$6.0 million SAF for districts to implement plans to teach diverse American histories, including local history.  | Restricted GF/GP | \$0<br>0<br>\$0                                       | \$6,000,000<br>6,000,000<br>\$0          |
| <b>96. Brilliant Detroit (Sec. 99e) – NEW</b><br>Provides one-time funding of \$2.0 million SAF for Wayne RESA to forward funds to a nonprofit (Brilliant Detroit) for high-dosage neighborhood-based tutoring and direct noninstructional services for at-risk pupils ages 3 to 12.  | Restricted GF/GP | \$0<br>0<br>\$0                                       | \$2,000,000<br>2,000,000<br>\$0          |
| <b>97. Godfrey-Lee School District Roof (Sec. 99f) – NEW</b><br>Provides one-time funding of \$4.0 million SAF to Godfrey-Lee Public Schools for residual costs associated with the collapse of a high school roof.   | Restricted GF/GP | \$0<br>0<br>\$0                                       | \$4,000,000<br>4,000,000<br>\$0          |
| <b>98. Helping Women Period Pilot (Sec. 99g) – NEW</b><br>Provides one-time funding of \$1.0 million SAF for a pilot program for districts to distribute feminine hygiene products, upon request, to eligible students.   | Restricted GF/GP | \$0<br>0<br>\$0                                       | \$1,000,000<br>1,000,000<br>\$0          |
| <b>99. FIRST Robotics (Sec. 99h)</b><br>Retains \$500,000 SAF intended as one-time in FY 2022-23 and increases by an additional \$750,000 one-time SAF for a total of \$6.6 million Gross (\$600,000 GF/GP), of which \$1.3 million SAF is one-time. Adds requirement for reporting student participation to MDE. Removes requirement for a pledge to not require a payment for teams that do not receive grants.   | Restricted GF/GP | \$5,823,200<br>5,223,200<br>\$600,000                 | \$750,000<br>750,000<br>\$0              |
| <b>100. Shiawassee RESD CTE Center (Sec. 99m) – NEW</b><br>Provides one-time funding of \$450,000 SAF for Shiawassee RESD to support the construction of a CTE center.  | Restricted GF/GP | \$0<br>0<br>\$0                                       | \$450,000<br>450,000<br>\$0              |
| <b>101. Lansing CTE Center (Sec. 99n) – NEW</b><br>Provides one-time funding of \$6.0 million SAF to Ingham County ISD to support the construction of a CTE center.   | Restricted GF/GP | \$0<br>0<br>\$0                                       | \$6,000,000<br>6,000,000<br>\$0          |

|  |                                |                        | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b> |
|--|--------------------------------|------------------------|---|--|
| <b>Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations</b>  |                                |                        |   |  |
| <b>102. Algebra Nation (Sec. 99t)</b>  | <b>Gross</b>                   | <b>\$3,000,000</b>     | <b>(\$1,000,000)</b>                                  |  |
| Provides one-time funding of \$2.0 million GF/GP for an online algebra tool (Algebra Nation). This section also provided \$3.0 million one-time GF/GP in FY 2022-23.   | Restricted<br>GF/GP            | 0<br>\$3,000,000       | 0<br>(\$1,000,000)                                    |  |
| <b>103. Imagine Learning (Sec. 99u)</b>  | <b>Gross</b>                   | <b>\$6,000,000</b>     | <b>\$0</b>  |  |
| Provides one-time funding of \$6.0 million SAF for Imagine Learning to provide an online mathematics tool and a program that provides targeted literacy instruction. This section also provided \$6.0 million one-time GF/GP in FY 2022-23.  | Restricted<br>GF/GP            | 0<br>\$6,000,000       | 6,000,000<br>(\$6,000,000)                            |  |
| <b>104. Teach for America (Sec. 99x)</b>   | <b>Gross</b>                   | <b>\$20,000,000</b>    | <b>(\$15,000,000)</b>                                 |  |
| Provides one-time funding of \$5.0 million SAF for Kentwood Public Schools to support Teach for America's TeachMichigan initiative. This section also provided \$20.0 million Federal SFRF to Teach for America for recruitment and retention initiatives in FY 2022-23.               | Federal<br>Restricted<br>GF/GP | 20,000,000<br>0<br>\$0 | (20,000,000)<br>5,000,000<br>\$0                      |  |
| <b>105. Project SEARCH (Sec. 99aa)</b>   | <b>Gross</b>                   | <b>\$1,500,000</b>     | <b>\$0</b>  |  |
| Provides one-time funding of \$1.5 million SAF for Project SEARCH to provide opportunities for high school students with disabilities to train for, gain, and maintain competitive employment. This section also provided \$1.5 million SAF in FY 2022-23.                             | Restricted<br>GF/GP            | 1,500,000<br>\$0       | 0<br>\$0  |  |
| <b>106. Hispanic Collaborative (Sec. 99ee)</b>   | <b>Gross</b>                   | <b>\$1,500,000</b>     | <b>\$5,000,000</b>                                    |  |
| Provides one-time funding of \$6.5 million SAF for Wayne RESA to partner with a nonprofit (The Michigan Hispanic Collaborative) that provides supports to help Hispanic students graduate from college. This section also provided \$1.5 million GF/GP to the nonprofit in FY 2022-23. | Restricted<br>GF/GP            | 0<br>\$1,500,000       | 6,500,000<br>(\$1,500,000)                            |  |
| <b>107. Junior Achievement (Sec. 99ff) – NEW</b>   | <b>Gross</b>                   | <b>\$0</b>             | <b>\$5,000,000</b>                                    |  |
| Provides one-time funding of \$5.0 million SAF for Wayne RESA, in collaboration with Junior Achievement, to create curricula, educational programs, and professional development for the personal financial education graduation requirement under 2022 PA 105.                        | Restricted<br>GF/GP            | 0<br>\$0               | 5,000,000<br>\$0                                      |  |
| <b>108. Boys and Girls Club (Sec. 99gg) – NEW</b>  | <b>Gross</b>                   | <b>\$0</b>             | <b>\$10,000,000</b>                                   |  |
| Provides one-time funding of \$10.0 million SAF to Detroit Public Schools Community District to partner with a CBO that provides before-and-after-school programs for children in southeast Michigan to expand locations.  | Restricted<br>GF/GP            | 0<br>\$0               | 10,000,000<br>\$0                                     |  |
| <b>109. City Year (Sec. 99hh) – NEW</b>  | <b>Gross</b>                   | <b>\$0</b>             | <b>\$3,000,000</b>                                    |  |
| Provides one-time funding of \$3.0 million SAF for Wayne RESA to partner with a nonprofit entity to support student success coach AmeriCorps service members to provide academic interventions in mathematics and English language arts and social emotional support to K-12 students. | Restricted<br>GF/GP            | 0<br>\$0               | 3,000,000<br>\$0                                      |  |
| <b>110. Wayne-Westland Driver's Training (Sec. 99ii) – NEW</b>   | <b>Gross</b>                   | <b>\$0</b>             | <b>\$250,000</b>                                      |  |
| Provides one-time funding of \$250,000 SAF for Wayne-Westland Community School District to run a pilot program for eligible students to attend driver training programs.   | Restricted<br>GF/GP            | 0<br>\$0               | 250,000<br>\$0  |  |
| <b>111. Dearborn Driver's Training (Sec. 99jj) – NEW</b>   | <b>Gross</b>                   | <b>\$0</b>             | <b>\$250,000</b>                                      |  |
| Provides one-time funding of \$250,000 SAF for Dearborn City School District to establish a pilot grant program for driver training programs.  | Restricted<br>GF/GP            | 0<br>\$0               | 250,000<br>\$0  |  |

**SCHOOL AID**

| <b>Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations</b>  | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b>              |
|--|---|---|
| <b>112. Boys and Girls Club of Grand Rapids (Sec. 99kk) – NEW</b><br>Provides one-time funding of \$5.0 million SAF for a district or ISD to partner with a CBO to support existing programming and expand locations for that CBO. Allocates \$750,000 to support the Seidman Center in Southeast Grand Rapids.  | <b>Gross</b><br>Restricted<br>GF/GP                   | <b>\$0</b><br>0<br>\$0                                |
| <b>113. Eastpointe Pool (Sec. 99ll) – NEW</b><br>Provides one-time funding of \$500,000 SAF to Eastpointe Community Schools for the construction of a swimming pool.   | <b>Gross</b><br>Restricted<br>GF/GP                   | <b>\$0</b><br>0<br>\$0                                |
| <b>114. Education Assessments (Sec. 104)</b><br>Increases by \$1.8 million Federal for a total of \$45.5 million Gross (\$0 GF/GP) for reimbursement of costs associated with state student assessment requirements.   | <b>Gross</b><br>Federal<br>Restricted<br>GF/GP        | <b>\$43,759,400</b><br>6,250,000<br>37,509,400<br>\$0 |
| <b>115. Digital Literacy (Sec. 104f)</b><br>Provides one-time funding of \$1.0 million SAF for an assessment digital literacy preparation program for pupils in grades K-8. Requires prioritization for partnership model districts and then to districts with at least one school serving K-8 pupils with a free or reduced lunch index of 85% or greater, unless the district participated in FY 2022-23. This section also provided \$150,000 one-time SAF in FY 2022-23.   | <b>Gross</b><br>Restricted<br>GF/GP                   | <b>\$150,000</b><br>150,000<br>\$0                    |
| <b>116. Benchmark Assessments (Secs. 104h &amp; 104i)</b><br>Does not provide funding for FY 2023-24 to implement benchmark assessments for 2024-25 school year, with the intent that funding for the 2024-25 school year will be appropriated in FY 2024-25. (See Major Boilerplate Changes for Secs. 104h & 104i below.)   | <b>Gross</b><br>Restricted<br>GF/GP                   | <b>\$11,500,000</b><br>11,500,000<br>\$0              |
| <b>117. Adult Education (Sec. 107)</b><br>Increases by \$10.0 million SAF for a total of \$40.0 million SAF for adult education programs.  | <b>Gross</b><br>Restricted<br>GF/GP                   | <b>\$30,000,000</b><br>30,000,000<br>\$0              |
| <b>118. Adult Education Innovation Programs (Sec. 107a) – NEW</b><br>Provides one-time funding of \$15.0 million SAF for LEO to award competitive grants to districts, ISDs, and community colleges (or other providers or organizations partnering with a district, ISD, or community college) to provide programs to improve enrollment in and completion of adult basic education programs. For pilot programs, allocates up to 5% of a grant to conduct program evaluation and identify best practices to scale the program statewide. | <b>Gross</b><br>Restricted<br>GF/GP                   | <b>\$0</b><br>0<br>\$0                                |
| <b>119. Adair Database Payments (Sec. 152a)</b><br>Increases by \$3.0 million SAF for a total of \$41.0 million SAF for the costs of collecting, maintaining, and reporting data required under Adair v State of Michigan. The \$3.0 million SAF increase is allocated for costs associated with reporting student data to tribal governments and reporting student participation in federal American Indian programs.   | <b>Gross</b><br>Restricted<br>GF/GP                   | <b>\$38,000,500</b><br>38,000,500<br>\$0              |

## SCHOOL AID

|   |              | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b> |
|---|--------------|---|--|
| <b>Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations</b>   |              |   |  |
| <b>120. Removal of One-Time Items</b>   | <b>Gross</b> | <b>\$494,035,500</b>                                  | <b>(\$494,035,500)</b>                   |
| Removes \$494.0 million Gross (including the removal of \$46.7 million GF/GP) in one-time items:  | Federal      | 205,000,000   | (205,000,000)                            |
|   | Restricted   | 242,380,500   | (242,380,500)                            |
|   | GF/GP        | \$46,655,000  | (\$46,655,000)                           |
| • \$5.0 million SAF for Consolidation Studies (Sec. 11x)  |              |   |  |
| • \$20.0 million SAF for Infrastructure Study (Sec. 11y)  |              |   |  |
| • \$5.0 million SAF for Learning Pods (Sec. 23f)  |              |   |  |
| • \$175.0 million Gross (\$0 GF/GP) for Grow Your Own Programs (Sec. 27b)   |              |   |  |
| • \$15.0 million SAF for Troops to Teachers (Sec. 30c)  |              |   |  |
| • \$12.0 million GF/GP for Beyond Basics (Sec. 31c)   |              |   |  |
| • \$50.0 million Federal SFRF for TRAILS Program (Sec. 31p)   |              |   |  |
| • \$2.0 million GF/GP for Discover You (Sec. 31q)   |              |   |  |
| • \$700,000 SAF for Eastern Upper Peninsula ISD Learning Center (Sec. 31bb)   |              |   |  |
| • \$1.1 million GF/GP for Purple Star Program (Sec. 31cc)   |              |   |  |
| • \$427,500 SAF for Roadmaps Program (Sec. 31dd)  |              |   |  |
| • \$500,000 GF/GP for Detroit Horse Power (Sec. 31ee)   |              |   |  |
| • \$5.0 million GF/GP for BookNook (Sec. 32u)   |              |   |  |
| • \$1.0 million SAF for Innovative Community Libraries (Sec. 35g)   |              |   |  |
| • \$500,000 GF/GP for Jewish Federation of Metro Detroit (Sec. 35h)   |              |   |  |
| • \$300,000 GF/GP for Conductive Learning (Sec. 55)   |              |   |  |
| • \$10.0 million SAF for CTE Teacher Recruitment and Retention (Sec. 61i)   |              |   |  |
| • \$50,000 GF/GP for the Michigan Industrial Technology Education Society (MITES) (Sec. 67a)  |              |   |  |
| • \$2.5 million GF/GP for ProStart/HTM Hospitality and Tourism Grants (Sec. 67d)  |              |   |  |
| • \$2.0 million GF/GP for Skilled Trades for Students Program (Sec. 67e)  |              |   |  |
| • \$168.0 million Gross (\$18.0 million GF/GP) for School Safety (Sec. 97)  |              |   |  |
| • \$15.0 million SAF for Cross-System Intervention Approach (Sec. 97f)  |              |   |  |
| • \$500,000 GF/GP for Women in Technology Foundation (Sec. 99i)   |              |   |  |
| • \$200,000 GF/GP for Square One (Sec. 99j)   |              |   |  |
| • \$253,000 SAF for NAF Academies (Sec. 99cc)   |              |   |  |
| • \$2.0 million GF/GP for MI Science Center (Sec. 99dd)   |              |   |  |
| <b>121. Other Major Cost Adjustments</b>  | <b>Gross</b> | <b>\$967,142,400</b>                                  | <b>\$15,895,000</b>                      |
| Revises the following to reflect updated cost estimates:  | Federal      | 915,000,000   | 1,400,000                                |
| • Sec. 11m – Reduces cash flow borrowing by \$6.8 million SAF to \$1.0 million SAF.   | Restricted   | 52,142,400  | 14,495,000                               |
| • Sec. 26b – Increases payment in lieu of taxes (PILT) by \$95,000 SAF to \$5.1 million SAF.  | GF/GP        | \$0   | \$0                                      |
| • Sec. 26c – Increases required funds for districts and ISDs with an approved Promise Zone development plan by \$11.2 million SAF to \$26.0 million SAF.                      |              |   |  |
| • Sec. 31d – Increases the state share of school lunch programs by \$5.0 million SAF to \$29.6 million SAF and increases federal funding by \$1.4 million to \$916.4 million. |              |   |  |
| • Sec. 31f – Increases school breakfast reimbursements by \$5.0 million SAF to \$16.9 million SAF.  |              |   |  |

| <u>Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations</u>   | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b> |  |
|---|---|--|--|
| <b>122. Economic Adjustments</b><br>Reflects reduced costs of \$45,200 Gross, including a reduction of Restricted \$43,700 GF/GP, for negotiated salary and wage increases (2.0% on October 1, 2023), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments. | <b>Gross</b><br>Restricted<br>GF/GP                   | <b>NA</b><br>NA<br>NA                    | <b>(\$45,200)</b><br>(1,500)<br>(\$43,700) |

**Major Boilerplate Changes from FY 2022-23****Sec. 6. Pupil Membership Definitions – REVISED**

Clarifies that the full-time equated (FTE) membership for a pupil enrolled in a middle college program cannot exceed more than 1.0 FTE and adds definition for graduating in "fewer than 5 years" as at least one semester early.

Provides that a district may hold the fall pupil membership count day on the first Thursday in October if the first Wednesday in October falls on a date of religious or cultural significance, as determined by the district.

Extends provision through the 2023-24 school year that allows instruction by a noncertificated, nonendorsed teacher engaged to teach under Sec. 1233b of the Revised School Code.

**Sec. 6a. Supplemental Pupil Count – REVISED**

Provides that a district may hold the spring supplemental pupil membership count day on the second Thursday in February if the second Wednesday in February falls on a date of religious or cultural significance, as determined by the district.

**Sec. 19. State and Federal Reporting Requirements – REVISED**

Adds requirement that a district must provide CEPI with information related to personnel vacancies within 30 days of changes in employment or assignment status, including vacancy start and end dates and reasons for vacancy and vacancy termination.

Also adds requirement that a district or ISD must collect and submit to CEPI tribal affiliation data for all students and staff and identification of student participation in federal American Indian education programs.

**Sec. 21f. Virtual Courses – REVISED**

Revises to allow courses to meet virtually for up to 15 days without parental consent if the district provides parental notice and the virtual days are due to emergency closures, testing days, or up to 30 hours of professional development.

**Secs. 22a, 22b, & 51c. Cost Adjustment Process – REVISED**

Removes requirement that the State Budget Director must notify the House and Senate subcommittees on school aid and the House and Senate fiscal agencies within 14 days of any fund transfer between Secs. 22a, 22b, and 51c.

**Sec. 22p. Partnership District Discretionary Payment – REVISED**

Adds the following requirements for the 3-year partnership agreement that a partnership district must have in order to receive funding under Sec. 22b: the agreement must include measurable academic outcomes that are intended to measure improved high school graduation rates, and outcomes that measure school attendance rates.

**Sec. 31m. School Mental Health and Support Services Fund – DELETED**

Repeals this section, which established the School Mental Health and Support Services Fund.

**Sec. 31n(2). School Mental Health Advisory Council – REVISED**

Expands the scope of an advisory council for programs funded under Sec. 31n to also include any other funding under the School Aid Act to improve or maintain the mental health of students, except funding under Sec. 31a(7) and Sec. 31a(8).

## SCHOOL AID

### **Major Boilerplate Changes from FY 2022-23**

#### **Secs. 32d & 39. Great Start Readiness Program – REVISED**

Revises provision stating that if a program cannot hire a teacher with proper training, that program may hire an individual with at least five years of experience by adding that an individual with at least three years of experience and significant training in early childhood or child development may qualify based on the recommendation of the ISD after a classroom observation. Adds that years of experience may include Head Start or licensed child care centers.

Revises provision stating that if a program cannot hire a paraprofessional with proper training, that program may hire an individual with at least one course in early childhood education or child development by adding that an individual who enrolls in a child development associate credential with at least six months of verified experience may also qualify.

Revises current 2% program spending cap on outreach, recruiting, and public awareness by revising the provision to only apply to programs participating in statewide marketing and outreach efforts (programs not participating in statewide marketing would be prohibited from spending any portion of funds on outreach).

Adds requirement that a program's application must include the total number of age-eligible children in the community in addition to the current requirement to include total number of children who meet the criteria for GSRP.

Allows MDE to approve a waiver from the requirement that blended GSRP/Head Start slots comply with requirements under both programs. Requires MDE to report on these waivers annually.

Allows recipients to utilize materials and supplies purchased for GSRP for other early care and education activities.

#### **Sec. 32p. Early Childhood Block Grants – REVISED**

Revises the name of local great start collaborative and parent coalitions to local great start collaborative and family coalitions. Adds requirement that a coalition must ensure its local great start system provides supports for community infrastructure.

#### **Sec. 94a. Center for Educational Performance and Information – REVISED**

Adds requirement that the P-20 longitudinal data system includes data associated with students who have been identified as having an affiliation to one or more federally recognized Indian tribes and data related to student participation in federal American Indian programs.

#### **Sec. 98a. Extended COVID-19 Learning Plan – DELETED**

Repeals this section, which required districts to provide instruction under an extended COVID-19 learning plan for FY 2020-21.

#### **Sec. 98b. Benchmark Reporting Requirements – DELETED**

Repeals this section, which requires districts to comply with benchmark reporting requirements to receive state aid.

#### **Sec. 101. Eligibility to Receive State Aid – REVISED**

Adds that the approval of snow days for a district must not take into account whether that district counts days of professional development as days of pupil instruction.

#### **Secs. 104h & 104i. Benchmark Assessments for the Following School Year – REVISED**

Does not fund section for FY 2023-24, but makes the following boilerplate changes with the intent that funding will resume in FY 2024-25: adds requirement that the same benchmark assessment be administered in both the fall and the spring; and revises deadline for MDE to report on benchmark assessment data from September 25 to November 15.

#### **Sec. 121. Determination of a District's Property Value – REVISED**

Strikes requirement that adjustments to a district's valuation due to state tax tribunal decisions or other certain circumstances must not be made for more than six fiscal years preceding the fiscal year in which the adjustment is made.

#### **Sec. 163. Educator Certification Requirements – REVISED**

Clarifies that an individual employed as a superintendent, principal, or assistant principal must meet both the requirements under Sec. 1246 of the Revised School Code and rules promulgated by the department.

#### **Sec. 164g. Legal Action Against the State – DELETED**

Repeals this section, which establishes a penalty in an amount equal to the amount spent if a district or ISD uses state funding to pay for an expense relating to any legal action initiated by the district or ISD against the state.

**Major Boilerplate Changes from FY 2022-23*****Sec. 164h. Collective Bargaining Agreement Penalty – DELETED***

Repeals this section, which establishes a penalty in an amount equal to 5% of total state aid if a district or ISD enters into a collective bargaining agreement that establishes racial or religious preferences, automatically deducts union dues from paychecks, conflicts with any state or federal transparency laws, or uses a method of compensation that does not comply with Sec. 1250 of the Revised School Code.

***Sec. 164i. Access to State and Local Services – NEW***

Prohibits appropriations from being used to restrict or impede a marginalized community's access to government programs and requires local governments to report on actions that attempt to restrict duties of local health officers.

***Sec. 166. Disciplinary Policy for Abortion Referral – DELETED***

Repeals this section, which requires a district or ISD to adopt a disciplinary policy for school officials or staff (except for a parent or legal guardian of the pupil) for making abortion referrals.

***Sec. 166a. Requirements Related to Sex Education – DELETED***

Repeals this section, which provides requirements related to the provision of reproductive health and sex education.

***Sec. 296. Automatic Proration – REVISED***

Requires that if a deposit from the School Aid Countercyclical Budget and Foundation Stabilization Fund is made into the School Aid Fund to avoid or reduce proration, that amount may only be used to avoid or reduce proration for districts, ISDs, and other entities under Article I.

| <b>Supplemental Recommendations for FY 2022-23 Appropriations</b>  | <b>FY 2022-23 Recommendation</b> |                   |              |
|--|----------------------------------|-------------------|--------------|
|  | <b>Gross</b>                     | <b>Restricted</b> | <b>GF/GP</b> |
| <b>1. MI Kids Back on Track (Sec. 23g) – NEW</b><br>Provides one-time funding of \$150.0 million SAF for payments to districts, ISDs, and the Michigan Schools for the Deaf and Blind in an equal amount per pupil who is not proficient in math or reading. Funds must be used to implement a MI Kids Back on Track plan to address unfinished learning. Allocates \$600,000 to Clinton County RESA to work with the Michigan Association of Intermediate School Administrators to determine eligible tutoring programs, provide assistance, and report data. | <b>\$150,000,000</b>             | 150,000,000       | \$0          |
| <b>2. Detroit Literacy Settlement (Sec. 11v) – NEW</b><br>Provides one-time funding of \$94.4 million SAF for DPSCD for literacy-related programs and initiatives. This grant is intended to fulfill a state agreement in the <i>Gary B. v. Whitmer</i> settlement. Requires DPSCD to convene a task force and spend funds only as described in the <i>Gary B. v. Whitmer</i> settlement.  | <b>\$94,400,000</b>              | 94,400,000        | \$0          |
| <b>3. Talent Together – Grow Your Own (Sec. 27p) – NEW</b><br>Provides one-time funding of \$66.4 million SAF for an apprenticeship model grow your own program as part of a consortia of at least 45 ISDs to provide a no-cost pathway for support staff to become certified teachers.  | <b>\$66,353,000</b>              | 66,353,000        | \$0          |
| <b>4. MI Healthy Schools Grant Program (Sec. 12a) – NEW</b><br>Provides one-time funding of \$50.0 million SAF for competitive grants to schools to lower energy costs and improve health outcomes at school facilities.   | <b>\$50,000,000</b>              | 50,000,000        | \$0          |
| <b>5. School Aid Rainy Day Fund (Sec. 11z) – NEW</b><br>Creates the School Aid Countercyclical Budget and Foundation Stabilization Fund as a subaccount of the School Aid Fund and deposits \$450.0 million SAF into the fund. Allows the State Budget Director to deposit money from the fund into the School Aid Fund to avoid or reduce proration under Sec. 296 or avoid a year-over-year reduction in SAF revenue. Requires funds to only be used for purposes under Article 1.   | <b>\$0</b>                       | 0                 | \$0          |
| <b>6. MPERS Retirement Obligation Reform Reserve Fund (Sec. 147b)</b><br>Increases by \$400.0 million SAF for a total deposit of \$825.0 million SAF into the MPERS Retirement Obligation Reform Reserve Fund. Maintains that \$425.0 million is intended to offset costs associated with the reduction of the payroll growth assumption.  | <b>\$0</b>                       | 0                 | \$0          |

## SCHOOL AID

| <u>Supplemental Recommendations for FY 2022-23 Appropriations</u>   |                                     | <b>FY 2022-23<br/>Recommendation</b>                |
|---|-------------------------------------|---|
| <b>7. School Transportation Fund (Sec. 22k) – NEW</b><br>Creates the School Transportation Fund to support initiatives to offset district transportation costs and deposits \$350.0 million SAF into the fund.  | <b>Gross</b><br>Restricted<br>GF/GP | <b>\$0</b><br>0<br>\$0                              |
| <b>8. Enrollment Stabilization Fund (Sec. 29) – NEW</b><br>Creates the Enrollment Stabilization Fund to support efforts that would stabilize the effects of declining enrollment and deposits \$314.0 million SAF into the fund.  | <b>Gross</b><br>Restricted<br>GF/GP | <b>\$0</b><br>0<br>\$0                              |
| <b>9. School Meals Reserve Fund (Sec. 30e) – NEW</b><br>Creates the School Meals Reserve Fund for the purpose of covering the cost of student school meals and deposits \$245.0 million SAF into the fund. Requires unspent state funds in Secs. 30d, 31d, and 31f to be deposited into the fund at the end of the fiscal year.   | <b>Gross</b><br>Restricted<br>GF/GP | <b>\$0</b><br>0<br>\$0                              |
| <b>10. GSRP Reserve Fund (Sec. 32e) – NEW</b><br>Creates the Great Start Readiness Program Reserve Fund to support and augment GSRP programming and deposits \$200.0 million SAF into the fund.   | <b>Gross</b><br>Restricted<br>GF/GP | <b>\$0</b><br>0<br>\$0                              |
| <b>11. School Consolidation and Infrastructure Fund (Sec. 11x)</b><br>Strikes requirement that no more than 50% of School Aid Consolidation and Infrastructure funds be appropriated for non-consolidation related infrastructure projects. Adds intent that funds not be appropriated for infrastructure projects until a facility condition assessment under Sec. 11y is completed.   | <b>Gross</b><br>Restricted<br>GF/GP | <b>\$0</b><br>0<br>\$0                              |
| <b>12. School Consolidation Studies (Sec. 11x(6))</b><br>Maintains \$5.0 million SAF for feasibility studies for consolidation, but revises to "consolidation or consolidation of services" and includes consolidation of buildings within a district and consolidation of transportation-related activities as eligible uses of funds. Provides additional requirements for recipients to be eligible for funding.             | <b>Gross</b><br>Restricted<br>GF/GP | <b>\$0</b><br>0<br>\$0                              |
| <b>13. Energy Audits (Sec. 11aa) – NEW</b><br>Provides one-time funding of \$20.0 million SAF for including ASHRAE Level II Energy Efficiency Audits to the school facility studies under Sec. 11y.   | <b>Gross</b><br>Restricted<br>GF/GP | <b>\$20,000,000</b><br>20,000,000<br>\$0            |
| <b>14. Foundation Allowances (Secs. 22a &amp; 22b)</b><br>Reduces by \$72.0 million Gross (including a reduction of \$15,000 GF/GP) for a total of \$10.1 billion Gross (\$375,700 GF/GP) to reflect updated consensus cost estimates for pupil membership counts and taxable values. Allocates \$1.0 million for payments to districts for state compliance with federal maintenance of equity requirements under the ARP Act. | <b>Gross</b><br>Restricted<br>GF/GP | <b>(\$72,000,000)</b><br>(71,985,000)<br>(\$15,000) |
| <b>15. District Transportation Study (Sec. 22l) – NEW</b><br>Provides one-time funding of \$200,000 School Transportation Fund to an ISD for a study on transportation costs. Requires a report by February 29, 2024.   | <b>Gross</b><br>Restricted<br>GF/GP | <b>\$200,000</b><br>200,000<br>\$0                  |
| <b>16. Talent Together Coalition (Sec. 27g) – NEW</b><br>Provides one-time funding of \$10.0 million SAF for per-pupil payments to ISDs and consortia of ISDs to partner with an eligible nonprofit to support teacher recruitment and retention, teacher certification programs, school leader development programs, and other activities to support educator talent efforts.  | <b>Gross</b><br>Restricted<br>GF/GP | <b>\$10,000,000</b><br>10,000,000<br>\$0            |
| <b>17. Universal School Meals (Sec. 30d) – NEW</b><br>Provides \$25.0 million School Meals Reserve Fund to provide free school lunch and breakfast for all PreK-12 students when combined with other available federal and state funding. Encourages, but does not require, districts to meet dietary restrictions.   | <b>Gross</b><br>Restricted<br>GF/GP | <b>\$25,000,000</b><br>25,000,000<br>\$0            |
| <b>18. Student Meal Debt Forgiveness (Sec. 31k) – NEW</b><br>Provides one-time funding of \$2.5 million SAF for payments to reimburse districts that have forgiven all outstanding student meal debt. Recipients must adopt policies to prevent public identification or stigmatization of students who cannot pay for a school meal.   | <b>Gross</b><br>Restricted<br>GF/GP | <b>\$2,500,000</b><br>2,500,000<br>\$0              |

| <b><u>Supplemental Recommendations for FY 2022-23 Appropriations</u></b>   | <b>FY 2022-23<br/>Recommendation</b> |  |
|--|--------------------------------------|--|
|  | <b>Gross</b>                         | <b>\$0</b>                             |
| <b>19. TRAILS Program (Sec. 31p)</b><br>Maintains \$50.0 million Federal SFRF, but revises language to clarify that ISDs receiving funds under this program must forward those funds to TRAILS programs, which must use the funding to provide services described in this section statewide.   | Restricted<br>GF/GP                  | 0<br>\$0                               |
| <b>20. GSRP (Sec. 32d)</b><br>Increases allocation for a GSRP longitudinal evaluation by \$150,000 one-time GF/GP for a total of \$500,000. Total GSRP funding is \$452.6 million Gross (\$500,000 GF/GP). Strikes work project language that allows funds to be carried forward into FY 2023-24 (an estimated \$83.0 million Federal SFRF from FY 2021-22 and \$50.0 million Federal SFRF from FY 2022-23 is expected to otherwise be carried forward).   | Restricted<br>GF/GP                  | 0<br>\$150,000                         |
| <b>21. GSRP Classroom Start-Up Grants (Sec. 32d(26)) – NEW</b><br>Provides one-time funding of \$35.0 million SAF for grants of up to \$25,000 for each new or expanded GSRP classroom. Requires funds to be used for costs associated with attracting, recruiting, retaining, and licensing required staff; supporting facility improvements or purchasing necessary facility space; outreach material for public awareness; and improving a provider's rating.   | Restricted<br>GF/GP                  | \$35,000,000<br>35,000,000<br>\$0      |
| <b>22. GSRP Awareness Campaign (Sec. 32d(27)) – NEW</b><br>Provides one-time funding of \$5.0 million SAF for a consortium of ISDs to partner with MDE and CBOs to implement a multi-year statewide awareness campaign about the availability of services through GSRP.  | Federal<br>Restricted<br>GF/GP       | 0<br>5,000,000<br>\$0                  |
| <b>23. Early Childhood Workforce Project (Sec. 32v) – NEW</b><br>Provides one-time funding of \$30.0 million SAF to assess early childhood workforce needs; promote clear career pathways; align professional development, certificates, and degrees; develop alternative training programs; and pilot recruitment and retention projects.   | Federal<br>Restricted<br>GF/GP       | 0<br>30,000,000<br>\$0                 |
| <b>24. Federal Grants (Sec. 39a)</b><br>Increases federal grants under Every Student Succeeds Act (ESSA) by \$30.3 million and other federal grants by \$4.0 million.  | Federal<br>Restricted<br>GF/GP       | \$34,300,000<br>34,300,000<br>0<br>\$0 |
| <b>25. Special Education (Secs. 51a, 51c, 51d, 51e, 53a, 54, &amp; 56)</b><br>Increases by \$112.8 million SAF to reflect revised consensus cost estimates for special education costs. Total estimated special education expenditures for FY 2022-23 are \$2.0 billion.   | Restricted<br>GF/GP                  | 112,793,000<br>\$0                     |
| <b>26. Other Major Cost Adjustments</b><br>Revises the following to reflect updated cost estimates: <ul style="list-style-type: none"> <li>Sec. 11m – Reduces cash flow borrowing by \$6.8 million SAF to \$1.0 million SAF.</li> <li>Sec. 26c – Increases required funds for districts and ISDs with an approved Promise Zone development plan by \$5.7 million SAF for a total of \$20.5 million SAF.</li> <li>Sec. 31d – Increases the state share for school lunches by \$3.0 million SAF to \$27.6 million SAF and increases federal funding for school lunches by \$1.4 million to \$916.4 million.</li> <li>Sec. 147a(2) – Increases the MPSERS Normal Cost Offset by \$2.3 million Gross (\$15,000 GF/GP) for a total of \$194.0 million SAF (\$65,000 GF/GP).</li> <li>Sec. 147e – Increases MPSERS Added Normal Costs by \$8.0 million SAF for a total of \$62.0 million SAF.</li> </ul> | Federal<br>Restricted<br>GF/GP       | 1,400,000<br>12,135,000<br>\$15,000    |

**SCHOOL AID**

## SCHOOL AID LINE ITEM SUMMARY



| Sec.   |  |
|--------|--|
| 11j    | School Bond Redemption Fund  |
| 11m    | Cash Flow Borrowing Costs  |
| 11s    | Flint Declaration of Emergency                                     |
| 11s(7) | Flint Early Childhood Collaborative                                |
| 11v    | DPSCD Settlement Payment - <b>NEW</b>                              |
| 11x    | Consolidation Studies  |
| 11y    | Infrastructure Study   |
| 11z    | Debt Payments - <b>NEW</b>   |
| 11aa   | Energy Efficiency Audits - <b>NEW</b>                              |
| 12a    | MI Healthy Schools Grant Program - <b>NEW</b>                      |
| 12b    | School-Based Health Center Facility Upgrades - <b>NEW</b>          |
| 12c    | Consolidation Grants - <b>NEW</b>                                  |
| 20f    | Categorical Offset Payments  |
| 21h    | Partnership Model Districts  |
| 21h(7) | Partnership Model Districts Supplemental Funding - <b>NEW</b>      |
| 22a    | Foundations: Proposal A Obligation Payment                         |
| 22b    | Foundations: Discretionary Payment                                 |
| 22b    | PreK Expansion - <b>NEW</b>  |
| 22c    | Foundations: Equity Payment  |
| 22d    | Isolated District Funding  |
| 22d(8) | Grosse Ile Funding - <b>NEW</b>                                    |
| 22e    | Debt Forgiveness - <b>NEW</b>                                      |
| 22l    | Transportation Costs - <b>NEW</b>                                  |
| 22m    | Technology Regional Data Hubs                                      |
| 22o    | MIFamily Engagement Centers - <b>NEW</b>                           |
| 23f    | Learning Pods  |
| 23g    | MI Kids Back on Track - <b>NEW</b>                                 |
| 23h    | Mathematics Teaching and Learning - <b>NEW</b>                     |
| 23i    | Friends of the Children - <b>NEW</b>                               |
| 24     | Court-Placed Pupils  |
| 24a    | Juvenile Detention Facility Programs                               |
| 25f    | Strict Discipline Academies  |
| 25g    | Dropout Recovery Programs  |
| 25k    | Covenant House SDA - <b>NEW</b>                                    |
| 26a    | Renaissance Zone Reimbursement                                     |
| 26b    | PILT Reimbursement   |
| 26c    | Promise Zone Funding   |
| 26d    | Brownfield Redevelopment Reimbursement                             |
| 27a    | Mi Future Educator Fellowship Program                              |
| 27b    | Grow Your Own Programs - Federal                                   |
| 27b    | Grow Your Own Programs   |
| 27c    | Mi Future Educator Student Teacher Stipend Program                 |
| 27g    | Talent Together Coalition - <b>NEW</b>                             |
| 27h    | Mentoring Grants - <b>NEW</b>                                      |
| 27i    | Rural Educator Credentialing Hub - <b>NEW</b>                      |
| 27j    | Special Education Capacity Building - <b>NEW</b>                   |
| 27k    | Learner Wallet - <b>NEW</b>  |
| 27k    | Student Loan Repayment Program - <b>NEW</b>                        |
| 27l    | Educator Compensation Program - <b>NEW</b>                         |
| 27m    | National Board Certification Fund - <b>NEW</b>                     |
| 27n    | SVSU Accelerated Certification with Residency Program - <b>NEW</b> |

| FY 2022-2023                |                          | FY 2022-2023                    |                   | FY 2023-2024    |                 | FY 2023-2024             |                                 | FY 2023-2024 |  |
|-----------------------------|--------------------------|---------------------------------|-------------------|-----------------|-----------------|--------------------------|---------------------------------|--------------|--|
| FY 23<br>2022 PA 212<br>YTD | Change from<br>FY 23 YTD | FY 23<br>2023 PA 103<br>Enacted | FY 24<br>Exec Rec | FY 24<br>House  | FY 24<br>Senate | Change from<br>FY 23 YTD | FY 24<br>2023 PA 103<br>Enacted |              |  |
| \$111,000,000               |                          | \$111,000,000                   | \$111,000,000     | \$111,000,000   | \$111,000,000   |                          | \$111,000,000                   |              |  |
| \$7,800,000                 | (\$6,800,000)            | \$1,000,000                     | \$1,000,000       | \$1,000,000     | \$1,000,000     | (\$6,800,000)            | \$1,000,000                     |              |  |
| \$8,075,000                 |                          | \$8,075,000                     | \$8,075,000       | \$8,075,000     | \$8,075,000     |                          | \$8,075,000                     |              |  |
| \$1,000,000                 |                          | \$1,000,000                     | \$1,000,000       | \$1,000,000     | \$1,000,000     |                          | \$1,000,000                     |              |  |
| \$0                         |                          | \$94,400,000                    | \$94,400,000      | \$0             | \$0             |                          | \$0                             |              |  |
| \$5,000,000                 |                          | \$5,000,000                     | \$0               | \$0             | \$0             | (\$5,000,000)            | \$0                             |              |  |
| \$20,000,000                |                          | \$20,000,000                    | \$0               | \$0             | \$0             | (\$20,000,000)           | \$0                             |              |  |
| \$0                         |                          | \$0                             | \$0               | \$0             | \$0             |                          | \$0                             |              |  |
| \$0                         |                          | \$20,000,000                    | \$0               | \$0             | \$0             |                          | \$0                             |              |  |
| \$0                         |                          | \$50,000,000                    | \$0               | \$0             | \$0             |                          | \$0                             |              |  |
| \$0                         |                          | \$0                             | \$25,000,000      | \$25,000,000    | \$0             | \$45,000,000             | \$45,000,000                    |              |  |
| \$0                         |                          | \$0                             | \$245,000,000     | \$245,000,000   | \$100,000,000   | \$245,000,000            | \$245,000,000                   |              |  |
| \$18,000,000                |                          | \$18,000,000                    | \$18,000,000      | \$0             | \$18,000,000    | \$9,000,000              | \$27,000,000                    |              |  |
| \$6,137,400                 |                          | \$6,137,400                     | \$6,137,400       | \$6,137,400     | \$6,137,400     | \$6,137,400              | \$6,137,400                     |              |  |
| \$0                         |                          | \$0                             | \$36,000,000      | \$36,000,000    | \$12,000,000    | \$36,000,000             | \$36,000,000                    |              |  |
| \$4,376,000,000             | (\$49,000,000)           | \$4,327,000,000                 | \$4,212,000,000   | \$4,212,000,000 | \$4,212,000,000 | (\$170,000,000)          | \$4,206,000,000                 |              |  |
| \$5,758,000,000             | (\$23,000,000)           | \$5,735,000,000                 | \$6,285,000,000   | \$6,264,100,000 | \$6,304,000,000 | \$550,200,000            | \$6,308,200,000                 |              |  |
| \$0                         |                          | \$0                             | \$0               | \$0             | \$117,000,000   |                          | \$0                             |              |  |
| \$3,000,000                 |                          | \$3,000,000                     | \$3,000,000       | \$3,000,000     | \$3,000,000     |                          | \$3,000,000                     |              |  |
| \$8,858,000                 |                          | \$8,858,000                     | \$9,301,000       | \$11,101,000    | \$11,189,500    | \$2,743,000              | \$11,601,000                    |              |  |
| \$0                         |                          | \$0                             | \$0               | \$500,000       | \$500,000       |                          | \$0                             |              |  |
| \$0                         |                          | \$0                             | \$0               | \$40,000,000    | \$0             |                          | \$0                             |              |  |
| \$0                         |                          | \$200,000                       | \$200,000         | \$150,000,000   | \$0             | \$125,000,000            | \$125,000,000                   |              |  |
| \$2,200,000                 |                          | \$2,200,000                     | \$2,200,000       | \$3,200,000     | \$3,500,000     | \$1,300,000              | \$3,500,000                     |              |  |
| \$0                         |                          | \$0                             | \$0               | \$2,500,000     | \$0             |                          | \$0                             |              |  |
| \$5,000,000                 |                          | \$5,000,000                     | \$0               | \$0             | \$0             | (\$5,000,000)            | \$0                             |              |  |
| \$0                         |                          | \$150,000,000                   | \$150,000,000     | \$0             | \$0             |                          | \$0                             |              |  |
| \$0                         |                          | \$0                             | \$30,000,000      | \$30,000,000    | \$0             | \$25,000,000             | \$25,000,000                    |              |  |
| \$0                         |                          | \$0                             | \$0               | \$0             | \$0             | \$397,000                | \$397,000                       |              |  |
| \$7,650,000                 |                          | \$7,650,000                     | \$7,650,000       | \$7,650,000     | \$7,650,000     |                          | \$7,650,000                     |              |  |
| \$1,355,700                 |                          | \$1,355,700                     | \$1,355,700       | \$1,355,700     | \$1,355,700     |                          | \$1,355,700                     |              |  |
| \$1,600,000                 |                          | \$1,600,000                     | \$1,600,000       | \$1,600,000     | \$1,600,000     |                          | \$1,600,000                     |              |  |
| \$750,000                   |                          | \$750,000                       | \$750,000         | \$750,000       | \$750,000       |                          | \$750,000                       |              |  |
| \$0                         |                          | \$0                             | \$0               | \$0             | \$0             | \$1,000,000              | \$1,000,000                     |              |  |
| \$14,000,000                |                          | \$14,000,000                    | \$14,000,000      | \$14,000,000    | \$14,000,000    |                          | \$14,000,000                    |              |  |
| \$4,989,000                 |                          | \$4,989,000                     | \$5,084,000       | \$5,084,000     | \$5,084,000     |                          | \$95,000                        | \$5,084,000  |  |
| \$14,800,000                | \$5,700,000              | \$20,500,000                    | \$26,000,000      | \$26,000,000    | \$26,000,000    | \$11,200,000             | \$26,000,000                    |              |  |
| \$14,400,000                |                          | \$14,400,000                    | \$14,400,000      | \$14,400,000    | \$14,400,000    |                          | \$14,400,000                    |              |  |
| \$25,000,000                |                          | \$25,000,000                    | \$25,000,000      | \$25,000,000    | \$25,000,000    |                          | \$25,000,000                    |              |  |
| \$155,000,000               |                          | \$155,000,000                   | \$0               | \$0             | \$0             | (\$155,000,000)          | \$0                             |              |  |
| \$20,000,000                |                          | \$20,000,000                    | \$0               | \$0             | \$0             | (\$20,000,000)           | \$0                             |              |  |
| \$50,000,000                |                          | \$50,000,000                    | \$50,000,000      | \$50,000,000    | \$50,000,000    |                          | \$50,000,000                    |              |  |
| \$0                         |                          | \$10,000,000                    | \$10,000,000      | \$0             | \$20,000,000    |                          | \$0                             |              |  |
| \$0                         |                          | \$0                             | \$25,000,000      | \$25,000,000    | \$0             | \$50,000,000             | \$50,000,000                    |              |  |
| \$0                         |                          | \$0                             | \$15,000,000      | \$15,000,000    | \$0             | \$15,000,000             | \$15,000,000                    |              |  |
| \$0                         |                          | \$0                             | \$5,000,000       | \$5,000,000     | \$0             | \$5,000,000              | \$5,000,000                     |              |  |
| \$0                         |                          | \$0                             | \$0               | \$100           | \$0             |                          | \$0                             |              |  |
| \$0                         |                          | \$0                             | \$0               | \$0             | \$250,000,000   |                          | \$225,000,000                   |              |  |
| \$0                         |                          | \$0                             | \$0               | \$0             | \$125,000,000   |                          | \$63,800,000                    |              |  |
| \$0                         |                          | \$0                             | \$0               | \$0             | \$0             |                          | \$5,000,000                     |              |  |
| \$0                         |                          | \$0                             | \$0               | \$0             | \$2,000,000     |                          | \$2,000,000                     |              |  |

FY 2023-24 APPROPRIATIONS SUMMARY AND ANALYSIS

HOUSE FISCAL AGENCY: SEPTEMBER 2023

## SCHOOL AID LINE ITEM SUMMARY



| Sec.    |   |
|---------|---|
| 27o     | City Year Fellowship - NEW                            |
| 27o     | Learner Wallet Pilot - NEW                            |
| 27p     | School Board Member Professional Learning - NEW       |
| 27p     | Talent Together - Grow Your Own - NEW                 |
| 27q     | Hamtramck Accelerated Learning Coaches - NEW          |
| 29      | Enrollment Stabilization - NEW                        |
| 30c     | Troops to Teachers                                    |
| 30d     | Universal School Breakfast and Lunch - NEW            |
| 30e     | Dietary Restrictions - NEW                            |
| 31a     | At-Risk Pupil Support                                 |
| 31a(7)  | School Based Health Centers                           |
| 31a(8)  | Hearing, Vision, and Dental Screening                 |
| 31c     | Beyond Basics   |
| 31d     | State School Lunch Programs                           |
| 31d     | School Lunch Programs - Federal                       |
| 31f     | School Breakfast Program                              |
| 31j     | Local Produce in School Meals                         |
| 31k     | Student Meal Debt Forgiveness - NEW                   |
| 31l     | Dietary Restrictions - NEW                            |
| 31n     | School Mental Health and Support Services             |
| 31p     | TRAILS - Federal                                      |
| 31q     | Discover You  |
| 31r     | Novi Schools Wellness Center - NEW                    |
| 31aa    | Per-Pupil Mental Health (& School Safety) Grant       |
| 31bb    | Eastern UP Intermediate District Learning Center      |
| 31cc    | Purple Star Program                                   |
| 31dd    | Roadmaps Program                                      |
| 31ee    | Detroit Horse Power                                   |
| 31ff    | Brilliant Detroit - NEW                               |
| 31ff    | SMART Internship Grant Program - NEW                  |
| 31gg    | Kids Kicking Cancer - NEW                             |
| 32d     | Great Start Readiness Program - State                 |
| 32d     | Great Start Readiness Program - Federal               |
| 32d(19) | GSRP Transportation - GSRP Reserve Fund               |
| 32d(26) | GSRP Classroom Start Up Grants - NEW                  |
| 32d(26) | GSRP Incentive - NEW                                  |
| 32d(27) | GSRP Expansion Grants - Federal - NEW                 |
| 32d(27) | GSRP Expansion Grants - NEW                           |
| 32d(28) | GSRP Awareness Campaign - Federal - NEW               |
| 32d(28) | GSRP Awareness Campaign - NEW                         |
| 32m     | Out of School Time - NEW                              |
| 32n     | Before and After School Programs - Federal            |
| 32n     | Before and After School Programs / Out of School Time |
| 32o     | Out of School Time - NEW                              |
| 32p     | Early Childhood Block Grants                          |
| 32p(6)  | Dolly Parton Imagination Library - NEW                |
| 32t     | Three-Year-Old GSRP Pilot Program                     |
| 32t     | Three-Year-Old GSRP Pilot Program - Federal           |
| 32u     | BookNook  |
| 32v     | Early Childhood Workforce Project - Federal - NEW     |
| 32v     | Early Childhood Workforce Project - NEW               |

|  | FY 2022-2023  | FY 2022-2023                |                          | FY 2023-2024                    | FY 2023-2024      | FY 2023-2024   | FY 2023-2024    | FY 2023-2024             |                                 |
|--|---------------|-----------------------------|--------------------------|---------------------------------|-------------------|----------------|-----------------|--------------------------|---------------------------------|
|  |               | FY 23<br>2022 PA 212<br>YTD | Change from<br>FY 23 YTD | FY 23<br>2023 PA 103<br>Enacted | FY 24<br>Exec Rec | FY 24<br>House | FY 24<br>Senate | Change from<br>FY 23 YTD | FY 24<br>2023 PA 103<br>Enacted |
|  | \$0           |                             |                          | \$0                             | \$0               | \$0            | \$3,000,000     |                          | \$0                             |
|  | \$0           |                             |                          | \$0                             | \$0               | \$0            | \$0             |                          | \$0                             |
|  | \$0           |                             |                          | \$0                             | \$0               | \$0            | \$250,000       |                          | \$0                             |
|  | \$0           | \$66,353,000                |                          | \$66,353,000                    | \$0               | \$0            | \$0             |                          | \$0                             |
|  | \$0           |                             |                          | \$0                             | \$0               | \$0            | \$2,000,000     |                          | \$2,000,000                     |
|  | \$0           |                             |                          | \$0                             | \$0               | \$0            | \$0             |                          | \$0                             |
|  | \$15,000,000  |                             |                          | \$15,000,000                    | \$160,000,000     | \$160,000,000  | \$160,000,000   |                          | \$160,000,000                   |
|  | \$0           | \$25,000,000                |                          | \$25,000,000                    | \$1,400,000       | \$916,400,000  | \$916,400,000   |                          | \$916,400,000                   |
|  | \$0           |                             |                          | \$0                             | \$1,400,000       | \$916,400,000  | \$916,400,000   |                          | \$916,400,000                   |
|  | \$747,500,000 |                             |                          | \$747,500,000                   | \$3,000,000       | \$812,200,000  | \$1,021,400,000 |                          | \$920,600,000                   |
|  | \$33,000,000  |                             |                          | \$33,000,000                    | \$1,400,000       | \$916,400,000  | \$33,000,000    |                          | \$68,000,000                    |
|  | \$6,650,000   |                             |                          | \$6,650,000                     | \$2,500,000       | \$1,000,000    | \$6,650,000     |                          | \$6,650,000                     |
|  | \$12,000,000  |                             |                          | \$12,000,000                    | \$2,500,000       | \$0            | \$0             |                          | \$0                             |
|  | \$24,553,400  |                             |                          | \$27,553,400                    | \$2,500,000       | \$0            | \$0             |                          | \$0                             |
|  | \$915,000,000 |                             |                          | \$916,400,000                   | \$1,000,000       | \$0            | \$0             |                          | \$0                             |
|  | \$11,900,000  |                             |                          | \$11,900,000                    | \$0               | \$0            | \$0             |                          | \$0                             |
|  | \$9,300,000   |                             |                          | \$9,300,000                     | \$0               | \$0            | \$0             |                          | \$0                             |
|  | \$0           | \$2,500,000                 |                          | \$2,500,000                     | \$0               | \$0            | \$0             |                          | \$0                             |
|  | \$0           |                             |                          | \$0                             | \$0               | \$0            | \$0             |                          | \$0                             |
|  | \$78,900,000  |                             |                          | \$78,900,000                    | \$0               | \$107,845,000  | \$107,845,000   |                          | \$107,845,000                   |
|  | \$50,000,000  |                             |                          | \$50,000,000                    | \$0               | \$0            | \$0             |                          | \$0                             |
|  | \$2,000,000   |                             |                          | \$2,000,000                     | \$0               | \$0            | \$0             |                          | \$0                             |
|  | \$0           |                             |                          | \$0                             | \$0               | \$0            | \$0             |                          | \$0                             |
|  | \$0           |                             |                          | \$0                             | \$0               | \$0            | \$0             |                          | \$0                             |
|  | \$150,000,000 |                             |                          | \$150,000,000                   | \$300,000,000     | \$300,000,000  | \$328,000,000   |                          | \$328,000,000                   |
|  | \$700,000     |                             |                          | \$700,000                       | \$0               | \$0            | \$0             |                          | \$0                             |
|  | \$1,105,000   |                             |                          | \$1,105,000                     | \$0               | \$0            | \$0             |                          | \$0                             |
|  | \$427,500     |                             |                          | \$427,500                       | \$0               | \$0            | \$0             |                          | \$0                             |
|  | \$500,000     |                             |                          | \$500,000                       | \$0               | \$0            | \$0             |                          | \$0                             |
|  | \$0           |                             |                          | \$0                             | \$0               | \$0            | \$0             |                          | \$0                             |
|  | \$0           |                             |                          | \$0                             | \$0               | \$0            | \$0             |                          | \$0                             |
|  | \$0           |                             |                          | \$0                             | \$0               | \$0            | \$0             |                          | \$0                             |
|  | \$155,850,000 |                             |                          | \$155,850,000                   | \$2,000,000       | \$15,000,000   | \$15,000,000    |                          | \$15,000,000                    |
|  | \$83,000,000  |                             |                          | \$83,000,000                    | \$0               | \$0            | \$0             |                          | \$0                             |
|  | \$18,000,000  |                             |                          | \$18,000,000                    | \$0               | \$0            | \$0             |                          | \$0                             |
|  | \$5,000,000   |                             |                          | \$5,000,000                     | \$0               | \$0            | \$0             |                          | \$0                             |
|  | \$5,000,000   |                             |                          | \$5,000,000                     | \$0               | \$0            | \$0             |                          | \$0                             |
|  | \$5,000,000   |                             |                          | \$5,000,000                     | \$0               | \$0            | \$0             |                          | \$0                             |
|  | \$5,000,000   |                             |                          | \$5,000,000                     | \$0               | \$0            | \$0             |                          | \$0                             |
|  | \$5,000,000   |                             |                          | \$5,000,000                     | \$0               | \$0            | \$0             |                          | \$0                             |
|  | \$25,000,000  |                             |                          | \$25,000,000                    | \$0               | \$0            | \$0             |                          | \$0                             |
|  | \$25,000,000  |                             |                          | \$25,000,000                    | \$0               | \$0            | \$0             |                          | \$0                             |
|  | \$25,500,000  |                             |                          | \$25,500,000                    | \$0               | \$0            | \$0             |                          | \$0                             |
|  | \$27,900,000  |                             |                          | \$27,900,000                    | \$0               | \$0            | \$0             |                          | \$0                             |
|  | \$13,400,000  |                             |                          | \$13,400,000                    | \$4,000,000       | \$18,000,000   | \$12,000,000    |                          | \$12,000,000                    |
|  | \$0           |                             |                          | \$0                             | \$4,000,000       | \$18,000,000   | \$0             |                          | \$0                             |
|  | \$0           |                             |                          | \$0                             | \$0               | \$0            | \$0             |                          | \$0                             |
|  | \$0           |                             |                          | \$0                             | \$0               | \$0            | \$0             |                          | \$0                             |
|  | \$0           |                             |                          | \$0                             | \$0               | \$0            | \$0             |                          | \$0                             |
|  | \$30,000,000  |                             |                          | \$30,000,000                    | \$0               | \$0            | \$0             |                          | \$0                             |

## FY 2023-24 APPROPRIATIONS SUMMARY AND ANALYSIS

HOUSE FISCAL AGENCY: SEPTEMBER 2023

SCHOOL AID

## SCHOOL AID LINE ITEM SUMMARY



| Sec.       |   |
|------------|---|
| 32w        | GOAL Line Detroit - Federal - <b>NEW</b>                        |
| 32w        | GOAL Line Detroit - <b>NEW</b>                                  |
| 32x        | Learning by Hearings Program - <b>NEW</b>                       |
| 33         | K-5 Music Education - <b>NEW</b>                                |
| 35a(4)     | Early Literacy Teacher Coaches                                  |
| 35a(5)     | Early Literacy Added Instructional Time                         |
| 35a(7)     | Literacy and Math Essentials                                    |
| 35a(8)     | Michigan Education Corps  |
| 35a(10)    | PD - Literacy Coaches and Classroom Teachers                    |
| 35d        | Orton Gillingham Dyslexia Program                               |
| 35f        | Chaldean Community Foundation                                   |
| 35g        | Innovative Community Libraries                                  |
| 35h        | Jewish Federation   |
| 35i        | Early Literacy Hubs / MI Family Engagement Centers - <b>NEW</b> |
| 35i(4)     | Early Literacy Hub Campaign - Federal - <b>NEW</b>              |
| 35i(4)/(5) | Early Literacy Hub Campaign - <b>NEW</b>                        |
| 35j        | Literacy PD, Curriculum, Supports, & LETRS - <b>NEW</b>         |
| 35k        | Detroit Parent Network - Federal - <b>NEW</b>                   |
| 35k        | Detroit Parent Network - <b>NEW</b>                             |
| 35l        | Lake Shore Early Childhood Community Center - <b>NEW</b>        |
| 35m        | Lake Shore CTE Transportation - <b>NEW</b>                      |
| 39a(1)     | Federal ESSA Grant Funds  |
| 39a(2)     | Other Federal Funding   |
| 41         | English Language Learner Grants                                 |
| 41b        | Immigrant Support Services                                      |
| 51a(1)     | Special Education - Federal Reimbursement                       |
| 51a(2)     | Special Ed ISD Foundation and Costs                             |
| 51a(3)     | Special Ed ISD Hold Harmless Payment                            |
| 51a(6)     | Special Ed Admin Rules Changes                                  |
| 51a(11)    | Special Ed Foundations for Non Sec. 52 to ISDs                  |
| 51c        | Special Ed Headlee Obligation (Durant)                          |
| 51d        | Special Education - Other Federal Grants                        |
| 51e        | Special Education Foundation Payment                            |
| 51g        | Remote Learning Library   |
| 53a        | Special Ed for Court Placed Pupils                              |
| 54         | Special Ed Michigan School Blind/Deaf                           |
| 54b        | Special Education Task Force Reforms (MiBLSI)                   |
| 54d        | Spec. Ed. Task Force - Early On                                 |
| 55         | Conductive Learning   |
| 56         | Special Ed ISD Millage Equalization                             |
| 56(5)      | Wayne RESA Additional Equalization - <b>NEW</b>                 |
| 56(7)      | Special Ed Millage Incentive                                    |
| 61a        | Career and Tech Ed Programs                                     |
| 61b        | Career and Tech Ed Early/Middle College                         |
| 61c        | CTE Equipment Upgrades  |
| 61d        | CTE Incentive Payment   |
| 61i        | CTE Teacher Recruitment and Retention                           |
| 61j        | Huron Downriver CTE Consortium - <b>NEW</b>                     |
| 61k        | Mott Bilingual Center - <b>NEW</b>                              |
| 61l        | Schoolcraft Early Middle College Program - <b>NEW</b>           |
| 61m        | Beecher High School - <b>NEW</b>                                |

| FY 2022-2023                |                          | FY 2022-2023                    |  | FY 2023-2024      |  | FY 2023-2024   |  | FY 2023-2024    |  |
|-----------------------------|--------------------------|---------------------------------|--|-------------------|--|----------------|--|-----------------|--|
| FY 23<br>2022 PA 212<br>YTD | Change from<br>FY 23 YTD | FY 23<br>2023 PA 103<br>Enacted |  | FY 24<br>Exec Rec |  | FY 24<br>House |  | FY 24<br>Senate |  |
| \$0                         |                          | \$0                             |  | \$6,000,000       |  | \$6,000,000    |  | \$0             |  |
| \$0                         |                          | \$0                             |  | \$0               |  | \$0            |  | \$0             |  |
| \$0                         |                          | \$0                             |  | \$0               |  | \$3,200,000    |  | \$0             |  |
| \$0                         |                          | \$0                             |  | \$0               |  | \$0            |  | \$15,000,000    |  |
| \$31,500,000                |                          | \$31,500,000                    |  | \$42,000,000      |  | \$42,000,000   |  | \$42,000,000    |  |
| \$19,900,000                |                          | \$19,900,000                    |  | \$34,400,000      |  | \$34,400,000   |  | \$34,400,000    |  |
| \$6,000,000                 |                          | \$6,000,000                     |  | \$6,000,000       |  | \$12,000,000   |  | \$6,000,000     |  |
| \$5,000,000                 |                          | \$5,000,000                     |  | \$5,000,000       |  | \$4,500,000    |  | \$5,000,000     |  |
| \$10,000,000                |                          | \$10,000,000                    |  | \$0               |  | \$0            |  | \$10,000,000    |  |
| \$1,000,000                 |                          | \$1,000,000                     |  | \$0               |  | \$3,000,000    |  | \$1,000,000     |  |
| \$1,000,000                 |                          | \$1,000,000                     |  | \$0               |  | \$0            |  | \$0             |  |
| \$1,000,000                 |                          | \$1,000,000                     |  | \$0               |  | \$0            |  | \$0             |  |
| \$500,000                   |                          | \$500,000                       |  | \$0               |  | \$0            |  | \$0             |  |
| \$0                         |                          | \$0                             |  | \$1,200,000       |  | \$2,400,000    |  | \$0             |  |
| \$0                         |                          | \$0                             |  | \$2,000,000       |  | \$2,000,000    |  | \$0             |  |
| \$0                         |                          | \$0                             |  | \$0               |  | \$0            |  | \$0             |  |
| \$0                         |                          | \$0                             |  | \$300,000,000     |  | \$300,000,000  |  | \$0             |  |
| \$0                         |                          | \$0                             |  | \$3,000,000       |  | \$3,000,000    |  | \$0             |  |
| \$0                         |                          | \$0                             |  | \$0               |  | \$0            |  | \$5,000,000     |  |
| \$0                         |                          | \$0                             |  | \$0               |  | \$0            |  | \$1,000,000     |  |
| \$0                         |                          | \$0                             |  | \$0               |  | \$0            |  | \$100,000       |  |
| \$752,300,000               |                          | \$30,300,000                    |  | \$782,600,000     |  | \$754,700,000  |  | \$754,700,000   |  |
| \$56,500,000                |                          | \$4,000,000                     |  | \$60,500,000      |  | \$60,500,000   |  | \$60,500,000    |  |
| \$26,511,000                |                          |                                 |  | \$26,511,000      |  | \$27,837,000   |  | \$53,022,000    |  |
| \$1,250,000                 |                          |                                 |  | \$1,250,000       |  | \$0            |  | \$1,500,000     |  |
| \$390,000,000               |                          |                                 |  | \$390,000,000     |  | \$390,000,000  |  | \$390,000,000   |  |
| \$323,300,000               |                          | \$27,100,000                    |  | \$350,400,000     |  | \$368,000,000  |  | \$368,000,000   |  |
| \$1,000,000                 |                          |                                 |  | \$1,000,000       |  | \$1,000,000    |  | \$1,000,000     |  |
| \$2,200,000                 |                          |                                 |  | \$2,200,000       |  | \$2,200,000    |  | \$2,200,000     |  |
| \$1,500,000                 |                          | \$500,000                       |  | \$2,000,000       |  | \$1,700,000    |  | \$1,700,000     |  |
| \$709,900,000               |                          | \$70,500,000                    |  | \$780,400,000     |  | \$819,200,000  |  | \$819,200,000   |  |
| \$71,000,000                |                          |                                 |  | \$71,000,000      |  | \$71,000,000   |  | \$71,000,000    |  |
| \$336,207,000               |                          | \$14,693,000                    |  | \$350,900,000     |  | \$430,700,000  |  | \$487,500,000   |  |
| \$3,000,000                 |                          |                                 |  | \$3,000,000       |  | \$3,000,000    |  | \$499,500,000   |  |
| \$10,500,000                |                          |                                 |  | \$10,500,000      |  | \$10,500,000   |  | \$3,000,000     |  |
| \$1,688,000                 |                          |                                 |  | \$10,500,000      |  | \$10,500,000   |  | \$3,000,000     |  |
| \$1,600,000                 |                          |                                 |  | \$1,688,000       |  | \$1,688,000    |  | \$1,688,000     |  |
| \$21,250,000                |                          |                                 |  | \$1,600,000       |  | \$1,600,000    |  | \$1,600,000     |  |
| \$300,000                   |                          |                                 |  | \$21,250,000      |  | \$22,313,000   |  | \$22,525,000    |  |
| \$40,008,100                |                          |                                 |  | \$300,000         |  | \$0            |  | \$1,063,000     |  |
| \$0                         |                          |                                 |  | \$40,008,100      |  | \$40,008,100   |  | (\$300,000)     |  |
| \$34,200,000                |                          |                                 |  | \$0               |  | \$0            |  | \$0             |  |
| \$47,611,300                |                          |                                 |  | \$34,200,000      |  | \$68,400,000   |  | \$34,200,000    |  |
| \$8,000,000                 |                          |                                 |  | \$47,611,300      |  | \$47,611,300   |  | \$400,000       |  |
| \$7,500,000                 |                          |                                 |  | \$8,000,000       |  | \$8,000,000    |  | \$48,011,300    |  |
| \$5,000,000                 |                          |                                 |  | \$15,000,000      |  | \$15,000,000   |  | \$8,000,000     |  |
| \$10,000,000                |                          |                                 |  | \$5,000,000       |  | \$5,000,000    |  | \$7,500,000     |  |
| \$0                         |                          |                                 |  | \$10,000,000      |  | \$0            |  | \$15,000,000    |  |
| \$0                         |                          |                                 |  | \$0               |  | \$0            |  | \$10,700,000    |  |
| \$0                         |                          |                                 |  | \$0               |  | \$0            |  | \$2,800,000     |  |
| \$0                         |                          |                                 |  | \$0               |  | \$0            |  | \$1,200,000     |  |
| \$0                         |                          |                                 |  | \$0               |  | \$0            |  | \$2,500,000     |  |

## SCHOOL AID LINE ITEM SUMMARY



| Sec. |  |
|------|--|
| 61n  | Waverly High School - NEW  |
| 61o  | DPSCD Coleman A Young Renovations - NEW                          |
| 61p  | DPSCD Foreign Language Immersion & Cultural Studies School - NEW |
| 61q  | Michigan Training Innovation Center - NEW                        |
| 61r  | Lansing Schools Hill Center Track - NEW                          |
| 61s  | Eaton RESA FFA - NEW   |
| 61t  | Harper Woods CTE Center - NEW                                    |
| 61u  | Romulus CTE - NEW  |
| 62   | ISD Career & Tech Ed Millage Equalization                        |
| 65   | Detroit PreCollege Engineering                                   |
| 67   | Career and College Readiness Tools                               |
| 67a  | MITES  |
| 67c  | Michigan State University Developer Academy                      |
| 67d  | ProStar!/HTM Hospitality and Tourism CTE Grants                  |
| 67e  | Skilled Trades for Students                                      |
| 67f  | FAFSA Completion Challenge - NEW                                 |
| 67f  | Postsecondary Class Reimbursements - NEW                         |
| 67g  | Ready Rosie - NEW  |
| 74   | School Bus Driver Safety Instruction                             |
| 74   | School Bus Inspections   |
| 74b  | MI Clean School Bus Grants - NEW                                 |
| 81   | ISD General Operations Support                                   |
| 94   | AP/IB/CLEP Incentive Program                                     |
| 94a  | Center for Educational Performance and Information               |
| 94a  | Center for Educational Performance and Info - Federal            |
| 95b  | Educator and Administrator Evaluations                           |
| 97   | School Safety Grants   |
| 97a  | Navigate 360   |
| 97b  | School Resource Officers   |
| 97e  | School Safety and Mental Health Commission                       |
| 97f  | Cross-System Intervention Approach                               |
| 97g  | Cybersecurity Risk Assessments - NEW                             |
| 97g  | Student Advocacy Center of Michigan - NEW                        |
| 97i  | Zero Eyes - NEW  |
| 97j  | Early Interventions - NEW  |
| 97k  | Student Advocacy Hotline - NEW                                   |
| 97l  | Dearborn Cybersecurity - NEW                                     |
| 98   | Michigan Virtual University                                      |
| 98d  | Michigan Learning Channel - NEW                                  |
| 99a  | Heroes Circle - NEW  |
| 99b  | Computer Science Professional Learning - NEW                     |
| 99c  | Autism Alliance of Michigan - NEW                                |
| 99d  | Teaching American History - NEW                                  |
| 99e  | Brilliant Detroit - NEW  |
| 99f  | Godfrey-Lee Roof - NEW   |
| 99g  | Feminine Hygiene Products - NEW                                  |
| 99h  | FIRST Robotics   |
| 99i  | Women in Technology  |
| 99j  | Square One   |
| 99m  | Shiawassee RESD CTE - NEW  |
| 99n  | Ingham ISD CTE Center - NEW                                      |

|  | FY 2022-2023  | FY 2022-2023                |                          | FY 2023-2024                    | FY 2023-2024      | FY 2023-2024   | FY 2023-2024    |
|--|---------------|-----------------------------|--------------------------|---------------------------------|-------------------|----------------|-----------------|
|  |               | FY 23<br>2022 PA 212<br>YTD | Change from<br>FY 23 YTD | FY 23<br>2023 PA 103<br>Enacted | FY 24<br>Exec Rec | FY 24<br>House | FY 24<br>Senate |
|  | \$0           |                             | \$0                      | \$0                             | \$0               | \$0            | \$0             |
|  | \$0           |                             | \$0                      | \$0                             | \$0               | \$0            | \$0             |
|  | \$0           |                             | \$0                      | \$0                             | \$0               | \$0            | \$0             |
|  | \$0           |                             | \$0                      | \$0                             | \$0               | \$0            | \$0             |
|  | \$0           |                             | \$0                      | \$0                             | \$0               | \$0            | \$0             |
|  | \$0           |                             | \$0                      | \$0                             | \$0               | \$0            | \$0             |
|  | \$0           |                             | \$0                      | \$0                             | \$0               | \$0            | \$0             |
|  | \$9,190,000   |                             | \$9,190,000              | \$9,190,000                     | \$9,190,000       | \$9,190,000    | \$9,190,000     |
|  | \$900,000     |                             | \$900,000                | \$900,000                       | \$900,000         | \$900,000      | \$900,000       |
|  | \$3,000,000   |                             | \$3,000,000              | \$3,000,000                     | \$3,000,000       | \$5,000,000    | \$2,000,000     |
|  | \$50,000      |                             | \$50,000                 | \$0                             | \$0               | \$50,000       | (\$50,000)      |
|  | \$3,000,000   |                             | \$3,000,000              | \$0                             | \$0               | \$0            | \$3,000,000     |
|  | \$2,500,000   |                             | \$2,500,000              | \$0                             | \$0               | \$500,000      | (\$2,500,000)   |
|  | \$2,000,000   |                             | \$2,000,000              | \$0                             | \$0               | \$0            | (\$2,000,000)   |
|  | \$0           |                             | \$0                      | \$15,000,000                    | \$15,000,000      | \$0            | \$10,000,000    |
|  | \$0           |                             | \$0                      | \$0                             | \$0               | \$100          | \$0             |
|  | \$0           |                             | \$0                      | \$0                             | \$0               | \$0            | \$1,000,000     |
|  | \$2,025,000   |                             | \$2,025,000              | \$2,025,000                     | \$2,025,000       | \$2,025,000    | \$2,025,000     |
|  | \$1,819,200   |                             | \$1,819,200              | \$1,817,700                     | \$1,817,700       | \$1,817,700    | (\$1,500)       |
|  | \$0           |                             | \$0                      | \$150,000,000                   | \$150,000,000     | \$75,000,000   | \$125,000,000   |
|  | \$75,642,600  |                             | \$75,642,600             | \$79,424,700                    | \$79,424,700      | \$80,181,200   | \$3,782,100     |
|  | \$1,200,000   |                             | \$1,200,000              | \$1,200,000                     | \$1,200,000       | \$1,700,000    | \$1,200,000     |
|  | \$19,032,300  |                             | \$19,032,300             | \$18,988,600                    | \$18,988,600      | \$18,988,600   | (\$43,700)      |
|  | \$193,500     |                             | \$193,500                | \$193,500                       | \$193,500         | \$193,500      | \$193,500       |
|  | \$2,000,000   |                             | \$2,000,000              | \$0                             | \$0               | \$100          | \$2,000,000     |
|  | \$168,000,000 |                             | \$168,000,000            | \$318,000,000                   | \$318,000,000     | \$0            | (\$168,000,000) |
|  | \$1,947,000   |                             | \$1,947,000              | \$0                             | \$100             | \$4,000,000    | \$53,000        |
|  | \$25,000,000  |                             | \$25,000,000             | \$0                             | \$0               | \$0            | (\$25,000,000)  |
|  | \$2,000,000   |                             | \$2,000,000              | \$0                             | \$0               | \$0            | \$2,000,000     |
|  | \$15,000,000  |                             | \$15,000,000             | \$0                             | \$0               | \$0            | (\$15,000,000)  |
|  | \$0           |                             | \$0                      | \$9,000,000                     | \$9,000,000       | \$0            | \$9,000,000     |
|  | \$0           |                             | \$0                      | \$0                             | \$0               | \$100,000      | \$0             |
|  | \$0           |                             | \$0                      | \$0                             | \$0               | \$0            | \$3,000,000     |
|  | \$0           |                             | \$0                      | \$0                             | \$0               | \$0            | \$6,000,000     |
|  | \$0           |                             | \$0                      | \$0                             | \$0               | \$0            | \$100,000       |
|  | \$0           |                             | \$0                      | \$0                             | \$0               | \$0            | \$250,000       |
|  | \$8,000,000   |                             | \$8,000,000              | \$9,300,000                     | \$9,300,000       | \$9,300,000    | \$1,300,000     |
|  | \$0           |                             | \$0                      | \$5,000,000                     | \$5,000,000       | \$5,000,000    | \$5,000,000     |
|  | \$0           |                             | \$0                      | \$0                             | \$0               | \$1,000,000    | \$100,000       |
|  | \$0           |                             | \$0                      | \$0                             | \$0               | \$4,000,000    | \$4,000,000     |
|  | \$0           |                             | \$0                      | \$0                             | \$0               | \$1,000,000    | \$1,000,000     |
|  | \$5,823,200   |                             | \$5,823,200              | \$5,323,200                     | \$5,323,200       | \$6,600,000    | \$750,000       |
|  | \$500,000     |                             | \$500,000                | \$0                             | \$0               | \$0            | (\$500,000)     |
|  | \$200,000     |                             | \$200,000                | \$0                             | \$0               | \$0            | (\$200,000)     |
|  | \$0           |                             | \$0                      | \$0                             | \$0               | \$0            | \$450,000       |
|  | \$0           |                             | \$0                      | \$0                             | \$0               | \$6,000,000    | \$6,000,000     |

## FY 2023-24 APPROPRIATIONS SUMMARY AND ANALYSIS

HOUSE FISCAL AGENCY: SEPTEMBER 2023

## SCHOOL AID

### SCHOOL AID LINE ITEM SUMMARY



| Sec.                        |   |
|-----------------------------|---|
| 99s(4)                      | MISTEM Council and Grants                               |
| 99s(5)(7)                   | MISTEM Centers Transition                               |
| 99t                         | Algebra Nation  |
| 99u                         | Imagine Learning  |
| 99x                         | Teach for America - Federal                             |
| 99x                         | Teach for America                                       |
| 99aa                        | Project SEARCH  |
| 99cc                        | NAF Academies   |
| 99dd                        | MI Science Center                                       |
| 99ee                        | Hispanic Collaborative                                  |
| 99ff                        | Junior Achievement - NEW                                |
| 99ff                        | WSU Levin Center - NEW                                  |
| 99gg                        | Computer Science Professional Learning - NEW            |
| 99gg                        | Boys and Girls Club SE MI - NEW                         |
| 99hh                        | City Year Detroit - NEW                                 |
| 99ii                        | Playworks - NEW   |
| 99ii                        | Wayne-Westland Driver's Training Pilot - NEW            |
| 99jj                        | Dearborn Driver's Training Pilot - NEW                  |
| 99kk                        | Boys and Girls Club Grand Rapids - NEW                  |
| 99hh/99//                   | Eastpointe Swimming Pool - NEW                          |
| 104                         | Education Assessments - State                           |
| 104                         | Education Assessments - Federal                         |
| 104f                        | Digital Literacy Training                               |
| 104h/104i                   | Benchmark Assessments for the Following School Year     |
| 107                         | Adult Education   |
| 107a                        | Adult Education Innovation Programs - NEW               |
| 147a(1)                     | MPERS Cost Offset                                       |
| 147a(2)                     | MPERS Normal Cost Offset for Lower AROR/Dedicated Gains |
| 147a(3)                     | MPERS Cost Offset - ISDs and District Libraries         |
| 147c                        | MPERS State Share of Unfunded Liability Payments        |
| 147e                        | MPERS Added Normal/DC Costs for PA 92 of 2017           |
| 147f                        | MPSERS 0.5% UAAL Reimbursement                          |
| 152a                        | Adair - Database Payment                                |
| 152b                        | Nonpublic School Reimbursement                          |
| <b>TOTAL APPROPRIATIONS</b> |   |

#### REVENUE BY SOURCE

|  |                  |
|--|------------------|
| Federal Aid                                  | \$2,524,243,500  |
| School Aid Fund                              | \$16,754,072,900 |
| School Consolidation and Infrastructure Fund | \$0              |
| MPERS Obligation Reform Reserve Fund         | \$140,400,000    |
| Educator Fellowship Public Provider Fund     | \$0              |
| Educator Fellowship Private Provider Fund    | \$0              |
| School Transportation Fund                   | \$0              |
| School Meals Reserve Fund                    | \$0              |
| GSRP Reserve Fund                            | \$0              |
| Enrollment Stabilization Fund                | \$0              |
| Community District Trust Fund                | \$72,000,000     |
| General Fund/General Purpose                 | \$124,200,000    |
| <b>TOTAL REVENUE</b>                         |                  |

| FY 2022-2023                                 | FY 2022-2023             |                                 | FY 2023-2024      | FY 2023-2024     | FY 2023-2024     |
|--|--------------------------|---------------------------------|-------------------|------------------|------------------|
| FY 23<br>2022 PA 212<br>YTD                  | Change from<br>FY 23 YTD | FY 23<br>2023 PA 103<br>Enacted | FY 24<br>Exec Rec | FY 24<br>House   | FY 24<br>Senate  |
| \$3,050,000                                  |                          | \$3,050,000                     | \$3,050,000       | \$3,050,000      | \$3,050,000      |
| \$4,584,300                                  |                          | \$4,584,300                     | \$4,584,300       | \$4,584,300      | \$4,584,300      |
| \$3,000,000                                  |                          | \$3,000,000                     | \$0               | \$2,000,000      | \$100            |
| \$6,000,000                                  |                          | \$6,000,000                     | \$0               | \$0              | \$100            |
| \$20,000,000                                 |                          | \$20,000,000                    | \$0               | \$0              | \$0              |
| \$0  |                          | \$0                             | \$0               | \$100            | \$1,000,000      |
| \$1,500,000                                  |                          | \$1,500,000                     | \$0               | \$0              | \$0              |
| \$253,000                                    |                          | \$253,000                       | \$0               | \$253,000        | \$0              |
| \$2,000,000                                  |                          | \$2,000,000                     | \$0               | \$0              | \$0              |
| \$1,500,000                                  |                          | \$1,500,000                     | \$0               | \$0              | \$6,500,000      |
| \$0  |                          | \$0                             | \$0               | \$100            | \$0              |
| \$0  |                          | \$0                             | \$0               | \$6,200,000      | \$0              |
| \$0  |                          | \$0                             | \$0               | \$6,000,000      | \$0              |
| \$0  |                          | \$0                             | \$0               | \$3,000,000      | \$15,000,000     |
| \$0  |                          | \$0                             | \$0               | \$0              | \$10,000,000     |
| \$0  |                          | \$0                             | \$0               | \$0              | \$3,000,000      |
| \$0  |                          | \$0                             | \$0               | \$100            | \$0              |
| \$0  |                          | \$0                             | \$0               | \$300,000        | \$250,000        |
| \$0  |                          | \$0                             | \$0               | \$0              | \$250,000        |
| \$0  |                          | \$0                             | \$0               | \$0              | \$5,000,000      |
| \$0  |                          | \$0                             | \$0               | \$0              | \$500,000        |
| \$37,509,400                                 |                          | \$37,509,400                    | \$37,509,400      | \$37,509,400     | \$37,509,400     |
| \$6,250,000                                  |                          | \$6,250,000                     | \$6,250,000       | \$6,250,000      | \$6,250,000      |
| \$150,000                                    |                          | \$150,000                       | \$0               | \$0              | \$1,200,000      |
| \$11,500,000                                 |                          | \$11,500,000                    | \$11,500,000      | \$0              | \$11,500,000     |
| \$30,500,000                                 |                          | \$30,500,000                    | \$45,500,000      | \$30,500,000     | \$45,500,000     |
| \$0  |                          | \$0                             | \$15,000,000      | \$100,000,000    | \$10,000,000     |
| \$100,000,000                                |                          | \$100,000,000                   | \$111,939,000     | \$100,000,000    | \$111,939,000    |
| \$191,750,000                                |                          | \$194,000,000                   | \$357,800,000     | \$357,800,000    | \$357,800,000    |
| \$0  |                          | \$0                             | \$0               | \$23,878,000     | \$0              |
| \$2,618,900,000                              |                          | \$2,618,900,000                 | \$1,849,700,000   | \$1,946,700,000  | \$1,849,700,000  |
| \$54,000,000                                 |                          | \$62,000,000                    | \$82,400,000      | \$82,400,000     | \$82,400,000     |
| \$0  |                          | \$0                             | \$0               | \$0              | \$0              |
| \$38,000,500                                 |                          | \$38,000,500                    | \$42,300,500      | \$42,300,500     | \$41,000,500     |
| \$1,000,000                                  |                          | \$1,000,000                     | \$0               | \$0              | \$1,000,000      |
| \$19,614,916,400                             |                          | \$577,246,000                   | \$20,192,162,400  | \$20,891,511,800 | \$21,505,327,700 |
| <b>TOTAL APPROPRIATIONS</b>                  |                          |                                 |                   |                  |                  |
| \$35,700,000                                 |                          | \$2,559,943,500                 | \$2,253,043,500   | \$2,253,043,500  | \$2,199,043,500  |
| \$516,196,000                                |                          | \$17,270,268,900                | \$18,247,768,300  | \$18,247,768,300 | \$18,148,337,200 |
| \$0  |                          | \$0                             | \$245,000,000     | \$245,000,000    | \$245,000,000    |
| \$140,400,000                                |                          | \$140,400,000                   | \$0               | \$202,000,000    | \$75,400,000     |
| \$0  |                          | \$0                             | \$0               | \$0              | \$0              |
| \$0  |                          | \$0                             | \$0               | \$0              | \$0              |
| \$0  |                          | \$200,000                       | \$0               | \$150,000,000    | \$125,000,000    |
| \$0  |                          | \$25,000,000                    | \$0               | \$0              | \$60,000,000     |
| \$0  |                          | \$0                             | \$0               | \$0              | \$18,000,000     |
| \$0  |                          | \$0                             | \$0               | \$0              | \$71,000,000     |
| \$72,000,000                                 |                          | \$72,000,000                    | \$72,000,000      | \$72,000,000     | \$72,000,000     |
| \$124,200,000                                |                          | \$124,350,000                   | \$73,700,000      | \$75,700,600     | \$89,900,300     |
| \$0  |                          | \$0                             | \$0               | \$0              | \$0              |
| \$19,614,916,400                             |                          | \$577,246,000                   | \$20,192,162,400  | \$20,891,511,800 | \$21,505,327,700 |
| <b>TOTAL REVENUE</b>                         |                          |                                 |                   |                  |                  |
| \$577,246,000                                |                          | \$20,192,162,400                | \$20,891,511,800  | \$21,505,327,700 | \$20,811,281,000 |
| <b>REVENUE BY SOURCE</b>                     |                          |                                 |                   |                  |                  |
| Federal Aid                                  | \$2,524,243,500          |                                 |                   |                  |                  |
| School Aid Fund                              | \$16,754,072,900         |                                 |                   |                  |                  |
| School Consolidation and Infrastructure Fund | \$0                      |                                 |                   |                  |                  |
| MPERS Obligation Reform Reserve Fund         | \$140,400,000            |                                 |                   |                  |                  |
| Educator Fellowship Public Provider Fund     | \$0                      |                                 |                   |                  |                  |
| Educator Fellowship Private Provider Fund    | \$0                      |                                 |                   |                  |                  |
| School Transportation Fund                   | \$0                      |                                 |                   |                  |                  |
| School Meals Reserve Fund                    | \$0                      |                                 |                   |                  |                  |
| GSRP Reserve Fund                            | \$0                      |                                 |                   |                  |                  |
| Enrollment Stabilization Fund                | \$0                      |                                 |                   |                  |                  |
| Community District Trust Fund                | \$72,000,000             |                                 |                   |                  |                  |
| General Fund/General Purpose                 | \$124,200,000            |                                 |                   |                  |                  |
| <b>TOTAL REVENUE</b>                         |                          |                                 |                   |                  |                  |
| \$19,614,916,400                             |                          | \$577,246,000                   | \$20,192,162,400  | \$20,891,511,800 | \$21,505,327,700 |
| <b>REVENUE BY SOURCE</b>                     |                          |                                 |                   |                  |                  |
| Federal Aid                                  | \$2,524,243,500          |                                 |                   |                  |                  |
| School Aid Fund                              | \$16,754,072,900         |                                 |                   |                  |                  |
| School Consolidation and Infrastructure Fund | \$0                      |                                 |                   |                  |                  |
| MPERS Obligation Reform Reserve Fund         | \$140,400,000            |                                 |                   |                  |                  |
| Educator Fellowship Public Provider Fund     | \$0                      |                                 |                   |                  |                  |
| Educator Fellowship Private Provider Fund    | \$0                      |                                 |                   |                  |                  |
| School Transportation Fund                   | \$0                      |                                 |                   |                  |                  |
| School Meals Reserve Fund                    | \$0                      |                                 |                   |                  |                  |
| GSRP Reserve Fund                            | \$0                      |                                 |                   |                  |                  |
| Enrollment Stabilization Fund                | \$0                      |                                 |                   |                  |                  |
| Community District Trust Fund                | \$72,000,000             |                                 |                   |                  |                  |
| General Fund/General Purpose                 | \$124,200,000            |                                 |                   |                  |                  |
| <b>TOTAL REVENUE</b>                         |                          |                                 |                   |                  |                  |
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| <b>TOTAL REVENUE</b>                         |                          |                                 |                   |                  |                  |
| \$19,614,916,400                             |                          | \$577,246,000                   | \$20,192,162,400  | \$20,891,511,800 | \$21,505,327,700 |
| <b>REVENUE BY SOURCE</b>                     |                          |                                 |                   |                  |                  |
| Federal Aid                                  | \$2                      |                                 |                   |                  |                  |

**DEPARTMENT OF STATE POLICE**  
**Summary of FY 2023-24 Enacted**  
**Public Act 119 of 2023 (House Bill 4437, Article 14)**

Analyst: Marcus Coffin

| IDG/IDT           | FY 2022-23 YTD<br>as of 2/8/23 | FY 2023-24<br>Enacted | Difference: Enacted<br>From FY 2022-23 YTD |            |
|-------------------|--------------------------------|-----------------------|--|------------|
|                   | Amount                         | %                     |  |            |
| <b>Federal</b>    | \$25,502,400                   | \$26,244,400          | \$742,000                                  | 2.9        |
| <b>Local</b>      | 81,804,300                     | 88,805,100            | 7,000,800                                  | 8.6        |
| <b>Private</b>    | 4,904,500                      | 4,904,800             | 300  | 0.0        |
| <b>Restricted</b> | 35,000                         | 35,000                | 0  | 0.0        |
| <b>GF/GP</b>      | 158,750,400                    | 165,787,800           | 7,037,400                                  | 4.4        |
| <b>Gross</b>      | <b>\$843,705,800</b>           | <b>\$893,341,100</b>  | <b>\$49,635,300</b>                        | <b>5.9</b> |
| <b>FTEs</b>       | 3,757.0                        | 3,832.0               | 75.0                                       | 2.0        |

## Notes:

(1) FY 2022-23 year-to-date figures include mid-year budget adjustments through February 8, 2023.  
(2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

The Michigan Department of State Police (MSP) is the state's primary law enforcement and emergency response authority. The department is responsible for criminal law enforcement and investigation, traffic and motor carrier safety, and homeland security. The department is also responsible for the administration and implementation of various state programs, technologies, and specialized services intended to enhance the capabilities and coordination of federal, state, and local law enforcement agencies, the criminal justice system, and the entire public safety community.

| Major Budget Changes from FY 2022-23 YTD Appropriations   | FY 2022-23<br>Year-to-Date<br>(as of 2/8/23) | FY 2023-24<br>Enacted<br>Change                       |
|---|--|---|
| <b>1. In-Service Training</b><br>Includes \$18.2 million GF/GP and authorization for 7.0 FTE positions for implementation and administration of in-service training requirements for licensed law enforcement officers. The Michigan Commission on Law Enforcement Standards (MCOLES) will develop and implement the in-service training as a condition for licensure for the more than 18,000 individuals it licenses.     | FTE<br>Gross<br>GF/GP                        | NA<br>NA<br>NA<br>7.0<br>\$18,240,000<br>\$18,240,000 |
| <b>2. FY 2023-24 Trooper Recruit School</b><br>Includes \$9.0 million GF/GP (\$4.2 million ongoing, \$4.8 million one-time) and authorization for 50.0 FTE positions to support various costs associated with an FY 2023-24 trooper recruit school, which is projected to graduate 50 troopers. Costs that will be supported by this funding include training materials, patrol vehicles, trooper outfitting, and salaries. | FTE<br>Gross<br>GF/GP                        | NA<br>NA<br>NA<br>50.0<br>\$9,003,500<br>\$9,003,500  |
| <b>3. FY 2022-23 Trooper Recruit School Annualization</b><br>Includes \$4.5 million GF/GP to support departmental expenses incurred for 50 troopers projected to graduate from trooper recruit school during FY 2022-23. Supported costs include fleet leasing, IT support, salaries, and benefits.   | Gross<br>GF/GP                               | NA<br>NA<br>\$4,501,800<br>\$4,501,800                |

## STATE POLICE

### Major Budget Changes from FY 2022-23 YTD Appropriations

#### **4. Justice System Fund Structural Changes**

Includes a \$4.4 million Gross increase from state restricted funding sources, \$4.2 million from the Michigan Justice Training Fund and \$200,500 from the Secondary Road Patrol and Training Fund, to reflect structural funding changes contained within 2022 PA 189 and 2022 PA 190. 2022 PA 189 redirected distributions made from the Justice System Fund from supporting the Secondary Road Patrol and Training Fund to the Michigan Justice Training Fund. The Michigan Justice Training Fund supports annual grants to eligible agencies for in-service criminal justice training of MCOLES-licensed law enforcement officers (60% of the funds are used for this purpose), with the remainder distributed through an annual competitive grant process, after deduction of administrative costs.

#### **5. Gun Violence Prevention**

Includes \$2.9 million Gross (\$1.9 million GF/GP) and authorization for 5.0 FTE positions to establish five National Integrated Ballistic Information Network (NIBIN) testing locations. One location will be a fixed unit in Lansing and the other units will be mobile units based in Benton Harbor, Flint, Grand Rapids, and Saginaw. The units will allow for the comprehensive entry of firearm evidence (including cartridge casings and test fires) into the NIBIN database, which provides law enforcement agencies with an automated resource for sharing, researching, and identifying ballistic data. The funding consists of both ongoing and one-time components: the \$725,000 GF/GP ongoing funding component will support staffing costs associated with the program, while the \$2.2 million Gross (\$1.2 million GF/GP) one-time funding will be used primarily for equipment purchases, including a 5-year maintenance contract.

#### **6. Crime Victim Support Program**

Includes \$1.9 million GF/GP and authorization for 14.0 FTE positions to place two full-time victim advocates in each of MSP's seven districts. Advocates will collaborate with federal, state, and local agencies to coordinate services and address the needs of crime victims. Victim advocates address victim needs in early interactions with criminal justice agencies; specifically, advocates inform crime victims of their rights, provide social service agency referrals, and assist with the victim compensation process.

#### **7. Community-Based Crisis Response Pilot Grants**

Includes \$1.5 million GF/GP (one-time) to provide grants to Ann Arbor, Dearborn, and Kalamazoo for community-based response programs. These programs will provide response by trained personnel to situations where a continued police response is considered unnecessary by law enforcement and in other limited circumstances.

#### **8. Emergency Alert System Upgrades**

Includes \$1.5 million GF/GP (one-time) to implement a statewide redundant emergency alert system network and to perform equipment upgrades, in order to ensure that the emergency alert system can operate continuously. The upgrades will enhance the emergency alert system's reliability in the event of a terrestrial internet outage, severe weather, or a disaster.

#### **9. Firearm Safety and Response**

Includes \$1.3 million GF/GP (one-time) for MCOLES active shooter response training for law enforcement personnel.

|  | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b> |
|--|---|--|
|--|---|--|

|              |                    |                    |
|--------------|--------------------|--------------------|
| <b>Gross</b> | <b>\$6,464,500</b> | <b>\$4,390,500</b> |
| Restricted   | 6,464,500          | 4,390,500          |
| GF/GP        | \$0                | \$0                |

|              |            |                    |
|--------------|------------|--------------------|
| <b>FTE</b>   | 0.0        | 5.0                |
| <b>Gross</b> | <b>\$0</b> | <b>\$2,876,600</b> |
| Federal      | \$0        | 951,600            |
| GF/GP        | \$0        | \$1,925,000        |

|              |           |                    |
|--------------|-----------|--------------------|
| <b>FTE</b>   | NA        | 14.0               |
| <b>Gross</b> | <b>NA</b> | <b>\$1,885,500</b> |
| GF/GP        | NA        | \$1,885,500        |

|              |            |                    |
|--------------|------------|--------------------|
| <b>Gross</b> | <b>\$0</b> | <b>\$1,500,000</b> |
| GF/GP        | \$0        | \$1,500,000        |

|              |            |                    |
|--------------|------------|--------------------|
| <b>Gross</b> | <b>\$0</b> | <b>\$1,500,000</b> |
| GF/GP        | \$0        | \$1,500,000        |

|              |            |                    |
|--------------|------------|--------------------|
| <b>Gross</b> | <b>\$0</b> | <b>\$1,300,000</b> |
| GF/GP        | \$0        | \$1,300,000        |

**STATE POLICE**

| <b><u>Major Budget Changes from FY 2022-23 YTD Appropriations</u></b>   | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b>      |
|---|---|---|
| <b>10. Firearms Safety</b><br>Includes \$500,000 GF/GP (one-time) to support a collaboration between MSP and MDHHS to distribute gun safety equipment to the public and law enforcement agencies at no cost.  | <b>Gross</b><br>GF/GP                                 | \$0<br>\$0                                    |
|   |   | <b>\$500,000</b><br>\$500,000                 |
| <b>11. OK2Say Expansion</b><br>Includes \$378,700 GF/GP and authorization for 3.0 FTE positions to hire additional staff for the OK2Say program, which provides students with a confidential mechanism for reporting criminal activities and potential harm that is directed at students, school employees, or physical infrastructure. The additional resources will allow MSP to increase processing capacity by hiring an additional manager and two technicians.  | <b>FTE</b><br><b>Gross</b><br>GF/GP                   | NA<br>NA<br>NA                                |
|   |   | 3.0<br><b>\$378,700</b><br>\$378,700          |
| <b>12. Ammunition Costs</b><br>Includes \$231,200 GF/GP to offset cost increases for ammunition that the department purchases. Inflation has caused the average cost of ammunition cases to increase by 15% in FY 2022-23.  | <b>Gross</b><br>GF/GP                                 | NA<br>NA                                      |
|   |   | <b>\$231,200</b><br>\$231,200                 |
| <b>13. Forensic Science Accreditation</b><br>Includes \$91,900 GF/GP for laboratory accreditation and proficiency testing costs for MSP's seven forensic laboratories. The funding will support payments to the American National Standards Institute's National Accreditation Board (ANAB) for accreditation services and cost increases for proficiency testing, which is required for forensic scientists to maintain their accreditation.   | <b>Gross</b><br>GF/GP                                 | NA<br>NA                                      |
|   |   | <b>\$91,900</b><br>\$91,900                   |
| <b>14. Contracts and Services</b><br>Includes \$1.6 million GF/GP (one-time) for contracts and services, with \$200,000 allocated for Michigan International Speedway traffic control support and \$1.4 million allocated for MSP-administered contracts for executive security services.   | <b>Gross</b><br>GF/GP                                 | NA<br>NA                                      |
|   |   | <b>\$1,600,000</b><br>\$1,600,000             |
| <b>15. Civil Service Compensation Increases</b><br>Includes \$17,200 Gross (\$11,700 GF/GP) to defray costs associated with compensation rate increases for certain civil service classifications within the Grants and Community Services line item. Executive Budget Revision 2024-1 requested the funding increase, since compensation rate increases were approved by the Civil Service Commission in July and December of 2022.  | <b>Gross</b><br>Federal<br>Restricted<br>GF/GP        | NA<br>NA<br>NA<br>NA                          |
|   |   | <b>\$17,200</b><br>4,100<br>1,400<br>\$11,700 |
| <b>16. Removal of FY 2022-23 One-Time Appropriations</b><br>Removes \$29.3 million GF/GP of one-time funding that was included in the FY 2022-23 budget to support the following: <ul style="list-style-type: none"><li>• Contracts and Services (\$3.1 million GF/GP)</li><li>• Crime Victim Support Pilot Program (\$518,400 GF/GP)</li><li>• In-service Training (\$20.0 million GF/GP)</li><li>• Recruitment, Training, and Outreach (\$1.0 million GF/GP)</li><li>• FY 2022-23 Trooper Recruit School (\$4.7 million GF/GP).</li></ul> | <b>FTE</b><br><b>Gross</b><br>GF/GP                   | 4.0<br><b>\$29,312,600</b><br>(\$29,312,600)  |
|   |   | (4.0)<br>(\$29,312,600)                       |

## STATE POLICE

### Major Budget Changes from FY 2022-23 YTD Appropriations

#### **17. Technical Adjustments**

Includes \$6.1 million Gross for numerous adjustments to various fund sources (IDG/IDT, federal, and state restricted) to align with available revenues. The largest of these adjustments is a \$5.7 million increase to federal authorization to reflect additional funding received from the Department of Transportation, due to increased Motor Carrier Safety Assistance Program (MCSAP) grant funding resulting from the Bipartisan Infrastructure Law. Also includes numerous internal net to zero transfers to align funding and FTE authorization with department activity. Net to zero internal transfers include the following:

- Restructures \$5.0 million GF/GP from the Post Operations line item into a new Trooper Recruit School Onboarding, Training, and Outfitting line item.
- Transfers \$1.4 million (federal authorization) and 1.0 FTE from the Highway Safety Planning line item to the Professional Development Bureau line item.
- Transfers \$327,600 (federal) from the Training Operations line item to the Professional Development Bureau line item.
- Transfers \$159,400 GF/GP and 1.0 FTE from the Forensic Science line item to the Department Services line item.
- Transfers \$149,200 (state restricted) and 1.0 FTE from the Criminal Justice Information Center line item to the Intelligence Operations line item.
- Transfers \$113,800 GF/GP and 1.0 FTE from the Post Operations line item to the Executive Direction line item.
- Transfers \$109,000 GF/GP and 1.0 FTE from the Grants and Community Services line item to the Department Services line item.

#### **18. Economic Adjustments**

Reflects increased costs of \$24.8 million Gross (\$21.5 million GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2023), overtime, longevity, actuarially required retirement contributions, other employee retirement costs, worker's compensation, building occupancy charges, fuel and utilities, and other economic adjustments.

|              | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b> |
|--------------|---|--|
| <b>Gross</b> | <b>NA</b>   | <b>\$6,112,900</b>                       |
| IDG/IDT      | NA  | 151,100                                  |
| Federal      | NA  | 5,671,700                                |
| Restricted   | NA  | 290,100                                  |
| GF/GP        | NA  | \$0                                      |

### Major Boilerplate Changes from FY 2022-23

#### **GENERAL SECTIONS**

##### **Sec. 205. Standard List of Report Recipients – NEW**

Requires all reports required in boilerplate to be submitted to the Senate and House Subcommittees on DMVA/MSP, the Senate and House fiscal agencies, the Senate and House policy offices, and the State Budget Office.

##### **Sec. 207. Communication with the Legislature – RETAINED (UNENFORCEABLE)**

Prohibits MSP from taking disciplinary action against employees for communicating with legislators or their staff, unless the communication is prohibited by law. (Governor's signing letter states this section is unenforceable.)

##### **Sec. 214. Legacy Costs – DELETED**

Identifies total funding estimated to be expended on legacy costs in FY 2022-23; \$145.2 million (\$94.7 million on pension-related legacy costs and \$50.6 million on health care legacy costs).

##### **Sec. 216. FTE Vacancies and Remote Work Reports – REVISED**

Requires MSP to submit quarterly reports containing FTE volumes and a comparison of actual and authorized FTE position counts; requires an annual report on the number of employees engaged in remote work in 2022, number of employees authorized to work remotely and the actual number working remotely, and estimated net cost savings and reduced use of office space achieved by remote work. Revised to delete remote work reporting provisions and to align report recipients with section 205.

**Major Boilerplate Changes from FY 2022-23****Sec. 217. Work Project Usage – RETAINED (UNENFORCEABLE)**

Stipulates that appropriations are not to be expended, if possible, until all existing work project authorization for the same purpose is exhausted. (Governor's signing letter states this section is unenforceable.)

**Sec. 218. State Administrative Board Transfers – RETAINED (UNENFORCEABLE)**

Stipulates that the legislature may intertransfer funds via concurrent resolution if the State Administrative Board transfers funds. (Governor's signing letter states this section is unenforceable.)

**Sec. 221. Severance Pay Reporting – REVISED**

Requires MSP to report any severance pay for a director or other high-ranking official not later than 14 days after a severance agreement is signed; maintain an internet site posting any severance pay in excess of 6 weeks of wages; report the total amount of severance pay remitted and the number of MSP employees receiving severance pay in FY 2021-22. Revised to align report recipients with section 205, delete the requirement to maintain an internet site posting any severance pay in excess of 6 weeks of wages, and update fiscal year references.

**Sec. 222. COVID-19 Vaccine Stipulations – DELETED**

Prohibits requiring proof of having received a COVID-19 vaccine as a condition of accessing any facility or services, except as required by federal law; prohibits producing, developing, issuing, or requiring a COVID-19 vaccine passport; prohibits developing a database or making an existing database publicly available to access an individual's COVID-19 vaccine status; prohibits requiring proof of having received a COVID-19 vaccine as a condition of employment, with exceptions for hospitals and medical facilities; prohibits adverse employment consequences due to an individual's COVID-19 vaccination status; requires that exemptions be created for individuals who medically cannot receive the vaccine or who have religious or consistently held objections to vaccination if a federal mandate requires establishment of a COVID-19 vaccine policy.

**Sec. 223. Access to State and Local Services – NEW**

Prohibits appropriations from being used to restrict or impede a marginalized community's access to government resources, programs, or facilities; requires local governments to report on actions that attempt to restrict or interfere with duties of local health officers.

**Sec. 226. Post Closure or Consolidation – REVISED**

Requires MSP to notify listed recipients not less than 90 days before recommending closure or consolidation of any MSP post and to include a state impact study. Revised to change the notification deadline to when a recommendation is made to close or consolidate.

**Sec. 227. Privatization Project Plans – REVISED (UNENFORCEABLE)**

Requires submission of a project plan 90 days before beginning any effort to privatize and requires evaluation of plan within 30 months. Revised to eliminate the 90 day deadline and instead requires submission if MSP presents a plan to the state employer. (Governor's signing letter states this section is unenforceable.)

**Sec. 232. Receive and Expend Authorization for Federal Revenues – REVISED**

Authorizes MSP to expend federal revenues received in excess of appropriations; requires MSP to report prior to expending excess federal revenues; limits receive and expend under this section and Sec. 704(3) to \$45.0 million. Revised to increase federal receive and expend authorization cap to \$105.0 million.

**Sec. 234. Payment of Court Judgements – DELETED**

Requires MSP to report tentative plans for required payment of court judgements against the department and stipulates required information.

**Sec. 234. Officer Evaluation Criteria – REVISED (UNENFORCEABLE)**

Prohibits use of citation volumes as a metric for performance evaluation and prohibits setting a specified number of citations for an officer. Revised to eliminate references to motor carrier officers and otherwise retains current law. (Governor's signing letter states this section is unenforceable.)

**DEPARTMENTAL ADMINISTRATION AND SUPPORT****Sec. 302. Local Police Department and Officer Training – NEW**

(1) Requires MSP, in collaboration with the Department of Civil Rights and MCOLES, to provide free training to local law enforcement departments and officers in the following areas: cultural awareness and competency; tolerance, diversity, and implicit bias; conflict management and de-escalation; use of force on vulnerable individuals; mental health and wellness; (2) allows training to be offered online and to be offered by MSP staff or contracted vendors; (3) requires quarterly reporting on the number of officers that received training.

## **STATE POLICE**

### **Major Boilerplate Changes from FY 2022-23**

#### **LAW ENFORCEMENT SERVICES**

##### **Sec. 402. Criminal Justice Information Center – REVISED**

Requires MSP to: (1) maintain criminal justice information systems in support of public safety and law enforcement communities; (2) conduct at least 30 outreach activities targeted to criminal justice agencies and to report on these activities; (3) compile crime statistics; (4) compile and evaluate traffic crash reports; (5) provide traffic crash reports for \$10 per incident or an extract of electronic traffic crash data for \$0.25 per incident; (6) report traffic crash report revenues, expenditures, and adequacy; (7) maintain, disseminate, and exchange criminal history and juvenile records; (8) maintain records, including firearms licensure records; (9) report revenues from and expenditures for concealed pistol licensure; (10) provide volumes processed by the Internet Criminal History Access Tool; (11) requires that Criminal Justice Information Center Service Fees carry forward and not lapse to the general fund; (12) requires unexpended revenue generated by local State Records Management System Fees to carry forward and not lapse to the general fund. Revised to increase the fee for traffic crash reports in item (5) from \$10 to \$15 per incident, to align report recipients with section 205, and to delete item (9).

##### **Sec. 408. Trooper Recruit School Onboarding, Training and Outfitting – NEW**

Stipulates that unexpended and unencumbered GF/GP appropriated for the Trooper Recruit School Onboarding, Training, and Outfitting line item not lapse to the general fund at the end of the fiscal year, and be deposited into the Trooper Recruit School Fund.

#### **MICHIGAN COMMISSION ON LAW ENFORCEMENT STANDARDS**

##### **Sec. 503. In-Service Training Funding – NEW**

Stipulates that funds appropriated for In-service Training be deposited into the Law Enforcement Officers Training Fund; appropriates all funds in the Law Enforcement Officers Training Fund to support implementation of required annual in-service training standards for all licensed law enforcement officers.

#### **FIELD SERVICES**

##### **Sec. 601. General Law Enforcement and Traffic Safety – REVISED (PARTIALLY UNENFORCEABLE)**

(1) Stipulates that MSP troopers are not prohibited from responding to criminal or emergency situations and are to make every effort to protect residents; (2) requires MSP to maintain staff and resources to enhance traffic safety and dedicate a minimum of 455,200 hours to statewide patrol, with a minimum of 40,000 in distressed cities; (3) requires MSP to report number of residence checks of registered sex offenders; (4) requires report on Secure Cities Partnership. Revised to align report recipients with section 205. (*Governor's signing letter states item 2 is unenforceable.*)

##### **Sec. 602. Criminal Investigations – RETAINED (PARTIALLY UNENFORCEABLE)**

(1) Requires MSP to identify and apprehend criminals through investigations; (2) requires maintenance of investigation hours; (3) requires MSP to meet or exceed case clearance rate of 62%; (4) requires MSP to provide training opportunities to local law enforcement partners related to gambling law, opioid investigations, and other legal and law enforcement issues; (5) requires MSP to maintain staffing to investigate an average level of opioid cases and to link investigations among partners. (*Governor's signing letter states items 2 through 5 are unenforceable.*)

##### **Sec. 603. Tobacco Tax Fraud Investigations – REVISED**

(1) Requires MSP to provide prevention and suppression of organized untaxed tobacco smuggling; (2) requires submission of report pertaining to tobacco tax enforcement activities and expenditures; (3) requires MSP to dedicate a minimum of 16,600 hours to tobacco tax enforcement. Revised to align report recipients with section 205 and to delete item (3).

##### **Sec. 604. Fire Investigations – RETAINED (PARTIALLY UNENFORCEABLE)**

(1) Requires MSP to provide fire investigation training and assistance; (2) requires MSP to maintain readiness for a specified number of requests for fire investigation services and be available for call out statewide. (*Governor's signing letter states item 2 is unenforceable.*)

##### **Sec. 605. Secure Cities Partnership – DELETED**

Requires at least \$700,000 from Secure Cities Partnership appropriation be allocated to cities with a population over 100,000 that have experienced at least a 20% increase in violent crime since 2018.

**Major Boilerplate Changes from FY 2022-23*****Sec. 606. Diversity in Recruiting – NEW***

Requires MSP to make an organized and strategic effort to recruit trooper candidates and new employees that mirror the diverse racial, religious, and cultural backgrounds that comprise Michigan's communities; requires an annual report on diversification efforts and MSPs diversity; allows MSP to use attrition savings to cover the cost of diversification recruiting efforts.

**SPECIALIZED SERVICES*****Sec. 701. Intelligence and Special Operations – RETAINED (PARTIALLY UNENFORCEABLE)***

(1) Requires MSP to operate the Michigan Intelligence Operations Center for Homeland Security (MIOC); (2) requires MSP to provide timely and accurate information to partners regarding critical information key resource threats and to increase public awareness on how to report suspicious activity; (3) requires MSP to operate Cyber Section and to maintain staffing; (4) requires MSP to provide digital forensic analysis and states case turnaround goal. (*Governor's signing letter states items 3 and 4 are unenforceable.*)

***Sec. 702. Specialized Support Teams – RETAINED (PARTIALLY UNENFORCEABLE)***

(1) Requires MSP to provide specialized support services; (2) requires MSP to maintain staffing and resources to provide training and maintain readiness to respond to an average number of specialty service requests; (3) requires canine unit to be available for call out 100% of the time; (4) requires bomb squad unit to be available for call out 100% of the time; (5) requires emergency support teams to be available for call out 100% of the time; (6) requires marine services team to be available for call out 100% of the time; (7) requires aviation services to be available for call out 100% of the time, unless prohibited by weather or mechanical breakdown; (8) requires maintenance of adequate levels of staffing and resources to provide security services at state Capitol Building and surrounding buildings and requires a minimum of 35,000 patrols at state-owned and leased facilities. (*Governor's signing letter states items 2 through 8 are unenforceable.*)

***Sec. 704. Emergency Management and Homeland Security – REVISED (PARTIALLY UNENFORCEABLE)***

(1) Requires MSP to coordinate emergency and disaster response activities of governmental units; (2) authorizes expenditure of appropriated funds to call upon state agencies or departments to protect life or property or to protect health or safety of any area under a state of emergency or disaster; requires report to state budget director and submission of recommendations to legislature for supplemental appropriations; (3) authorizes MSP to expend additional funds from various sources to provide emergency management training or emergency response activities with notification of legislature; limits federal receive and expend under Sec. 704(3) and Sec. 231 to \$45.0 million and state restricted receive and expend under Sec. 704(3) and Sec. 704(7) to \$15.0 million; (4) requires MSP to maintain partnerships to protect the state from all hazards; (5) requires MSP to serve local emergency management preparedness programs and local emergency planning committees, operate and maintain State Emergency Operations Center, respond to civil disorders and natural disasters at a specified level, and perform hazardous materials response training; (6) requires MSP to conduct a minimum of three training sessions to enhance emergency response; (7) appropriates amounts necessary from Disaster and Emergency Contingency Fund to cover costs related to disasters and emergencies; limits appropriations under Sec. 704(7) and receive and expend under Sec. 704(3) to \$15.0 million; (8) requires authorization for expenditures from Disaster and Emergency Contingency Fund and requires reporting; (9) allows expenditures from any source during declared disasters and emergencies, upon approval of the state budget director and legislative notification; (10) requires MSP to report biannually on assessment of critical infrastructure vulnerabilities. Revised to increase the federal receive and expend cap under item (3) to \$105.0 million, to eliminate the state restricted receive and expend caps under items (3) and (7), to remove the authorization requirement under item (8), to strike item (9), and to include new language allowing for the carry-forward of unexpended Emergency Management and Homeland Security Training Center revenue. (*Governor's signing letter states items 8 and 9 are unenforceable.*)

***Sec. 706. Secondary Road Patrol Program – REVISED***

Requires the department to provide funding to county sheriff's departments to patrol secondary roads; stipulates sheriffs' duties under Secondary Road Patrol program; requires Office of Highway Safety Planning, in conjunction with the State Court Administrative Office, to provide a report on traffic infractions and collections of justice system assessments. Revised to delete the reporting requirement.

**ONE-TIME APPROPRIATIONS*****Sec. 801. Community-Based Crisis Response Pilot Grants – NEW***

(1) Requires MSP to make grants available to the cities of Ann Arbor, Dearborn, and Kalamazoo, to support new or existing community-based response programs; (2) requires a grant recipient to provide a 25% match; (3) limits an individual grant award to \$500,000; (4) defines "community-based response program"; (5) provides work project authorization; (6) allows MSP to expend up to \$50,000 for administration of the grants; (7) requires recipients to submit reports to MSP; (8) requires MSP to submit a report on the grant program.

## STATE POLICE

### Major Boilerplate Changes from FY 2022-23

#### **Sec. 802. Crime Victim Support Pilot Program – DELETED**

Requires MSP to operate a pilot program to provide support services to crime victims in two MSP districts.

#### **Sec. 802. Michigan International Speedway Traffic Control – REVISED**

Allocates \$300,000 from the Contracts and Services line item for provision of traffic control support at MIS. Revised to change allocation amount to \$200,000.

#### **Sec. 803. Emergency Alert System Upgrades – NEW**

Requires MSP to implement a statewide redundant emergency alert system network and perform equipment upgrades.

#### **Sec. 804. MCOLES Active Shooter Response Training – NEW**

Requires \$1.3 million be allocated to MCOLES for active shooter response training.

#### **Sec. 805. Firearm Safety – NEW**

Allows MSP to utilize funds appropriated for Firearms Safety to collaborate with MDHHS to distribute gun safety equipment to the public and law enforcement agencies at no cost.

### FY 2022-23 Supplemental Appropriation Items

#### Public Act 119 of 2023 (House Bill 4437, Article 16)

##### **1. Automated Print Identification System**

Includes \$1.2 million of state restricted Criminal Justice Information Center Service Fees to digitize records within the Automated Print Identification Section system. Funding will be utilized for necessary equipment, cloud storage, and temporary staff to complete digitization, which will increase efficiency when searching materials.

##### **2. Forensic Science**

Includes \$2.5 million of state restricted State Services Fee Fund revenue for the Forensic Science line item. Additional revenue is available due to delayed expenditures resulting from the COVID-19 pandemic. Additional authorization will be used to support digital ballistic analysis equipment upgrades, security upgrades, and necessary renovations at multiple MSP forensic laboratories.

##### **3. Justice Training Grants**

Authorizes a \$1.2 million increase of state restricted Michigan Justice Training Fund revenue to reflect structural funding changes contained in 2022 PA 189. Public Act 189 redirects distributions made from the Justice System Fund from supporting the Secondary Road Patrol and Training Fund to the Michigan Justice Training Fund. The Michigan Justice Training Fund supports annual grants to eligible agencies for in-service criminal justice training of MCOLES-licensed law enforcement officers.

##### **4. Information Technology Services and Projects**

Includes \$7.0 million of state restricted Criminal Justice Information Center Service Fees to support upgrades to IT systems including eDaily, Statewide Records Management System, Michigan Incident Crimes Reporting, Crime Dashboard, and Statewide Network of Agency Photos. Additional revenue is available due to delayed expenditures resulting from the COVID-19 pandemic.

##### **5. Strategic Training Initiatives**

Includes \$10.0 million GF/GP to support start-up costs for facility upgrades and construction at MSP's training facilities to create an environment that supports realistic multi-disciplinary training for MSP staff and other first responders.

|   |              | <b>Appropriation Change</b> |
|---|--------------|-----------------------------|
|   | <b>Gross</b> | <b>\$1,200,000</b>          |
| 1. Automated Print Identification System        | Restricted   | 1,200,000                   |
|   | GF/GP        | \$0                         |
| 2. Forensic Science                             | <b>Gross</b> | <b>\$2,500,000</b>          |
|   | Restricted   | 2,500,000                   |
|   | GF/GP        | \$0                         |
| 3. Justice Training Grants                      | <b>Gross</b> | <b>\$1,190,000</b>          |
|   | Restricted   | 1,190,000                   |
|   | GF/GP        | \$0                         |
| 4. Information Technology Services and Projects | <b>Gross</b> | <b>\$7,000,000</b>          |
|   | Restricted   | 7,000,000                   |
|   | GF/GP        | \$0                         |
| 5. Strategic Training Initiatives               | <b>Gross</b> | <b>\$10,000,000</b>         |
|   | GF/GP        | \$10,000,000                |

**FY 2022-23 Supplemental Boilerplate Items**  
**Public Act 119 of 2023 (House Bill 4437, Article 16)**

***Sec. 801. Strategic Training Initiatives***

Requires funds to be used to support nonbondable components of proposed training infrastructure, in anticipation of a future capital outlay project for the remainder of the funding for the project; designates unexpended funds as a work project appropriation.

## TRANSPORTATION

# DEPARTMENT OF TRANSPORTATION Summary of FY 2023-24 Enacted Public Act 119 of 2023 (House Bill 4437, Article 15)

Analyst: William E. Hamilton

|                   | FY 2022-23 YTD<br>as of 2/8/23 | FY 2023-24<br>Enacted  | Difference: Enacted<br>From FY 2022-23 YTD |            |
|-------------------|--------------------------------|------------------------|--|------------|
|                   |                                |                        | Amount                                     | %          |
| <b>IDG/IDT</b>    | \$4,123,800                    | \$4,353,000            | \$229,200                                  | 5.6        |
| <b>Federal</b>    | 2,026,480,000                  | 2,149,121,400          | 122,641,400                                | 6.1        |
| <b>Local</b>      | 85,773,500                     | 85,773,500             | 0  | 0.0        |
| <b>Private</b>    | 16,800,000                     | 16,800,000             | 0  | 0.0        |
| <b>Restricted</b> | 3,905,021,600                  | 4,082,402,000          | 177,380,400                                | 4.5        |
| <b>GF/GP</b>      | 91,250,000                     | 288,100,000            | 196,850,000                                | 215.7      |
| <b>Gross</b>      | <b>\$6,129,448,900</b>         | <b>\$6,626,549,900</b> | <b>\$497,101,000</b>                       | <b>8.1</b> |
| <b>FTEs</b>       | 3,056.3                        | 3,224.3                | 168.0                                      | 5.5        |

### Notes:

- (1) FY 2022-23 year-to-date figures include mid-year budget adjustments through February 8, 2023.
- (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

### Overview

The state transportation budget supports state and local highway programs, public transportation programs, aeronautics programs, and administration of the Michigan Department of Transportation (MDOT). Historically, two-thirds of the revenue in this budget has come from state restricted revenue, with approximately one-third from federal sources. State-restricted revenue in this budget includes revenue from motor fuel taxes, vehicle registration taxes, and from a \$600.0 million earmark of Income Tax Act revenue. Approximately \$3.7 billion in state restricted revenue is first credited to the Michigan Transportation Fund (MTF) and then distributed in accordance with 1951 PA 51 ("Act 51") to other state transportation funds and programs, including the State Trunkline Fund (STF), the Comprehensive Transportation Fund (CTF), and local road agencies (county road commissions and cities/villages). Revenue from aviation fuel and registration taxes, as well as a portion of Airport Parking Tax revenue, is credited to the State Aeronautics Fund for aeronautics programs. Federal funds for transportation programs are authorized under the federal Infrastructure Investment and Jobs Act (IIJA).

| <u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>  | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b> |               |
|---|---|--|---------------|
|   |   | <b>Gross</b>                             | <b>Change</b> |
| <b>1. Debt Service</b>  |   |  |               |
| Includes \$343.7 million for debt service on bonds issued under a pledge of state restricted revenue – a net increase of \$118.4 million as compared to current year. | Restricted  | \$225,300,500                            | \$118,439,600 |
|   | GF/GP   | 225,300,500                              | 118,439,600   |
|   |   | \$0                                      | \$0           |

Debt service payments are made from different restricted fund sources (STF, Blue Water Bridge Fund, CTF, Local bridge fund, State Aeronautics Fund, or Transportation Economic Development Fund (TEDF)) based on the use of the original bond proceeds. While TEDF-related debt service falls by \$6.0 million in FY 2023-24, and debt service for CTF-backed bonds would end entirely, STF-related debt service would increase by \$124.5 million as compared to the current year.

Debt service primarily relates to previously issued and outstanding bonds, although part of the budgeted increase relates to debt service for STF bonds MDOT anticipates issuing in 2023 as part of the Rebuilding Michigan bond program.

|  |              | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b> |
|--|--------------|---|--|
| <b>Major Budget Changes from FY 2022-23 YTD Appropriations</b>   |              |   |  |
| <b>2. Baseline Staffing and STF Funding Increases</b>  | FTE          | 2,879.3   | 165.0                                    |
| Includes authorization for an additional 165.0 FTE positions across a number of STF-funded operating and service line items. STF funding also increases by \$9.1 million to align funding with FTE authorization. Specific increases by line item:   | <b>Gross</b> | <b>\$638,520,400</b>                                  | <b>\$9,081,000</b>                       |
|  | Restricted   | 638,520,400   | 9,081,000                                |
|  | GF/GP        | \$0   | \$0                                      |
| Business Support: 4.0 FTEs, \$588,200; Commission Audit: \$1.2 million, (no increase in FTE authorization); Office of Transportation Economic Development: 1.0 FTE, \$111,600; Finance, Contracts, Support Services: 10.0 FTEs, \$1.6 million; Planning Services: 3.0 FTEs, \$489,900; Design/Engineering: 139.0 FTEs, \$4.3 million; Maintenance Operations: 8.0 FTEs, \$879,700.   |              |   |  |
| In addition to the increases in FTE authorization and STF funding noted above, the enacted budget includes additional 2.0 FTE positions and a \$300,500 increase in CTF support for the Office of Rail.  |              |   |  |
| <b>3. State Trunkline Maintenance</b>  | FTE          | 901.7   | 0.0                                      |
| Increases STF support by \$21.7 million to recognize increased costs associated with maintenance materials and contract services.  | <b>Gross</b> | <b>\$443,561,300</b>                                  | <b>\$21,698,500</b>                      |
|  | Restricted   | 443,561,300   | 21,698,500                               |
|  | GF/GP        | \$0   | \$0                                      |
| <b>4. Design and Engineering Services – Budget Realignment</b>   | FTE          | 1,572.3   | 0.0                                      |
| Shifts federal and state restricted funding between the capital State Trunkline Road and Bridge line item and Design and Engineering operating line items. See corresponding action in Item #5, below. Note that these fund shifts affect only the internal structure of the budget and do not affect actual funds available for the capital trunkline road and bridge construction program.   | <b>Gross</b> | <b>\$190,254,100</b>                                  | <b>\$58,857,400</b>                      |
|  | Federal      | 23,529,800  | (10,000,000)                             |
|  | Restricted   | 166,724,300   | 68,857,400                               |
|  | GF/GP        | \$0   | \$0                                      |
| <b>5. Road and Bridge Program – Revenue Adjustments/Fund Shift</b>   | <b>Gross</b> | <b>\$1,661,869,600</b>                                | <b>(\$162,230,600)</b>                   |
| Funding for the capital State Trunkline Road and Bridge Construction line item decreases by a net \$162.2 million: federal funds increase by \$10.0 million while state restricted funds decline by a net \$172.2 million. The changes reflect: increases in restricted revenue recognized in the budget, \$53.3 million; the Design/Engineering budget realignment described in Item #4 above, (\$58.9 million); increases in other STF-funded line items totaling \$158.7 million (including \$124.5 million STF debt service increase). <b>See Table below.</b> | Federal      | 1,185,230,900   | 10,000,000                               |
|  | Local        | 30,003,500  | 0  |
|  | Private      | 10,000,000  | 0  |
|  | Restricted   | 436,635,200   | (172,230,600)                            |
|  | GF/GP        | \$0   | \$0                                      |

## TRANSPORTATION

| <u>Major Budget Changes from FY 2022-23 YTD Appropriations</u> | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b> |
|--|---|--|
|--|---|--|

| <b>Reconciliation of State Trunkline Road and Bridge Program Changes</b> |                           |  |  |  |                                  |
|--|---------------------------|--|--|--|----------------------------------|
|  |                           | <b>Changes from FY 2022-23</b>                         |  |  |                                  |
| <b>Fund Source</b>   | <b>FY 2022-23<br/>YTD</b> | <b>Revenue<br/>Adjustments</b>                         | <b>Design/<br/>Engineering<br/>Budget<br/>Realignment <sup>(3)</sup></b> | <b>Other STF Line<br/>Item Increases<br/>that Reduce<br/>Available STF</b> | <b>FY 2023-24<br/>Net Change</b> |
| <b>Gross</b>   | <b>\$1,661,869,600</b>    | <b>\$55,338,200</b>                                    | <b>(\$58,857,400)</b>  | <b>(\$158,711,400)</b>   | <b>(\$162,230,600)</b>           |
| Federal  | 1,185,230,900             |  | 10,000,000   |  | 10,000,000                       |
| Local  | 30,003,500                |  |  |  | 0                                |
| Private  | 10,000,000                |  |  |  | 0                                |
| Restricted   | 436,635,200               | 42,695,500 <sup>(1)</sup><br>12,642,700 <sup>(2)</sup> | (68,857,400)   | (124,523,600) <sup>(4)</sup><br>(34,187,800) <sup>(5)</sup>                | (172,230,600)                    |
| GF/GP  | \$0                       | \$0  | \$0  | \$0  | \$0                              |

The table reconciles the FY 2023-24 net change in the State Trunkline Road and Bridge Construction line item with the elements that effected that change:

Key:

1. Increase in estimated STF revenue.
2. Increase in Blue Water Bridge Fund revenue recognized in the budget.
3. Design/Engineering Budget realignment described in Item #4, above.
4. Increase in STF Debt service.
5. Other STF line item budget changes including staffing increases, maintenance cost increases, etc.

### **6. MTF to Local Road Agencies**

|  | <b>Gross</b>      | <b>\$1,910,975,400</b> | <b>\$39,028,900</b> |
|--|-------------------|------------------------|---------------------|
|  | <b>Restricted</b> | <b>1,910,975,400</b>   | <b>39,028,900</b>   |
|  | <b>GF/GP</b>      | <b>\$0</b>             | <b>\$0</b>          |

Includes \$1.95 billion in estimated MTF distribution to local road agencies (county road commissions, and cities and villages), \$39.0 million more than the current year. This reflects the Act 51 distribution of estimated MTF revenue from motor fuel and vehicle registration taxes as well as local road agency share of \$600.0 million earmarked for road and bridge programs in the Income Tax Act. The actual distribution will be based on actual MTF revenue collections.

| <u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>   |  | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b>                              | <b>FY 2023-24<br/>Enacted<br/>Change</b>                |
|--|--|--|---|
| <b>7. Transportation Economic Development Fund (TEDF)</b><br>Includes \$55.4 million for the TEDF program, an increase of \$9.4 million from the current year. The increase primarily reflects a \$6.0 million reduction in TEDF debt service, as well as increases in estimated interest earnings on the TEDF balance.  | <b>Gross</b><br>Restricted<br>GF/GP                                | <b>\$45,951,000</b><br>45,951,000<br>\$0   | <b>\$9,418,000</b><br>9,418,000<br>\$0                  |
| The TEDF/Target Industries categorical program (Category "A") would increase by a total of \$7.4 million. Of this increase, \$4.2 million reflects the Category A share of the \$9.4 million total TEDF increase, and \$3.0 million is due to shift of \$3.0 million from the TEDF/Community Service Infrastructure program (Category "B") to Category A. The Category B program and \$3.0 million funding earmark, established in 2018 PA 473, sunset at the end of FY 2022-23. The TEDF program is a targeted transportation program established and governed by statute, 1987 PA 231. |  |  |   |
| <b>8. Transit Programs – Local Bus Operating Assistance</b><br>Includes a \$60.0 million increase as compared to current year - \$15.0 million CTF included in the ongoing baseline and \$45.0 million from federal American Rescue Plan (ARP) COVID-19 relief funds shown as one-time.  | <b>Gross</b><br>Federal<br>Restricted<br>GF/GP                     | <b>\$201,750,000</b><br>0<br>201,750,000<br>\$0                                    | <b>\$60,000,000</b><br>45,000,000<br>15,000,000<br>\$0  |
| <b>9. Transit Programs – Non-Urban Operating/Capital</b><br>The amount included in the budget for federal non-urbanized area formula grants under 49 USC 5311 would remain unchanged at \$39.8 million.  | <b>Gross</b><br>Federal<br>Local<br>GF/GP                          | <b>\$39,845,600</b><br>37,845,600<br>2,000,000<br>\$0                              | <b>\$0</b><br>0<br>0<br>\$0                             |
| <b>10. Transit Capital</b><br>Recognizes \$43.6 million increase in estimated federal transit capital grants for local transit agencies.   | <b>Gross</b><br>Federal<br>Local<br>Private<br>Restricted<br>GF/GP | <b>\$179,076,100</b><br>78,000,000<br>31,000,000<br>2,000,000<br>68,076,100<br>\$0 | <b>\$43,641,400</b><br>43,641,400<br>0<br>0<br>0<br>\$0 |
| <b>11. Rail Operations and Infrastructure</b><br>Retains current-year baseline funding. Also includes one-time \$14.9 million CTF increase.  | <b>Gross</b><br>Federal<br>Local<br>Private<br>Restricted<br>GF/GP | <b>\$137,750,700</b><br>30,000,000<br>100,000<br>2,000,000<br>105,650,700<br>\$0   | <b>\$14,900,000</b><br>0<br>0<br>0<br>14,900,000<br>\$0 |
| <b>12. Van Pooling</b><br>Includes \$400,000 CTF for the van pool program, a \$205,000 CTF increase as compared to current year.   | <b>Gross</b><br>Restricted<br>GF/GP                                | <b>\$195,000</b><br>195,000<br>\$0   | <b>\$205,000</b><br>205,000<br>\$0                      |
| <b>13. Specialized Services</b><br>Includes a baseline increase of \$3.8 million CTF for this targeted transit line item. The increase is made possible as a result of an increase in available CTF revenue.   | <b>Gross</b><br>Federal<br>Local<br>Restricted<br>GF/GP            | <b>\$26,541,300</b><br>13,127,400<br>4,185,000<br>9,228,900<br>\$0                 | <b>\$3,771,100</b><br>0<br>0<br>3,771,100<br>\$0        |
| <b>14. Detroit/Wayne County Port Authority</b><br>Includes \$100,000 CTF baseline increase.  | <b>Gross</b><br>Restricted<br>GF/GP                                | <b>\$500,000</b><br>500,000<br>\$0   | <b>\$100,000</b><br>100,000<br>\$0                      |
| <b>15. Marine Passenger Service</b><br>Increases CTF support by \$188,000 for line item that provides capital assistance to eligible public ferry services in Michigan.  | <b>Gross</b><br>Federal<br>Local<br>Restricted<br>GF/GP            | <b>\$4,964,000</b><br>2,652,000<br>500,000<br>1,812,000<br>\$0                     | <b>\$188,000</b><br>0<br>0<br>188,000<br>\$0            |

## TRANSPORTATION

|   |  |  | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b>           | <b>FY 2023-24<br/>Enacted<br/>Change</b> |
|---|--|--|---|--|
| <b>Major Budget Changes from FY 2022-23 YTD Appropriations</b>  |  |  |   |  |
| <b>16. Capital Outlay – Salt Storage and other Property Maintenance</b><br>Increases STF support by \$2.5 million for construction of salt storage facilities and capital maintenance of other MDOT-owned facilities.   | <b>Gross</b><br>Restricted<br>GF/GP                                | <b>\$5,501,500</b><br>5,501,500<br>\$0   | <b>\$2,499,000</b><br>2,499,000<br>\$0                          |  |
| <b>17. Capital Outlay - Airport Improvement Program (AIP)</b><br>Includes \$180.0 million for program of federal capital assistance to eligible local public airports in the state, a net increase of \$19.6 million. Federal AIP funds would total \$155.0 million, an increase of \$20.0 million from current year. Estimated available State Aeronautics Fund revenue would decrease by \$392,200. This program is shown in the budget under the line item Airport Safety, Protection, and Improvement (ASAP).   | <b>Gross</b><br>Federal<br>Local<br>Private<br>Restricted<br>GF/GP | <b>\$160,461,900</b><br>135,000,000<br>17,500,000<br>2,000,000<br>5,961,900<br>\$0 | <b>\$19,607,800</b><br>20,000,000<br>0<br>0<br>(392,200)<br>\$0 |  |
| <b>18. Detroit Metropolitan Wayne County Airport</b><br>Increases Qualified Airport Fund support by \$520,000 to reflect revenue estimates. As provided through 2015 amendments to the State Aeronautics Code, Qualified Airport Fund revenue is appropriated to the Detroit Metropolitan Wayne County Airport.   | <b>Gross</b><br>Restricted<br>GF/GP                                | <b>\$5,850,000</b><br>5,850,000<br>\$0   | <b>\$520,000</b><br>520,000<br>\$0                              |  |
| <b>19. IIJA Airport Infrastructure Grants</b><br>Retains current-year \$95.0 million federal spending authority for a new program of federal aid to public airports established under Division J of IIJA.   | <b>Gross</b><br>Federal<br>GF/GP                                   | <b>\$95,000,000</b><br>95,000,000<br>\$0   | <b>\$0</b><br>0<br>\$0  |  |
| <b>20. Back Out FY 2022-23 One-Time Items</b><br>Removes one-time FY 2022-23 items not carried forward for FY 2023-24: Replace Weather Station Equipment, \$3.9 million GF/GP; Airport Infrastructure Grants, \$25.0 million GF/GP; Basic Marine Dock, \$700,000 CTF; Magnetic Roadway Sweepers, \$350,000 GF/GP; Priority Grade Separation Projects, \$12.0 million GF/GP; Technical Assistance, Planning, and IIJA Match Grants, \$25.0 million GF/GP; Upper Peninsula Freight Rail Infrastructure, \$550,000 CTF; Category "B" TEDF projects, \$25.0 million (in supplemental, 2023 PA 1.) | <b>Gross</b><br>Restricted<br>GF/GP                                | <b>\$92,500,000</b><br>1,250,000<br>\$91,250,000                                   | <b>(\$92,500,000)</b><br>(1,250,000)<br>(\$91,250,000)          |  |
| <b>21. One-Time – Intermodal Capital Investments Grants</b><br>Includes \$50.0 million Gross (\$45.0 million CTF and \$5.0 million GF/GP) for a one-time program in support of intermodal capital grants to support capital needs that improve rail, marine, intercity and local transit infrastructure or equipment in the state and that are eligible for funding under sections 10d or 10s of 1951 PA 51, or the fixed guideway capital investment grants program authorized in section 30005 of IIJA. (See also Section 1001)   | <b>Gross</b><br>Restricted<br>GF/GP                                | <b>\$0</b><br>0<br>\$0   | <b>\$50,000,000</b><br>45,000,000<br>\$5,000,000                |  |
| <b>22. One-Time GF/GP – Michigan/Local Bridge Bundling Initiative</b><br>Includes \$80.0 million GF/GP for a program to address failing or critical bridges in need of rehabilitation or replacement. The program in the enacted budget is entirely targeted at locally owned bridges. (See also Section 1002)  | <b>Gross</b><br>GF/GP  | <b>\$0</b><br>\$0  | <b>\$80,000,000</b><br>\$80,000,000                             |  |
| <b>23. One-Time GF/GP – MI Contracting Opportunity</b><br>Includes \$3.0 million in one-time GF/GP for program to increase contracting opportunities for socially or economically disadvantaged business concerns. (See also Section 1003)  | <b>Gross</b><br>GF/GP  | <b>\$0</b><br>\$0  | <b>\$3,000,000</b><br>\$3,000,000                               |  |
| <b>24. One-Time GF/GP – Critical Infrastructure Projects</b><br>Includes \$181.6 million one-time GF/GP for 27 critical infrastructure projects identified in the table in boilerplate Section 1005 below.  | <b>Gross</b><br>GF/GP  | <b>\$0</b><br>\$0  | <b>\$181,600,000</b><br>\$181,600,000                           |  |

**TRANSPORTATION**

| <u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>  |   | <b>FY 2022-23<br/>Year-to-Date<br/>(as of 2/8/23)</b> | <b>FY 2023-24<br/>Enacted<br/>Change</b>            |
|---|---|---|---|
| <b>25. One-Time GF/GP – New Technology/Mobility</b><br>Includes \$18.5 million one-time GF/GP for three projects in support of new transportation technology, defined in boilerplate Section 1004 below.  | <b>Gross</b><br>GF/GP                                 | \$0<br>\$0  | <b>\$18,500,000</b><br>\$18,500,000                 |
| <b>26. ARP – One-Time Mobility Fund Platform</b><br>Includes \$3.5 million federal ARP COVID-19 relief funds for mobility public-private partnership and programming projects defined in boilerplate Section 1008.  | <b>Gross</b><br>Federal<br>GF/GP                      | \$0<br>0<br>\$0                                       | <b>\$3,500,000</b><br>3,500,000<br>\$0              |
| <b>27. ARP – One-Time Mobility Challenge</b><br>Includes \$3.5 million federal ARP COVID-19 relief funds for grants in support of projects related to enhanced transportation services for senior citizens, persons with disabilities, and veterans. (See also Section 1009)  | <b>Gross</b><br>Federal<br>GF/GP                      | \$0<br>0<br>\$0                                       | <b>\$3,500,000</b><br>3,500,000<br>\$0              |
| <b>28. ARP – One-Time Air Service Revitalization</b><br>Includes \$7.0 million using federal ARP COVID-19 relief funds for an air service revitalization grant program: \$2.0 million for capital development at general aviation airports for projects including obstruction removal; \$5.0 million for air service development program. (See also Section 1010)   | <b>Gross</b><br>Federal<br>GF/GP                      | \$0<br>0<br>\$0                                       | <b>\$7,000,000</b><br>7,000,000<br>\$0              |
| <b>29. Economic Adjustments</b><br>Reflects net decrease in estimated costs of \$84,800 Gross (\$0 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2023), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.   | <b>Gross</b><br>IDG<br>Federal<br>Restricted<br>GF/GP | NA<br>NA<br>NA<br>NA<br>NA                            | (\$84,800)<br>(8,300)<br>(136,100)<br>59,600<br>\$0 |
| <b>30. Executive Budget Revision – Staffing</b><br>Reflects Executive Budget Revision dated April 18, 2023 to recognize additional costs associated with compensation increases for certain specific Civil Service classifications. The estimated costs of these compensation increases by department were not available at the time of the Governor's February 8, 2023 budget presentation. In this budget, estimated compensation increases of \$5.7 million are reflected in several MDOT operating line items. These increases are offset by reductions in non-operating/capital program line items, and as a result, the changes net to \$0. | <b>Gross</b><br>Federal<br>Restricted<br>GF/GP        | NA<br>NA<br>NA<br>NA                                  | \$0<br>0<br>0<br>\$0                                |

**Major Boilerplate Changes from FY 2022-23**

**Sec. 207. Communication with the Legislature – RETAINED (UNENFORCEABLE)**

Retains section (Sec. 215 in FY 2022-23 budget) that prohibits department from taking disciplinary action against an employee for communicating with the Legislature. *The Governor's signing letter indicated that this section was unenforceable in that impinged on executive branch authority in violation of Article 3, Section 2 of the Michigan Constitution which deals with the separation of powers.*

**Sec. 211. Contingency Authorization – REVISED**

Provides contingent spending authority of \$40.0 million federal funds, \$5.0 million state restricted funds, \$1.0 million in local, and \$11.0 million in private funds, subject to legislative transfer process of Section 393(2) of the Management and Budget Act. The private contingency authorization is \$10.0 million more than FY 2022-23.

## TRANSPORTATION

### **Major Boilerplate Changes from FY 2022-23**

#### **Sec. 219. State Administrative Board Transfers – RETAINED (UNENFORCEABLE)**

Retains section (Sec. 218 in FY 2022-23 budget) that provides for the legislature to intertransfer funds within departmental budget if the State Administrative Board transfers funds from an appropriation within this departmental budget. *The Governor's signing letter indicated that this section was unenforceable in that it impinged on executive branch authority in violation of Article 3, Section 2 of the Michigan Constitution which deals with the separation of powers, as well as two sections under Article 4 the Michigan Constitution: Section 22 which requires that all legislation be by bill, and Section 33 which prescribes how bills are enacted into law.*

#### **Sec. 225. Work Project Expenditures – RETAINED (UNENFORCEABLE)**

Retains section (Sec. 217 in current year budget) that requires that work project balances be exhausted before expenditure from part 1 appropriations. *The Governor's signing letter indicated that this section was unenforceable in that it impinged on executive branch authority in violation of Article 3, Section 2 of the Michigan Constitution which deals with the separation of powers.*

#### **Sec. 214. Annual Legacy Costs – DELETED**

Deletes section that had identified estimated department "legacy costs", including pension related costs and retiree health care costs.

#### **Sec. 215. Access to State and Local Services – NEW**

Prohibits use of funds to restrict or impede community access to government resources, programs, and to require local governments to report on actions that attempt to restrict duties of local health officers.

#### **Sec. 218. Remote Work Policy – REVISED**

Indicates legislative intent that the department maximize the efficiency of the state workforce and, where possible, prioritize in-person work and post its in-person, remote, or hybrid work policy on its website." [This section had been numbered as Sec. 224 in the FY 2022-23 budget act.]

#### **Sec. 222. Restrictions on COVID-19 Passports – DELETED**

Deletes section that restricted use of COVID-19 "passports" to document vaccination status.

#### **Sec. 357. Local Federal Aid Project Review – DELETED**

Deletes section that directed MDOT to complete project reviews within 120 days; requires system for monitoring review process. *The Governor's signing letter for the FY 2022-23 budget act had indicated that this section was unenforceable in that it impinged on executive branch authority in violation of Article 3, Section 2 of the Michigan Constitution.*

#### **Sec. 382. Finalize Local Agency Cost Sharing Agreements – DELETED**

Deletes section that required the department to submit final bill to the local agency within two years of final payment to construction contractor. *The Governor's signing letter for the FY 2022-23 budget act indicated that this section was unenforceable in that it impinged on executive branch authority in violation of Article 4, Section 25 of the Michigan Constitution.*

#### **Sec. 393. Public Transportation Best Practices – REVISED**

Retains section that directs department to promote best practices in public transportation, including transit vehicle rehabilitation to reduce life-cycle cost. Revised to include new reporting requirement, due March 1, 2024.

#### **Sec. 614. Earmark for Low Impact Development Stormwater Management Practices – NEW**

Earmarks up to \$5.0 million to incentivize and support the inclusion of low impact development stormwater management practices in trunkline and local road agency construction projects. The section does not designate a fund source.

#### **Sec. 615. Vehicle Miles Travelled Pilot Project – NEW**

Requires the department to apply for a grant under the Section 13002 of IIJA to be used to establish a pilot program to determine the feasibility of road usage charges as a replacement for motor fuel taxes as a basis for transportation funding.

#### **Sec. 660. Use of Alternative Materials – REVISED (UNENFORCEABLE)**

Retains section that encourages the department to examine the use of alternative road surface materials. In subsection 2, directs the department to establish a new stakeholder group to review submission of innovative construction material and design specifications. *The Governor's signing letter indicated that Subsection 2 was unenforceable in that it included an object in the bill that was not included in the bill's title, in violation of Article 4, Section 24 of the Michigan Constitution.*

**Major Boilerplate Changes from FY 2022-23**

**Sec. 707. Rail Strategic Plan – REVISED**

Provides for a rail strategic plan and establishes reporting requirements. Directs that from the funds appropriated in part 1 for rail operations and infrastructure not less than \$20.0 million be allocated for support of rail-related economic development projects and rail freight system preservation projects. This earmark was \$21.5 million in the current-year budget.

**Sec. 1001. Intermodal Capital Investment Grants – NEW**

Defines the new one-time grant program established in part 1. Directs that fund be expended by the department to support capital needs that improve rail, marine, intercity and local transit infrastructure or equipment in the state and that are eligible for funding under sections 10d or 10s of 1951 PA 51, or the fixed guideway capital investment grants program authorized in section 30005 of IIJA.

**Sec. 1002. Bridge Bundling Initiative – NEW**

Defines the new one-time grant program established in part 1. Directs funding for locally owned bridges; includes work project language.

**Sec. 1003. MI Contracting Opportunity – NEW**

Defines the part 1, \$3.0 million, Mi Contracting Opportunity line item. Directs that funds be expended in support of activities that enhance the development and availability of contractors or suppliers for the delivery of department programs that are socially or economically disadvantaged as defined in Section 10002 of IIJA. Also provides for a revolving loan program for socially or economically disadvantaged businesses.

**Sec. 1004. New Technology/Mobility Grants – NEW**

Defines the uses of the \$18.5 million part 1 appropriation as follows:

(a) \$10.0 million for advanced aerial mobility/ drone infrastructure projects including vertiports, drone hubs, drone ports, and last mile delivery; (b) \$5.0 million for a Lake Michigan Electric Vehicle Circuit Tour project; (c) \$3.5 million for a Shared Streets and Spaces grants.

## TRANSPORTATION

### **Major Boilerplate Changes from FY 2022-23**

#### **Sec. 1005. Critical Infrastructure – NEW**

Defines uses of the \$181.6 million part 1 grant program as follows:

| <b>Subsec. (2)<br/>Subdivision</b> | <b>Recipient/Designation</b>   | <b>Amount</b>        |
|------------------------------------|--|----------------------|
| a                                  | Local disaster relief fund   | \$5,000,000          |
| b                                  | Rail grade separation - "Highest Priority"                                     | 10,000,000           |
| c                                  | Mack Avenue Corridor Improvement Plan  | 1,000,000            |
| d                                  | Dock and port rehabilitation (Sault Ste. Marie)                                | 5,000,000            |
| e                                  | MDOT for design and build soundwalls in City of Troy                           | 10,000,000           |
| f                                  | Martin Luther King bridge replacement/rehabilitation (Pontiac)                 | 10,000,000           |
| g                                  | Macomb township road reconstruction/rehabilitation                             | 100,000              |
| h                                  | Miss Dig: \$500,000 utility mapping; \$500,000 education and training          | 1,000,000            |
| i                                  | County Road Association software   | 1,000,000            |
| j                                  | Reconstruction of roads and sidewalks (Canton township)                        | 5,000,000            |
| k                                  | White Lake Road (Livingston County)  | 1,440,000            |
| l                                  | Allen Park – road construction project   | 1,600,000            |
| m                                  | Lincoln Park – road construction project                                       | 1,400,000            |
| n                                  | Baraga County transportation facility  | 3,000,000            |
| o                                  | Hamtramck sidewalk and alley repairs   | 260,000              |
| p                                  | Airport grant (Capital Region Airport) – roadway improvements                  | 9,400,000            |
| q                                  | Rail grade separation project (Van Horn and Fort Street in Trenton)            | 20,000,000           |
| r                                  | Township (Macomb Township) match for county road project                       | 5,000,000            |
| s                                  | Bay County road reconstruction project   | 10,000,000           |
| t                                  | Clinton County road construction project                                       | 10,000,000           |
| u                                  | Construction of US-131 Business loop interchange (Kalamazoo)                   | 20,000,000           |
| v                                  | Movable Bridge – Grosse Ile/ Wayne County                                      | 20,000,000           |
| w                                  | Denton Road bridge – Belleville, Wayne County                                  | 10,000,000           |
| x                                  | Battle Creek Unlimited – Drone Park  | 7,000,000            |
| y                                  | Great Lakes Marine Office within MDOT  | 5,000,000            |
| z                                  | University of Michigan – U of M Hospital capital costs of air ambulance fleet. | 5,000,000            |
| aa                                 | Trail network (rails-to-trails) project in Shiawassee County.                  | 4,400,000            |
|                                    | <b>Total</b>   | <b>\$181,600,000</b> |

Also establishes the appropriation as a work project.

#### **Sec. 1006. Rail Operations and Infrastructure – NEW**

Directs the \$14.9 million part 1 appropriation to support improvements to rail operations and infrastructure in the state.

#### **Sec. 1007. Local Bus Operating/ ARP Funds – NEW**

Directs that the \$45.0 million part 1 appropriation of federal ARP funds for local bus operating be distributed to eligible transit agencies in accordance with provisions of Section 10e of 1951 PA 51.

**Major Boilerplate Changes from FY 2022-23*****Sec. 1008. Mobility Fund Platform – NEW***

Directs the department to expend \$3.5 million in federal ARP funds appropriated in part 1 for mobility public-private partnership and programming projects.

***Sec. 1009. Mobility Challenge – NEW***

Directs the department to expend \$3.5 million in federal ARP funds appropriated in part 1 for grants in support of projects related to enhanced transportation services for senior citizens, persons with disabilities, and veterans. The section directs that in implementing the appropriations the department work with Office of Future Mobility and Electrification. Directs the department, in awarding grants under the program, to give consideration to diversity and equity values. Provides for a report, due March 1, 2024.

***Sec. 1010. Air Service Revitalization – NEW***

Directs uses of the \$7.0 million in federal ARP funds appropriated in part 1 for an air service revitalization grant program: \$2.0 million for capital development at general aviation airports for projects including obstruction removal; \$5.0 million for air service development program.

**FY 2022-23 Supplemental Appropriation Items****Public Act 119 of 2023 (House Bill 4437, Article 16)*****1. Road and Bridge Construction Projects***

Includes \$124.1 million in Federal Highway Administration grant funding to be allocated for the following projects: \$73.0 million for Lafayette Bascule Bridge replacement in Bay City; \$25.0 million for Detroit Mobility and Innovation Corridor (Michigan Avenue/US-12 connected and autonomous vehicle corridor); \$21.7 million for pedestrian bridge over I-696 in Oak Park; \$2.6 million for Perceptions and Implications of Road Use Charges Demonstration Pilot Project; and \$1.8 million for Blue Water Bridge International Smart Freighter Corridor (freight pre-clearance customs data sharing).

***2. Rail Projects***

Includes \$1.5 million in Federal Railroad Administration grant funding to be used for Michigan Accelerated Rail Bridge Construction Design and Engineering.

**Appropriation Change**

| <b>Gross</b> | <b>\$124,099,900</b> |
|--------------|----------------------|
| Federal      | 124,099,900          |
| GF/GP        | \$0                  |

| <b>Gross</b> | <b>\$1,548,800</b> |
|--------------|--------------------|
| Federal      | 1,548,800          |
| GF/GP        | \$0                |





**Mary Ann Cleary, Director  
Kevin Koorstra, Deputy Director**

|  |   |
|--|---|
| <b>Agriculture and Rural Development</b>   | ..... William E. Hamilton   |
| <b>Capital Outlay</b>  | ..... Perry Zielak  |
| <b>Community Colleges</b>  | ..... Perry Zielak  |
| <b>Corrections</b>   | ..... Robin R. Risko  |
| <b>Education (Department)</b>  | ..... Noel Benson   |
| <b>Environment, Great Lakes, and Energy</b>                                      | ..... Austin Scott  |
| <b>General Government:</b>   |   |
| <b>Attorney General/Civil Rights/State (Department)/</b>                         |   |
| <b>Technology, Management, and Budget</b>  | ..... Michael Cnossen   |
| <b>Executive Office/Legislature/Legislative Auditor General/Lottery/Treasury</b> | ..... Viola Bay Wild  |
| <b>Health and Human Services:</b>  |   |
| <b>Child Welfare, Child Support, Community Services, Public Health and Aging</b> | ..... Sydney Brown  |
| <b>Medicaid, Physical and Behavioral Health</b>                                  | ..... Kevin Koorstra  |
| <b>Public Assistance, Field Operations, Medicaid-backup</b>                      | ..... Kent Dell   |
| <b>Higher Education</b>  | ..... Perry Zielak  |
| <b>Insurance and Financial Services</b>  | ..... Marcus Coffin   |
| <b>Judiciary</b>   | ..... Robin R. Risko  |
| <b>Labor and Economic Opportunity (Michigan Strategic Fund)</b>                  | ..... Viola Bay Wild  |
| <b>Licensing and Regulatory Affairs</b>  | ..... Marcus Coffin   |
| <b>Military and Veterans Affairs</b>   | ..... Michael Cnossen   |
| <b>Natural Resources</b>   | ..... Austin Scott  |
| <b>Natural Resources Trust Fund</b>  | ..... Austin Scott  |
| <b>School Aid</b>  | ..... Noel Benson; Jacqueline Mullen  |
| <b>State Police</b>  | ..... Marcus Coffin   |
| <b>Transportation</b>  | ..... William E. Hamilton   |
| <b>Unemployment Insurance</b>  | ..... Marcus Coffin   |
| <b>Economic/Revenue Forecasting</b>  | ..... Jim Stansell; Benjamin Gielczyk   |
| <b>Local Finance/Revenue Sharing/Tax Analysis</b>                                | ..... Jim Stansell; Benjamin Gielczyk   |
| <b>Legislative Analysis</b>  | ..... Rick Yuille<br>..... Edith Best; Holly Kuhn; Joshua Roesner; Alex Stegbauer |
| <b>Fiscal Oversight, Audit, and Litigation</b>                                   | ..... Mary Ann Cleary   |
| <b>Retirement</b>  | ..... Benjamin Gielczyk   |
| <b>Supplemental Coordinator</b>  | ..... Robin R. Risko  |
| <b>Transfer Coordinator</b>  | ..... Viola Bay Wild  |
| <b>Administrative Assistant/Publications</b>                                     | ..... Kathryn Bateson   |
| <b>Budget Assistant/HFA Internet</b>   | ..... Tumai Burris  |



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