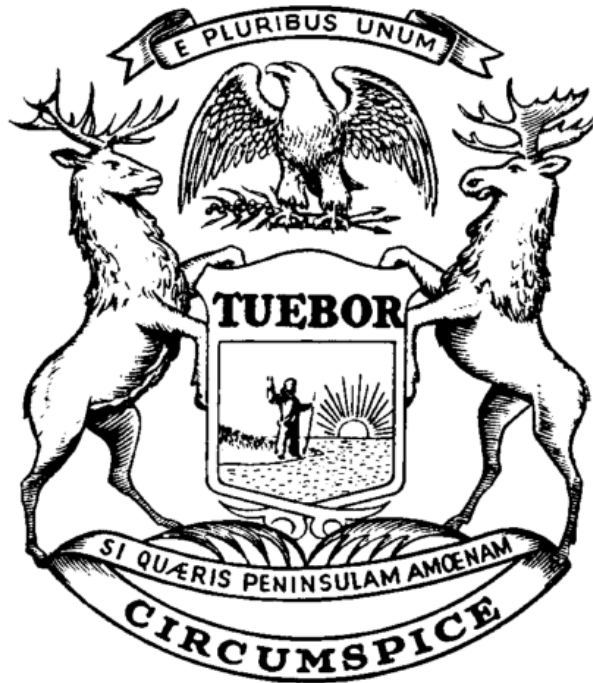


**STATE OF MICHIGAN
FISCAL YEAR 2023-24**

Appropriations Summary and Analysis



Mary Ann Cleary, Director

SEPTEMBER 2023

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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.



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

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

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 MP SER 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.

CONSENSUS REVENUE ESTIMATES

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)	(5.3%)
Sales and Use Taxes	2,835.3	2,802.7	(\$32.6)	(1.1%)
Net Business Taxes	1,473.0	1,440.3	(\$32.7)	(2.2%)
Other Taxes	467.1	475.1	\$8.0	1.7%
GF/GP Tax Revenue	\$12,994.9	\$12,498.2	(\$496.7)	(3.8%)
Non-Tax Revenue	793.1	740.1	(\$53.0)	(6.7%)
Net GF/GP Revenue	\$13,788.0	\$13,238.3	(\$549.7)	(4.0%)

SCHOOL AID FUND 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>Revenue</u>			<u>Change</u>	
Sales and Use Taxes	\$8,779.1	\$8,837.0	\$57.9	0.7%
Individual Income Tax Earmark	3,838.1	3,798.2	(39.9)	(1.0%)
Lottery, Casinos, and iGaming	1,637.6	1,646.9	9.3	0.6%
Cigarette Tax	263.4	258.6	(4.8)	(1.8%)
State Education Tax	2,607.0	2,737.9	130.9	5.0%
Real Estate Transfer Tax	390.0	377.5	(12.5)	(3.2%)
Recreational Marihuana	81.6	85.7	4.1	5.0%
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.

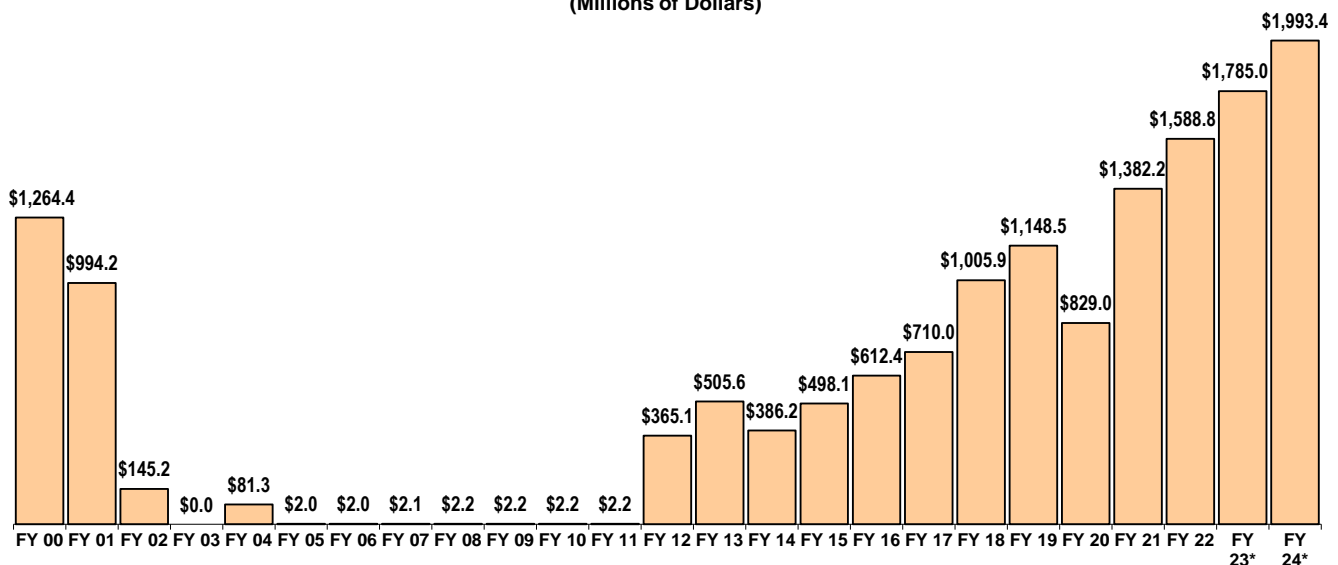
BUDGET STABILIZATION FUND HISTORY
(Millions of Dollars)

<u>Fiscal Year</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Interest Earned</u>	<u>Balance</u>
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)



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)

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

Implications of Exceeding the State Revenue Limit

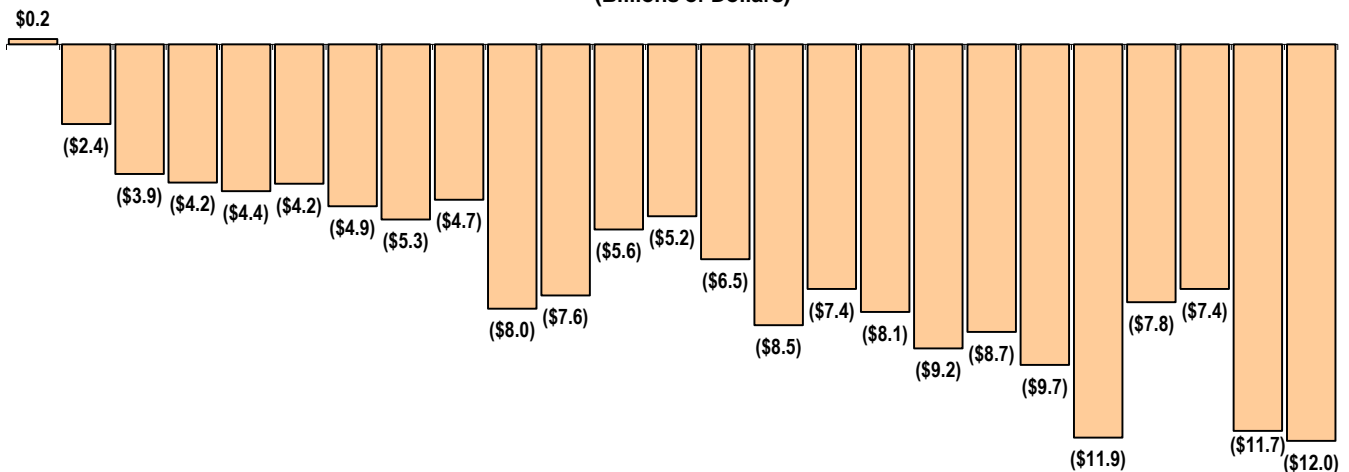
Article IX, Section 26, *Constitution of the State of Michigan*, provides that:

... 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

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)

Estimated Beginning Fund Balance	\$3,138.0
Revenues	
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)
Total Estimated Revenues	\$12,579.2
Expenditures	
Enacted appropriations: ongoing	\$12,787.8
Enacted appropriations: one-time	2,434.0
Budget Stabilization Fund deposit	100.0
Total Estimated Expenditures	\$15,321.7
Estimated Ending Fund Balance	\$395.4

Note: Numbers may not add due to rounding.

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

Estimated Beginning Fund Balance	\$1,735.8
Revenues	
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
Total Estimated Revenues	\$21,011.7
Expenditures	
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
Total Estimated Expenditures	\$22,526.4
Estimated Ending Fund Balance	\$221.0

Note: Numbers may not add due to rounding.

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

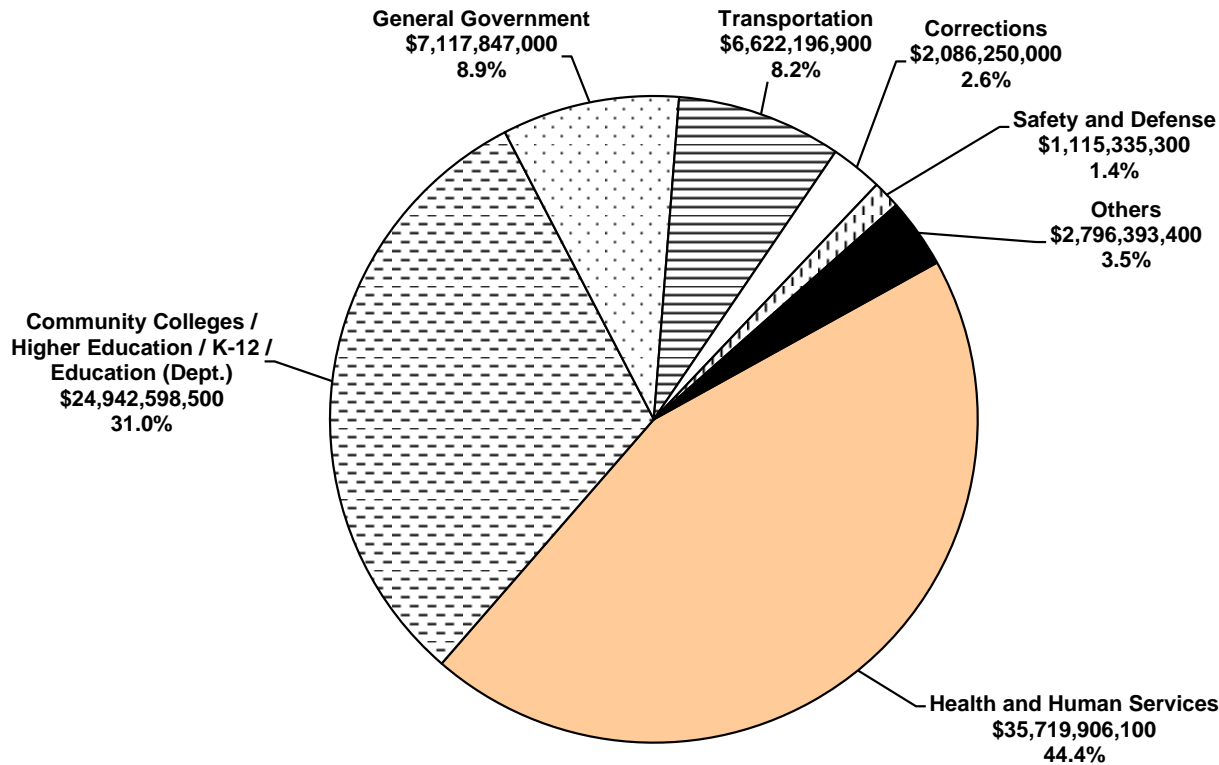
Estimated Beginning Fund Balance	\$39.5
Revenues	
Annual tobacco settlement payment due to Michigan	\$282.2
Debt service payments for prior securitization	(68.0)
Deposit to 21 st Century Jobs Fund	(75.0)
Repayment to Budget Stabilization Fund for Detroit settlement payment	(17.5)
Transfer to Community District Education Trust Fund	(72.0)
Interest	0.1
Total Estimated Net Revenues	\$49.8
Expenditures	
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
Total Estimated Expenditures	\$63.2
Estimated Ending Fund Balance	\$26.1

Note: Numbers may not add due to rounding.

OVERVIEW

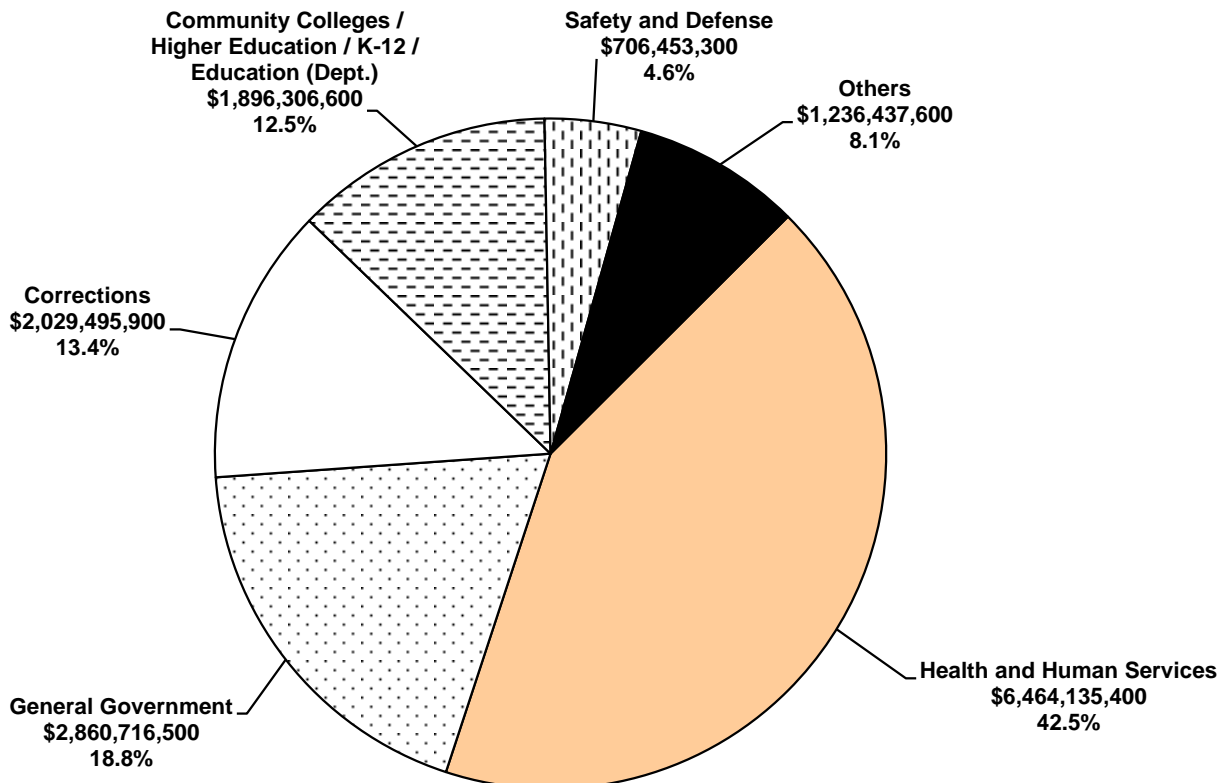
FY 2023-24 Year-to-Date Adjusted Gross Appropriations

Total: \$80,400,527,200

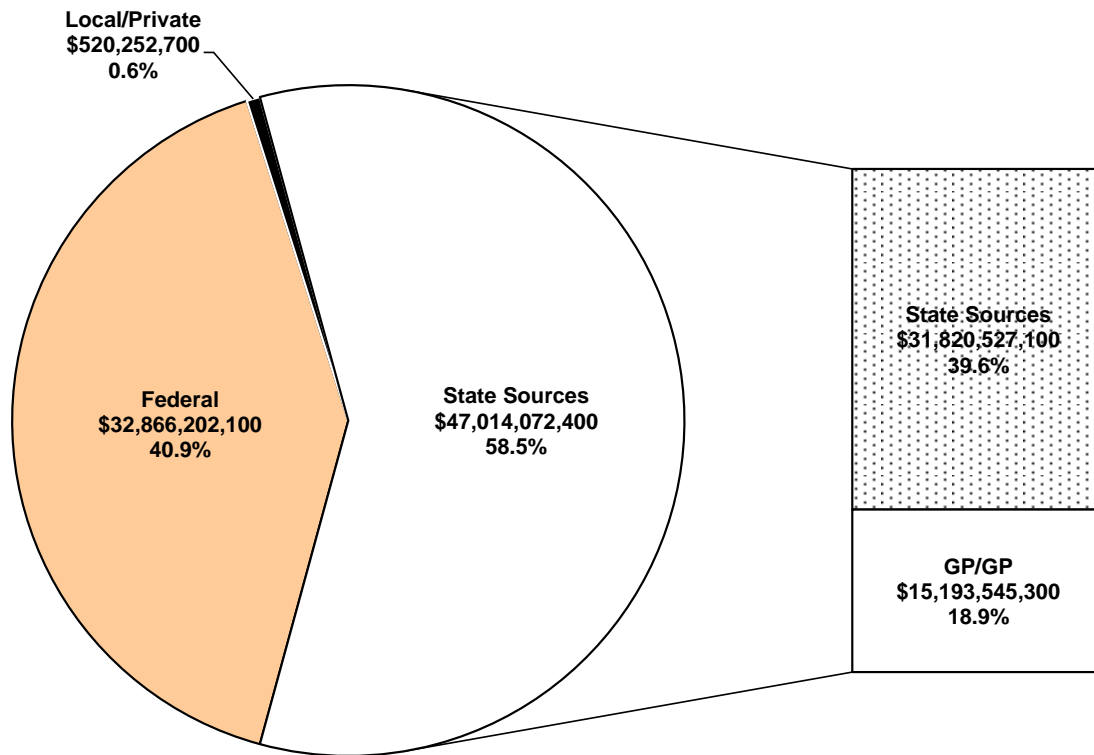


FY 2023-24 Year-to-Date General Fund/General Purpose (GF/GP) Appropriations

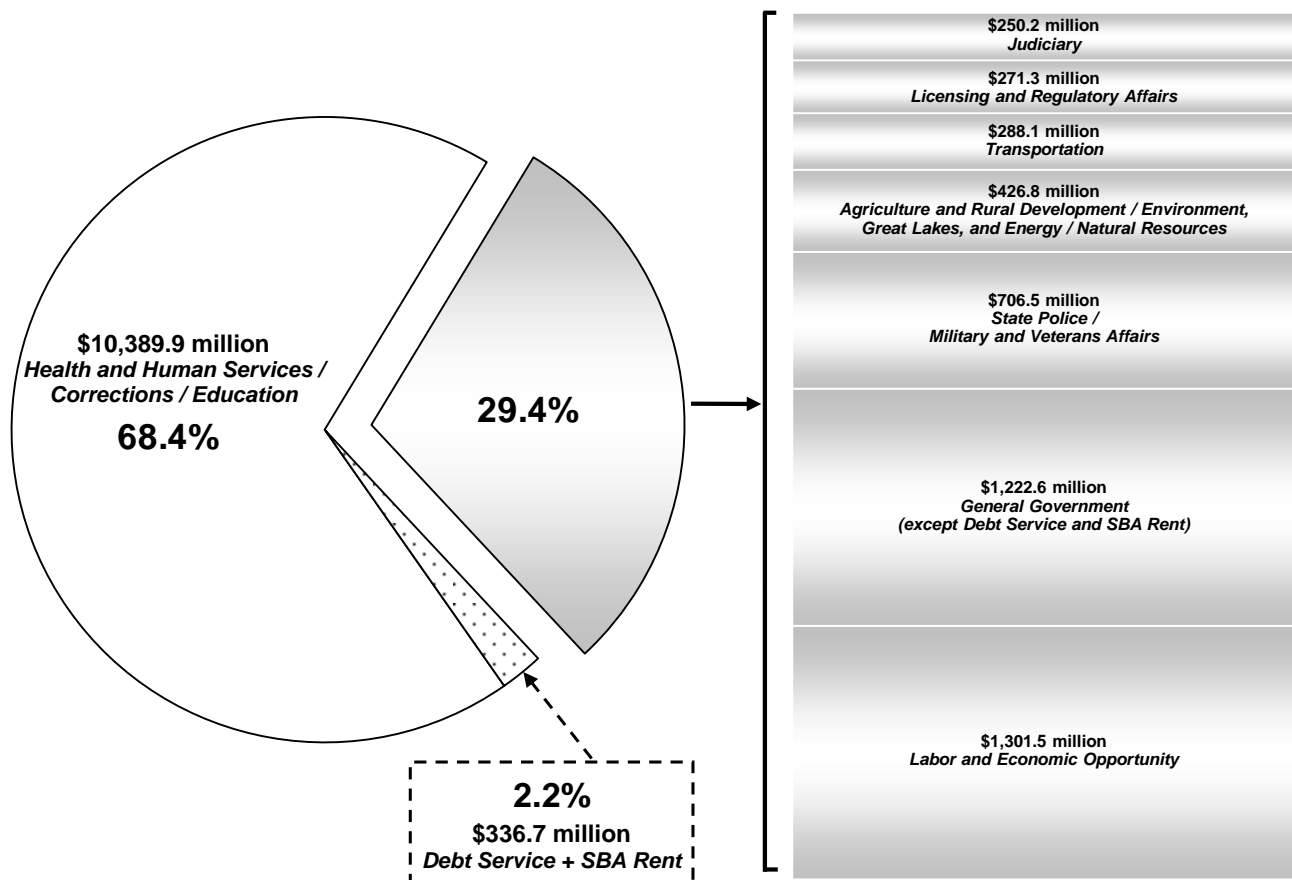
Total: \$15,193,545,300



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



SUMMARY TABLES

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
TOTAL APPROPRIATIONS	\$81,656,860,900	\$1,256,333,700	\$80,400,527,200	\$32,866,202,100	\$297,032,700	\$223,220,000	\$31,820,527,100	\$15,193,545,300

OVERVIEW

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

Department/Budget Area	FY 2022-23 YTD as of 2/8/23	FY 2023-24 Enacted	FY 2023-24 vs. FY 2022-23 Difference	
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%
TOTAL APPROPRIATIONS	\$77,744,843,800	\$80,400,527,200	\$2,655,683,400	3.4%

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

Department/Budget Area	FY 2022-23 YTD as of 2/8/23	FY 2023-24 Enacted	FY 2023-24 vs. FY 2022-23 Difference	
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	--
TOTAL APPROPRIATIONS	\$16,957,562,200	\$15,193,545,300	(\$1,764,016,900)	(10.4%)

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 as of 2/8/23</u>	<u>FY 2023-24 Enacted</u>	<u>FY 2023-24 vs. FY 2022-23 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	--
TOTAL FTE POSITIONS	55,080.5	55,813.0	732.5	1.3%

* 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%
TOTALS	\$47,014,072,400	\$25,537,729,400	54.3%

FY 2023-24

Budget Detail

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

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

		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
<u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>			
1. Emerging Contaminates in Food and Agriculture	FTE	0.0	6.0
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 contaminants, including PFAS, affecting agriculture and related food industries.	Gross	\$0	\$4,079,900
	GF/GP	\$0	\$4,079,900
2. Animal Industry/Laboratory Animal Welfare	FTE	62.0	1.0
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.	Gross	\$10,520,900	\$700,000
	Federal	1,082,500	0
	Private	221,800	0
	Restricted	9,216,600	0
	GF/GP	\$0	\$700,000
3. Agricultural Climate Resiliency	Gross	\$0	\$7,000,000
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.	GF/GP	\$0	\$7,000,000
4. Soil Health and Regenerative Agriculture	FTE	0.0	5.0
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.	Gross	\$0	\$6,000,000
	GF/GP	\$0	\$6,000,000

AGRICULTURE AND RURAL DEVELOPMENT

Major Budget Changes from FY 2022-23 YTD Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
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.			
	Gross	\$3,000,000	\$0
	GF/GP	\$3,000,000	\$0
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.			
	FTE	42.5	0.0
	Gross	\$8,282,800	\$500,000
	IDG	231,900	0
	Federal	1,749,900	0
	Restricted	1,640,600	500,000
	GF/GP	\$4,660,400	\$0
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.]			
	Gross	\$900,000	\$1,100,000
	GF/GP	\$900,000	\$1,100,000
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).			
	FTE	0.0	1.0
	Gross	\$0	\$1,800,000
	GF/GP	\$0	\$1,800,000
[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.			
	FTE	3.0	0.0
	Gross	\$926,100	\$410,000
	Restricted	926,100	410,000
	GF/GP	\$0	\$0
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.			
	FTE	5.0	0.0
	Gross	\$754,000	\$150,000
	Restricted	735,200	150,000
	GF/GP	\$18,800	\$0

AGRICULTURE AND RURAL DEVELOPMENT

<u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>		<u>FY 2022-23 Year-to-Date (as of 2/8/23)</u>	<u>FY 2023-24 Enacted Change</u>	
11. Horse Racing Programs		Gross	\$3,794,200	\$0
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	
The enacted budget treatment brings FY 2023-24 AEIDF support for standardbred racing programs to \$3.4 million, \$600,000 less than FY 2021-22 when \$4.0 million was expended on standardbred racing programs. In FY 2021-22 expenditures for standardbred programs included \$2.3 million in GF/GP revenue from a boilerplate appropriation.				
12. County Fairs – Capital Grants		Gross	\$500,000	\$2,000,000
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	
13. Minority-Owned Food and Agriculture Ventures (One-Time)		Gross	\$0	\$2,900,000
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	
14. Northern Michigan Herd Protection & Management (One-Time)		Gross	\$0	\$100
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	
15. Rural Venture Capital Program (One-Time)		Gross	\$0	\$100
Includes \$100 GF/GP placeholder for program.	GF/GP	\$0	\$100	
16. Washtenaw Conservation District – MiFarmLink Pilot Project		Gross	\$0	\$100,000
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	
17. ARP – Resilient Food Systems Infrastructure		Gross	\$0	\$10,100,000
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	

AGRICULTURE AND RURAL DEVELOPMENT

<u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change	
18. Back Out FY 2022-23 One-Time GF/GP		Gross	\$56,000,000	(\$56,000,000)
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.		GF/GP	\$56,000,000	(\$56,000,000)
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		Gross	NA	(\$232,500)
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.		IDG	NA	300
		Federal	NA	(10,500)
		Restricted	NA	(47,200)
		GF/GP	NA	(\$175,100)
20. Executive Budget Revision – Staffing		Gross	NA	\$179,600
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.		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 PPM 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)

		<u>Appropriation Change</u>
<i>1. CRRSAA – Farm Stress Program</i>	Gross	\$60,000
Includes \$60,000 of federal CRRSAA funds to provide a stress assistance program for individuals in farming and other agriculture-related occupations.	Federal	60,000
	GF/GP	\$0
<i>2. CRRSAA – Seafood Processors Pandemic Response</i>	Gross	\$200,000
Includes \$200,000 of federal CRRSAA funds to provide financial relief to Michigan seafood processors.	Federal	200,000
	GF/GP	\$0
<i>3. Emerging Contaminants Research and Response</i>	Gross	\$8,000,000
Includes \$8.0 million GF/GP to identify, respond to, and mitigate emerging contaminants, including PFAS, that affect agriculture and related food industries.	GF/GP	\$8,000,000
<i>4. Double Up Food Bucks</i>	Gross	\$2,000,000
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.	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

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

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 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.

Major Budget Changes from FY 2022-23 YTD Appropriations

1. Community College Operations Increase

Includes a net increase of \$16.7 million SAF for community college operations, a 4.9% increase. This includes:

- \$16.9 million SAF, or 5.0%, increase to operations grants for community colleges, which will be distributed through the performance funding formula.
- \$254,400 SAF decrease based on FY 2021-22 North American Indian Tuition Waiver (ITW) program costs reported by institutions.

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.

2. Michigan Public School Employee Retirement System (MPERS) State Share of Unfunded Actuarial Accrued Liability (UAAL) Stabilization Payment

Increases funding by \$13.2 million SAF for the state's share of community colleges' MPERS 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 MPERS will be \$105.8 million SAF.

	FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
Gross	\$341,224,400	\$16,737,500
Restricted	341,224,400	16,737,500
GF/GP	\$0	\$0
Gross	\$92,600,000	\$13,200,000
Restricted	92,600,000	13,200,000
GF/GP	\$0	\$0

COMMUNITY COLLEGES

<u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>		<u>FY 2022-23 Year-to-Date (as of 2/8/23)</u>	<u>FY 2023-24 Enacted Change</u>	
3. MPSERS Offset		Gross	\$1,733,600	\$5,455,400
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	
4. MPSERS Normal Cost Offset		Gross	\$10,800,000	\$12,200,000
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	
5. Infrastructure, Technology, Equipment, Maintenance, and Safety		Gross	\$0	\$32,836,600
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	
6. Critical Incident Mapping		Gross	\$0	\$5,000,000
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	
7. Career and Education Navigators for Adult Learners		Gross	\$0	\$5,000,000
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	
8. Michigan Reconnect Entry Point Program		Gross	\$0	\$5,000,000
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	
9. Kalamazoo Valley Community College Workforce Development Grants		Gross	\$0	\$530,000
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**

		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
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.	Gross	\$56,000,000	(\$56,000,000)
	Federal	56,000,000	(56,000,000)
	GF/GP	\$0	\$0
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.	Gross	\$10,000,000	(\$10,000,000)
	Federal	10,000,000	(10,000,000)
	GF/GP	\$0	\$0
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.	Gross	\$9,200,000	(\$9,200,000)
	Federal	9,200,000	(9,200,000)
	GF/GP	\$0	\$0
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.	Gross	\$6,000,000	(\$6,000,000)
	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:				30%	10%	10%	10%	30%	5%	5%	100%					
	FY 2022-23 Total FY 2022-23 Appropriation	Indian Tuition Waiver Payment	FY 2022-23 Base Appropriation	Sustainability	Performance- Improvement	Performance- Completion Number	Performance- Completion Rate	Contact Hours	Administrative	Local Strategic Value	Total Formula Distribution	FY 2022 Indian Tuition Waiver Cost	Indian Tuition Waiver Adjustments	Total Indian Tuition Waiver Payment	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

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

Major Budget Changes from FY 2022-23 YTD Appropriations

1. Savings from Prison Closures

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 Harrison 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.

	FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
FTE	753.7	(427.4)
Gross	\$92,228,000	(\$48,846,400)
GF/GP	\$92,228,000	(\$48,846,400)

2. Corrections Officer Signing and Retention Bonuses

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.

Gross	NA	\$12,000,000
Federal	NA	12,000,000
GF/GP	NA	\$0

CORRECTIONS

Major Budget Changes from FY 2022-23 YTD Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
3. Medication Assisted Treatment	FTE	NA	57.0
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.	Gross	NA	\$11,211,200
	GF/GP	NA	\$11,211,200
4. Prisoner Healthcare Services Contract Adjustment	Gross	NA	\$10,738,000
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.	GF/GP	NA	\$10,738,000
5. Body-Worn Cameras	FTE	NA	8.0
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.	Gross	NA	\$7,067,600
	GF/GP	NA	\$7,067,600
6. Increased Compensation Rates	Gross	NA	\$4,679,100
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.	Local	NA	11,200
	GF/GP	NA	\$4,667,900
7. Intelligence Operations Unit	FTE	NA	30.0
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.	Gross	NA	\$3,900,000
	GF/GP	NA	\$3,900,000
8. PREA and Harassment Investigations Division	FTE	NA	23.0
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.	Gross	NA	\$3,288,400
	GF/GP	NA	\$3,288,400
9. Nation Outside	Gross	NA	\$2,000,000
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.	GF/GP	NA	\$2,000,000

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

		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
10. Public Safety Initiative	Gross	\$4,000,000	(\$2,000,000)
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.	GF/GP	\$4,000,000	(\$2,000,000)
11. Hepatitis C Treatment for Prisoners	Gross	\$8,810,700	\$1,688,400
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.	GF/GP	\$8,810,700	\$1,688,400
12. Higher Education in Prison	Gross	NA	\$1,500,000
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.	GF/GP	NA	\$1,500,000
13. Goodwill Flip the Script	Gross	NA	\$1,350,000
Includes \$1.4 million in one-time GF/GP for the Goodwill Flip the Script program.	GF/GP	NA	\$1,350,000
14. Breast Milk Program	FTE	NA	1.0
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.	Gross	NA	\$1,000,000
	GF/GP	NA	\$1,000,000
15. Contraband Prevention	Gross	NA	\$1,000,000
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.	GF/GP	NA	\$1,000,000
16. Rebidding of Offender Success Contracts	Gross	NA	\$975,000
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.	GF/GP	NA	\$975,000
17. Come Out Stay Out	Gross	NA	\$400,000
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.	GF/GP	NA	\$400,000
18. Silent Cry	Gross	NA	\$400,000
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.	GF/GP	NA	\$400,000

CORRECTIONS

Major Budget Changes from FY 2022-23 YTD Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
19. Reallocation of Probation Programs	Gross	\$44,273,600	\$0
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
20. Technical Adjustments	FTE	NA	0.0
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.	Gross	NA	\$0
	GF/GP	NA	\$0
21. Eliminate Current Year One-Time Funding	Gross	\$40,000,000	(\$40,000,000)
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)
22. Economic Adjustments	Gross	NA	(\$11,069,300)
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)
	GF/GP	NA	(\$10,952,500)

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. Expending 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)
Appropriation
Change
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.

Gross	\$250,000
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.

Gross	\$0
Federal	347,800,000
GF/GP	(\$347,800,000)

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

Analyst: Noel Benson

	FY 2022-23 YTD as of 2/8/23	FY 2023-24 Enacted	Difference: Enacted From FY 2022-23 YTD Amount	%
IDG/IDT	\$0	\$0	\$0	--
Federal	302,950,800	458,009,100	155,058,300	51.2
Local	5,878,600	5,856,000	(22,600)	(0.4)
Private	2,240,400	2,791,300	550,900	24.6
Restricted	9,919,700	50,072,000	40,152,300	404.8
GF/GP	99,591,500	130,652,500	31,061,000	31.2
Gross	\$420,581,000	\$647,380,900	\$226,799,900	53.9
FTEs	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.

Major Budget Changes from FY 2022-23 YTD Appropriations

1. Child Development and Care

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.

	FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
Gross	\$211,480,000	\$166,920,000
Federal	172,444,100	166,920,000
GF/GP	\$39,035,900	\$0

2. One-Time Appropriations – Michigan School for the Deaf Dorm

Provides \$40.0 million School Aid Fund in one-time funding to construct a new dorm for the Michigan School for the Deaf.

Gross	\$0	\$40,000,000
Restricted	0	40,000,000
GF/GP	\$0	\$0

3. Child Development and Care Public Assistance – TANF Financing Swap

Provides \$12.0 million GF/GP as a replacement for a corresponding amount of TANF funds for state match and MOE purposes.

Gross	\$199,080,000	\$0
Federal	160,044,100	(12,000,000)
GF/GP	\$39,035,900	\$12,000,000

4. One-Time Appropriations – Family and Community Engagement

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.

FTE	0.0	6.0
Gross	\$0	\$1,234,400
GF/GP	\$0	\$1,234,400

EDUCATION (DEPARTMENT)**Major Budget Changes from FY 2022-23 YTD Appropriations**

		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
5. One-Time Appropriations – E-rate Special Construction Matching Fund	Gross	\$0	\$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.	GF/GP	\$0	\$4,800,000
6. One-Time Appropriations – Michigan Test for Teacher Certification Reimbursement	Gross	\$0	\$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.	GF/GP	\$0	\$1,000,000
7. One-Time Appropriations – School Infrastructure and Consolidation Administration	FTE	38.6	2.0
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.	Gross	\$6,161,400	\$750,000
	Federal	3,289,700	0
	Restricted	284,400	0
	GF/GP	\$2,586,900	\$750,000
8. One-Time Appropriations – Michigan's Poet Laureate	Gross	\$100,000	\$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.	GF/GP	\$100,000	\$0
9. School Board Training Reimbursements	Gross	\$150,000	\$0
Retains \$150,000 GF/GP for school board member training reimbursements, and revises funding to be ongoing.	GF/GP	\$150,000	\$0
10. Math Education Administration	FTE	82.7	2.0
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.	Gross	\$17,139,300	\$303,700
	Federal	12,976,100	0
	Restricted	602,400	0
	GF/GP	\$3,560,800	\$303,700
11. Michigan School Nurse Administration	FTE	75.6	1.0
Provides \$160,000 GF/GP and authorizes 1.0 FTE position for school policy support at MDE and health-related supports at MDHHS.	Gross	\$14,333,400	\$160,000
	Federal	12,872,300	0
	Restricted	71,700	0
	GF/GP	\$1,389,400	\$160,000
12. Mental Health and SEL Support	FTE	75.6	2.0
Provides \$151,900 GF/GP and authorizes 2.0 FTE positions to provide additional support and guidance to schools for mental health programs.	Gross	\$14,333,400	\$151,900
	Federal	12,872,300	0
	Restricted	71,700	0
	GF/GP	\$1,389,400	\$151,900
13. One-Time Appropriations – Head Start Background Checks	Gross	\$322,900	\$100,000
Provides \$100,000 federal in one-time funding to offset costs for Head Start staff who are now required to submit to background checks.	Federal	258,900	100,000
	GF/GP	\$64,000	\$0
14. One-Time Appropriations – PRIME Schools	Gross	\$0	\$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.	GF/GP	\$0	\$6,000,000
15. One-Time Appropriations – Wonderschool	Gross	\$0	\$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.	Federal	0	0
	GF/GP	\$0	\$5,475,000

EDUCATION (DEPARTMENT)

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

		Appropriation Change
1. Teacher of the Year	Gross	\$51,900
Increases private funding authorization by \$51,900 to reflect an increase in charitable giving of private funds to the program.	Private	51,900
	GF/GP	\$0
2. Camp Tuhsmeheeta	Gross	\$500,000
Includes \$500,000 of private revenue to be used for maintenance and enhancements at Camp Tuhsmeheeta for students who are blind or visually impaired.	Private	500,000
	GF/GP	\$0
3. Child Care and Development Block Grant	Gross	\$4,618,100
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.	GF/GP	\$4,618,100
4. Child Care and Development Public Assistance	Gross	\$15,491,500
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.	Federal	15,491,500
	GF/GP	\$0
5. School Support Services	Gross	\$78,300
Includes \$78,300 in state restricted Commodity Distribution Fee revenue to support programs that mitigate the impact of food spoilage.	Restricted	78,300
	GF/GP	\$0
6. ARP – Farm to School	Gross	\$1,130,000
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.	Federal	1,130,000
	GF/GP	\$0

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

Analyst: Austin Scott

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

		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
Major Budget Changes from FY 2022-23 YTD Appropriations			
1. Lead Service Line Replacement	Gross	NA	\$9,356,700
Provides \$9.4 million GF/GP for lead service line replacement and ongoing technical assistance in the most underprivileged ten percent of Michigan communities.	GF/GP	NA	\$9,356,700
2. Environmental Justice Contaminated Site Clean-up (One-Time)	Gross	NA	\$20,000,000
Authorizes \$20.0 million GF/GP for air quality and contaminated site remediation in disadvantaged communities.	GF/GP	NA	\$20,000,000
3. Renewable Ready Communities (One-Time)	Gross	NA	\$30,000,000
Authorizes \$30.0 million GF/GP for grants to communities to establish wind, solar, and energy storage facilities.	GF/GP	NA	\$30,000,000
4. Water State Revolving Funds – Federal Infrastructure Act IIJA	Gross	NA	\$280,500,000
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.	Federal	NA	250,000,000
	GF/GP	NA	\$30,500,000
5. Dam Risk Reduction Program (One-Time)	Gross	NA	\$1,800,000
Authorizes \$1.8 million GF/GP to develop fish-passable rapids in Republic Township.	GF/GP	NA	\$1,800,000
6. Groundwater Data Collection	FTE	NA	2.0
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.	Gross	NA	\$17,299,700
	GF/GP	NA	\$17,299,700

ENVIRONMENT, GREAT LAKES, AND ENERGY

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

ENVIRONMENT, GREAT LAKES, AND ENERGY

Major Budget Changes from FY 2022-23 YTD Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
17. Removal of FY 2022-23 One-Time Funding	Gross	\$148,820,900	(\$148,820,900)
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.	Federal	102,000,000	(102,000,000)
	Restricted	29,170,900	(29,170,900)
	GF/GP	\$17,650,000	(\$17,650,000)
18. Transfer Facility (One-Time)	Gross	NA	\$1,000,000
Authorizes \$1.0 million GF/GP for a waste and recycling transfer station in Benton Harbor, Berrien County.	GF/GP	NA	\$1,000,000
19. Water and Energy Nexus Research (One-Time)	Gross	NA	\$2,500,000
Authorizes \$2.5 million GF/GP to support water and energy nexus research.	GF/GP	NA	\$2,500,000
20. Water Career and Workforce Development Pilot (One-Time)	Gross	NA	\$100,000
Authorizes \$100,000 GF/GP for a water career and workforce development pilot program in Benton Harbor, Berrien County.	GF/GP	NA	\$100,000
21. Delineation of Critical Sand Dunes (One-Time)	Gross	NA	\$2,500,000
Authorizes \$2.5 million GF/GP for the delineation of critical sand dunes.	GF/GP	NA	\$2,500,000
22. Executive Revision 2024-1	Gross	NA	\$53,600
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.	IDG	NA	2,000
	Federal	NA	16,900
	Restricted	NA	7,900
	GF/GP	NA	\$26,800
23. Air Quality Programs	FTE	202.0	4.0
Appropriates \$600,000 GF/GP to support 4.0 newly authorized FTE positions.	Gross	\$35,486,600	\$600,000
	Federal	7,663,900	0
	Restricted	15,053,200	0
	GF/GP	\$12,769,500	\$600,000
24. Water Resource Programs	FTE	NA	3.0
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.	Gross	NA	\$450,000
	GF/GP	NA	\$450,000
25. Water Quality Programs	FTE	NA	3.0
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.	Gross	NA	\$450,000
	GF/GP	NA	\$450,000
26. Water Project Inflation (One-Time)	Gross	NA	\$15,000,000
Authorizes \$15.0 million GF/GP for water project inflation.	GF/GP	NA	\$15,000,000
27. Water Infrastructure Reserve Fund (One-Time)	Gross	NA	\$5,000,000
Provides \$5.0 million GF/GP for a water infrastructure reserve fund.	GF/GP	NA	\$5,000,000
28. Sustainable Business Park (One-Time)	Gross	NA	\$5,000,000
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.	GF/GP	NA	\$5,000,000

ENVIRONMENT, GREAT LAKES, AND ENERGY

<u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
29. Geologic Core Facility (One-Time)	Gross	NA	\$2,985,200
Authorizes \$3.0 million GF/GP for a facility to store geologic core samples of the Michigan Geological Survey at Western Michigan University.	GF/GP	NA	\$2,985,200
30. Carbon Emissions Tracking Software and services (One-Time)	Gross	NA	\$1,700,000
Provides \$1.7 million GF/GP for the department to collaborate with DTMB to develop a carbon management platform.	GF/GP	NA	\$1,700,000
31. Reverse Vending Machine Technology (One-Time)	Gross	NA	\$2,000,000
Appropriates \$2.0 million GF/GP for the installation of reverse vending machine technology to beverage container redemption.	GF/GP	NA	\$2,000,000
32. Contaminated Site Remediation and Redevelopment (One-Time)	Gross	NA	\$55,000,000
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.	Restricted	NA	55,000,000
	GF/GP	NA	\$0
33. Municipal Assistance	FTE	23.0	0.0
Appropriates \$450,000 in federal funding for municipal assistance, which provides support for State Revolving Fund programs that support water infrastructure projects.	Gross	\$5,125,300	\$450,000
	Federal	3,171,500	450,000
	Restricted	1,953,800	0
	GF/GP	\$0	\$0
34. Economic Adjustments	Gross	NA	(\$1,417,200)
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.	IDG	NA	(6,800)
	Federal	NA	(129,100)
	Private	NA	(500)
	Restricted	NA	(961,900)
	GF/GP	NA	(\$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. Expending 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.

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

		Appropriation Change
1. Executive Direction – Climate Pollution Reduction Grants	Gross	\$3,000,000
Includes \$3.0 million from the federal Inflation Reduction Act for climate pollution reduction at the state level.	Federal	3,000,000
	GF/GP	\$0
2. Air Quality Programs Grant	Gross	\$673,200
Includes \$673,200 from the federal Inflation Reduction Act to expand air quality monitoring in Wayne County.	Federal	673,200
	GF/GP	\$0
3. Energy Efficiency Revolving Fund	Gross	\$8,400,000
Appropriates \$8.4 million from the federal Infrastructure Investment and Jobs Act Fund for energy efficiency projects for businesses and homeowners.	Federal	8,400,000
	GF/GP	\$0
4. Environmental Sustainability and Stewardship – Energy Grid Resiliency	Gross	\$43,042,100
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.	Federal	37,427,900
	GF/GP	\$5,614,200
5. Environmental Sustainability and Stewardship – State Energy Program	Gross	\$11,000,000
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.	Restricted	11,000,000
	GF/GP	\$0
6. Environmental Sustainability and Stewardship – Environmental Justice	Gross	\$1,000,000
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.	Federal	1,000,000
	GF/GP	\$0
7. Solid Waste Management Program	Gross	\$775,000
Appropriates \$775,000 in federal funds to support permitting, staff training, and engagement with stakeholders through the Coal Combustion Residuals Permitting Program.	Federal	775,000
	GF/GP	\$0
8. AmeriCorps and Office of Climate and Energy	Gross	\$2,174,800
Appropriates \$2.2 million Gross (\$414,800 GF/GP) for climate initiatives through the AmeriCorps agency for national service and volunteerism.	Federal	1,760,000
	GF/GP	\$414,800
9. ARP – Propane Resiliency Enhancement Plan	Gross	\$8,000,000
Includes \$8.0 million in federal ARP funds to meet propane supply and affordability challenges.	Federal	8,000,000
	GF/GP	\$0
10. ARP – Water Infrastructure Projects – PARTIALLY VETOED	Gross	\$233,200,000
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.		\$228,200,000
	Federal	233,200,000
		228,200,000
	GF/GP	\$0
11. Contaminated Site Cleanup	Gross	\$100,000,000
Includes \$100.0 million GF/GP to expand remediation and redevelopment of non-petroleum contaminated sites.	GF/GP	\$100,000,000
12. PFAS and Emerging Contaminants	Gross	\$37,348,000
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.	Federal	37,348,000
	GF/GP	\$0
13. PFAS Remediation – Airports	Gross	\$2,000,000
Includes \$2.0 million GF/GP to purchase PFAS-free firefighting equipment or equipment to remove PFAS for airports.	GF/GP	\$2,000,000

ENVIRONMENT, GREAT LAKES, AND ENERGY

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 Cnossen and Viola Bay Wild

	FY 2022-23 YTD as of 2/8/23	FY 2023-24 Enacted	Difference: Enacted From FY 2022-23 YTD	
			Amount	%
IDG/IDT	\$1,120,888,100	\$1,156,861,300	\$35,973,200	3.2
Federal	44,640,700	44,035,500	(605,200)	(1.4)
Local	15,540,800	17,372,800	1,832,000	11.8
Private	665,500	684,800	19,300	2.9
Restricted	2,433,041,500	2,629,280,600	196,239,100	8.1
GF/GP	2,113,984,600	1,559,208,500	(554,776,100)	(26.2)
Gross	\$5,728,761,200	\$5,407,443,500	(\$321,317,700)	(5.6)
FTEs	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 Cnossen

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

Major Budget Changes from FY 2022-23 YTD Appropriations**1. Operations Line Item Roll Up**

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:

- Administrative Support - \$23.2 million and 46.0 FTE positions
- Civil Bureaus - \$64.6 million and 362.0 FTE positions
- Criminal Bureaus - \$10.5 million and 90.4 FTE positions.

	FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
FTE	498.4	0.0
Gross	\$98,323,100	\$0
IDG	35,954,600	0
Federal	7,162,600	0
Restricted	20,361,600	0
GF/GP	\$34,844,300	\$0

2. Address Confidentiality Program Staffing

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.

FTE	NA	2.0
Gross	NA	\$486,400
GF/GP	NA	\$486,400

GENERAL GOVERNMENT: ATTORNEY GENERAL

Major Budget Changes from FY 2022-23 YTD Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
3. LARA and EGLE Legal Services	FTE	0.0	2.0
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.	Gross	\$3,666,000	\$403,400
	IDG	3,666,000	403,400
	GF/GP	\$0	\$0
4. Conviction Integrity Unit	FTE	NA	6.0
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.	Gross	NA	\$1,010,000
	GF/GP	NA	\$1,010,000
5. Job Court	FTE	0.0	5.0
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.	Gross	\$5,000,000	\$0
	GF/GP	\$5,000,000	\$0
6. PACC – In-Person Training	Gross	NA	\$30,000
Includes \$30,000 in state restricted Prosecuting Attorneys Training Fees revenue to provide in-person training for local prosecutors statewide.	Restricted	NA	30,000
	GF/GP	NA	\$0
7. Sexual Assault Cases and Victim Advocacy (One-Time)	Gross	\$0	\$1,400,000
Provides \$1.4 million GF/GP to support attorneys, investigators, and victim advocates dedicated to sexual assault cases to alleviate high caseloads.	GF/GP	\$0	\$1,400,000
8. Removal of Current Year One-Time Funding	Gross	\$8,500,000	(\$3,500,000)
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.	GF/GP	\$8,500,000	(\$3,500,000)
9. FTE Authorization Increase	FTE	498.4	20.0
Authorizes an additional 20.0 FTE positions to the Operations line item to provide greater flexibility in hiring.	Gross	\$98,323,100	\$0
	IDG	35,954,600	0
	Federal	7,162,600	0
	Restricted	20,361,600	0
	GF/GP	\$34,844,300	\$0
10. Consumer Protection Case Support	FTE	0.0	27.0
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.	Gross	\$5,000,000	\$4,500,000
	GF/GP	\$5,000,000	\$4,500,000
11. PACC – Local Prosecutor NextGen System Data Integration	Gross	NA	\$10,000,000
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.	GF/GP	NA	\$10,000,000

GENERAL GOVERNMENT: ATTORNEY GENERAL

<u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
12. Detroit and Wayne County Gun Case Backlog	Gross	NA	\$10,000,000
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.	GF/GP	NA	\$10,000,000
13. Center for Civil Justice	Gross	NA	\$500,000
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.	GF/GP	NA	\$500,000
14. Economic Adjustments	Gross	NA	(\$304,400)
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.	IDG	NA	(122,500)
	Federal	NA	(38,100)
	Restricted	NA	(43,600)
	GF/GP	NA	(\$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.

Gross	\$11,285,000
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.

Gross	\$0
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 Cnossen

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

Major Budget Changes from FY 2022-23 YTD Appropriations**1. Complaint Investigation and Enforcement**

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.

	FTE	68.0	34.0
Gross		\$9,450,200	\$5,686,500
Federal		2,875,900	0
Restricted		58,500	0
GF/GP		\$6,515,800	\$5,686,500

2. Americans with Disabilities Act Training and Enforcement

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).

	FTE	NA	2.0
Gross		NA	\$223,200
GF/GP		NA	\$223,200

GENERAL GOVERNMENT: CIVIL RIGHTS

		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
<u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>			
3. Disabled Digital Access Rights Transition Plan (One-Time)	FTE	NA	2.0
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.	Gross	NA	\$3,044,100
	GF/GP	NA	\$3,044,100
4. Disparate Impact Investigation and Enforcement	FTE	NA	9.0
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.	Gross	NA	\$1,555,800
	GF/GP	NA	\$1,555,800
5. DEI Summit and Research	FTE	NA	1.0
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.	Gross	NA	\$161,000
	GF/GP	NA	\$161,000
6. ALPACT – Police and Community Trust	FTE	NA	1.0
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.	Gross	NA	\$316,300
	GF/GP	NA	\$316,300
7. Michigan Alliance Against Hate Crimes	FTE	NA	2.0
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.	Gross	NA	\$574,400
	GF/GP	NA	\$574,400
8. Removal of Current Year One-Time Funding	Gross	\$3,651,900	(\$3,651,900)
Eliminates \$3.7 million of one-time GF/GP funding appropriated in FY 2022-23:	GF/GP	\$3,651,900	(\$3,651,900)
<ul style="list-style-type: none"> \$3.2 million GF/GP for complaint investigation and enforcement for limited-term employees to process the complaint backlog. \$500,000 GF/GP for Native American boarding school study. 			
9. Elliott-Larsen Civil Rights Act Expansion (One-Time)	Gross	NA	\$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.	GF/GP	NA	\$2,000,000
10. Community Engagement (One-Time)	Gross	NA	\$250,000
Provides \$250,000 GF/GP to support additional outreach, engagement, and training in all parts of the state.	GF/GP	NA	\$250,000

GENERAL GOVERNMENT: CIVIL RIGHTS

<u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>	<u>FY 2022-23 Year-to-Date (as of 2/8/23)</u>	<u>FY 2023-24 Enacted Change</u>
11. Economic Adjustments	Gross	NA
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.	GF/GP	(\$51,000)

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 America 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.

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

	<u>Appropriation Change</u>
1. Native American Boarding School Study	Gross
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.	\$750,000
	GF/GP
	\$750,000

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

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

Major Budget Changes from FY 2022-23 YTD Appropriations**1. Executive Office Operations**

Includes increase of \$371,800 GF/GP for increased costs for Executive Office staff and other operations.

	FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
FTE	96.2	0.0
Gross	\$8,533,600	\$371,800
GF/GP	\$8,533,600	\$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

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

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

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.

		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
Major Budget Changes from FY 2022-23 YTD Appropriations			
1. Legislative Operations Adjustment	Gross	\$186,677,000	\$196,600
Includes net increase of \$196,600 Gross (net reduction of \$19,100 GF/GP) related to legislative employees and other operations and property management costs.	Private	428,300	17,100
	Restricted	4,965,700	198,600
	GF/GP	\$181,283,000	(\$19,100)
2. Independent Citizens Redistricting Commission (ICRC)	Gross	\$3,170,000	\$161,200
Includes increase of \$161,200 GF/GP.	GF/GP	\$3,170,000	\$161,200
3. Legislative Corrections Ombudsman	Gross	\$1,078,200	\$389,000
Includes \$389,000 GF/GP to provide funding for 3.0 additional FTE positions for the Legislative Corrections Ombudsman within the Legislative Council.	GF/GP	\$1,078,200	\$389,000
4. Sentencing Commission	Gross	NA	\$1,000,000
Includes \$1.0 million GF/GP to provide funding for the Sentencing Commission within the Legislative Council.	GF/GP	NA	\$1,000,000
5. Senate and House Internship Programs	Gross	NA	\$500,000
Includes \$250,000 GF/GP to provide funding for an internship program for the Senate and \$250,000 GF/GP to provide funding for an internship program for the House.	GF/GP	NA	\$500,000

GENERAL GOVERNMENT: LEGISLATURE

<u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
6. Census Tracking/Reapportionment	Gross	NA	\$250,000
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	\$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	Gross	\$5,100,000
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.	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

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

		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
Major Budget Changes from FY 2022-23 YTD Appropriations			
1. Auditor General Operations Increase	Gross	\$28,605,900	\$1,144,300
Includes \$1.1 million Gross (\$784,900 GF/GP) for increased costs related to auditor general staff and other operations.	IDG	6,654,800	267,100
	Restricted	2,329,300	92,300
	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 Cnossen

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

Major Budget Changes from FY 2022-23 YTD Appropriations

		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
1. Equity and Inclusion Officer	Gross	NA	\$218,800
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
2. Postage and Mailing Service Rate Increase	Gross	NA	\$600,000
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
3. Enforcement Division Staffing Increase	FTE	NA	3.0
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.	Gross	NA	\$447,500
	GF/GP	NA	\$447,500
4. Fund Source Shifts	Gross	NA	\$0
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)

GENERAL GOVERNMENT: STATE (DEPARTMENT)

Major Budget Changes from FY 2022-23 YTD Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
5. TACF/TASF Revenue Replacement	Gross	\$19,000,000	\$0
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.	Restricted	19,000,000	0
	GF/GP	\$0	\$0
6. Additional Branch Office Security Staff	Gross	NA	\$150,000
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.	Restricted	NA	150,000
	GF/GP	NA	\$0
7. Contracted Security Cost Increase	Gross	NA	\$140,000
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.	Restricted	NA	140,000
	GF/GP	NA	\$0
8. Mobile Branch Office Staffing	FTE	NA	10.0
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.	Gross	NA	\$1,220,000
	Restricted	NA	1,220,000
	GF/GP	NA	\$0
9. Digital Identification Cards	Gross	NA	\$100,000
Provides \$100,000 GF/GP to implement a digital state identification card system.	GF/GP	NA	\$100,000
10. Executive Revision 2024-1	Gross	NA	\$8,100
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.	Restricted	NA	8,100
	GF/GP	NA	\$0
11. Implementation of Ballot Proposals 1 and 2 of 2022 (Ongoing and One-Time)	FTE	NA	20.0
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:	Gross	NA	\$45,974,600
• Proposal 1 – Information technology staff to accommodate changes in receiving and reporting electronic filings of annual financial disclosure reports.	Restricted	NA	45,974,600
• 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.	GF/GP	NA	\$0

GENERAL GOVERNMENT: STATE (DEPARTMENT)

<u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
12. Organ Donor Registration (One-Time)	Gross	NA	\$100,000
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.	Private	NA	0
	GF/GP	NA	\$100,000
13. Economic Adjustments	Gross	NA	\$53,800
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.	IDG	NA	(73,500)
	Federal	NA	(1,500)
	Restricted	NA	129,400
	GF/GP	NA	(\$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.

	Appropriation Change
Gross	\$75,000
Restricted	75,000
GF/GP	\$0

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.

Gross	\$11,500,000
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 Cnossen

	FY 2022-23 YTD as of 2/8/23	FY 2023-24 Enacted	Difference: Enacted From FY 2022-23 YTD	
			Amount	%
IDG/IDT	\$1,047,125,600	\$1,082,606,600	(\$35,481,000)	3.4
Federal	5,217,200	4,699,000	(518,200)	(9.9)
Local	2,331,200	2,334,700	3,500	0.2
Private	137,400	137,400	0	0.0
Restricted	123,219,300	134,180,400	10,961,100	8.9
GF/GP	657,109,000	832,699,500	175,590,500	26.7
Gross	\$1,835,139,700	\$2,056,657,600	\$221,517,900	12.1
FTEs	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.

Major Budget Changes from FY 2022-23 YTD Appropriations**1. Administrative Services/Data and Analytics Transfer**

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.

	FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
Gross	NA	\$0
GF/GP	NA	\$0

2. Health and Safety Office Transfer

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
Gross	NA	\$0
IDG	NA	31,000
Restricted	NA	(31,000)
GF/GP	NA	\$0

3. Business Incentive Study Funding Removal

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.

Gross	\$1,000,000	(\$1,000,000)
GF/GP	\$1,000,000	(\$1,000,000)

GENERAL GOVERNMENT: TECHNOLOGY, MANAGEMENT, AND BUDGET

<u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
4. SIGMA Contractual Cost Increase	Gross	NA	\$366,500
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.	GF/GP	NA	\$366,500
5. Statewide Janitorial Service Contract Increases	Gross	NA	\$2,108,000
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.	IDG	NA	2,108,000
	GF/GP	NA	\$0
6. Caro Psychiatric Hospital Building Operations	FTE	NA	9.0
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.	Gross	NA	\$3,477,000
	IDG	NA	3,477,000
	GF/GP	NA	\$0
7. Central Procurement Staffing and IT Enhancements	FTE	NA	4.0
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.	Gross	NA	\$984,100
	Restricted	NA	984,100
	GF/GP	NA	\$0
8. State Budget Office FTE Increase	FTE	NA	5.0
Provides authorization for 5.0 FTE positions for the State Budget Office.	Gross	NA	\$0
	GF/GP	NA	\$0
9. Design and Construction Services Staffing Increase	FTE	NA	14.0
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.	Gross	NA	\$2,200,000
	IDG	NA	2,200,000
	GF/GP	NA	\$0
10. Federal Employment Services Reduction	Gross	\$3,021,000	(\$500,000)
Reduces \$500,000 in federal Wagner-Peyser Employment Service Program funding allocated to the Michigan Center for Data and Analytics.	Federal	3,021,000	(500,000)
	GF/GP	\$0	\$0
11. Fleet Vehicle Travel Services Rate Increase	Gross	\$85,732,400	\$2,000,000
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.	IDG	85,732,400	2,000,000
	GF/GP	\$0	\$0
12. Executive Revision 2024-1	Gross	NA	\$217,600
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.	IDG	NA	217,600
	GF/GP	NA	\$0
13. SWCAP Adjustment	Gross	NA	\$0
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.	IDG	NA	(216,800)
	Restricted	NA	(1,060,200)
	GF/GP	NA	\$1,277,000

GENERAL GOVERNMENT: TECHNOLOGY, MANAGEMENT, AND BUDGET

		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
<u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>			
14. IT IDG Line Item Consolidation	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:	Gross	\$271,888,900	\$0
	IDG	271,888,900	0
	GF/GP	\$0	\$0
<ul style="list-style-type: none"> • Education Services - \$5.0 million and 33.0 FTE positions • General Services - \$139.8 million and 350.5 FTE positions • 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. 			
15. Annual IT IDG Baseline Adjustment	Gross	NA	\$26,831,300
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
16. IT Personnel Transfer to Lottery	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.	Gross	\$155,300	(\$155,300)
	IDG	155,300	(155,300)
	GF/GP	\$0	\$0
17. Capitol City Support	Gross	NA	\$1,000,000
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
18. Office of the Child Advocate Expansion	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.	Gross	\$2,160,200	\$1,600,000
	GF/GP	\$2,160,200	\$1,600,000
19. State Building Authority Capital Outlay Debt Financing	Gross	\$231,570,600	\$5,000,000
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
20. Civil Service – State Restricted Revenue Alignment	Gross	\$11,200,500	(\$1,500,000)
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

GENERAL GOVERNMENT: TECHNOLOGY, MANAGEMENT, AND BUDGET

<u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
21. Civil Service – Increased HR Staffing	FTE	279.0	14.0
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.	Gross	\$36,171,700	\$1,931,400
	Restricted	21,944,700	1,035,600
	GF/GP	\$14,227,000	\$895,800
22. Enterprisewide Microsoft License Agreement	Gross	NA	\$12,600,000
Provides \$12.6 million GF/GP for licensing Microsoft software for all Executive branch departments and agencies.	GF/GP	NA	\$12,600,000
23. State Facilities Maintenance (One-Time)	Gross	\$70,000,000	(\$45,000,000)
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.	GF/GP	\$70,000,000	(\$45,000,000)
24. Information Technology Innovation Fund (ITIF) Legacy IT System Projects (Ongoing & One-Time)	Gross	\$135,000,000	(\$82,108,000)
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.	GF/GP	\$135,000,000	(\$82,108,000)
25. ORS IT Database Modernization (One-Time)	Gross	NA	\$11,800,000
Provides \$11.8 million in state restricted Pension Trust Fund revenue to complete the modernization of the Clarety transactional database used by the Office of Retirement Services to serve all members of the state's retirement system.	Restricted	NA	11,800,000
	GF/GP	NA	\$0
26. State Fleet Electric Vehicles	Gross	NA	\$1,000,000
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.	GF/GP	NA	\$1,000,000
27. Civil Service – Management Training (One-Time)	Gross	NA	\$5,000,000
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.	GF/GP	NA	\$5,000,000
28. Vendor Cybersecurity Monitoring (One-Time)	Gross	NA	\$4,000,000
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.	GF/GP	NA	\$4,000,000

GENERAL GOVERNMENT: TECHNOLOGY, MANAGEMENT, AND BUDGET

		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
<u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>			
29. Make it in Michigan Competitive Fund (One-Time)	Gross	NA	\$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.	GF/GP	NA	\$286,805,700
30. Make it in Michigan (One-Time)	Gross	NA	\$100
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.	Restricted	NA	100
	GF/GP	NA	\$0
31. Removal of Current Year One-Time Funding	Gross	\$15,750,000	(\$15,750,000)
Eliminates \$15.8 million GF/GP of one-time funding appropriated in FY 2022-23:	GF/GP	\$15,750,000	(\$15,750,000)
<ul style="list-style-type: none">\$750,000 for software purchasing review services\$15.0 million for supply chain technology software.			
32. Economic Adjustments	Gross	NA	(\$1,390,500)
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.	IDG	NA	(1,011,800)
	Federal	NA	(18,200)
	Local	NA	3,500
	Restricted	NA	(267,500)
	GF/GP	NA	(\$96,500)

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	Gross	\$2,108,000
Includes \$2.1 million GF/GP to support increased contract costs for janitorial services and rubbish and snow removal at state-owned buildings.	GF/GP	\$2,108,000
2. Actuarial Study	Gross	\$500,000
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.	GF/GP	\$500,000

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

	Appropriation Change
3. IJA – State and Local Cybersecurity Grant Program	Gross \$31,457,200
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.	Federal 23,877,100 GF/GP \$7,580,100
4. Make it in Michigan	Gross \$50,000,000
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.	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 as of 2/8/23	FY 2023-24 Enacted	Difference: Enacted From FY 2022-23 YTD	
			Amount	%
IDG/IDT	\$11,153,100	\$11,097,300	(\$55,800)	(0.5)
Federal	24,970,700	24,921,800	(48,900)	(0.2)
Local	13,209,600	15,038,100	1,828,500	13.8
Private	31,000	33,200	2,200	7.1
Restricted	2,060,674,700	2,197,308,000	136,633,300	6.6
GF/GP	1,161,524,600	392,670,200	(768,854,400)	(66.2)
Gross	\$3,271,563,700	\$2,641,068,600	(\$630,495,100)	(19.3)
FTEs	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 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
Major Budget Changes from FY 2022-23 YTD Appropriations			
1. Constitutional Revenue Sharing	Gross	\$1,036,594,900	\$64,068,200
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
2. City, Village, and Township (CVT) Revenue Sharing	Gross	\$282,219,900	\$16,906,500
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

GENERAL GOVERNMENT: TREASURY**Major Budget Changes from FY 2022-23 YTD Appropriations****3. County Revenue Sharing**

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.

Gross	FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
Restricted	\$245,806,300	\$15,263,400
GF/GP	245,806,300	15,263,400
	\$0	\$0

4. New Office of Security and Data Risk Management

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.

FTE	15.0	5.0
Gross	\$2,197,500	\$793,000
Restricted	2,197,500	0
GF/GP	\$0	\$793,000

5. Office of Revenue and Tax Administration (ORTA)

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.

FTE	21.0	3.0
Gross	\$4,050,500	\$594,500
Restricted	2,126,700	0
GF/GP	\$1,923,800	\$594,500

6. School Bond Loan System

Includes \$171,000 GF/GP and authorization for 1.0 FTE position to help administer an updated IT system and application process.

FTE	19.0	1.0
Gross	\$4,581,200	\$171,000
IDG	213,600	0
Restricted	3,958,400	0
GF/GP	\$409,200	\$171,000

7. Attainable and Workforce Housing Program Administration

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).

FTE	NA	4.0
Gross	NA	\$665,000
GF/GP	NA	\$665,000

GRANTS**8. Qualified Heavy Equipment Rental Personal Property Tax Implementation**

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.

Gross	NA	\$3,420,000
Restricted	NA	3,420,000
GF/GP	NA	\$0

9. Recreational Marijuana Grants to Locals

Includes \$21.1 million restricted funding to align grant payments to local governments with the expected increase in revenues.

Gross	\$50,580,000	\$21,090,000
Restricted	50,580,000	21,090,000
GF/GP	\$0	\$0

10. Election Administration Support Fund

Includes \$18.8 million GF/GP for funding for local election administration support.

Gross	NA	\$18,765,400
GF/GP	NA	\$18,765,400

BUREAU OF STATE LOTTERY**11. Michigan State Lottery**

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.

FTE	211.0	1.0
Gross	\$30,327,000	\$1,000,000
Restricted	30,327,000	1,000,000
GF/GP	\$0	\$0

GENERAL GOVERNMENT: TREASURY

Major Budget Changes from FY 2022-23 YTD Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
<u>CASINO GAMING</u>			
	FTE	169.0	16.0
12. Michigan Gaming Control Board (MGCB)	Gross	\$32,742,600	\$2,544,700
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.	Restricted	32,742,600	2,544,700
	GF/GP	\$0	\$0
13. Advertising for Responsible Gaming	Gross	\$3,000,000	\$0
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.	Restricted	3,000,000	0
	GF/GP	\$0	\$0
14. Executive Revision 2024-1	Gross	\$2,129,700	\$6,900
Includes \$6,900 restricted funding for economic adjustments for horse racing staff.	Restricted	2,129,700	6,900
	GF/GP	\$0	\$0
<u>PAYMENT IN LIEU OF TAXES</u>			
15. Payment in Lieu of Taxes (PILT) Increase	Gross	\$30,175,400	\$2,112,700
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.	Private	31,000	2,200
	Restricted	6,212,800	435,100
	GF/GP	\$23,931,600	\$1,675,400
<u>CITY INCOME TAX ADMINISTRATION</u>			
	FTE	72.0	5.0
16. City Income Tax Administration Program Expansion	Gross	\$10,148,200	\$1,850,000
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.	Local	10,148,200	1,850,000
	GF/GP	\$0	\$0
<u>ONE-TIME APPROPRIATIONS</u>			
17. MGCB Information Technology Accounts Receivable System	Gross	NA	\$2,000,000
Includes \$2.0 million one-time restricted funding for an upgraded accounts receivable system for invoicing and payment collections.	Restricted	NA	2,000,000
	GF/GP	NA	\$0
18. Presidential Primary One-Time Funding	Gross	NA	\$20,000,000
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
19. Organ Donor Registry	Gross	NA	\$150,000
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
20. Local Unit Municipal Pension Grants	Gross	NA	\$35,000,000
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

GENERAL GOVERNMENT: TREASURY

<u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
21. Beverage Container Distributor Grants	Gross	NA	\$8,000,000
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.	GF/GP	NA	\$8,000,000
22. Election Administration Support Fund	Gross	NA	\$27,209,200
Includes \$27.2 million one-time GF/GP for new Election Administration Support Fund. Funding may only be expended upon appropriation or legislative transfer.	GF/GP	NA	\$27,209,200
23. High Crime Community Support	Gross	NA	\$12,000,000
Includes \$12.0 million one-time GF/GP for grants to be awarded to county prosecutors in 6 specific communities to address caseload backlogs.	GF/GP	NA	\$12,000,000
24. FY 2022-23 One-Time Appropriations	Gross	\$869,000,000	(\$869,000,000)
Removes the following one-time GF/GP appropriations included in FY 2022-23:	GF/GP	\$869,000,000	(\$869,000,000)
<ul style="list-style-type: none"> \$750.0 million – Local municipal pension principal payment grants \$100.0 million – Deposit into the MSP retirement system \$19.0 million – Transportation Administration Support Fund. 			
25. Removal of FY 2022-23 Supplemental Appropriations	Gross	\$25,000,000	(\$25,000,000)
Removes \$25.0 million GF/GP included in FY 2022-23 supplemental in 2023 PA 1 for the Water Shutoff Prevention Fund.	GF/GP	\$25,000,000	(\$25,000,000)
26. Other Technical Adjustments	Gross	NA	\$10,698,600
Includes the following technical adjustments:	Restricted	NA	10,608,600
<ul style="list-style-type: none"> \$10.1 million restricted funding increase for the Convention Facility Development Distribution due to anticipated increased revenue \$318,600 restricted funding increase for emergency 911 payments \$150,000 restricted funding increase in Bureau of Investments \$90,000 GF/GP increase for the Senior Citizen Cooperative Housing Tax Exemption Program for new facilities entering the program. 	GF/GP	NA	\$90,000
27. Economic Adjustments	Gross	NA	(\$804,200)
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.	IDG	NA	(55,800)
	Federal	NA	(48,900)
	Local	NA	(21,500)
	Restricted	NA	(710,100)
	GF/GP	NA	\$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. 949l. 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)

**Appropriation
Change**

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.

FTEs 4.0
Gross \$1,374,000
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.

Gross \$3,400,000
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.

Gross \$925,000
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.

Gross \$11,500,000
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.

Gross \$900,000
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.

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

	FY 2022-23 YTD as of 2/8/23	FY 2023-24 Enacted	Difference: Enacted From FY 2022-23 YTD	
			Amount	%
IDG/IDT	\$14,696,000	\$14,676,900	(\$19,100)	(0.1)
Federal	23,693,049,100	25,806,821,200	2,113,772,100	8.9
Local	170,002,300	162,620,500	(7,381,800)	(4.3)
Private	185,596,800	179,694,600	(5,902,200)	(3.2)
Restricted	3,132,592,800	3,106,634,400	(25,958,400)	(0.8)
GF/GP	6,242,365,800	6,464,135,400	221,769,600	3.6
Gross	\$33,438,302,800	\$35,734,583,000	\$2,296,280,200	6.9
FTEs	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
Year-to-Date
(as of 2/8/23)**

**FY 2023-24
Enacted
Change**

MEDICAID – GENERAL

1. Traditional Medicaid Cost Adjustments

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%.

Gross	\$16,581,775,400	\$398,422,800
Federal	10,703,491,400	352,144,800
Local	38,994,800	(152,600)
Private	13,748,800	(4,745,300)
Restricted	2,339,439,900	(4,196,600)
GF/GP	\$3,486,100,500	\$55,372,500

2. Healthy Michigan Plan Cost Adjustments

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%.

Gross	\$5,799,632,800	(\$55,795,600)
Federal	5,211,580,900	(47,240,800)
Local	2,021,400	12,400
Private	1,381,600	0
Restricted	486,516,000	(3,652,500)
GF/GP	\$98,132,900	(\$4,914,700)

HEALTH AND HUMAN SERVICES**Major Budget Changes from FY 2022-23 YTD Appropriations**

		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
3. Actuarial Soundness	Gross	NA	\$346,629,200
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.	Federal	NA	254,134,200
	GF/GP	NA	\$92,495,000
4. Direct Care Wage Increase	Gross	\$405,058,900	\$120,204,900
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.	Federal	259,091,400	77,544,800
	GF/GP	\$145,967,500	\$42,660,100
5. Long-Term Care: Non-Clinical Staff Wage Increase	Gross	\$1,792,051,000	\$19,870,100
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.	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
DEPARTMENT ADMINISTRATION & INFORMATION TECHNOLOGY			
6. Comprehensive Child Welfare Information System (CCWIS)	FTE	0.0	11.0
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.	Gross	\$3,373,200	\$12,577,000
	Federal	870,300	5,041,600
	GF/GP	\$2,502,900	\$7,535,400
7. Relational Data Computer Usage Costs	Gross	NA	\$3,255,800
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.	Federal	NA	2,056,000
	GF/GP	NA	\$1,199,800
8. Information Technology Inflationary Costs	Gross	NA	\$6,384,200
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.	Federal	NA	1,412,600
	GF/GP	NA	\$4,971,600
9. Property Management – Lease Cancellation Cost Reductions	Gross	\$64,701,200	(\$2,134,600)
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.	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)
10. Legal Services	Gross	\$12,300,000	(\$12,200,000)
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.	GF/GP	\$12,300,000	(\$12,200,000)

HEALTH AND HUMAN SERVICES

Major Budget Changes from FY 2022-23 YTD Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
11. Economic Adjustments		Gross NA (\$3,927,400)	
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.	IDG/IDT	NA	(19,100)
	TANF	NA	(1,108,000)
	Federal	NA	(2,497,700)
	Local	NA	(9,100)
	Private	NA	(56,000)
	Restricted GF/GP	NA	(64,100)
			(\$173,400)
COMMUNITY SERVICES AND OUTREACH			
12. Diaper Assistance TANF Swap		Gross \$4,404,400	\$0
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.	TANF	4,404,400	(1,202,200)
	GF/GP	\$0	\$1,202,200
13. Crime Victim Rights GF/GP Funding		FTE 17.0	0.0
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.	Gross	\$121,597,000	\$10,000,000
	Federal	103,046,200	(20,000,000)
	Restricted	18,448,200	0
	GF/GP	\$102,600	\$30,000,000
14. Kids Food Basket – One-Time		Gross \$525,000	\$1,000,000
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.	GF/GP	\$525,000	\$1,000,000
15. 2-1-1 Community Information Exchange (CIE) – One-Time		Gross \$2,950,000	\$2,000,000
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.	GF/GP	\$2,950,000	\$2,000,000
16. Runaway and Homeless Youth		Gross \$7,784,000	\$5,342,100
Includes \$5.3 million Gross (\$1.1 million GF/GP) to support the expansion of runaway and homeless youth capacity.	Federal	3,103,000	0
	TANF	3,424,800	4,195,200
	GF/GP	\$1,256,200	\$1,146,900
17. Cody Rouge Community Action Alliance Senior University – One-Time		Gross NA	\$400,000
Includes \$400,000 GF/GP for Cody Rouge Community Action Alliance's Senior University in the one-time unit.	GF/GP	NA	\$400,000
18. Community Services and Outreach – One-Time		Gross NA	\$5,000,000
Includes \$5.0 million GF/GP to support capital projects and operations for the following programs:	GF/GP	NA	\$5,000,000
<ul style="list-style-type: none"> Chaldean Community Foundation Affordable Housing (\$4.0 million) Nazarene Community House (\$500,000) Oaks Village Shelter (\$500,000) 			

HEALTH AND HUMAN SERVICES**Major Budget Changes from FY 2022-23 YTD Appropriations****FY 2022-23
Year-to-Date
(as of 2/8/23)****FY 2023-24
Enacted
Change****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.

Gross	\$794,170,400	(\$59,109,900)
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)

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.

Gross	NA	\$31,534,600
GF/GP	NA	\$31,534,600

21. Bay Pines and Shawono 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 Shawono juvenile justice facilities based on a recommendation from the Task Force on Juvenile Justice Reform.

FTE	94.0	12.0
Gross	\$11,749,500	\$1,287,200
Federal	448,200	643,600
Local	5,581,000	0
GF/GP	\$5,720,300	\$643,600

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.

Gross	NA	\$19,278,700
TANF	NA	2,834,600
Federal	NA	7,875,000
Local	NA	749,700
GF/GP	NA	\$7,819,400

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.

Gross	NA	\$10,000,000
GF/GP	NA	\$10,000,000

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.

Gross	\$0	\$1,744,100
Federal	0	1,744,100
GF/GP	\$0	\$0

25. Elimination of Child Legal Representation pilot program

Eliminates funding for a Child Legal Representation pilot program.

Gross	\$500,000	(\$500,000)
GF/GP	\$500,000	(\$500,000)

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.

Gross	\$1,000,000	\$1,500,000
GF/G P	\$1,000,000	\$1,500,000

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.

Gross	NA	(\$7,248,700)
GF/GP	NA	(\$7,248,700)

HEALTH AND HUMAN SERVICES

<u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
PUBLIC ASSISTANCE AND LOCAL OFFICE OPERATIONS			
28. Public Assistance Caseload Adjustments	Gross	\$4,304,082,300	\$1,089,202,500
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.	TANF	45,992,300	6,479,200
	Federal	4,183,474,600	1,085,416,300
	Restricted	14,643,000	(109,900)
	GF/GP	\$59,972,400	(\$2,583,100)
29. Local Office Staff – Adult Protective Services	FTE	530.0	20.0
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.	Gross	\$63,788,500	\$2,701,200
	Federal	33,226,700	736,900
	GF/GP	\$30,561,800	\$1,964,300
30. Electronic Benefit Transfer (EBT) – Farm Bill Expungement	Gross	\$7,989,000	\$510,000
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.	TANF	1,016,000	0
	Federal	2,129,100	255,000
	GF/GP	\$4,843,900	\$255,000
31. Michigan Agriculture Surplus System	Gross	\$2,045,000	\$10,000,000
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.	GF/GP	\$2,045,000	\$10,000,000
32. Food Assistance – Delivery Services – One-Time	Gross	\$0	\$5,000,000
Includes \$5.0 million GF/GP, on a one-time basis, to support delivery costs and fees of food purchased remotely using SNAP benefits.	GF/GP	\$0	\$5,000,000
33. Food Market Expansion – One-Time	Gross	\$0	\$500,000
Includes \$500,000 GF/GP to provide a grant to Farmington CARES.	GF/GP	\$0	\$500,000
34. Family Independence Program – Clothing Allowance	Gross	\$7,230,000	\$2,770,000
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.	TANF	7,230,000	2,770,000
	GF/GP	\$0	\$0
35. Family Independence Program – Young Child Supplement	Gross	\$4,154,400	\$2,085,700
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.	TANF	4,154,400	2,085,700
	GF/GP	\$0	\$0
36. Flint Prenatal and Infant Allowance Pilot Program – One-Time	Gross	\$0	\$16,500,000
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.	TANF	0	16,500,000
	GF/GP	\$0	\$0
37. Senior Citizen Home Renovations – One-Time	Gross	\$0	\$1,183,300
Includes \$1.2 million GF/GP to the City of Detroit to renovate homes of individuals 65 years of age and older.	GF/GP	\$0	\$1,183,300
38. Life Remodeled – One-Time	Gross	\$0	\$1,000,000
Allocates \$1.0 million GF/GP to Life Remodeled to renovate and repurpose former school buildings into opportunity hubs in Detroit.	GF/GP	\$0	\$1,000,000

HEALTH AND HUMAN SERVICES**Major Budget Changes from FY 2022-23 YTD Appropriations**

		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
39. Michigan Relief Plan – One-Time	Gross	\$0	\$2,000,000
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.	GF/GP	\$0	\$2,000,000
40. Disability Determination Services	FTE	581.3	43.0
Includes \$7.0 million in additional federal funding and 43.0 FTE positions to reduce case review waiting time.	Gross	\$116,419,500	\$7,000,000
	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	FTE	21.0	4.0
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.	Gross	\$2,920,100	\$491,000
	GF/GP	\$2,920,100	\$491,000
42. Conference of Western Wayne Substance Use Disorder Project	Gross	\$500,000	\$500,000
Adds \$500,000 GF/GP for the Conference of Western Wayne specialized detoxification and case management program.	GF/GP	\$500,000	\$500,000
43. Recovery High Schools	Gross	\$600,000	(\$600,000)
Eliminates \$600,000 GF/GP for Recovery High School grants based on recent utilization.	GF/GP	\$600,000	(\$600,000)
44. Certified Community Behavioral Health Clinics (CCBHC)	Gross	\$101,252,100	\$279,726,800
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.	Federal	81,936,600	214,337,400
	GF/GP	\$19,315,500	\$65,389,400
45. Court-Appointed Guardian Reimbursements	Gross	\$5,000,000	(\$5,000,000)
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.	GF/GP	\$5,000,000	(\$5,000,000)
46. State Hospital Occupational Health Clinics	FTE	NA	10.0
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.	Gross	NA	\$1,471,200
	GF/GP	NA	\$1,471,200
47. Behavioral Health Recruiting and Retention – One-Time	Gross	\$0	\$2,500,000
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.	SFRF	0	2,500,000
	GF/GP	\$0	\$0
48. Behavioral Health Accelerated Degree Program – One-Time	Gross	\$0	\$5,000,000
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.	GF/GP	\$0	\$5,000,000

HEALTH AND HUMAN SERVICES

<u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
49. Autism Navigator Program – One-Time	Gross	\$1,025,000	\$1,000,000
Adds \$1.0 million GF/GP for the autism navigator program, on a one-time basis.	GF/GP	\$1,025,000	\$1,000,000
50. Recovery Community Organizations – One-Time	Gross	\$1,200,000	\$1,800,000
Adds \$1.8 million GF/GP for the recovery community organization grant program, on a one-time basis.	GF/GP	\$1,200,000	\$1,800,000
51. Behavioral Health – One-Time	Gross	NA	\$78,000,000
Includes \$78.0 million GF/GP for the following one-time behavioral health projects or programs:	GF/GP	NA	\$78,000,000
<ul style="list-style-type: none"> • ACCESS substance use disorder clinic renovation (\$10.0 million) • Continue one-time Multicultural integration contractual payments (\$8.6 million) • Corewell Health/Beaumont psychiatric outpatient clinic and GME (\$8.0 million) • Child and Family Services Ingham behavioral health campus (\$6.0 million) • Continue one-time Families Against Narcotics service funding (\$5.0 million) • Continue one-time First responder mental health services funding (\$5.0 million) • Michigan Crisis and Access Line (MiCAL) (\$5.0 million) • Clinton Eaton Ingham CMH crisis stabilization capacity increase (4.0 million) • Western Michigan University Autism Center service expansion (\$4.0 million) • Team Wellness opioid use disorder biomarker testing (\$3.5 million) • Sacred Heart Rehabilitation Center building purchase (\$3.5 million) • Tecumseh Psychiatric Hospital bed expansion (\$3.0 million) • Continue one-time Jail Diversion Fund (\$2.5 million) • Kalasho Education and Youth Services (KEYS) (\$2.5 million) • Michigan Clinical Consultation and Care (MC3) (\$2.5 million) • Altarum behavioral health integration software (\$2.0 million) • Hype Athletics SUD (\$1.0 million) • Developmental milestones toolkit (\$500,000) • Michigan Osteopathic Association – Safe Opioid Use Task Force (\$500,000) • Preserve Independence adult day center services (\$500,000) • Dutton Farms supported employment program (\$250,000) • Living and Learning Center (\$150,000) 			

PUBLIC HEALTH

52. Michigan Coronavirus Task Force on Racial Disparity Initiatives	FTE	NA	8.0
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.	Gross	NA	\$49,527,200
	Federal	NA	5,000,000
	GF/GP	NA	\$44,527,200

HEALTH AND HUMAN SERVICES**Major Budget Changes from FY 2022-23 YTD Appropriations**

		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
53. Healthy Homes Expansion	FTE	21.0	45.0
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.	Gross	\$32,799,400	\$22,500,000
	Federal	19,606,500	0
	Private	77,800	0
	Restricted	723,700	0
	GF/GP	\$12,391,400	\$22,500,000
54. Drinking Water Projects – One-Time	Gross	\$0	\$61,439,400
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.	GF/GP	\$0	\$61,439,400
55. Newborn Screening Fees	Gross	\$19,298,900	\$1,912,500
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.	Restricted	19,298,900	1,912,500
	GF/GP	\$0	\$0
56. Essential Local Public Health Services Increase	Gross	\$51,419,300	\$25,000,000
Includes \$25.0 million GF/GP to provide local health departments ongoing support for essential local public health services.	Local	5,150,000	0
	GF/GP	\$46,269,300	\$25,000,000
57. Community Violence Prevention Initiatives	FTE	6.9	2.0
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.	Gross	\$12,724,000	\$6,800,000
	Federal	12,591,100	0
	Private	0	0
	GF/GP	\$132,900	\$6,800,000
58. Montcalm County FQHC	Gross	\$0	\$1,500,000
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.	GF/GP	\$0	\$1,500,000
59. Perinatal Quality Collaboratives	FTE	15.0	2.0
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.	Gross	\$36,861,800	\$10,000,000
	Federal	15,828,300	0
	Restricted	50,000	0
	GF/GP	\$20,983,500	\$10,000,000
60. Rare Disease Panel – One-Time	Gross	\$70,000	\$130,000
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.	GF/GP	\$70,000	\$130,000
61. Elimination of Human Embryo Funding	Gross	\$100,000	(\$100,000)
Recognizes a reduction of \$100,000 GF/GP to eliminate funding for public information on human embryo constitution provisions.	GF/GP	\$100,000	(\$100,000)
62. Population Health – Non-GF/GP Funds Adjustments	Gross	NA	\$2,729,300
Recognizes an increase of \$2.7 million federal, private, and restricted funding, including:	Federal	NA	1,000,000
• \$1.0 million federal funds for AIDS prevention, education, and treatment.	Private	NA	1,250,000
• \$1.0 million private funds for healthy homes.	Restricted	NA	479,300
• \$479,300 state restricted increase from Michigan Health Initiative Fund revenues.	GF/GP	NA	\$0
• \$250,000 private funds for chronic disease prevention.			

HEALTH AND HUMAN SERVICES

		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
<u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>			
63. Public Health –One-Time	Gross	NA	\$35,221,700
Includes \$35.2 million GF/GP for the following public health-related projects and programming:	GF/GP	NA	\$35,221,700
<ul style="list-style-type: none">• Maternal Fetal Medicine Programming- SOS Maternal Network (\$8.0 million)• 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)			
AGING SERVICES			
64. Senior Community Services Increase	Gross	\$53,436,000	\$658,000
Includes \$658,000 GF/GP to Area Agencies on Aging for home- and community-based services.	Federal	24,980,400	0
	GF/GP	\$28,455,600	\$658,000
65. Nutrition Services-Meals on Wheels – One-Time	Gross	NA	\$1,000,000
Includes one-time \$1.0 million GF/GP to provide home-delivered meal programs through the area agencies on aging.	GF/GP	NA	\$1,000,000
66. Senior Caregiver Resource Center – One-Time	Gross	NA	\$5,000,000
Includes \$5.0 million GF/GP to area agencies on aging to support unpaid family and informal caregivers.	GF/GP	NA	\$5,000,000
HEALTH SERVICES			
67. Medicaid Ambulance Rates	Gross	NA	\$13,914,600
Adds \$13.9 million Gross (\$3.5 million GF/GP) to keep Medicaid ambulance rates aligned with a recent Medicare ambulance rate increase.	Federal	NA	10,463,800
	GF/GP	NA	\$3,450,800
68. Medicaid Dental Redesign Rates	Gross	\$30,000,000	\$80,000,000
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.	Federal	0	80,000,000
	GF/GP	\$30,000,000	\$0

HEALTH AND HUMAN SERVICES**Major Budget Changes from FY 2022-23 YTD Appropriations**

		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
69. Eliminate Medicaid 5-Year Waiting Period for Legal Residents	Gross	\$0	\$26,359,200
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.	Federal	0	19,959,200
	GF/GP	\$0	\$6,400,000
70. CenteringPregnancy	Gross	\$0	\$10,000,000
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.	Federal	0	5,000,000
	GF/GP	\$0	\$5,000,000
71. Hospital Maternal Health Incentives	Gross	\$0	\$10,000,000
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.	GF/GP	\$0	\$10,000,000
72. Plan First!	Gross	\$0	\$6,200,000
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.	Federal	0	5,199,300
	GF/GP	\$0	\$1,000,700
73. Children's Special Health Care Services	Gross	NA	\$17,012,800
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.	Federal	NA	9,241,500
	GF/GP	NA	\$7,771,300
74. Van Andel Institute Grant – One-Time	Gross	\$1,000,000	\$0
Moves \$1.0 million GF/GP for a biomedical research and science education grant to the one-time unit.	GF/GP	\$1,000,000	\$0
75. Medicaid Professional Services Rate Increase	Gross	NA	\$55,350,000
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.	Federal	NA	40,550,000
	GF/GP	NA	\$14,800,000
76. Medicaid Anesthesia Rate Increase	Gross	NA	\$2,900,000
Includes \$2.9 million Gross (\$700,100 GF/GP) to increase Medicaid reimbursement rates for anesthesia services by 10%, up to 49% of Medicare.	Federal	NA	2,199,900
	GF/GP	NA	\$700,100
77. Medicaid Home Health Agency Rate Increase	Gross	NA	\$1,700,000
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.	Federal	NA	1,259,600
	GF/GP	NA	\$440,400
78. Medicaid Traumatic Brain Injury Rate Increase	Gross	NA	\$9,500,000
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.	Federal	NA	6,954,900
	GF/GP	NA	\$2,545,100
79. Medicaid Hospital Services Rate Increase	Gross	NA	\$81,154,600
Includes \$81.2 million Gross (\$20.0 million GF/GP) to increase hospital rates for inpatient psychiatry and Level 1 and Level 2 trauma.	Federal	NA	61,154,600
	GF/GP	NA	\$20,000,000

HEALTH AND HUMAN SERVICES

<u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
80. Medicaid Rural Hospital Pool	Gross	\$13,904,800	\$1,300,000
Increases rural access hospital pool \$1.3 million GF/GP to add Memorial Health in Owosso.	GF/GP	\$13,904,800	\$1,300,000
81. Medicaid Recuperative Care Benefit	Gross	\$0	\$4,960,000
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.	Federal	0	2,802,200
	GF/GP	\$0	\$2,157,800
82. Medicare Buy-In Compliance	Gross	NA	\$11,131,600
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).	GF/GP	NA	\$11,131,600
83. Program of All-Inclusive Care for the Elderly – Site Expansion	Gross	\$227,102,100	\$2,614,000
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.	Federal	146,957,800	1,707,500
	GF/GP	\$80,144,300	\$906,500
84. Poison Control	Gross	\$2,400,000	\$378,600
Adds 378,600 GF/GP to the Poison Control program at Wayne State University. Year-to-date amount is an estimated, annual average amount.	Federal	1,278,600	0
	GF/GP	\$1,121,400	\$378,600
85. Medicaid Restricted Fund Adjustments	Gross	NA	\$0
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).	Restricted	NA	(10,052,700)
	GF/GP	NA	\$10,052,700
86. Health Services – One-Time	Gross	NA	\$57,125,000
Includes a total of \$57.1 million GF/GP for the following health services projects and programs:	GF/GP	NA	\$57,125,000
<ul style="list-style-type: none"> BAMF Health to open a second theranostics clinic (\$20.0 million) Helen Newberry Joy Hospital renovations (\$7.325 million) FQHC Alternative Payment model transition (\$6.0 million) Mary Free Bed to construct a children rehabilitation hospital (\$5.0 million) U of D Dental clinic programming (\$4.0 million) American Indian Health and Family Services construction costs (\$3.0 million) Corktown Health Center to open a new center (\$2.0 million) Honor Community Health residency program (\$2.0 million) Sparrow Eaton cancer infusion center construction costs (\$2.0 million) McLaren Thumb Obstetrics services (\$1.5 million) Hamilton Community Health Network (FQHC) new clinic construction (\$1.5 million) Access Health "three-share" health coverage program (\$1.2 million) Wayne Health Center facility and equipment modernization (\$1.0 million) Children's Healing Center programming (\$350,000) Wayne, Oakland, and Macomb children's health care access program for children enrolled in Medicaid (\$250,000) 			

Major Budget Changes from FY 2022-23 YTD Appropriations

	FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
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ONE-TIME APPROPRIATIONS**87. Remove FY 2022-23 One-Time Appropriations**

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	6.0	(6.0)
Gross	\$555,543,300	(\$555,543,300)
Federal	59,706,100	(59,706,100)
GF/GP	\$495,837,200	(\$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 recognized 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)**

Appropriation **Change**

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%.

Gross	\$689,810,900
Federal	1,026,568,400
Private	(5,000)
GF/GP	(\$336,752,500)

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%.

Gross	\$423,904,400
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)

**Appropriation
Change**

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.

Gross	(\$190,198,500)
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).

Gross	(\$73,482,900)
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.

Gross	\$1,700,000
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.

FTEs	0.0
Gross	\$0
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.

Gross	\$528,000
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.

Gross	\$489,900
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.

Gross	\$194,000
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.

Gross	\$766,767,700
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.

Gross	\$2,085,600
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.

Gross	\$82,523,900
Federal	82,523,900
GF/GP	\$0

13. Refugee Assistance

Includes \$4.8 million in additional federal refugee assistance program funding.

Gross	\$4,817,200
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.

Gross	\$1,470,000
Federal	1,470,000
GF/GP	\$0

15. LIHEAP Departmental Analyst

Includes \$153,000 in federal funds to support an additional LIHEAP departmental analyst.

Gross	\$153,000
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)**

		Appropriation Change
16. Family Support Subsidy Caseloads Adjustments	Gross	\$1,676,600
Includes \$1.7 million of federal TANF based on updated Family Support Subsidy caseload estimates.	TANF	1,676,600
	GF/GP	\$0
17. Certified Community Behavioral Health Clinic	Gross	\$25,000,000
Includes an additional \$25.0 million in federal funds to support greater than anticipated program costs.	Federal	25,000,000
	GF/GP	\$0
18. Behavioral Health Federal Funding Adjustments	Gross	\$16,353,100
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
19. Court-Appointed Guardian Workgroup	Gross	\$0
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
20. State Psychiatric Hospital and Center Enhanced FMAP Adjustments	Gross	\$0
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)
21. Healthy Homes Program Enhanced FMAP Adjustments	Gross	\$0
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)
22. Healthy Homes Program	Gross	\$1,000,000
Appropriates \$1.0 million in private revenue from homeowner's contributions towards lead abatement of homes.	Private	1,000,000
	GF/GP	\$0
23. AIDS Prevention, Testing, and Care	Gross	\$1,000,000
Appropriates \$1.0 million in federal grant revenue received to support AIDS prevention, testing, and care services.	Federal	1,000,000
	GF/GP	\$0
24. Cancer Prevention and Control	Gross	(\$1,000,000)
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
25. Chronic Disease Control and Health Promotion	Gross	\$250,000
Appropriates \$250,000 in private Health Endowment grant revenue to support the chronic disease program.	Private	250,000
	GF/GP	\$0
26. Medicaid Ambulance Rates	Gross	\$10,435,900
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
27. Medicaid Dental Redesign Rates	Gross	\$40,000,000
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
28. Medicaid Restricted Fund Adjustments	Gross	\$0
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
29. ARP – Cooperative Agreement for Emergency Response	Gross	\$29,704,600
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)

**Appropriation
Change**

30. ARP – Home and Community-Based Services Projects		Gross	\$379,391,000
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	189,695,500
		HCBS-GF/GP	\$189,695,500
31. ARP – Local Water Utility Affordability		Gross	\$35,000,000
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	35,000,000
		GF/GP	\$0
32. ARP – Pre-Weatherization		Gross	\$25,000,000
Includes \$25.0 million in federal Coronavirus State Fiscal Recovery Fund revenue to improve homes, reduce energy usage, and lower utility bills.		Federal	25,000,000
		GF/GP	\$0
33. ARP – Senior Centers		Gross	\$28,000,000
Includes \$28.0 million in federal Coronavirus State Fiscal Recovery Fund revenue to construct, renovate, or relocate 4 senior, community, or multigenerational centers.		Federal	28,000,000
		GF/GP	\$0
34. ARP – Senior Project Fresh Enhancement		Gross	\$1,200,000
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	1,200,000
		GF/GP	\$0
35. ARP – Sexually Transmitted Disease Prevention and Control		Gross	\$27,696,800
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	27,696,800
		GF/GP	\$0
36. ARP – Strengthening U.S. Public Health Infrastructure, Workforce, and Data Systems		Gross	\$80,880,600
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	80,880,600
		GF/GP	\$0
37. ARP – Vaccine Support		Gross	\$36,095,900
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	36,095,900
		GF/GP	\$0
38. Long-Term Care Ombudsman		Gross	\$568,100
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	568,100
		GF/GP	\$0
39. Behavioral Health Care Services and Facilities		Gross	\$0
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.		GF/GP	\$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

	FY 2022-23 YTD as of 2/8/23	FY 2023-24 Enacted	Difference: Enacted From FY 2022-23 YTD Amount	%
IDG/IDT	\$0	\$0	\$0	--
Federal	128,526,400	131,026,400	2,500,000	1.9
Local	0	0	0	--
Private	0	0	0	--
Restricted	347,888,300	482,268,300	134,380,000	38.6
GF/GP	1,540,221,000	1,677,754,100	137,533,100	8.9
Gross	\$2,016,635,700	\$2,291,048,800	\$274,413,100	13.6

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.

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

	FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
Gross	\$1,542,797,100	\$99,246,800
Restricted	343,168,300	100,000,000
GF/GP	\$1,199,628,800	(\$753,200)

HIGHER EDUCATION

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.

	FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
Gross	\$68,327,100	\$3,416,300
GF/GP	\$68,327,100	\$3,416,300

3. Michigan Public School Employee Retirement System (MPERS) State Share of Unfunded Actuarial Accrued Liability (UAAL) Stabilization Payment

Removes \$70,000 SAF for the state's share of the universities' MPERS 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 MPERS employees (Central, Eastern, Ferris, Lake Superior State, Michigan Tech, Northern, and Western). Due to a one-time FY 2021-22 MPERS 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.

Gross	\$70,000	(\$70,000)
Restricted	70,000	(70,000)
GF/GP	\$0	\$0

4. MPERS 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 MPERS from 6.8% to 6.0% pursuant to the dedicated gains policy. Total funding for the MPERS Normal Cost Offset will be \$9.1 million SAF.

Gross	\$4,650,000	\$4,450,000
Restricted	4,650,000	4,450,000
GF/GP	\$0	\$0

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.

Gross	\$250,000,000	\$50,000,000
Restricted	0	0
GF/GP	\$250,000,000	\$50,000,000

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.

Gross	\$71,300,000	\$2,500,000
Federal	71,300,000	2,500,000
GF/GP	\$0	\$0

HIGHER EDUCATION

<u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>		<u>FY 2022-23 Year-to-Date (as of 2/8/23)</u>	<u>FY 2023-24 Enacted Change</u>
7. Michigan Competitive Scholarship	Gross	\$29,861,700	(\$3,000,000)
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).	Federal	23,930,800	0
	GF/GP	\$5,930,900	(\$3,000,000)
8. Infrastructure, Technology, Equipment, Maintenance, and Safety	Gross	\$0	\$79,000,000
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.	GF/GP	\$0	\$79,000,000
9. Michigan State University Engineering and Digital Innovation Center	Gross	\$0	\$30,000,000
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.	Restricted	0	30,000,000
	GF/GP	\$0	\$0
10. Critical Incident Mapping	Gross	\$0	\$5,000,000
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.	GF/GP	\$0	\$5,000,000
11. Michigan Geological Survey	Gross	\$0	\$3,000,000
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.	GF/GP	\$0	\$3,000,000
12. Michigan Technological University Bachelor of Science in Nursing (BSN) Program Creation	Gross	\$0	\$870,000
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.	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. 236j. 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>
<i>1. FY 2022-23 MPSERS One-Time UAAL Payment</i>	Gross	\$200,000,000
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 GF/GP	200,000,000 \$0
<i>2. Tuition Incentive Program</i>	Gross	\$2,500,000
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 GF/GP	2,500,000 \$0

**FY 2023-24 University Operations Appropriations
Enacted Summary**

University	Total FY 2022-23 Appropriation	FY 2022-23 Indian Tuition Waiver Payment	FY 2022-23 Base Appropriation	FYES Funding Floor Supplemental Payment	Total Ongoing Operations Increase	FY 22 Indian Tuition Waiver Cost	Indian Tuition Waiver Pass- Through Payments	Indian Tuition Waiver Adjustment	Total FY24 Indian Tuition Waiver Payment	Total FY 2023-24 Appropriation	Percent Change	Change From FY 2022-23 Total
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%	\$4,268,700
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%	3,992,300
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%	2,693,600
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%	16,111,200
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%	828,400
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%	14,981,500
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%	2,574,700
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%	2,568,900
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%	11,526,900
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%	1,619,900
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%	17,370,800
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%	3,117,600
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%	1,245,500
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%	10,714,800
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%	5,632,000
TOTAL:	\$1,542,797,100	\$12,061,100	\$1,530,736,000	\$21,383,700	\$77,605,900	\$12,164,900	\$153,400	\$257,200	\$12,318,300	\$1,642,043,900	6.4%	\$99,246,800

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 as of 2/8/23	FY 2023-24 Enacted	Difference: Enacted From FY 2022-23 YTD	
			Amount	%
IDG/IDT	\$736,500	\$732,100	(\$4,400)	(0.6)
Federal	1,017,100	1,017,100	0	0.0
Local	0	0	0	--
Private	0	0	0	--
Restricted	72,581,900	72,398,700	(183,200)	(0.3)
GF/GP	0	0	0	--
Gross	\$74,335,500	\$74,147,900	(\$187,600)	(0.3)
FTEs	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.

Major Budget Changes from FY 2022-23 YTD Appropriations**1. Regulatory Staff Increase**

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.

	FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
FTE	NA	4.0
Gross	NA	\$0
GF/GP	NA	\$0

2. Economic Adjustments

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.

Gross	NA	(\$187,600)
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 as of 2/8/23	FY 2023-24 Enacted	Difference: Enacted From FY 2022-23 YTD	
			Amount	%
IDG/IDT	\$1,902,300	\$1,902,300	\$0	0.0
Federal	6,340,300	6,751,300	411,000	6.5
Local	7,782,600	0	(7,782,600)	(100.0)
Private	1,524,200	1,903,900	379,700	24.9
Restricted	95,181,400	95,152,600	(28,800)	0.0
GF/GP	370,774,900	250,218,100	(120,556,800)	(32.5)
Gross	\$483,505,700	\$355,928,200	(\$127,577,500)	(26.4)
FTEs	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.

Major Budget Changes from FY 2022-23 YTD Appropriations**1. Statewide Judicial Case Management System**

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.)

	FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
FTE	NA	60.0
Gross	NA	\$11,899,100
GF/GP	NA	\$11,899,100

2. Consolidate Direct Trial Court Automation Support

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.

FTE	44.0	(44.0)
Gross	\$7,752,900	(\$7,752,900)
Local	7,752,900	(7,752,900)
GF/GP	\$0	\$0

3. Statewide Court Data Transparency Project

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.

Gross	NA	\$4,500,000
GF/GP	NA	\$4,500,000

JUDICIARY

Major Budget Changes from FY 2022-23 YTD Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
4. SADO MAACS Roster Attorney Compensation Grants	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.	Gross	NA	\$3,160,700
	GF/GP	NA	\$3,160,700
5. Juvenile Justice Task Force Recommendation #2	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.	Gross	NA	\$2,025,000
	GF/GP	NA	\$2,025,000
6. Juvenile Justice Task Force Recommendation #3	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.	Gross	NA	\$556,900
	GF/GP	NA	\$556,900
7. Resentencing of Youth Serving Life Sentences	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.	Gross	NA	\$2,529,600
	GF/GP	NA	\$2,529,600
8. Expungement Initiative	Gross	NA	\$700,000
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
9. District Court Judges' Salary Adjustments	Gross	\$38,690,200	\$504,900
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

Major Budget Changes from FY 2022-23 YTD Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
10. Judicial Institute Curriculum and Bench Book Development	FTE	NA	1.0
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.	Gross	NA	\$482,000
	GF/GP	NA	\$482,000
11. Justice for All Initiative	Gross	NA	\$475,000
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.	GF/GP	NA	\$475,000
12. Judicial Tenure Commission	FTE	NA	4.0
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.	Gross	NA	\$422,600
	GF/GP	NA	\$422,600
13. Federal Grant for Friend of the Court Bureau	Gross	NA	\$420,000
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.	Federal	NA	420,000
	GF/GP	NA	\$0
14. Supreme Court Security	FTE	NA	2.0
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.	Gross	NA	\$415,000
	GF/GP	NA	\$415,000
15. Private Michigan Justice Funds for SADO	Gross	NA	\$380,000
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.	Private	NA	380,000
	GF/GP	NA	\$0
16. Michigan Court of Appeals Law Clerks	FTE	NA	2.0
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.	Gross	NA	\$292,200
	GF/GP	NA	\$292,200
17. Board of Law Examiners Funding Adjustment	Gross	NA	\$162,000
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.	GF/GP	NA	\$162,000
18. Increased Costs for Facility Security	Gross	NA	\$105,400
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.	GF/GP	NA	\$105,400

JUDICIARY

Major Budget Changes from FY 2022-23 YTD Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
19. Judgeship Changes	Gross	NA	(\$134,600)
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)
20. Additional FTE Position Authorization	FTE	NA	8.0
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.	Gross	NA	\$0
	GF/GP	NA	\$0
21. Eliminate Current-Year One-Time Funding	FTE	7.0	(7.0)
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.	Gross	\$151,437,200	(\$151,437,200)
	GF/GP	\$151,437,200	(\$151,437,200)
22. Economic Adjustments	Gross	NA	\$2,716,800
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
Gross	\$500,000
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
Gross	\$495,700
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.

Gross	\$704,300
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.

Gross	\$10,000,000
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 Vetoes

Public Act 119 of 2023 (House Bill 4437, Article 9)

Analyst: Viola Bay Wild

IDG/IDT	FY 2022-23 YTD as of 2/8/23	FY 2023-24 Enacted	Difference: Enacted From FY 2022-23 YTD	
			Amount	%
	\$0	\$0	\$0	--
Federal	1,459,595,000	1,183,654,200	(275,940,800)	(18.9)
Local	10,700,000	10,700,000	0	0.0
Private	12,430,700	12,539,200	108,500	0.9
Restricted	265,920,600	358,863,400	92,942,800	35.0
GF/GP	2,940,839,900	1,301,508,000	(1,639,331,900)	(55.7)
Gross	\$4,689,486,200	\$2,867,264,800	(\$1,822,221,400)	(38.9)
FTEs	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).

Major Budget Changes from FY 2022-23 YTD Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
WORKFORCE DEVELOPMENT			
1. Michigan Reconnect Grant Program	Gross	\$55,000,000	\$10,212,200
Includes \$10.2 million GF/GP to reflect current cost estimates of program.	GF/GP	\$55,000,000	\$10,212,200
2. At-Risk Youth Grants	Gross	\$4,750,000	\$950,000
Includes an increase of \$950,000 GF/GP for Jobs for Michigan Graduates program.	GF/GP	\$4,750,000	\$950,000
3. 23+ High School Diploma Program	Gross	\$2,500,000	\$500,000
Includes an increase of \$500,000 GF/GP for the former Graduation Alliance program.	GF/GP	\$2,500,000	\$500,000
4. MiSTEM Advisory Council	FTE	0.0	3.0
Includes an increase of \$350,000 GF/GP and authorization for 3.0 FTE positions for MiSTEM Advisory Council.	Gross	\$300,000	\$350,000
	GF/GP	\$300,000	\$350,000
5. Tri-Share Child Care Program	Gross	\$2,500,000	\$900,000
Includes an increase of \$900,000 GF/GP to be allocated for new hubs, as long as existing hubs receive needed support.	GF/GP	\$2,500,000	\$900,000

LABOR AND ECONOMIC OPPORTUNITY

		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
Major Budget Changes from FY 2022-23 YTD Appropriations			
6. Workforce Development Programs Federal Grants	Gross	NA	\$3,540,600
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.	Federal	NA	3,540,600
	GF/GP	NA	\$0
7. Workforce Development Programs	Gross	NA	\$1,500,000
Includes \$1.5 million federal funding to realign program funding with actual expenditures.	Federal	NA	1,500,000
	GF/GP	NA	\$0
MICHIGAN REHABILITATION SERVICES			
8. Michigan Rehabilitation Services	Gross	\$138,061,300	\$1,500,000
Adds \$1.5 million GF/GP for state matching funds required to receive available federal funding.	Federal	112,085,100	0
	Local	5,300,000	0
	Private	521,500	0
	Restricted	188,300	0
	GF/GP	\$19,966,400	\$1,500,000
9. Centers for Independent Living	Gross	\$18,531,700	\$1,186,900
Includes additional \$1.2 million GF/GP for Centers for Independent Living operations costs and to provide services.	Federal	8,451,600	0
	Private	10,000	0
	GF/GP	\$10,070,100	\$1,186,900
EMPLOYMENT SERVICES			
10. Michigan Occupational Safety and Health Administration (MIOSHA)	FTE	197.0	4.0
	Gross	\$31,272,400	\$4,777,800
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.	Federal	12,915,200	2,389,000
	Restricted	18,357,200	860,000
	GF/GP	\$0	\$1,528,800
11. Wage and Hour Program	FTE	29.0	4.0
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.	Gross	\$4,208,900	\$250,000
	Restricted	4,208,900	250,000
	GF/GP	\$0	\$0
12. Office of Global Michigan	FTE	13.0	2.0
Includes an increase of \$750,000 GF/GP and authorization for 2.0 FTE positions.	Gross	\$39,127,500	\$750,000
	Federal	38,369,000	0
	GF/GP	\$758,500	\$750,000
COMMISSIONS			
13. Michigan Community Service Commission	Gross	\$12,013,500	\$7,570,100
includes \$7.6 million Gross (\$250,000 GF/GP) to support the AmeriCorps program.	Federal	10,826,000	7,274,200
	Private	204,100	45,900
	GF/GP	\$983,400	\$250,000
14. Michigan Women's Commission	Gross	\$1,473,600	\$62,000
Includes an increase of \$62,000 GF/GP for operations of the Michigan Women's Commission.	Federal	100,000	0
	Private	1,000,000	0
	GF/GP	\$373,600	\$62,000

LABOR AND ECONOMIC OPPORTUNITY**Major Budget Changes from FY 2022-23 YTD Appropriations****FY 2022-23
Year-to-Date
(as of 2/8/23)****FY 2023-24
Enacted
Change****STRATEGIC OUTREACH AND ATTRACTION RESERVE**

15. Strategic Outreach and Attraction Reserve (SOAR) Program	Gross	NA	\$200
Includes \$100 restricted funding for the Michigan Strategic Site Readiness Program and \$100 restricted funding for the Critical Industry Program.	Restricted	NA	200
	GF/GP	NA	\$0

MICHIGAN STRATEGIC FUND

16. Pure Michigan	Gross	\$40,000,000	(\$15,000,000)
Eliminates \$15.0 million federal State Fiscal Recovery Fund (SFRF) for the Pure Michigan program.	Federal	15,000,000	(15,000,000)
	Local	5,000,000	0
	Private	5,000,000	0
	GF/GP	\$15,000,000	\$0

17. Job Creation Services – Brownfield Redevelopment Fund	Gross	\$28,917,200	\$1,825,000
Includes an increase of \$1.8 million restricted funding to recognize increased state brownfield redevelopment fund revenue collections.	Federal	4,673,300	0
	Private	200,000	0
	Restricted	6,160,600	1,825,000
	GF/GP	\$17,883,300	\$0

18. Michigan Defense Center Program	Gross	NA	\$5,000,000
Includes \$5.0 million GF/GP to support the defense and homeland security industry in the state.	GF/GP	NA	\$5,000,000

19. Revitalization and Placemaking Program	Gross	NA	\$50,000,000
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.	Restricted	NA	50,000,000
	GF/GP	NA	\$0

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

20. Michigan State Housing Development Authority (MSHDA) Staffing	FTE	273.0	20.0
	Gross	\$47,601,600	\$0
Includes authorization for 20.0 additional FTE positions to administer housing and rental assistance programs; additional staff will be supported with current appropriations.	Restricted	47,601,600	0
	GF/GP	\$0	\$0

21. Michigan Housing and Community Development Program	Gross	NA	\$50,000,000
Allocates \$50.0 million restricted funding for program to expand access to affordable housing and to revitalize downtown areas.	Restricted	NA	50,000,000
	GF/GP	NA	\$0

STATE LAND BANK AUTHORITY

22. Land Bank Authority Increase	Gross	\$4,377,800	\$2,000,000
Includes an increase of \$2.0 million GF/GP.	Federal	1,000,000	0
	Restricted	3,377,800	0
	GF/GP	\$0	\$2,000,000

ONE-TIME APPROPRIATIONS

23. Adult Literacy Opportunity Fund	Gross	NA	\$2,000,000
Includes \$2.0 million GF/GP one-time funding for adult literacy program.	GF/GP	NA	\$2,000,000

24. Voluntary Income Tax Assistance Grants	Gross	NA	\$3,300,000
Includes \$3.3 million GF/GP one-time funding for a voluntary income tax assistance grants program for tax preparation services.	GF/GP	NA	\$3,300,000

25. Child Savings Accounts	Gross	NA	\$2,500,000
Includes \$2.5 million GF/GP one-time funding for additional child savings account pilot programs.	GF/GP	NA	\$2,500,000

LABOR AND ECONOMIC OPPORTUNITY

Major Budget Changes from FY 2022-23 YTD Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
26. College Success Fund	Gross	NA	\$37,800,000
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.	Federal	NA	15,000,000
	GF/GP	NA	\$22,800,000
27. Digital Workforce Development	Gross	NA	\$4,900,000
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.	GF/GP	NA	\$4,900,000
28. Focus: HOPE	Gross	NA	\$1,000,000
Includes \$1.0 million GF/GP one-time funding for Focus: HOPE to support workforce and youth development programs.	GF/GP	NA	\$1,000,000
29. Talent Investment Pilot	Gross	NA	\$5,000,000
Includes \$5.0 million GF/GP for Talent Investment Pilot program.	GF/GP	NA	\$5,000,000
30. Workers' Disability Compensation Agency	Gross	\$8,338,400	\$1,200,000
Includes \$1.2 million GF/GP one-time funding for operations of the Workers' Disability Compensation Agency to replace declining restricted revenues.	Restricted	4,834,900	0
	GF/GP	\$3,503,500	\$1,200,000
31. Convention and Visitors Bureau Relief	Gross	NA	\$10,000,000
Includes \$10.0 million GF/GP one-time funding for grants for all convention and visitors bureaus to promote tourism, hospitality, and travel.	GF/GP	NA	\$10,000,000
32. Habitat for Humanity Home Ownership Program	Gross	NA	\$10,000,000
Includes \$10.0 million GF/GP one-time funding for a statewide housing home ownership program.	GF/GP	NA	\$10,000,000
33. Workforce Training: Hospitality Training Program	Gross	NA	\$10,000,000
Includes \$10.0 million GF/GP one-time funding to the Michigan Hospitality Training Institute to provide training and certifications for hospitality employees.	GF/GP	NA	\$10,000,000
34. Fire Gear Equipment Grants	Gross	NA	\$15,000,000
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.	GF/GP	NA	\$15,000,000
35. Housing Readiness Incentive Grant Program	Gross	NA	\$5,000,000
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.	GF/GP	NA	\$5,000,000
36. Minority Owned Business Support	Gross	NA	\$10,000,000
Includes \$10.0 million GF/GP one-time funding for grant program for minority-owned businesses.	GF/GP	NA	\$10,000,000
37. Skilled Trade Grant Program	Gross	NA	\$28,000,000
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.	GF/GP	NA	\$28,000,000
38. Community Development Financial Institution Grants	Gross	NA	\$19,000,000
Includes \$19.0 million Gross (\$9.0 million GF/GP) one-time funding for community development financial institutions investments.	Restricted	NA	10,000,000
	GF/GP	NA	\$9,000,000

LABOR AND ECONOMIC OPPORTUNITY

<u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>		<u>FY 2022-23 Year-to-Date (as of 2/8/23)</u>	<u>FY 2023-24 Enacted Change</u>
39. New Michigander Support	Gross	NA	\$3,000,000
Includes \$3.0 million GF/GP one-time funding for the Office of Global Michigan for services to new residents.	GF/GP	NA	\$3,000,000
40. Lansing Municipal Infrastructure Project	Gross	NA	\$40,000,000
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.	GF/GP	NA	\$40,000,000
41. Transformational Housing Projects	Gross	NA	\$40,000,000
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.	GF/GP	NA	\$40,000,000
42. Michigan Nurse Scholarship	Gross	NA	\$3,000,000
Includes \$3.0 million GF/GP one-time funding for a statewide nonprofit foundation to support a nursing scholarship program.	GF/GP	NA	\$3,000,000
43. Sports Infrastructure Compliance	Gross	NA	\$3,000,000
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.	GF/GP	NA	\$3,000,000
44. Workforce Stabilization	Gross	NA	\$3,000,000
Includes \$3.0 million GF/GP one-time funding for health workforce initiatives and a nursing scholarship program.	GF/GP	NA	\$3,000,000
45. Community Enhancement Grants – PARTIALLY VETOED	Gross	NA	\$120,220,000
Includes \$122.2 million GF/GP one-time funding for 68 community enhancement grants (see table). <i>(Governor vetoed Sec. 1003 (26) which appropriated \$2.0 million GF/GP.)</i>	GF/GP	NA	\$120,220,000
46. Economic Development Grants	Gross	NA	\$66,240,000
Includes \$66.2 million GF/GP one-time funding for 14 economic development grants (see table).	GF/GP	NA	\$66,240,000
47. Healthcare Grants	Gross	NA	\$91,100,000
Includes \$91.1 million GF/GP one-time funding for 11 healthcare grants (see table).	GF/GP	NA	\$91,100,000
48. High Speed Rail Grants	Gross	NA	\$20,000,000
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.	GF/GP	NA	\$20,000,000
49. Housing Grants	Gross	NA	\$39,250,000
Includes \$39.3 million GF/GP one-time funding for 11 housing grants (see table).	GF/GP	NA	\$39,250,000
50. Michigan Enhancement Grants	Gross	NA	\$4,000,000
Includes \$4.0 million GF/GP one-time funding for 6 grant projects (see table).	GF/GP	NA	\$4,000,000
51. Public Infrastructure Grants	Gross	NA	\$234,420,000
Includes \$234.4 million GF/GP one-time funding for 69 public infrastructure grants (see table).	GF/GP	NA	\$234,420,000
52. Public Safety Grants	Gross	NA	\$176,400,000
Includes \$176.4 million GF/GP one-time funding for 23 public safety grants (see table).	GF/GP	NA	\$176,400,000

LABOR AND ECONOMIC OPPORTUNITY

Major Budget Changes from FY 2022-23 YTD Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
53. Workforce Development Grants	Gross	NA	\$35,000,000
Includes \$35.0 million GF/GP one-time funding for 12 workforce development grants (see table).	GF/GP	NA	\$35,000,000
54. Other Technical Adjustments	Gross	NA	\$979,400
Includes an increase of \$979,400 Gross (\$0 GF/GP) for technical adjustments.	Federal	NA	924,500
	Private	NA	50,000
	Restricted	NA	4,900
	GF/GP	NA	\$0
55. Administrative Staff	FTE	NA	6.0
Includes \$600,000 GF/GP and authorization for 6.0 FTE positions for additional staff for the administration of grants and other programs.	Gross	NA	\$600,000
	GF/GP	NA	\$600,000
56. Executive Revision 2024-1	FTE	NA	16.0
Includes \$687,800 Gross (\$13,100 GF/GP) for adjustments requested in executive revision for various line items.	Gross	NA	\$687,800
	Federal	NA	105,400
	Restricted	NA	569,300
	GF/GP	NA	\$13,100
57. Removal of FY 2022-23 Supplemental Funding	Gross	\$1,789,140,200	(\$1,789,140,200)
Removes FY 2022-23 funding from the following supplemental acts:	Federal	240,000,000	(240,000,000)
• 2022 PA 194 - \$916.1 million Gross (\$896.1 million GF/GP)	Restricted	20,000,200	(20,000,200)
• 2023 PA 1 - \$873.0 million Gross (\$633.0 million GF/GP).	GF/GP	\$1,529,140,000	(\$1,529,140,000)
58. Removal of FY 2022-23 One-Time Appropriations	Gross	\$1,205,024,500	(\$1,205,024,500)
Removes funding for the following one-time appropriations:	Federal	50,750,000	(50,750,000)
• \$251.5 million GF/GP – Economic Development and Workforce Grants	GF/GP	\$1,154,274,500	(\$1,154,274,500)
• \$212.8 million GF/GP – Michigan Infrastructure Grants			
• \$205.3 million GF/GP – Michigan Enhancement Grants			
• \$130.0 million GF/GP – Electric Vehicle Teaching, Training, and Development Center			
• \$100.0 million GF/GP – Academic Research Building			
• \$100.0 million GF/GP – Cancer Institute Project			
• \$75.0 million GF/GP – Blight Elimination Program			
• \$75.0 million GF/GP – Michigan Community Development Financial Institution Fund Grants			
• \$50.0 million federal – ARP – Nonprofit Relief Grants			
• \$2.0 million GF/GP – Arts and Cultural Program			
• \$1.0 million GF/GP – Focus: Hope			
• \$1.0 million GF/GP – Seawall Project			
• \$750,000 federal – State Historic Preservation Office Grant Program			
• \$700,000 GF/GP – Office of Global Michigan Language Access Plans.			
59. Economic Adjustments	Gross	NA	(\$1,528,700)
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.	Federal	NA	(924,500)
	Private	NA	12,600
	Restricted	NA	(566,400)
	GF/GP	NA	(\$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. 980 301. 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~~ 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. ~~4043~~ 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. ~~1059~~ 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)

		Appropriation Change
1. Tri-Share Child Care Program	Gross	\$0
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.	Federal	0
	GF/GP	\$0
2. Workforce Development	Gross	\$2,100,000
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.	Federal	2,100,000
	GF/GP	\$0
3. Workforce Program Administration	Gross	\$2,844,600
Includes \$2.8 million in federal funding for administration costs of workforce training programs.	Federal	2,844,600
	GF/GP	\$0
4. Wage and Hour Program	FTEs	2.0
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.	Gross	\$250,000
	Restricted	250,000
	GF/GP	\$0
5. Revitalization and Placemaking Program	Gross	\$50,000,000
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.	Restricted	50,000,000
	GF/GP	\$0
6. Housing and Community Development Program	Gross	\$50,000,000
Includes \$50.0 million in state restricted funding to expand access to affordable housing and support revitalization of downtown areas.	Restricted	50,000,000
	GF/GP	\$0
7. ARP – Michigan Reconnect Expansion to 21	Gross	\$70,000,000
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.	Federal	70,000,000
	GF/GP	\$0
8. ARP – Missing Middle Gap Program	Gross	\$10,000,000
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.	Federal	10,000,000
	GF/GP	\$0
9. ARP – Talent Action Teams	Gross	\$15,000,000
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.	Federal	15,000,000
	GF/GP	\$0

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

**Appropriation
Change**

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.

Gross \$1,600,000,000
 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.

Gross \$15,240,000
 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.

Gross \$5,000,000
 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.

Gross \$7,000,000
 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
Gross \$2,000,000
 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.

Gross \$28,200,000
 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.

Gross \$10,000,000
 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.

Gross \$150,000,000
 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 and 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	Livingston County Catholic Charities – VETOED	2,000,000
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	LIFE 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

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
TOTAL		\$122,220,000
		\$120,220,000

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
14	Most Worshipful Prince Hall Grand Lodge of Free and Accepted Masons of Michigan Building Renovations	1,500,000
TOTAL		\$66,240,000

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
	TOTAL	\$91,100,000

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
	TOTAL	\$39,250,000

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
	TOTAL	\$4,000,000

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
TOTAL		\$234,420,000

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
TOTAL		\$176,400,000

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
TOTAL		\$35,000,000

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 as of 2/8/23	FY 2023-24 Enacted	Difference: Enacted From FY 2022-23 YTD Amount	%
IDG/IDT	\$47,026,900	\$46,897,200	(\$129,700)	(0.3)
Federal	29,659,200	50,004,200	20,345,000	68.6
Local	0	0	0	--
Private	0	0	0	--
Restricted	249,325,900	259,708,400	10,382,500	4.2
GF/GP	213,822,400	271,331,100	57,508,700	26.9
Gross	\$539,834,400	\$627,940,900	\$88,106,500	16.3
FTEs	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.

Major Budget Changes from FY 2022-23 YTD Appropriations

1. Michigan Indigent Defense Commission (MIDC) Grants

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.

	FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
Gross	\$148,917,400	\$72,000,000
Restricted	300,000	0
GF/GP	\$148,617,400	\$72,000,000

2. Low Carbon Energy Infrastructure Enhancement and Development

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.

Gross	\$25,000,000	(\$25,000,000)
GF/GP	\$25,000,000	(\$25,000,000)

Major Budget Changes from FY 2022-23 YTD Appropriations

		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
3. Renewable Energy and Electrification Infrastructure Enhancement and Development	FTE	NA	2.0
	Gross	NA	\$21,300,000
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.	Federal	NA	20,000,000
	GF/GP	NA	\$1,300,000
4. Michigan Saves Green Bank	Gross	NA	\$5,500,000
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.	GF/GP	NA	\$5,500,000
5. Cannabis Regulatory Agency Reference Laboratory	FTE	NA	5.0
	Gross	NA	\$4,400,000
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.	Restricted	NA	4,400,000
	GF/GP	NA	\$0
6. Corporations Online Filing Modernization	Gross	NA	\$2,700,000
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.	Restricted	NA	2,700,000
	GF/GP	NA	\$0
7. Child Care Licensing Background Checks	Gross	NA	\$2,200,000
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.	GF/GP	NA	\$2,200,000
8. Utility Consumer Representation Grants	Gross	NA	\$1,800,000
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.	GF/GP	NA	\$1,800,000

LICENSING AND REGULATORY AFFAIRS

Major Budget Changes from FY 2022-23 YTD Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
9. Liquor Law Enforcement Grants			
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.	Gross	\$8,400,000	\$1,500,000
	Restricted	8,400,000	1,500,000
	GF/GP	\$0	\$0
10. Bureau of Survey and Certification			
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.	Gross	NA	\$1,200,000
	GF/GP	NA	\$1,200,000
11. Child Care Licensing Bureau Staffing			
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.	FTE	127.0	7.0
	Gross	\$20,648,400	\$1,100,000
	IDG/IDT	20,146,700	0
	Restricted	501,700	0
	GF/GP	\$0	\$1,100,000
12. Bureau of Fire Services – Smoke Detectors			
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.	Gross	NA	\$1,000,000
	GF/GP	NA	\$1,000,000
13. Cannabis Regulatory Agency Social Equity Program			
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.	Gross	NA	\$1,000,000
	Restricted	NA	1,000,000
	GF/GP	NA	\$0
14. Corporations Online Filing System Ongoing Maintenance			
Includes \$1.0 million of state restricted funding authorization from Corporation Fees to support ongoing maintenance costs for the Corporations Online Filing System.	Gross	NA	\$1,000,000
	Restricted	NA	1,000,000
	GF/GP	NA	\$0
15. Elevator Inspector Pay Rate Increase			
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.	Gross	NA	\$900,000
	Restricted	NA	900,000
	GF/GP	NA	\$0
16. Michigan Liquor Control Commission SIPS Maintenance and Licensing			
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.	Gross	NA	\$900,000
	Restricted	NA	900,000
	GF/GP	NA	\$0

<u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
17. Michigan Public Service Commission Staff 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	190.0	0.0
	Gross	\$34,168,900	\$813,400
	Federal	2,665,000	349,900
	Restricted	31,503,900	463,500
	GF/GP	\$0	\$0
18. Civil Service Compensation Increases 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.	Gross	NA	\$619,700
	Restricted	NA	619,700
	GF/GP	NA	\$0
19. Child Care Licensing System Maintenance and Licensing Includes \$600,000 GF/GP to support ongoing maintenance and licensing costs for the child care licensing system.	Gross	NA	\$600,000
	GF/GP	NA	\$600,000
20. Michigan Liquor Control Commission Staffing 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	145.0	0.0
	Gross	\$22,201,500	\$514,600
	Restricted	22,201,500	514,600
	GF/GP	\$0	\$0
21. Michigan Indigent Defense Commission Staffing 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	16.0	0.0
	Gross	\$2,763,000	\$413,000
	GF/GP	\$2,763,000	\$413,000
22. Premanufactured Unit Plan Review Upgrades 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).	Gross	NA	\$350,000
	GF/GP	NA	\$350,000
23. Industrial Hemp Processor-Handler Regulation 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.	Gross	NA	\$300,000
	Restricted	NA	300,000
	GF/GP	NA	\$0
24. Bureau of Fire Services Aboveground Storage Tank Fees 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.	Gross	NA	\$100,000
	Restricted	NA	100,000
	GF/GP	NA	\$0
25. MiLogin Rate Increase 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.	Gross	NA	\$100,000
	Restricted	NA	100,000
	GF/GP	NA	\$0

LICENSING AND REGULATORY AFFAIRS

Major Budget Changes from FY 2022-23 YTD Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
26. Michigan Public Service Commission Gas Inspections	FTE	190.0	0.0
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.	Gross	\$34,168,900	\$73,900
	Federal	2,665,000	69,500
	Restricted	31,503,900	4,400
	GF/GP	\$0	\$0
27. Removal of FY 2022-23 One-Time Appropriations	Gross	\$8,343,600	(\$8,343,600)
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:	Restricted	3,843,600	(3,843,600)
	GF/GP	\$4,500,000	(\$4,500,000)
<ul style="list-style-type: none">• BFS – Smoke Detectors (\$1.0 million GF/GP)• Cannabis Market Taxation and Regulatory Compliance Analysis Pilot Program (\$500,000 state restricted funding authorization)• Corporations Online Filing Modernization (\$2.3 million state restricted funding authorization)• Michigan Saves (\$2.5 million GF/GP)• Michigan Task Force on Foreign Trained Medical Professional Licensing (\$1.0 million state restricted funding authorization)• Urban Search and Rescue (\$1.0 million GF/GP).			
28. Internal FTE Authorization Alignment	FTE	NA	0.0
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:	Gross	NA	\$0
	GF/GP	NA	\$0
<ul style="list-style-type: none">• Public Service Commission – increase of 5.0 FTEs• Liquor Licensing and Enforcement – increase of 3.0 FTEs• Management Support Services – increase of 2.0 FTEs• Bureau of Construction Codes – decrease of 10.0 FTEs• Bureau of Professional Licensing – decrease of 3.0 FTEs• Child Care Licensing and Regulation – increase of 6.0 FTEs• Michigan Office of Administrative Hearings and Rules – decrease of 8.0 FTEs• Michigan Indigent Defense Commission – increase of 5.0 FTEs.			

Major Budget Changes from FY 2022-23 YTD Appropriations

29. Technical Adjustments

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:

- 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.
- 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.
- 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.
- 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.
- 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.
- Replaces \$1.0 million in state restricted funding authorization from the Licensing and Regulation Fund with authorization from the Health Professions Regulatory Fund.
- 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.
- Replaces \$350,000 GF/GP in the Bureau of Professional Licensing line item with state restricted funding authorization from the Health Professions Regulatory Fund.

	FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
Gross	NA	\$1,900
Restricted	NA	351,900
GF/GP	NA	(\$350,000)

30. Economic Adjustments

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.

Gross	NA	(\$936,400)
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)

**Appropriation
Change**

1. Homeowner Construction Lien Recovery Fund

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.

Gross	\$335,000
Restricted	335,000
GF/GP	\$0

2. COVID-19 Survey Activities

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.

Gross	\$366,000
Federal	366,000
GF/GP	\$0

3. Industrial Hemp Program

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.

Gross	\$300,000
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 Cnossen

	FY 2022-23 YTD as of 2/8/23	FY 2023-24 Enacted	Difference: Enacted From FY 2022-23 YTD	
			Amount	%
IDG/IDT	\$101,800	\$101,800	\$0	0.0
Federal	200,364,300	135,035,900	(65,328,400)	(32.6)
Local	0	0	0	--
Private	640,000	100,000	(540,000)	(84.4)
Restricted	18,794,900	14,213,400	(4,581,500)	(24.4)
GF/GP	142,465,000	98,889,300	(43,575,700)	(30.6)
Gross	\$362,366,000	\$248,340,400	(\$114,025,600)	(31.5)
FTEs	1,063.5	1,060.0	(3.5)	(0.3)

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 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

1. Military Facilities Services Inflation Adjustment

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.

	FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
Gross	NA	\$180,000
Federal	NA	121,700
GF/GP	NA	\$58,300

2. Federal NG Bureau Unallowable Costs Backfill

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:

- \$58,300 for Headquarters and Armories
- \$215,900 for Michigan Youth ChalleNGe Academy
- \$295,000 for Military Training Sites and Support Facilities.

Gross	NA	\$569,200
GF/GP	NA	\$569,200

Major Budget Changes from FY 2022-23 YTD Appropriations

		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
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:	FTE	NA	(22.5)
	Gross	NA	\$0
	Federal	NA	0
	GF/GP	NA	\$0
<ul style="list-style-type: none"> • 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.	Gross	\$1,457,000	(\$106,000)
	GF/GP	\$1,457,000	(\$106,000)
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.	FTE	NA	13.0
	Gross	NA	\$1,475,000
	Federal	NA	1,206,000
	GF/GP	NA	\$269,000
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.	FTE	NA	3.0
	Gross	NA	\$500,000
	GF/GP	NA	\$500,000
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.	FTE	0.0	2.0
	Gross	\$1,200,000	\$0
	GF/GP	\$1,200,000	\$0
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:	Gross	NA	\$9,435,100
	Federal	NA	5,429,300
	Restricted	NA	(3,883,100)
	GF/GP	NA	\$7,888,900
<ul style="list-style-type: none"> • \$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. 			

MILITARY AND VETERANS AFFAIRS

Major Budget Changes from FY 2022-23 YTD Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
9. Part 1 Private Revenue Authorization Removal 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.	Gross	\$640,000	(\$540,000)
	Private	640,000	(540,000)
	GF/GP	\$0	\$0
10. Selfridge Air National Guard Base (One-Time) 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.	Gross	\$6,100,000	\$3,900,000
	GF/GP	\$6,100,000	\$3,900,000
11. MVFA GRHV Transition Funding (One-Time) 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.	Gross	\$6,000,000	(\$3,000,000)
	GF/GP	\$6,000,000	(\$3,000,000)
12. Veteran Homelessness Grants 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.	Gross	\$0	\$2,000,000
	GF/GP	\$0	\$2,000,000
13. Removal of FY 2022-23 One-Time Funding Eliminates \$133.8 million Gross (\$60.9 million GF/GP) of one-time funding appropriated in FY 2022-23: <ul style="list-style-type: none">\$115.0 million Gross (\$55.0 million GF/GP) for statewide Army Modernization projects\$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.	Gross	\$133,806,000	(\$133,806,000)
	Federal	72,331,000	(72,331,000)
	Restricted	560,000	(560,000)
	GF/GP	\$60,915,000	(\$60,915,000)
14. NG Tuition Assistance Expansion to Dependents 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.	FTE	2.5	1.0
	Gross	\$6,521,900	\$5,000,000
	GF/GP	\$6,521,200	\$5,000,000
15. Executive Revision 2024-1 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.	Gross	NA	\$1,186,300
	Federal	NA	590,500
	GF/GP	NA	\$595,800

<u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
16. Economic Adjustments	Gross	NA	(\$819,200)
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)

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.

	Appropriation Change
Gross	\$3,200,000
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.

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 as of 2/8/23	FY 2023-24 Enacted	Difference: Enacted From FY 2022-23 YTD	
			Amount	%
IDG/IDT	\$203,100	\$202,600	(\$500)	(0.2)
Federal	93,630,000	122,923,800	29,293,800	31.3
Local	0	0	0	--
Private	7,039,200	7,289,200	250,000	3.6
Restricted	340,206,500	353,778,000	13,571,500	4.0
GF/GP	94,404,000	88,054,500	(6,349,500)	(6.7)
Gross	\$535,482,800	\$572,248,100	\$36,765,300	6.9
FTEs	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.

Major Budget Changes from FY 2022-23 YTD Appropriations

		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
1. Invasive Species Prevention and Control	FTE	13.0	8.0
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.	Gross	\$5,101,600	\$3,951,100
	GF/GP	\$5,101,600	\$3,951,100
2. Nature Awaits	FTE	NA	13.8
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.	Gross	NA	\$8,000,000
	GF/GP	NA	\$8,000,000
3. Wildfire Protection and Technology	FTE	NA	22.0
Provides \$3.7 million GF/GP and authorizes 22.0 FTE positions to expand state firefighting personnel and equipment.	Gross	NA	\$3,738,800
	GF/GP	NA	\$3,738,800
4. General Law Enforcement	FTE	293.0	0.0
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.	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
5. Great Lakes Splash Pads (One-Time)	Gross	NA	\$1,000,000
Provides \$1.0 million GF/GP for splash pad playgrounds on the shores of Lake Michigan.	GF/GP	NA	\$1,000,000

NATURAL RESOURCES

Major Budget Changes from FY 2022-23 YTD Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
6. Outreach and Engagement to Underrepresented Communities in Parks and Museums	FTE	NA	7.0
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.	Gross	NA	\$1,500,000
	Restricted	NA	719,100
	GF/GP	NA	\$780,900
7. Body Cameras for Conservation Officers	FTE	0.0	5.0
Appropriates \$258,900 GF/GP and authorizes 5.0 FTE positions to manage body camera data and FOIA requests.	Gross	\$600,000	\$258,900
	GF/GP	\$600,000	\$258,900
8. Capital Outlay Adjustments	Gross	NA	\$12,000,000
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	NA	4,575,000
	Private	NA	250,000
	Restricted	NA	5,175,000
	GF/GP	NA	\$2,000,000
9. Parks and Recreation Division Operations	FTE	NA	54.7
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.	Gross	NA	\$7,753,500
	Restricted	NA	7,753,500
	GF/GP	NA	\$0
10. Forest Land Management Equipment (One-Time)	Gross	NA	\$2,500,000
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	NA	2,500,000
	GF/GP	NA	\$0
11. Federal Funding for Fire Protection	Gross	NA	\$1,751,500
Appropriates \$1.8 million in available federal revenues to expand state and local fire protection.	Federal	NA	1,751,500
	GF/GP	NA	\$0
12. Climate and Carbon Sequestration Program Expansion	FTE	NA	4.0
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.	Gross	NA	\$1,463,600
	Restricted	NA	1,463,600
	GF/GP	NA	\$0
13. Restricted Authorization Alignment	Gross	NA	(\$1,432,400)
Reduces restricted funding by \$1.4 million across divisions to align spending authorization with available resources.	Restricted	NA	(1,432,400)
	GF/GP	NA	\$0
14. Fleet Rate Increase	Gross	NA	\$1,229,100
Appropriates \$1.2 million Gross (\$0 GF/GP) to cover increased mileage rates and transportation leasing costs.	Federal	NA	2,900
	Restricted	NA	1,226,200
	GF/GP	NA	\$0
15. Finance and Operations Expansion	FTE	NA	5.0
Provides \$724,700 Gross (\$0 GF/GP) and authorizes 5.0 FTE positions to manage departmental grants, land transactions, and procurement processes.	Gross	NA	\$724,700
	Federal	NA	23,900
	Restricted	NA	700,800
	GF/GP	NA	\$0

NATURAL RESOURCES

Major Budget Changes from FY 2022-23 YTD Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
16. Forest Management and Timber Market Development	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.	Gross	\$44,532,400	\$540,800
	Federal	10,435,600	540,800
	Private	930,400	0
	Restricted	33,166,400	0
	GF/GP	\$0	\$0
17. Michigan Wildlife Council	Gross	\$1,600,000	(\$200,000)
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
18. Information Technology Services and Projects	Gross	\$10,562,500	\$54,200
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
19. Cross-Divisional Internal Transfers	Gross	NA	\$0
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
20. Removal of FY 2022-23 One-Time Funding	Gross	\$46,935,000	(\$46,935,000)
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)
21. Aggregate Mapping (One-Time)	Gross	NA	\$5,000,000
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
22. Michigan Conservation Corps (One-Time)	Gross	\$934,000	\$500,000
Appropriates an additional \$500,000 GF/GP to the Michigan Conservation Corp program.	GF/GP	\$934,000	\$500,000
23. State Water Trail Organizations (One-Time)	Gross	NA	\$500,000
Appropriates \$500,000 GF/GP to support state water trail organizations.	GF/GP	NA	\$500,000
24. Wetland Restoration in Urban Areas (One-Time)	Gross	NA	\$550,000
Provides \$550,000 GF/GP for wetland restoration in urban areas.	GF/GP	NA	\$550,000
25. Cultural Resource Management	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.	Gross	NA	\$2,000,000
	GF/GP	NA	\$2,000,000

NATURAL RESOURCES

<u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>		<u>FY 2022-23 Year-to-Date (as of 2/8/23)</u>	<u>FY 2023-24 Enacted Change</u>
26. Vehicle Travel Services	Gross	NA	\$946,300
Appropriates \$946,300 Gross (\$790,000 GF/GP) to cover increased travel costs related to vehicle mileage rates and leasing costs.	Federal	NA	8,400
	Restricted	NA	147,900
	GF/GP	NA	\$790,000
27. Swimming Pool Restoration Project (One-Time)	Gross	NA	\$5,000,000
Provides \$5.0 million GF/GP to restore Moore's Park pool in Lansing.	GF/GP	NA	\$5,000,000
28. Dam Management Grant Program (One-Time)	Gross	NA	\$1,250,000
Appropriates \$1.3 million GF/GP for dam management grants.	GF/GP	NA	\$1,250,000
29. Swimming Pool Repair Project (One-Time)	Gross	NA	\$200,000
Provides \$200,000 GF/GP to repair a public swimming pool in Ypsilanti.	GF/GP	NA	\$200,000
30. Executive Revision 2024-1	Gross	NA	(\$2,482,900)
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.	Federal	NA	5,800
	Restricted	NA	(2,496,300)
	GF/GP	NA	\$7,600
31. Fresh Water Research and Innovation Center	Gross	NA	\$15,000,000
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.	Federal	NA	15,000,000
	GF/GP	NA	\$0
32. Urban and Community Forestry Assistance	Gross	NA	\$7,500,000
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.	Federal	NA	7,500,000
	GF/GP	NA	\$0
33. Economic Adjustments	Gross	NA	(\$646,400)
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.	IDG	NA	(500)
	Federal	NA	(114,500)
	Private	NA	0
	Restricted	NA	(490,100)
	GF/GP	NA	(\$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. Expending 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.

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

Appropriation **Change**

1. Off-Road Vehicle Trail Program Administration	Gross	\$32,800
Includes \$32,800 from the Off-Road Vehicle Trail Improvement Fund to be used for off-road vehicle trail program administration.	Restricted	32,800
	GF/GP	\$0
2. Carbon Credits from Sale of State Forest Lands	FTEs	5.0
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.	Gross	\$1,662,000
	Restricted	1,662,000
	GF/GP	\$0
3. General Law Enforcement	Gross	\$570,000
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.	Restricted	570,000
	GF/GP	\$0
4. Belle Isle Park	Gross	\$450,000
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.	Restricted	450,000
	GF/GP	\$0
5. Off-Road Vehicle Trail Improvement Grants	Gross	\$555,000
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).	Restricted	555,000
	GF/GP	\$0
6. Brandon Road Interbasin Project	Gross	\$64,000,000
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.	GF/GP	\$64,000,000
7. Off-Road Vehicle Trail Development and Maintenance	Gross	\$1,200,000
Includes \$1.2 million from the Off-Road Vehicle Trail Improvement Fund to repair the flooded Lake Linden Trail in Houghton County.	Restricted	1,200,000
	GF/GP	\$0
8. Snowmobile Trail Development and Maintenance	Gross	\$2,700,000
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).	Restricted	2,700,000
	GF/GP	\$0
9. Net River Dam	Gross	\$1,200,000
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.	GF/GP	\$1,200,000
10. Waterways Boating Program – Marina Improvements	Gross	\$3,612,700
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.	Federal	3,612,700
	GF/GP	\$0
11. State Boating Infrastructure Maintenance	Gross	\$1,200,000
Includes \$1.2 million in available federal funding for improvements to the Lexington State Harbor in Sanilac County.	Federal	1,200,000
	GF/GP	\$0

NATURAL RESOURCES**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
Gross	\$23,000,000
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.

Gross	\$23,000,000
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**

	FY 2022-23 YTD as of 2/8/23	FY 2023-24 Enacted	<i>Difference: Enacted From FY 2022-23 YTD</i>	
			<i>Amount</i>	<i>%</i>
IDG/IDT	\$0	\$0	\$0	--
Federal	2,524,243,500	2,200,793,500	(323,450,000)	(12.8)
Local	0	0	0	--
Private	0	0	0	--
Restricted	16,966,472,900	19,170,957,800	2,204,484,900	13.0
GF/GP	124,200,000	87,900,000	(36,300,000)	(29.2)
Gross	\$19,614,916,400	\$21,459,651,300	\$1,844,734,900	9.4

*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 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.

<u>Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations</u>		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
1. Foundation Allowance (Secs. 22a & 22b)	Gross	\$10,134,000,000	\$611,000,000
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.	Restricted	10,133,609,300	611,354,300
	GF/GP	\$390,700	(\$354,300)
2. Foundation: Cyber Schools Reduction (Secs. 22a & 22b)	Gross	NA	(\$9,800,000)
Maintains cyber school foundation allowances at \$9,150, for an estimated savings of \$9.8 million SAF.	Restricted	NA	(9,800,000)
	GF/GP	NA	\$0
3. Enrollment Stabilization (Sec. 29) – NEW	Gross	\$0	\$71,000,000
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.	Restricted	0	71,000,000
	GF/GP	\$0	\$0

SCHOOL AID

Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
4. Michigan Public School Employees Retirement System (MPERS) (Secs. 147a, 147c, 147e, & 147f)		Gross \$2,964,650,000	(\$490,261,000)
Removes one-time appropriations of \$1.0 billion SAF and \$140.4 million MPERS Retirement Obligation Reform Reserve Fund, and increases state support for K-12 MPERS 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:	Restricted	2,964,100,000	(490,311,000)
	GF/GP	\$550,000	\$50,000
<ul style="list-style-type: none"> 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)); Provides \$215.8 million MPERS 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. 			
5. Per-Pupil Mental Health and School Safety Grant (Sec. 31aa)		Gross \$150,000,000	\$178,000,000
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.	Restricted	150,000,000	160,000,000
	GF/GP	\$0	\$18,000,000
6. Special Education (Secs. 51a, 51c, 51d, 51e, 53a, 54 & 56)		Gross \$1,921,503,100	\$310,293,000
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.	Federal	461,000,000	0
	Restricted	1,460,503,100	310,293,000
	GF/GP	\$0	\$0
7. Consolidation Grants (Sec. 12c) – NEW		Gross \$0	\$245,000,000
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.	Restricted	0	245,000,000
	GF/GP	\$0	\$0
8. Student Loan Repayment Pilot (Sec. 27k) – NEW		Gross \$0	\$225,000,000
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.	Restricted	0	225,000,000
	GF/GP	\$0	\$0
9. At-Risk (Sec. 31a)		Gross \$747,500,000	\$204,500,000
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.	Restricted	747,500,000	204,500,000
	GF/GP	\$0	\$0

SCHOOL AID

Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
10. Universal School Breakfast and Lunch (Sec. 30d) – NEW		Gross	\$0
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	0	\$160,000,000
	GF/GP	\$0	\$0
11. Early Literacy Instruction (Sec. 35j) – NEW		Gross	\$0
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	0	\$140,000,000
	GF/GP	\$0	\$0
12. MI Clean School Bus Grants (Sec. 74b) – NEW		Gross	\$0
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	0	\$125,000,000
	GF/GP	\$0	\$0
13. Transportation Costs (Sec. 22l) – NEW		Gross	\$0
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	0	\$125,000,000
	GF/GP	\$0	\$0
14. Great Start Readiness Program (GSRP) (Secs. 32d & 39)		Gross	\$452,470,000
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	83,000,000	(83,000,000)
	Restricted	369,120,000	173,600,000
	GF/GP	\$350,000	\$250,000
15. Educator Compensation Program (Sec. 27l) – NEW		Gross	\$0
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	0	\$63,800,000
	GF/GP	\$0	\$0

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Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
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.	Gross	\$0	\$50,000,000
	Restricted	0	50,000,000
	GF/GP	\$0	\$0
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.	Gross	\$25,000,000	\$25,000,000
	Federal	25,000,000	(25,000,000)
	Restricted	0	50,000,000
	GF/GP	\$0	\$0
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.	Gross	\$8,075,000	\$0
	Restricted	5,000,000	0
	GF/GP	\$3,075,000	\$0
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.	Gross	\$0	\$45,000,000
	Restricted	0	45,000,000
	GF/GP	\$0	\$0
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.	Gross	\$18,000,000	\$9,000,000
	Restricted	18,000,000	9,000,000
	GF/GP	\$0	\$0

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Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
21. Partnership Model Districts (Sec. 21h) 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.	Gross	\$6,137,400	\$36,000,000
	Restricted	6,137,400	36,000,000
	GF/GP	\$0	\$0
22. Isolated District Funding (Sec. 22d) Increases by \$2.7 million SAF for a total of \$11.1 million SAF to do all of the following: <ul style="list-style-type: none"> • 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. • Provide an additional one-time \$1.8 million increase for small, isolated districts. • 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. 	Gross	\$8,858,000	\$2,743,000
	Restricted	8,858,000	2,743,000
	GF/GP	\$0	\$0
23. Technology Regional Data Hubs (Sec. 22m) 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.	Gross	\$2,200,000	\$1,300,000
	Restricted	2,200,000	1,300,000
	GF/GP	\$0	\$0
24. Mathematics Teaching and Learning (Sec. 23h) – NEW 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.	Gross	\$0	\$25,000,000
	Restricted	0	25,000,000
	GF/GP	\$0	\$0
25. Friends of the Children (Sec. 23i) – NEW 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.	Gross	\$0	\$397,000
	Restricted	0	397,000
	GF/GP	\$0	\$0
26. Covenant House (Sec. 25k) – NEW 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.	Gross	\$0	\$1,000,000
	Restricted	0	1,000,000
	GF/GP	\$0	\$0
27. MI Future Educator Fellowship Program (Sec. 27a) 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.	Gross	\$25,000,000	\$0
	Restricted	20,000,000	0
	GF/GP	\$5,000,000	\$0

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Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
28. MI Future Educator Student Teacher Stipend (Sec. 27c)	Gross	\$50,000,000	\$0
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.	Restricted	50,000,000	0
	GF/GP	\$0	\$0
29. Rural Educator Credentialing Hub (Sec. 27i) – NEW	Gross	\$0	\$15,000,000
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.	Restricted	0	15,000,000
	GF/GP	\$0	\$0
30. Special Education Capacity Building (Sec. 27j) – NEW	Gross	\$0	\$5,000,000
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.	Restricted	0	5,000,000
	GF/GP	\$0	\$0
31. National Board Certification Fund (Sec. 27m) – NEW	Gross	\$0	\$5,000,000
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.	Restricted	0	5,000,000
	GF/GP	\$0	\$0
32. SVSU Saginaw Grow Your Own (Sec. 27n) – NEW	Gross	\$0	\$2,000,000
Provides one-time funding of \$2.0 million SAF for employees in the Saginaw Public School District to earn their teaching certificate.	Restricted	0	2,000,000
	GF/GP	\$0	\$0
33. Learner Wallet (Sec. 27o) – NEW	Gross	\$0	\$2,000,000
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.	Restricted	0	2,000,000
	GF/GP	\$0	\$0
34. Hamtramck Accelerated Learning Coaches (Sec. 27q) – NEW	Gross	\$0	\$2,000,000
Provides one-time funding of \$2.0 million SAF for Hamtramck school district to hire and train accelerated learning coaches.	Restricted	0	2,000,000
	GF/GP	\$0	\$0
35. Local Produce in School Meals (Sec. 31j)	Gross	\$9,300,000	\$0
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.	Restricted	8,800,000	0
	GF/GP	\$500,000	\$0
36. ISD Mental Health and Support Services (Sec. 31n(6))	Gross	\$62,800,000	\$24,445,000
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.	Restricted	62,800,000	24,445,000
	GF/GP	\$0	\$0
37. ISD Mental Health Program Administration (Sec. 31n(10))	Gross	\$500,000	\$4,500,000
Increases by \$4.5 million SAF for a total of \$5.0 million SAF to ISDs on an equal basis for program administration.	Restricted	500,000	4,500,000
	GF/GP	\$0	\$0
38. Novi Schools Wellness Center (Sec. 31r) – NEW	Gross	\$0	\$1,000,000
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.	Restricted	0	1,000,000
	GF/GP	\$0	\$0

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Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
39. SMART Internship Grant Program (Sec. 31ff) – NEW	Gross	\$0	\$15,000,000
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	0	14,500,000
	GF/GP	\$0	\$500,000
40. Early Childhood Block Grants (Sec. 32p)	Gross	\$13,400,000	\$6,000,000
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	13,400,000	6,000,000
	GF/GP	\$0	\$0
41. Dolly Parton Imagination Library (Sec. 32p(6)) – NEW	Gross	\$0	\$4,000,000
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	0	4,000,000
	GF/GP	\$0	\$0
42. Three-Year-Old GSRP Pilot Program (Sec. 32t)	Gross	\$2,200,000	\$15,800,000
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	2,200,000	15,800,000
	GF/GP	\$0	\$0
43. GOAL Line Detroit (Sec. 32w) – NEW	Gross	\$0	\$6,000,000
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	0	6,000,000
	GF/GP	\$0	\$0
44. Levin Center (Sec. 32x) – NEW	Gross	\$0	\$4,000,000
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	0	4,000,000
	GF/GP	\$0	\$0
45. K-5 Music Education Pilot (Sec. 33) – NEW	Gross	\$0	\$11,000,000
Provides one-time funding of \$11.0 million SAF for districts to begin music education programs for grades K through 5.	Restricted	0	11,000,000
	GF/GP	\$0	\$0
46. Early Literacy Teacher Coaches (Sec. 35a(4))	Gross	\$31,500,000	\$10,500,000
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	31,500,000	10,500,000
	GF/GP	\$0	\$0
47. Early Literacy Added Instructional Time (Sec. 35a(5))	Gross	\$19,900,000	\$0
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	19,900,000	0
	GF/GP	\$0	\$0
48. Michigan Education Corps (Sec. 35a(8))	Gross	\$5,000,000	\$0
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	0	0
	GF/GP	\$5,000,000	0

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Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
49. LETRS Professional Learning (Sec. 35a(10))	Gross	\$10,000,000	\$0
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.	Restricted	10,000,000	0
	GF/GP	\$0	0
50. Orton-Gillingham (Sec. 35d)	Gross	\$1,000,000	\$0
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.	Restricted	0	1,000,000
	GF/GP	\$1,000,000	(\$1,000,000)
51. Chaldean Community Foundation (Sec. 35f) – NEW	Gross	\$1,000,000	\$250,000
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.	Restricted	0	1,250,000
	GF/GP	\$1,000,000	(\$1,000,000)
52. MiFamily Engagement Centers (Sec. 35i) – NEW	Gross	\$0	\$14,000,000
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.	Restricted	0	14,000,000
	GF/GP	\$0	\$0
53. Early Literacy Hub Campaign (Sec. 35i(5)) – NEW	Gross	\$0	\$2,000,000
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.	Restricted	0	2,000,000
	GF/GP	\$0	\$0
54. Detroit Parent Network (Sec. 35k) – NEW	Gross	\$0	\$3,000,000
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.	Restricted	0	3,000,000
	GF/GP	\$0	\$0
55. Lake Shore Early Childhood Center (Sec. 35l) – NEW	Gross	\$0	\$1,250,000
Provides one-time funding of \$1.3 million SAF for Lake Shore Public Schools to support the construction of an early childhood community center.	Restricted	0	1,250,000
	GF/GP	\$0	\$0
56. Federal Grants (Sec. 39a)	Gross	\$815,200,000	\$6,400,000
Increases federal grants under Every Student Succeeds Act (ESSA) by \$2.4 million and other federal grants by \$4.0 million.	Federal	815,200,000	6,400,000
	GF/GP	\$0	\$0
57. Bilingual Education (Sec. 41)	Gross	\$26,511,000	\$13,255,000
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.	Restricted	26,511,000	13,255,000
	GF/GP	\$0	\$0
58. Immigrant Support Services (Sec. 41b)	Gross	\$1,250,000	\$250,000
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.	Restricted	1,250,000	250,000
	GF/GP	\$0	\$0

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Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
59. Early On (Sec. 54d)	Gross	\$21,250,000	\$1,063,000
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	21,250,000	1,063,000
	GF/GP	\$0	\$0
60. Career and Technical Education (CTE) (Sec. 61a)	Gross	\$47,611,300	\$400,000
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	47,611,300	400,000
	GF/GP	\$0	\$0
61. CTE Equipment Upgrades (Sec. 61c)	Gross	\$7,500,000	\$7,500,000
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	7,500,000	7,500,000
	GF/GP	\$0	\$0
62. CTE Incentive Payments (Sec. 61d)	Gross	\$5,000,000	\$0
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	5,000,000	0
	GF/GP	\$0	\$0
63. Downriver CTE Consortium (Sec. 61j) – NEW	Gross	\$0	\$10,700,000
Provides one-time funding of \$10.7 million SAF for the Huron School District to support the Downriver Career and Technical Education Consortium.	Restricted	0	10,700,000
	GF/GP	\$0	\$0
64. Mott Bilingual Center (Sec. 61k) – NEW	Gross	\$0	\$2,600,000
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	0	2,600,000
	GF/GP	\$0	\$0
65. Schoolcraft Early/Middle College Expansion (Sec. 61l) – NEW	Gross	\$0	\$1,200,000
Provides one-time funding of \$1.2 million SAF for Schoolcraft College to expand its early middle college program.	Restricted	0	1,200,000
	GF/GP	\$0	\$0
66. Beecher High School (Sec. 61m) – NEW	Gross	\$0	\$2,500,000
Provides one-time funding of \$2.5 million SAF to Beecher Community School District to build a new high school.	Restricted	0	2,500,000
	GF/GP	\$0	\$0
67. Waverly High School (Sec. 61n) – NEW	Gross	\$0	\$3,000,000
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	0	3,000,000
	GF/GP	\$0	\$0
68. DPSCD Elementary School (Sec. 61o) – NEW	Gross	\$0	\$6,500,000
Provides one-time funding of \$6.5 million SAF for DPSCD for renovations and essential structural improvements for Coleman A. Young Elementary School.	Restricted	0	6,500,000
	GF/GP	\$0	\$0
69. DPSCD Foreign Language School (Sec. 61p) – NEW	Gross	\$0	\$5,000,000
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	0	5,000,000
	GF/GP	\$0	\$0

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Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
70. Michigan Joint Training Innovation Center (Sec. 61q) – NEW	Gross	\$0	\$5,000,000
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	0	5,000,000
	GF/GP	\$0	\$0
71. Lansing Schools Hill Center Track (Sec. 61r) – NEW	Gross	\$0	\$500,000
Provides one-time funding of \$500,000 SAF to Lansing Public School District for the Hill Center track.	Restricted	0	500,000
	GF/GP	\$0	\$0
72. Eaton RESA FFA (Sec. 61s) – NEW	Gross	\$0	\$4,000,000
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	0	4,000,000
	GF/GP	\$0	\$0
73. Harper Woods CTE Center (Sec. 61t) – NEW	Gross	\$0	\$1,000,000
Provides one-time funding of \$1.0 million SAF for Harper Woods school district to support the construction of a CTE Center.	Restricted	0	1,000,000
	GF/GP	\$0	\$0
74. Romulus CTE Center (Sec. 61u) – NEW	Gross	\$0	\$1,600,000
Provides one-time funding of \$1.6 million SAF for Romulus Community Schools to support the construction of a CTE center.	Restricted	0	1,600,000
	GF/GP	\$0	\$0
75. Detroit Area PreCollege Engineering Program (Sec. 65)	Gross	\$900,000	\$0
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	900,000	0
	GF/GP	\$0	\$0
76. College and Career Preparation (Sec. 67)	Gross	\$3,000,000	\$2,000,000
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	0	0
	GF/GP	\$3,000,000	\$2,000,000
77. Developer Academy (Sec. 67c)	Gross	\$3,000,000	\$0
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	0	0
	GF/GP	\$3,000,000	\$0
78. FAFSA Completion Challenge (Sec. 67f) – NEW	Gross	\$0	\$10,000,000
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	0	10,000,000
	GF/GP	\$0	\$0
79. Ready Rosie (Sec. 67g) – NEW	Gross	\$0	\$1,000,000
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	0	0
	GF/GP	\$0	\$1,000,000
80. ISD General Operations (Sec. 81)	Gross	\$75,642,600	\$3,782,100
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	75,642,600	3,782,100
	GF/GP	\$0	\$0

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Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
81. AP/IB/CLEP Incentive Program (Sec. 94)	Gross	\$1,200,000	\$0
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	0	0
	GF/GP	\$1,200,000	\$0
82. Value-Added Growth and Analytics System (Sec. 95b)	Gross	\$2,000,000	\$0
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	0	0
	GF/GP	\$2,000,000	\$0
83. Navigate 360 (Sec. 97a)	Gross	\$1,947,000	\$53,000
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	0	0
	GF/GP	\$1,947,000	\$53,000
84. School Resource Officers (Sec. 97b)	Gross	\$25,000,000	(\$25,000,000)
Eliminates \$25.0 million SAF for schools, districts, and ISDs to hire school resource officers.	Restricted	25,000,000	(25,000,000)
	GF/GP	\$0	\$0
85. School Safety and Mental Health Commission (Sec. 97e)	Gross	\$2,000,000	\$0
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	0	2,000,000
	GF/GP	\$2,000,000	(\$2,000,000)
86. Cybersecurity Risk Assessments (Sec. 97g) – NEW	Gross	\$0	\$9,000,000
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	0	9,000,000
	GF/GP	\$0	\$0
87. Zero Eyes (Sec. 97i) – NEW	Gross	\$0	\$3,000,000
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	0	3,000,000
	GF/GP	\$0	\$0
88. Early Interventions (Sec. 97j) – NEW	Gross	\$0	\$6,000,000
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	0	6,000,000
	GF/GP	\$0	\$0
89. Student Advocacy Center of Michigan (Sec. 97k) – NEW	Gross	\$0	\$100,000
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	0	100,000
	GF/GP	\$0	\$0
90. Dearborn Cybersecurity (Sec. 97l) – NEW	Gross	\$0	\$250,000
Provides one-time funding of \$250,000 SAF for Dearborn City School District for a cybersecurity certificate program.	Restricted	0	250,000
	GF/GP	\$0	\$0

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<u>Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations</u>		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
91. Michigan Virtual University (Sec. 98)	Gross	\$8,000,000	\$1,300,000
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	0	0
	GF/GP	\$8,000,000	\$1,300,000
92. Michigan Learning Channel (Sec. 98d) – NEW	Gross	\$0	\$5,000,000
Provides one-time funding of \$5.0 million SAF to Northern Michigan University to support the Michigan Learning Channel.	Restricted	0	5,000,000
	GF/GP	\$0	\$0
93. Heroes Circle (Sec. 99a) – NEW	Gross	\$0	\$100,000
Provides one-time funding of \$100,000 GF/GP to Heroes Circle to expand programming for social-emotional learning.	Restricted	0	0
	GF/GP	\$0	\$100,000
94. Computer Science Professional Learning (Sec. 99b) – NEW	Gross	\$0	\$4,000,000
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	0	4,000,000
	GF/GP	\$0	\$0
95. Diverse Histories Pilot (Sec. 99d) – NEW	Gross	\$0	\$6,000,000
Provides one-time funding of \$6.0 million SAF for districts to implement plans to teach diverse American histories, including local history.	Restricted	0	6,000,000
	GF/GP	\$0	\$0
96. Brilliant Detroit (Sec. 99e) – NEW	Gross	\$0	\$2,000,000
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	0	2,000,000
	GF/GP	\$0	\$0
97. Godfrey-Lee School District Roof (Sec. 99f) – NEW	Gross	\$0	\$4,000,000
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	0	4,000,000
	GF/GP	\$0	\$0
98. Helping Women Period Pilot (Sec. 99g) – NEW	Gross	\$0	\$1,000,000
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	0	1,000,000
	GF/GP	\$0	\$0
99. FIRST Robotics (Sec. 99h)	Gross	\$5,823,200	\$750,000
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	5,223,200	750,000
	GF/GP	\$600,000	\$0
100. Shiawassee RESD CTE Center (Sec. 99m) – NEW	Gross	\$0	\$450,000
Provides one-time funding of \$450,000 SAF for Shiawassee RESD to support the construction of a CTE center.	Restricted	0	450,000
	GF/GP	\$0	\$0
101. Lansing CTE Center (Sec. 99n) – NEW	Gross	\$0	\$6,000,000
Provides one-time funding of \$6.0 million SAF to Ingham County ISD to support the construction of a CTE center.	Restricted	0	6,000,000
	GF/GP	\$0	\$0

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Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
102. Algebra Nation (Sec. 99t)	Gross	\$3,000,000	(\$1,000,000)
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	0	0
	GF/GP	\$3,000,000	(\$1,000,000)
103. Imagine Learning (Sec. 99u)	Gross	\$6,000,000	\$0
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	0	6,000,000
	GF/GP	\$6,000,000	(\$6,000,000)
104. Teach for America (Sec. 99x)	Gross	\$20,000,000	(\$15,000,000)
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	20,000,000	(20,000,000)
	Restricted	0	5,000,000
	GF/GP	\$0	\$0
105. Project SEARCH (Sec. 99aa)	Gross	\$1,500,000	\$0
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	1,500,000	0
	GF/GP	\$0	\$0
106. Hispanic Collaborative (Sec. 99ee)	Gross	\$1,500,000	\$5,000,000
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	0	6,500,000
	GF/GP	\$1,500,000	(\$1,500,000)
107. Junior Achievement (Sec. 99ff) – NEW	Gross	\$0	\$5,000,000
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	0	5,000,000
	GF/GP	\$0	\$0
108. Boys and Girls Club (Sec. 99gg) – NEW	Gross	\$0	\$10,000,000
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	0	10,000,000
	GF/GP	\$0	\$0
109. City Year (Sec. 99hh) – NEW	Gross	\$0	\$3,000,000
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	0	3,000,000
	GF/GP	\$0	\$0
110. Wayne-Westland Driver's Training (Sec. 99ii) – NEW	Gross	\$0	\$250,000
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	0	250,000
	GF/GP	\$0	\$0
111. Dearborn Driver's Training (Sec. 99jj) – NEW	Gross	\$0	\$250,000
Provides one-time funding of \$250,000 SAF for Dearborn City School District to establish a pilot grant program for driver training programs.	Restricted	0	250,000
	GF/GP	\$0	\$0

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Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
112. Boys and Girls Club of Grand Rapids (Sec. 99kk) – NEW	Gross	\$0	\$5,000,000
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.	Restricted	0	5,000,000
	GF/GP	\$0	\$0
113. Eastpointe Pool (Sec. 99ll) – NEW	Gross	\$0	\$500,000
Provides one-time funding of \$500,000 SAF to Eastpointe Community Schools for the construction of a swimming pool.	Restricted	0	500,000
	GF/GP	\$0	\$0
114. Education Assessments (Sec. 104)	Gross	\$43,759,400	\$1,750,000
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.	Federal	6,250,000	1,750,000
	Restricted	37,509,400	0
	GF/GP	\$0	\$0
115. Digital Literacy (Sec. 104f)	Gross	\$150,000	\$850,000
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.	Restricted	150,000	850,000
	GF/GP	\$0	\$0
116. Benchmark Assessments (Secs. 104h & 104i)	Gross	\$11,500,000	(\$11,500,000)
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.)	Restricted	11,500,000	(11,500,000)
	GF/GP	\$0	\$0
117. Adult Education (Sec. 107)	Gross	\$30,000,000	\$10,000,000
Increases by \$10.0 million SAF for a total of \$40.0 million SAF for adult education programs.	Restricted	30,000,000	10,000,000
	GF/GP	\$0	\$0
118. Adult Education Innovation Programs (Sec. 107a) – NEW	Gross	\$0	\$15,000,000
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.	Restricted	0	15,000,000
	GF/GP	\$0	\$0
119. Adair Database Payments (Sec. 152a)	Gross	\$38,000,500	\$3,000,000
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.	Restricted	38,000,500	3,000,000
	GF/GP	\$0	\$0

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<u>Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations</u>		<u>FY 2022-23 Year-to-Date (as of 2/8/23)</u>	<u>FY 2023-24 Enacted Change</u>
120. Removal of One-Time Items	Gross	\$494,035,500	(\$494,035,500)
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)
<ul style="list-style-type: none"> • \$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) 			
121. Other Major Cost Adjustments	Gross	\$967,142,400	\$15,895,000
Revises the following to reflect updated cost estimates:	Federal	915,000,000	1,400,000
<ul style="list-style-type: none"> • Sec. 11m – Reduces cash flow borrowing by \$6.8 million SAF to \$1.0 million SAF. • Sec. 26b – Increases payment in lieu of taxes (PILT) by \$95,000 SAF to \$5.1 million SAF. • 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. 	Restricted	52,142,400	14,495,000
	GF/GP	\$0	\$0

<u>Major Budget Changes from FY 2022-23 Year-to-Date (YTD) Appropriations</u>		<u>FY 2022-23 Year-to-Date (as of 2/8/23)</u>	<u>FY 2023-24 Enacted Change</u>
122. Economic Adjustments	Gross	NA	(\$45,200)
Reflects reduced costs of \$45,200 Gross, including a reduction of	Restricted	NA	(1,500)
\$43,700 GF/GP, for negotiated salary and wage increases (2.0% on	GF/GP	NA	(\$43,700)
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. 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).

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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.

<u>Supplemental Recommendations for FY 2022-23 Appropriations</u>		<u>FY 2022-23 Recommendation</u>
<i>1. MI Kids Back on Track (Sec. 23g) – NEW</i>	Gross	\$150,000,000
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.	Restricted GF/GP	150,000,000 \$0
<i>2. Detroit Literacy Settlement (Sec. 11v) – NEW</i>	Gross	\$94,400,000
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.	Restricted GF/GP	94,400,000 \$0
<i>3. Talent Together – Grow Your Own (Sec. 27p) – NEW</i>	Gross	\$66,353,000
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.	Restricted GF/GP	66,353,000 \$0
<i>4. MI Healthy Schools Grant Program (Sec. 12a) – NEW</i>	Gross	\$50,000,000
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.	Restricted GF/GP	50,000,000 \$0
<i>5. School Aid Rainy Day Fund (Sec. 11z) – NEW</i>	Gross	\$0
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.	Restricted GF/GP	0 \$0
<i>6. MPSERS Retirement Obligation Reform Reserve Fund (Sec. 147b)</i>	Gross	\$0
Increases by \$400.0 million SAF for a total deposit of \$825.0 million SAF into the MPSERS Retirement Obligation Reform Reserve Fund. Maintains that \$425.0 million is intended to offset costs associated with the reduction of the payroll growth assumption.	Restricted GF/GP	0 \$0

SCHOOL AID

<u>Supplemental Recommendations for FY 2022-23 Appropriations</u>		<u>FY 2022-23 Recommendation</u>
7. School Transportation Fund (Sec. 22k) – NEW	Gross	\$0
Creates the School Transportation Fund to support initiatives to offset district transportation costs and deposits \$350.0 million SAF into the fund.	Restricted	0
	GF/GP	\$0
8. Enrollment Stabilization Fund (Sec. 29) – NEW	Gross	\$0
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.	Restricted	0
	GF/GP	\$0
9. School Meals Reserve Fund (Sec. 30e) – NEW	Gross	\$0
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.	Restricted	0
	GF/GP	\$0
10. GSRP Reserve Fund (Sec. 32e) – NEW	Gross	\$0
Creates the Great Start Readiness Program Reserve Fund to support and augment GSRP programming and deposits \$200.0 million SAF into the fund.	Restricted	0
	GF/GP	\$0
11. School Consolidation and Infrastructure Fund (Sec. 11x)	Gross	\$0
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.	Restricted	0
	GF/GP	\$0
12. School Consolidation Studies (Sec. 11x(6))	Gross	\$0
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.	Restricted	0
	GF/GP	\$0
13. Energy Audits (Sec. 11aa) – NEW	Gross	\$20,000,000
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.	Restricted	20,000,000
	GF/GP	\$0
14. Foundation Allowances (Secs. 22a & 22b)	Gross	(\$72,000,000)
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.	Restricted	(71,985,000)
	GF/GP	(\$15,000)
15. District Transportation Study (Sec. 22l) – NEW	Gross	\$200,000
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.	Restricted	200,000
	GF/GP	\$0
16. Talent Together Coalition (Sec. 27g) – NEW	Gross	\$10,000,000
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.	Restricted	10,000,000
	GF/GP	\$0
17. Universal School Meals (Sec. 30d) – NEW	Gross	\$25,000,000
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.	Restricted	25,000,000
	GF/GP	\$0
18. Student Meal Debt Forgiveness (Sec. 31k) – NEW	Gross	\$2,500,000
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.	Restricted	2,500,000
	GF/GP	\$0

Supplemental Recommendations for FY 2022-23 Appropriations		FY 2022-23 Recommendation
19. TRAILS Program (Sec. 31p)	Gross	\$0
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	0
	GF/GP	\$0
20. GSRP (Sec. 32d)	Gross	\$150,000
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	0
	GF/GP	\$150,000
21. GSRP Classroom Start-Up Grants (Sec. 32d(26)) – NEW	Gross	\$35,000,000
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	35,000,000
	GF/GP	\$0
22. GSRP Awareness Campaign (Sec. 32d(27)) – NEW	Gross	\$5,000,000
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	0
	Restricted	5,000,000
	GF/GP	\$0
23. Early Childhood Workforce Project (Sec. 32v) – NEW	Gross	\$30,000,000
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	0
	Restricted	30,000,000
	GF/GP	\$0
24. Federal Grants (Sec. 39a)	Gross	\$34,300,000
Increases federal grants under Every Student Succeeds Act (ESSA) by \$30.3 million and other federal grants by \$4.0 million.	Federal	34,300,000
	Restricted	0
	GF/GP	\$0
25. Special Education (Secs. 51a, 51c, 51d, 51e, 53a, 54, & 56)	Gross	\$112,793,000
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	112,793,000
	GF/GP	\$0
26. Other Major Cost Adjustments	Gross	\$13,550,000
Revises the following to reflect updated cost estimates:	Federal	1,400,000
• Sec. 11m – Reduces cash flow borrowing by \$6.8 million SAF to \$1.0 million SAF.	Restricted	12,135,000
• 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.	GF/GP	\$15,000
• 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.		
• 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).		
• Sec. 147e – Increases MPSERS Added Normal Costs by \$8.0 million SAF for a total of \$62.0 million SAF.		

SCHOOL AID**SCHOOL AID LINE ITEM SUMMARY**

		FY 2022-2023	FY 2022-2023		FY 2023-2024	FY 2023-2024	FY 2023-2024	FY 2023-2024	
Sec.		FY 23 2022 PA 212 YTD	Change from FY 23 YTD	FY 23 2023 PA 103 Enacted	FY 24 Exec Rec	FY 24 House	FY 24 Senate	Change from FY 23 YTD	FY 24 2023 PA 103 Enacted
11j	School Bond Redemption Fund	\$111,000,000		\$111,000,000	\$111,000,000	\$111,000,000	\$111,000,000		\$111,000,000
11m	Cash Flow Borrowing Costs	\$7,800,000	(\$6,800,000)	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	(\$6,800,000)	\$1,000,000
11s	Flint Declaration of Emergency	\$8,075,000		\$8,075,000	\$8,075,000	\$8,075,000	\$8,075,000		\$8,075,000
11s(7)	Flint Early Childhood Collaborative	\$1,000,000		\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000		\$1,000,000
11v	DPSCD Settlement Payment - NEW	\$0	\$94,400,000	\$94,400,000	\$0	\$0	\$0		\$0
11x	Consolidation Studies	\$5,000,000		\$5,000,000	\$0	\$0	\$0	(\$5,000,000)	\$0
11y	Infrastructure Study	\$20,000,000		\$20,000,000	\$0	\$0	\$0	(\$20,000,000)	\$0
11z	Debt Payments - NEW	\$0		\$0	\$0	\$0	\$0		\$0
11aa	Energy Efficiency Audits - NEW	\$0	\$20,000,000	\$20,000,000	\$0	\$0	\$0		\$0
12a	MI Healthy Schools Grant Program - NEW	\$0	\$50,000,000	\$50,000,000	\$0	\$0	\$0		\$0
12b	School-Based Health Center Facility Upgrades - NEW	\$0		\$0	\$25,000,000	\$25,000,000	\$0	\$45,000,000	\$45,000,000
12c	Consolidation Grants - NEW	\$0		\$0	\$245,000,000	\$245,000,000	\$100,000,000	\$245,000,000	\$245,000,000
20f	Categorical Offset Payments	\$18,000,000		\$18,000,000	\$18,000,000	\$0	\$18,000,000	\$9,000,000	\$27,000,000
21h	Partnership Model Districts	\$6,137,400		\$6,137,400	\$6,137,400	\$6,137,400	\$6,137,400		\$6,137,400
21h(7)	Partnership Model Districts Supplemental Funding - NEW	\$0		\$0	\$36,000,000	\$36,000,000	\$12,000,000	\$36,000,000	\$36,000,000
22a	Foundations: Proposal A Obligation Payment	\$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
22b	Foundations: Discretionary Payment	\$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
22b	PreK Expansion - NEW	\$0		\$0	\$0	\$0	\$117,000,000		\$0
22c	Foundations: Equity Payment	\$3,000,000		\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000		\$3,000,000
22d	Isolated District Funding	\$8,858,000		\$8,858,000	\$9,301,000	\$11,101,000	\$11,189,500	\$2,743,000	\$11,601,000
22d(8)	Grosse Ile Funding - NEW	\$0		\$0	\$0	\$500,000	\$500,000		\$0
22e	Debt Forgiveness - NEW	\$0		\$0	\$0	\$40,000,000	\$0		\$0
22l	Transportation Costs - NEW	\$0	\$200,000	\$200,000	\$0	\$150,000,000	\$0	\$125,000,000	\$125,000,000
22m	Technology Regional Data Hubs	\$2,200,000		\$2,200,000	\$2,200,000	\$3,200,000	\$3,500,000	\$1,300,000	\$3,500,000
22o	MiFamily Engagement Centers - NEW	\$0		\$0	\$0	\$2,500,000	\$0		\$0
23f	Learning Pods	\$5,000,000		\$5,000,000	\$0	\$0	\$0	(\$5,000,000)	\$0
23g	MI Kids Back on Track - NEW	\$0	\$150,000,000	\$150,000,000	\$0	\$0	\$0		\$0
23h	Mathematics Teaching and Learning - NEW	\$0		\$0	\$30,000,000	\$30,000,000	\$0	\$25,000,000	\$25,000,000
23i	Friends of the Children - NEW	\$0		\$0	\$0	\$0	\$0	\$397,000	\$397,000
24	Court-Placed Pupils	\$7,650,000		\$7,650,000	\$7,650,000	\$7,650,000	\$7,650,000		\$7,650,000
24a	Juvenile Detention Facility Programs	\$1,355,700		\$1,355,700	\$1,355,700	\$1,355,700	\$1,355,700		\$1,355,700
25f	Strict Discipline Academies	\$1,600,000		\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000		\$1,600,000
25g	Dropout Recovery Programs	\$750,000		\$750,000	\$750,000	\$750,000	\$750,000		\$750,000
25k	Covenant House SDA - NEW	\$0		\$0	\$0	\$0	\$0	\$1,000,000	\$1,000,000
26a	Renaissance Zone Reimbursement	\$14,000,000		\$14,000,000	\$14,000,000	\$14,000,000	\$14,000,000		\$14,000,000
26b	PILT Reimbursement	\$4,989,000		\$4,989,000	\$5,084,000	\$5,084,000	\$5,084,000	\$95,000	\$5,084,000
26c	Promise Zone Funding	\$14,800,000	\$5,700,000	\$20,500,000	\$26,000,000	\$26,000,000	\$26,000,000	\$11,200,000	\$26,000,000
26d	Brownfield Redevelopment Reimbursement	\$14,400,000		\$14,400,000	\$14,400,000	\$14,400,000	\$14,400,000		\$14,400,000
27a	Mi Future Educator Fellowship Program	\$25,000,000		\$25,000,000	\$25,000,000	\$25,000,000	\$25,000,000		\$25,000,000
27b	Grow Your Own Programs - Federal	\$155,000,000		\$155,000,000	\$0	\$0	\$0	(\$155,000,000)	\$0
27b	Grow Your Own Programs	\$20,000,000		\$20,000,000	\$0	\$0	\$0	(\$20,000,000)	\$0
27c	Mi Future Educator Student Teacher Stipend Program	\$50,000,000		\$50,000,000	\$50,000,000	\$50,000,000	\$50,000,000		\$50,000,000
27g	Talent Together Coalition - NEW	\$0	\$10,000,000	\$10,000,000	\$0	\$0	\$20,000,000		\$0
27h	Mentoring Grants - NEW	\$0		\$0	\$25,000,000	\$25,000,000	\$0	\$50,000,000	\$50,000,000
27i	Rural Educator Credentialing Hub - NEW	\$0		\$0	\$15,000,000	\$15,000,000	\$0	\$15,000,000	\$15,000,000
27j	Special Education Capacity Building - NEW	\$0		\$0	\$5,000,000	\$5,000,000	\$0	\$5,000,000	\$5,000,000
27k	Learner Wallet - NEW	\$0		\$0	\$0	\$100	\$0		\$0
27k	Student Loan Repayment Program - NEW	\$0		\$0	\$0	\$0	\$250,000,000	\$225,000,000	\$225,000,000
27l	Educator Compensation Program - NEW	\$0		\$0	\$0	\$0	\$125,000,000	\$63,800,000	\$63,800,000
27m	National Board Certification Fund - NEW	\$0		\$0	\$0	\$0	\$0	\$5,000,000	\$5,000,000
27n	SVSU Accelerated Certification with Residency Program - NEW	\$0		\$0	\$0	\$0	\$2,000,000	\$2,000,000	\$2,000,000

SCHOOL AID LINE ITEM SUMMARY



		FY 2022-2023	FY 2022-2023		FY 2023-2024	FY 2023-2024	FY 2023-2024	FY 2023-2024	
Sec.		FY 23 2022 PA 212 YTD	Change from FY 23 YTD	FY 23 2023 PA 103 Enacted	FY 24 Exec Rec	FY 24 House	FY 24 Senate	Change from FY 23 YTD	FY 24 2023 PA 103 Enacted
27o	City Year Fellowship - NEW	\$0		\$0	\$0	\$0	\$3,000,000		\$0
27o	Learner Wallet Pilot - NEW	\$0		\$0	\$0	\$0	\$0	\$2,000,000	\$2,000,000
27p	School Board Member Professional Learning - NEW	\$0		\$0	\$0	\$0	\$250,000		\$0
27p	Talent Together - Grow Your Own - NEW	\$0	\$66,353,000	\$66,353,000	\$0	\$0	\$0		\$0
27q	Hamtramck Accelerated Learning Coaches - NEW	\$0		\$0	\$0	\$0	\$2,000,000	\$2,000,000	\$2,000,000
29	Enrollment Stabilization - NEW	\$0		\$0	\$0	\$0	\$0	\$71,000,000	\$71,000,000
30c	Troops to Teachers	\$15,000,000		\$15,000,000	\$0	\$0	\$0	(\$15,000,000)	\$0
30d	Universal School Breakfast and Lunch - NEW	\$0	\$25,000,000	\$25,000,000	\$160,000,000	\$160,000,000	\$160,000,000	\$160,000,000	\$160,000,000
30e	Dietary Restrictions - NEW	\$0		\$0	\$0	\$0	\$0		\$0
31a	At-Risk Pupil Support	\$747,500,000		\$747,500,000	\$812,200,000	\$1,021,400,000	\$920,600,000	\$204,500,000	\$952,000,000
31a(7)	School Based Health Centers	\$33,000,000		\$33,000,000	\$33,000,000	\$33,000,000	\$68,000,000		\$33,000,000
31a(8)	Hearing, Vision, and Dental Screening	\$6,650,000		\$6,650,000	\$6,650,000	\$6,650,000	\$6,650,000		\$6,650,000
31c	Beyond Basics	\$12,000,000		\$12,000,000	\$0	\$0	\$0	(\$12,000,000)	\$0
31d	State School Lunch Programs	\$24,553,400	\$3,000,000	\$27,553,400	\$25,290,400	\$25,290,400	\$25,290,400	\$5,000,000	\$29,553,400
31d	School Lunch Programs - Federal	\$915,000,000	\$1,400,000	\$916,400,000	\$916,400,000	\$916,400,000	\$916,400,000	\$1,400,000	\$916,400,000
31f	School Breakfast Program	\$11,900,000		\$11,900,000	\$11,900,000	\$11,900,000	\$11,900,000	\$5,000,000	\$16,900,000
31j	Local Produce in School Meals	\$9,300,000		\$9,300,000	\$9,300,000	\$9,300,000	\$4,500,000		\$9,300,000
31k	Student Meal Debt Forgiveness - NEW	\$0	\$2,500,000	\$2,500,000	\$1,000,000	\$0	\$0		\$0
31l	Dietary Restrictions - NEW	\$0		\$0	\$0	\$0	\$5,000,000		\$0
31n	School Mental Health and Support Services	\$78,900,000		\$78,900,000	\$107,845,000	\$107,845,000	\$107,845,000	\$28,945,000	\$107,845,000
31p	TRAILS - Federal	\$50,000,000		\$50,000,000	\$0	\$0	\$0	(\$50,000,000)	\$0
31q	Discover You	\$2,000,000		\$2,000,000	\$0	\$0	\$0	(\$2,000,000)	\$0
31r	Novi Schools Wellness Center - NEW	\$0		\$0	\$0	\$0	\$0	\$1,000,000	\$1,000,000
31aa	Per-Pupil Mental Health (& School Safety) Grant	\$150,000,000		\$150,000,000	\$300,000,000	\$300,000,000	\$328,000,000	\$178,000,000	\$328,000,000
31bb	Eastern UP Intermediate District Learning Center	\$700,000		\$700,000	\$0	\$0	\$0	(\$700,000)	\$0
31cc	Purple Star Program	\$1,105,000		\$1,105,000	\$0	\$0	\$0	(\$1,105,000)	\$0
31dd	Roadmaps Program	\$427,500		\$427,500	\$0	\$0	\$0	(\$427,500)	\$0
31ee	Detroit Horse Power	\$500,000		\$500,000	\$0	\$0	\$0	(\$500,000)	\$0
31ff	Brilliant Detroit - NEW	\$0		\$0	\$0	\$2,000,000	\$0		\$0
31ff	SMART Internship Grant Program - NEW	\$0		\$0	\$0	\$0	\$15,000,000	\$15,000,000	\$15,000,000
31gg	Kids Kicking Cancer - NEW	\$0		\$0	\$0	\$100	\$0		\$0
32d	Great Start Readiness Program - State	\$369,470,000	\$150,000	\$369,620,000	\$543,220,000	\$530,420,000	\$524,470,000	\$155,850,000	\$525,320,000
32d	Great Start Readiness Program - Federal	\$83,000,000		\$83,000,000	\$0	\$0	\$0	(\$83,000,000)	\$0
32d(19)	GSRP Transportation - GSRP Reserve Fund	\$0		\$0	\$0	\$0	\$0	\$18,000,000	\$18,000,000
32d(26)	GSRP Classroom Start Up Grants - NEW	\$0	\$35,000,000	\$35,000,000	\$0	\$0	\$0		\$0
32d(26)	GSRP Incentive - NEW	\$0		\$0	\$0	\$0	\$5,000,000		\$0
32d(27)	GSRP Expansion Grants - Federal - NEW	\$0		\$0	\$0	\$0	\$0		\$0
32d(27)	GSRP Expansion Grants - NEW	\$0		\$0	\$0	\$0	\$0		\$0
32d(28)	GSRP Awareness Campaign - Federal - NEW	\$0		\$0	\$0	\$0	\$0		\$0
32d(28)	GSRP Awareness Campaign - NEW	\$0	\$5,000,000	\$5,000,000	\$0	\$0	\$0		\$0
32m	Out of School Time - NEW	\$0		\$0	\$0	\$0	\$50,000,000		\$0
32n	Before and After School Programs - Federal	\$25,000,000		\$25,000,000	\$25,000,000	\$25,000,000	\$0	(\$25,000,000)	\$0
32n	Before and After School Programs / Out of School Time	\$0		\$0	\$0	\$25,000,000	\$0	\$50,000,000	\$50,000,000
32o	Out of School Time - NEW	\$0		\$0	\$0	\$25,500,000	\$0		\$0
32p	Early Childhood Block Grants	\$13,400,000		\$13,400,000	\$22,900,000	\$27,900,000	\$13,400,000	\$6,000,000	\$19,400,000
32p(6)	Dolly Parton Imagination Library - NEW	\$0		\$0	\$4,000,000	\$4,000,000	\$0	\$4,000,000	\$4,000,000
32t	Three-Year-Old GSRP Pilot Program	\$2,200,000		\$2,200,000	\$0	\$0	\$12,000,000	\$15,800,000	\$18,000,000
32t	Three-Year-Old GSRP Pilot Program - Federal	\$0		\$0	\$18,000,000	\$18,000,000	\$0		\$0
32u	BookNook	\$5,000,000		\$5,000,000	\$0	\$0	\$0	(\$5,000,000)	\$0
32v	Early Childhood Workforce Project - Federal - NEW	\$0		\$0	\$0	\$0	\$0		\$0
32v	Early Childhood Workforce Project - NEW	\$0	\$30,000,000	\$30,000,000	\$0	\$0	\$0		\$0

SCHOOL AID**SCHOOL AID LINE ITEM SUMMARY**

Sec.		FY 2022-2023	FY 2022-2023		FY 2023-2024	FY 2023-2024	FY 2023-2024	FY 2023-2024	
		FY 23 2022 PA 212 YTD	Change from FY 23 YTD	FY 23 2023 PA 103 Enacted	FY 24 Exec Rec	FY 24 House	FY 24 Senate	Change from FY 23 YTD	FY 24 2023 PA 103 Enacted
32w	GOAL Line Detroit - Federal - NEW	\$0		\$0	\$6,000,000	\$6,000,000	\$0		\$0
32w	GOAL Line Detroit - NEW	\$0		\$0	\$0	\$0	\$0	\$6,000,000	\$6,000,000
32x	Learning by Hearings Program - NEW	\$0		\$0	\$0	\$3,200,000	\$0	\$4,000,000	\$4,000,000
33	K-5 Music Education - NEW	\$0		\$0	\$0	\$0	\$15,000,000	\$11,000,000	\$11,000,000
35a(4)	Early Literacy Teacher Coaches	\$31,500,000		\$31,500,000	\$42,000,000	\$42,000,000	\$42,000,000	\$10,500,000	\$42,000,000
35a(5)	Early Literacy Added Instructional Time	\$19,900,000		\$19,900,000	\$34,400,000	\$34,400,000	\$34,400,000		\$19,900,000
35a(7)	Literacy and Math Essentials	\$6,000,000		\$6,000,000	\$6,000,000	\$12,000,000	\$6,000,000		\$6,000,000
35a(8)	Michigan Education Corps	\$5,000,000		\$5,000,000	\$5,000,000	\$4,500,000	\$5,000,000		\$5,000,000
35a(10)	PD - Literacy Coaches and Classroom Teachers	\$10,000,000		\$10,000,000	\$0	\$0	\$10,000,000		\$10,000,000
35d	Orton Gilligam Dyslexia Program	\$1,000,000		\$1,000,000	\$0	\$3,000,000	\$1,000,000		\$1,000,000
35f	Chaldean Community Foundation	\$1,000,000		\$1,000,000	\$0	\$0	\$0	\$250,000	\$1,250,000
35g	Innovative Community Libraries	\$1,000,000		\$1,000,000	\$0	\$0	\$0	(\$1,000,000)	\$0
35h	Jewish Federation	\$500,000		\$500,000	\$0	\$0	\$0	(\$500,000)	\$0
35i	Early Literacy Hubs / MI Family Engagement Centers - NEW	\$0		\$0	\$1,200,000	\$2,400,000	\$0	\$14,000,000	\$14,000,000
35i(4)	Early Literacy Hub Campaign - Federal - NEW	\$0		\$0	\$2,000,000	\$2,000,000	\$0		\$0
35i(4)/(5)	Early Literacy Hub Campaign - NEW	\$0		\$0	\$0	\$0	\$0	\$2,000,000	\$2,000,000
35j	Literacy PD, Curriculum, Supports, & LETRS - NEW	\$0		\$0	\$300,000,000	\$300,000,000	\$0	\$140,000,000	\$140,000,000
35k	Detroit Parent Network - Federal - NEW	\$0		\$0	\$3,000,000	\$3,000,000	\$0		\$0
35k	Detroit Parent Network - NEW	\$0		\$0	\$0	\$0	\$5,000,000	\$3,000,000	\$3,000,000
35l	Lake Shore Early Childhood Community Center - NEW	\$0		\$0	\$0	\$0	\$1,000,000	\$1,250,000	\$1,250,000
35m	Lake Shore CTE Transportation - NEW	\$0		\$0	\$0	\$0	\$100,000		\$0
39a(1)	Federal ESSA Grant Funds	\$752,300,000	\$30,300,000	\$782,600,000	\$754,700,000	\$754,700,000	\$754,700,000	\$2,400,000	\$754,700,000
39a(2)	Other Federal Funding	\$56,500,000	\$4,000,000	\$60,500,000	\$60,500,000	\$60,500,000	\$60,500,000	\$4,000,000	\$60,500,000
41	English Language Learner Grants	\$26,511,000		\$26,511,000	\$27,837,000	\$32,760,300	\$53,022,000	\$13,255,500	\$39,766,500
41b	Immigrant Support Services	\$1,250,000		\$1,250,000	\$0	\$1,500,000	\$1,500,000	\$250,000	\$1,500,000
51a(1)	Special Education - Federal Reimbursement	\$390,000,000		\$390,000,000	\$390,000,000	\$390,000,000	\$390,000,000		\$390,000,000
51a(2)	Special Ed ISD Foundation and Costs	\$323,300,000	\$27,100,000	\$350,400,000	\$368,000,000	\$368,000,000	\$368,000,000	\$44,700,000	\$368,000,000
51a(3)	Special Ed ISD Hold Harmless Payment	\$1,000,000		\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000		\$1,000,000
51a(6)	Special Ed Admin Rules Changes	\$2,200,000		\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000		\$2,200,000
51a(11)	Special Ed Foundations for Non Sec. 52 to ISDs	\$1,500,000	\$500,000	\$2,000,000	\$1,700,000	\$1,700,000	\$1,700,000	\$500,000	\$2,000,000
51c	Special Ed Headlee Obligation (Durant)	\$709,900,000	\$70,500,000	\$780,400,000	\$819,200,000	\$819,200,000	\$819,200,000	\$110,100,000	\$820,000,000
51d	Special Education - Other Federal Grants	\$71,000,000		\$71,000,000	\$71,000,000	\$71,000,000	\$71,000,000		\$71,000,000
51e	Special Education Foundation Payment	\$336,207,000	\$14,693,000	\$350,900,000	\$430,700,000	\$487,500,000	\$499,500,000	\$154,993,000	\$491,200,000
51g	Remote Learning Library	\$3,000,000		\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000		\$3,000,000
53a	Special Ed for Court Placed Pupils	\$10,500,000		\$10,500,000	\$10,500,000	\$10,500,000	\$10,500,000		\$10,500,000
54	Special Ed Michigan School Blind/Deaf	\$1,688,000		\$1,688,000	\$1,688,000	\$1,688,000	\$1,688,000		\$1,688,000
54b	Special Education Task Force Reforms (MiBLSI)	\$1,600,000		\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000		\$1,600,000
54d	Spec. Ed. Task Force - Early On	\$21,250,000		\$21,250,000	\$22,313,000	\$22,313,000	\$22,525,000	\$1,063,000	\$22,313,000
55	Conductive Learning	\$300,000		\$300,000	\$0	\$0	\$300,000	(\$300,000)	\$0
56	Special Ed ISD Millage Equalization	\$40,008,100		\$40,008,100	\$40,008,100	\$40,008,100	\$40,008,100		\$40,008,100
56(5)	Wayne RESA Additional Equalization - NEW	\$0		\$0	\$0	\$0	\$6,000,000		\$0
56(7)	Special Ed Millage Incentive	\$34,200,000		\$34,200,000	\$34,200,000	\$68,400,000	\$34,200,000		\$34,200,000
61a	Career and Tech Ed Programs	\$47,611,300		\$47,611,300	\$47,611,300	\$47,611,300	\$37,611,300	\$400,000	\$48,011,300
61b	Career and Tech Ed Early/Middle College	\$8,000,000		\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000		\$8,000,000
61c	CTE Equipment Upgrades	\$7,500,000		\$7,500,000	\$15,000,000	\$15,000,000	\$15,000,000	\$7,500,000	\$15,000,000
61d	CTE Incentive Payment	\$5,000,000		\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000		\$5,000,000
61i	CTE Teacher Recruitment and Retention	\$10,000,000		\$10,000,000	\$0	\$0	\$0	(\$10,000,000)	\$0
61j	Huron Downriver CTE Consortium - NEW	\$0		\$0	\$0	\$0	\$15,000,000		\$10,700,000
61k	Mott Bilingual Center - NEW	\$0		\$0	\$0	\$0	\$2,800,000	\$2,600,000	\$2,600,000
61l	Schoolcraft Early Middle College Program - NEW	\$0		\$0	\$0	\$0	\$1,200,000	\$1,200,000	\$1,200,000
61m	Beecher High School - NEW	\$0		\$0	\$0	\$0	\$2,000,000	\$2,500,000	\$2,500,000

SCHOOL AID LINE ITEM SUMMARY



Sec.		FY 2022-2023	FY 2022-2023		FY 2023-2024	FY 2023-2024	FY 2023-2024	FY 2023-2024	
		FY 23 2022 PA 212 YTD	Change from FY 23 YTD	FY 23 2023 PA 103 Enacted	FY 24 Exec Rec	FY 24 House	FY 24 Senate	Change from FY 23 YTD	FY 24 2023 PA 103 Enacted
61n	Waverly High School - NEW	\$0		\$0	\$0	\$0	\$0	\$3,000,000	\$3,000,000
61o	DPSCD Coleman A Young Renovations - NEW	\$0		\$0	\$0	\$0	\$0	\$6,500,000	\$6,500,000
61p	DPSCD Foreign Language Immersion & Cultural Studies School - NEW	\$0		\$0	\$0	\$0	\$0	\$5,000,000	\$5,000,000
61q	Michigan Training Innovation Center - NEW	\$0		\$0	\$0	\$0	\$0	\$5,000,000	\$5,000,000
61r	Lansing Schools Hill Center Track - NEW	\$0		\$0	\$0	\$0	\$0	\$500,000	\$500,000
61s	Eaton RESA FFA - NEW	\$0		\$0	\$0	\$0	\$0	\$4,000,000	\$4,000,000
61t	Harper Woods CTE Center - NEW	\$0		\$0	\$0	\$0	\$0	\$1,000,000	\$1,000,000
61u	Romulus CTE - NEW	\$0		\$0	\$0	\$0	\$0	\$1,600,000	\$1,600,000
62	ISD Career & Tech Ed Millage Equalization	\$9,190,000		\$9,190,000	\$9,190,000	\$9,190,000	\$9,190,000		\$9,190,000
65	Detroit PreCollege Engineering	\$900,000		\$900,000	\$900,000	\$900,000	\$900,000		\$900,000
67	Career and College Readiness Tools	\$3,000,000		\$3,000,000	\$3,000,000	\$3,000,000	\$5,000,000	\$2,000,000	\$5,000,000
67a	MITES	\$50,000		\$50,000	\$0	\$0	\$50,000	(\$50,000)	\$0
67c	Michigan State University Developer Academy	\$3,000,000		\$3,000,000	\$0	\$0	\$0		\$3,000,000
67d	ProStart/HTM Hospitality and Tourism CTE Grants	\$2,500,000		\$2,500,000	\$0	\$0	\$500,000	(\$2,500,000)	\$0
67e	Skilled Trades for Students	\$2,000,000		\$2,000,000	\$0	\$0	\$0	(\$2,000,000)	\$0
67f	FAFSA Completion Challenge - NEW	\$0		\$0	\$15,000,000	\$15,000,000	\$0	\$10,000,000	\$10,000,000
67f	Postsecondary Class Reimbursements - NEW	\$0		\$0	\$0	\$0	\$100		\$0
67g	Ready Rosie - NEW	\$0		\$0	\$0	\$0	\$0	\$1,000,000	\$1,000,000
74	School Bus Driver Safety Instruction	\$2,025,000		\$2,025,000	\$2,025,000	\$2,025,000	\$2,025,000		\$2,025,000
74	School Bus Inspections	\$1,819,200		\$1,819,200	\$1,817,700	\$1,817,700	\$1,817,700	(\$1,500)	\$1,817,700
74b	MI Clean School Bus Grants - NEW	\$0		\$0	\$150,000,000	\$150,000,000	\$75,000,000	\$125,000,000	\$125,000,000
81	ISD General Operations Support	\$75,642,600		\$75,642,600	\$79,424,700	\$79,424,700	\$80,181,200	\$3,782,100	\$79,424,700
94	AP/IB/CLEP Incentive Program	\$1,200,000		\$1,200,000	\$1,200,000	\$1,200,000	\$1,700,000		\$1,200,000
94a	Center for Educational Performance and Information	\$19,032,300		\$19,032,300	\$18,988,600	\$18,988,600	\$18,988,600	(\$43,700)	\$18,988,600
94a	Center for Educational Performance and Info - Federal	\$193,500		\$193,500	\$193,500	\$193,500	\$193,500		\$193,500
95b	Educator and Administrator Evaluations	\$2,000,000		\$2,000,000	\$0	\$0	\$100		\$2,000,000
97	School Safety Grants	\$168,000,000		\$168,000,000	\$318,000,000	\$318,000,000	\$0	(\$168,000,000)	\$0
97a	Navigate 360	\$1,947,000		\$1,947,000	\$0	\$100	\$4,000,000	\$53,000	\$2,000,000
97b	School Resource Officers	\$25,000,000		\$25,000,000	\$0	\$0	\$0	(\$25,000,000)	\$0
97e	School Safety and Mental Health Commission	\$2,000,000		\$2,000,000	\$0	\$0	\$0		\$2,000,000
97f	Cross-System Intervention Approach	\$15,000,000		\$15,000,000	\$0	\$0	\$0	(\$15,000,000)	\$0
97g	Cybersecurity Risk Assessments - NEW	\$0		\$0	\$9,000,000	\$9,000,000	\$0	\$9,000,000	\$9,000,000
97g	Student Advocacy Center of Michigan - NEW	\$0		\$0	\$0	\$0	\$100,000		\$0
97i	Zero Eyes - NEW	\$0		\$0	\$0	\$0	\$0	\$3,000,000	\$3,000,000
97j	Early Interventions - NEW	\$0		\$0	\$0	\$0	\$0	\$6,000,000	\$6,000,000
97k	Student Advocacy Hotline - NEW	\$0		\$0	\$0	\$0	\$0	\$100,000	\$100,000
97l	Dearborn Cybersecurity - NEW	\$0		\$0	\$0	\$0	\$0	\$250,000	\$250,000
98	Michigan Virtual University	\$8,000,000		\$8,000,000	\$9,300,000	\$9,300,000	\$9,300,000	\$1,300,000	\$9,300,000
98d	Michigan Learning Channel - NEW	\$0		\$0	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
99a	Heroes Circle - NEW	\$0		\$0	\$0	\$0	\$1,000,000	\$100,000	\$100,000
99b	Computer Science Professional Learning - NEW	\$0		\$0	\$0	\$0	\$4,000,000	\$4,000,000	\$4,000,000
99c	Autism Alliance of Michigan - NEW	\$0		\$0	\$0	\$0	\$1,000,000		\$0
99d	Teaching American History - NEW	\$0		\$0	\$0	\$0	\$10,000,000	\$6,000,000	\$6,000,000
99e	Brilliant Detroit - NEW	\$0		\$0	\$0	\$0	\$2,000,000	\$2,000,000	\$2,000,000
99f	Godfrey-Lee Roof - NEW	\$0		\$0	\$0	\$0	\$4,000,000	\$4,000,000	\$4,000,000
99g	Feminine Hygiene Products - NEW	\$0		\$0	\$0	\$0	\$1,000,000	\$1,000,000	\$1,000,000
99h	FIRST Robotics	\$5,823,200		\$5,823,200	\$5,323,200	\$5,323,200	\$6,600,000	\$750,000	\$6,573,200
99i	Women in Technology	\$500,000		\$500,000	\$0	\$0	\$0	(\$500,000)	\$0
99j	Square One	\$200,000		\$200,000	\$0	\$0	\$0	(\$200,000)	\$0
99m	Shiawassee RESD CTE - NEW	\$0		\$0	\$0	\$0	\$0	\$450,000	\$450,000
99n	Ingham ISD CTE Center - NEW	\$0		\$0	\$0	\$0	\$6,000,000	\$6,000,000	\$6,000,000

SCHOOL AID**SCHOOL AID LINE ITEM SUMMARY**

Sec.		FY 2022-2023	FY 2022-2023		FY 2023-2024	FY 2023-2024	FY 2023-2024	FY 2023-2024	
		FY 23 2022 PA 212 YTD	Change from FY 23 YTD	FY 23 2023 PA 103 Enacted	FY 24 Exec Rec	FY 24 House	FY 24 Senate	Change from FY 23 YTD	FY 24 2023 PA 103 Enacted
99s(4)	MISTEM Council and Grants	\$3,050,000		\$3,050,000	\$3,050,000	\$3,050,000	\$3,050,000		\$3,050,000
99s(5)(7)	MISTEM Centers Transition	\$4,584,300		\$4,584,300	\$4,584,300	\$4,584,300	\$4,584,300		\$4,584,300
99t	Algebra Nation	\$3,000,000		\$3,000,000	\$0	\$2,000,000	\$100	(\$1,000,000)	\$2,000,000
99u	Imagine Learning	\$6,000,000		\$6,000,000	\$0	\$0	\$100		\$6,000,000
99x	Teach for America - Federal	\$20,000,000		\$20,000,000	\$0	\$0	\$0	(\$20,000,000)	\$0
99x	Teach for America	\$0		\$0	\$0	\$100	\$1,000,000	\$5,000,000	\$5,000,000
99aa	Project SEARCH	\$1,500,000		\$1,500,000	\$0	\$0	\$0		\$1,500,000
99cc	NAF Academies	\$253,000		\$253,000	\$0	\$253,000	\$0	(\$253,000)	\$0
99dd	MI Science Center	\$2,000,000		\$2,000,000	\$0	\$0	\$0	(\$2,000,000)	\$0
99ee	Hispanic Collaborative	\$1,500,000		\$1,500,000	\$0	\$0	\$6,500,000	\$5,000,000	\$6,500,000
99ff	Junior Achievement - NEW	\$0		\$0	\$0	\$100	\$0	\$5,000,000	\$5,000,000
99ff	WSU Levin Center - NEW	\$0		\$0	\$0	\$0	\$6,200,000		\$0
99gg	Computer Science Professional Learning - NEW	\$0		\$0	\$0	\$6,000,000	\$0		\$0
99gg	Boys and Girls Club SE MI - NEW	\$0		\$0	\$0	\$0	\$15,000,000	\$10,000,000	\$10,000,000
99hh	City Year Detroit - NEW	\$0		\$0	\$0	\$3,000,000	\$0	\$3,000,000	\$3,000,000
99ii	Playworks - NEW	\$0		\$0	\$0	\$100	\$0		\$0
99ii	Wayne-Westland Driver's Training Pilot - NEW	\$0		\$0	\$0	\$0	\$300,000	\$250,000	\$250,000
99jj	Dearborn Driver's Training Pilot - NEW	\$0		\$0	\$0	\$0	\$0	\$250,000	\$250,000
99kk	Boys and Girls Club Grand Rapids - NEW	\$0		\$0	\$0	\$0	\$0	\$5,000,000	\$5,000,000
99hh/99ii	Eastpointe Swimming Pool - NEW	\$0		\$0	\$0	\$0	\$500,000	\$500,000	\$500,000
104	Education Assessments - State	\$37,509,400		\$37,509,400	\$37,509,400	\$37,509,400	\$37,509,400		\$37,509,400
104	Education Assessments - Federal	\$6,250,000		\$6,250,000	\$6,250,000	\$6,250,000	\$6,250,000	\$1,750,000	\$8,000,000
104f	Digital Literacy Training	\$150,000		\$150,000	\$0	\$0	\$1,200,000	\$850,000	\$1,000,000
104h/104i	Benchmark Assessments for the Following School Year	\$11,500,000		\$11,500,000	\$11,500,000	\$0	\$11,500,000	(\$11,500,000)	\$0
107	Adult Education	\$30,500,000		\$30,500,000	\$45,500,000	\$30,500,000	\$45,500,000	\$10,000,000	\$40,500,000
107a	Adult Education Innovation Programs - NEW	\$0		\$0	\$15,000,000	\$15,000,000	\$0	\$15,000,000	\$15,000,000
147a(1)	MPERS Cost Offset	\$100,000,000		\$100,000,000	\$111,939,000	\$100,000,000	\$111,939,000		\$100,000,000
147a(2)	MPERS Normal Cost Offset for Lower AROR/Dedicated Gains	\$191,750,000	\$2,250,000	\$194,000,000	\$357,800,000	\$357,800,000	\$357,800,000	\$168,300,000	\$360,050,000
147a(3)	MPERS Cost Offset - ISDs and District Libraries	\$0		\$0	\$0	\$23,878,000	\$0	\$11,939,000	\$11,939,000
147c	MPERS State Share of Unfunded Liability Payments	\$2,618,900,000		\$2,618,900,000	\$1,849,700,000	\$1,946,700,000	\$1,849,700,000	(\$755,400,000)	\$1,863,500,000
147e	MPERS Added Normal/DC Costs for PA 92 of 2017	\$54,000,000	\$8,000,000	\$62,000,000	\$82,400,000	\$82,400,000	\$82,400,000	\$36,400,000	\$90,400,000
147f	MPERS 0.5% UAAL Reimbursement	\$0		\$0	\$0	\$0	\$0	\$48,500,000	\$48,500,000
152a	Adair - Database Payment	\$38,000,500		\$38,000,500	\$42,300,500	\$42,300,500	\$41,000,500	\$3,000,000	\$41,000,500
152b	Nonpublic School Reimbursement	\$1,000,000		\$1,000,000	\$0	\$0	\$1,000,000		\$1,000,000
TOTAL APPROPRIATIONS		\$19,614,916,400	\$577,246,000	\$20,192,162,400	\$20,891,511,800	\$21,505,327,700	\$20,811,281,000	\$1,844,734,900	\$21,459,651,300
REVENUE BY SOURCE									
Federal Aid		\$2,524,243,500	\$35,700,000	\$2,559,943,500	\$2,253,043,500	\$2,253,043,500	\$2,199,043,500	(\$323,450,000)	\$2,200,793,500
School Aid Fund		\$16,754,072,900	\$516,196,000	\$17,270,268,900	\$18,247,768,300	\$18,507,583,600	\$18,148,337,200	\$1,610,084,900	\$18,364,157,800
School Consolidation and Infrastructure Fund		\$0	\$0	\$0	\$245,000,000	\$245,000,000	\$100,000,000	\$245,000,000	\$245,000,000
MPERS Obligation Reform Reserve Fund		\$140,400,000	\$0	\$140,400,000	\$0	\$202,000,000	\$202,000,000	\$75,400,000	\$215,800,000
Educator Fellowship Public Provider Fund		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Educator Fellowship Private Provider Fund		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
School Transportation Fund		\$0	\$200,000	\$200,000	\$0	\$150,000,000	\$0	\$125,000,000	\$125,000,000
School Meals Reserve Fund		\$0	\$25,000,000	\$25,000,000	\$0	\$0	\$0	\$60,000,000	\$60,000,000
GSRP Reserve Fund		\$0	\$0	\$0	\$0	\$0	\$0	\$18,000,000	\$18,000,000
Enrollment Stabilization Fund		\$0	\$0	\$0	\$0	\$0	\$0	\$71,000,000	\$71,000,000
Community District Trust Fund		\$72,000,000	\$0	\$72,000,000	\$72,000,000	\$72,000,000	\$72,000,000	\$0	\$72,000,000
General Fund/General Purpose		\$124,200,000	\$150,000	\$124,350,000	\$73,700,000	\$75,700,600	\$89,900,300	(\$36,300,000)	\$87,900,000
TOTAL REVENUE		\$19,614,916,400	\$577,246,000	\$20,192,162,400	\$20,891,511,800	\$21,505,327,700	\$20,811,281,000	\$1,844,734,900	\$21,459,651,300

DEPARTMENT OF STATE POLICE
Summary of FY 2023-24 Enacted
Public Act 119 of 2023 (House Bill 4437, Article 14)

Analyst: Marcus Coffin

	FY 2022-23 YTD as of 2/8/23	FY 2023-24 Enacted	Difference: Enacted From FY 2022-23 YTD Amount	%
IDG/IDT	\$25,502,400	\$26,244,400	\$742,000	2.9
Federal	81,804,300	88,805,100	7,000,800	8.6
Local	4,904,500	4,904,800	300	0.0
Private	35,000	35,000	0	0.0
Restricted	158,750,400	165,787,800	7,037,400	4.4
GF/GP	572,709,200	607,564,000	34,854,800	6.1
Gross	\$843,705,800	\$893,341,100	\$49,635,300	5.9
FTEs	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**1. In-Service Training**

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.

	FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
FTE	NA	7.0
Gross	NA	\$18,240,000
GF/GP	NA	\$18,240,000

2. FY 2023-24 Trooper Recruit School

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	NA	50.0
Gross	NA	\$9,003,500
GF/GP	NA	\$9,003,500

3. FY 2022-23 Trooper Recruit School Annualization

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	NA	\$4,501,800
GF/GP	NA	\$4,501,800

STATE POLICE

<u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>		<u>FY 2022-23 Year-to-Date (as of 2/8/23)</u>	<u>FY 2023-24 Enacted Change</u>	
4. Justice System Fund Structural Changes		Gross	\$6,464,500	\$4,390,500
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.		Restricted	6,464,500	4,390,500
		GF/GP	\$0	\$0
5. Gun Violence Prevention		FTE	0.0	5.0
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.		Gross	\$0	\$2,876,600
		Federal	\$0	951,600
		GF/GP	\$0	\$1,925,000
6. Crime Victim Support Program		FTE	NA	14.0
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.		Gross	NA	\$1,885,500
		GF/GP	NA	\$1,885,500
7. Community-Based Crisis Response Pilot Grants		Gross	\$0	\$1,500,000
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.		GF/GP	\$0	\$1,500,000
8. Emergency Alert System Upgrades		Gross	\$0	\$1,500,000
Includes \$1.5 million GF/GP (one-time) to implement a statewide redundant emergency alert system network and to preform 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.		GF/GP	\$0	\$1,500,000
9. Firearm Safety and Response		Gross	\$0	\$1,300,000
Includes \$1.3 million GF/GP (one-time) for MCOLES active shooter response training for law enforcement personnel.		GF/GP	\$0	\$1,300,000

Major Budget Changes from FY 2022-23 YTD Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
10. Firearms Safety	Gross	\$0	\$500,000
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.	GF/GP	\$0	\$500,000
11. OK2Say Expansion	FTE	NA	3.0
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.	Gross	NA	\$378,700
	GF/GP	NA	\$378,700
12. Ammunition Costs	Gross	NA	\$231,200
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.	GF/GP	NA	\$231,200
13. Forensic Science Accreditation	Gross	NA	\$91,900
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.	GF/GP	NA	\$91,900
14. Contracts and Services	Gross	NA	\$1,600,000
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.	GF/GP	NA	\$1,600,000
15. Civil Service Compensation Increases	Gross	NA	\$17,200
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.	Federal	NA	4,100
	Restricted	NA	1,400
	GF/GP	NA	\$11,700
16. Removal of FY 2022-23 One-Time Appropriations	FTE	4.0	(4.0)
Removes \$29.3 million GF/GP of one-time funding that was included in the FY 2022-23 budget to support the following:	Gross	\$29,312,600	(\$29,312,600)
• Contracts and Services (\$3.1 million GF/GP)	GF/GP	\$29,312,600	(\$29,312,600)
• Crime Victim Support Pilot Program (\$518,400 GF/GP)			
• In-service Training (\$20.0 million GF/GP)			
• Recruitment, Training, and Outreach (\$1.0 million GF/GP)			
• FY 2022-23 Trooper Recruit School (\$4.7 million GF/GP).			

STATE POLICE

<u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
17. Technical Adjustments	Gross	NA	\$6,112,900
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: <ul style="list-style-type: none">• 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.	IDG/IDT	NA	151,100
	Federal	NA	5,671,700
	Restricted	NA	290,100
	GF/GP	NA	\$0
18. Economic Adjustments	Gross	NA	\$24,818,100
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.	IDG/IDT	NA	590,900
	Federal	NA	373,400
	Local	NA	300
	Restricted	NA	2,355,400
	GF/GP	NA	\$21,498,100

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 MSP's 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)

Appropriation Change

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.

Gross	\$1,200,000
Restricted	1,200,000
GF/GP	\$0

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.

Gross	\$2,500,000
Restricted	2,500,000
GF/GP	\$0

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.

Gross	\$1,190,000
Restricted	1,190,000
GF/GP	\$0

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.

Gross	\$7,000,000
Restricted	7,000,000
GF/GP	\$0

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.

Gross	\$10,000,000
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 as of 2/8/23	FY 2023-24 Enacted	Difference: Enacted From FY 2022-23 YTD	
			Amount	%
IDG/IDT	\$4,123,800	\$4,353,000	\$229,200	5.6
Federal	2,026,480,000	2,149,121,400	122,641,400	6.1
Local	85,773,500	85,773,500	0	0.0
Private	16,800,000	16,800,000	0	0.0
Restricted	3,905,021,600	4,082,402,000	177,380,400	4.5
GF/GP	91,250,000	288,100,000	196,850,000	215.7
Gross	\$6,129,448,900	\$6,626,549,900	\$497,101,000	8.1
FTEs	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).

Major Budget Changes from FY 2022-23 YTD Appropriations

1. Debt Service

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.

	FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
Gross	\$225,300,500	\$118,439,600
Restricted	225,300,500	118,439,600
GF/GP	\$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.

TRANSPORTATION

Major Budget Changes from FY 2022-23 YTD Appropriations

2. Baseline Staffing and STF Funding Increases

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:

	FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
FTE	2,879.3	165.0
Gross	\$638,520,400	\$9,081,000
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.

3. State Trunkline Maintenance

Increases STF support by \$21.7 million to recognize increased costs associated with maintenance materials and contract services.

FTE	901.7	0.0
Gross	\$443,561,300	\$21,698,500
Restricted	443,561,300	21,698,500
GF/GP	\$0	\$0

4. Design and Engineering Services – Budget Realignment

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.

FTE	1,572.3	0.0
Gross	\$190,254,100	\$58,857,400
Federal	23,529,800	(10,000,000)
Restricted	166,724,300	68,857,400
GF/GP	\$0	\$0

5. Road and Bridge Program – Revenue Adjustments/Fund Shift

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). **See Table below.**

Gross	\$1,661,869,600	(\$162,230,600)
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**Major Budget Changes from FY 2022-23 YTD Appropriations**FY 2022-23
Year-to-Date
(as of 2/8/23)FY 2023-24
Enacted
Change

Reconciliation of State Trunkline Road and Bridge Program Changes					
		Changes from FY 2022-23			
Fund Source	FY 2022-23 YTD	Revenue Adjustments	Design/Engineering Budget Realignment ⁽³⁾	Other STF Line Item Increases that Reduce Available STF	FY 2023-24 Net Change
Gross	\$1,661,869,600	\$55,338,200	(\$58,857,400)	(\$158,711,400)	(\$162,230,600)
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 ⁽¹⁾ 12,642,700 ⁽²⁾	(68,857,400)	(124,523,600) ⁽⁴⁾ (34,187,800) ⁽⁵⁾	(172,230,600)
GF/GP	\$0	\$0	\$0	\$0	\$0
<p>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:</p> <p>Key:</p> <ol style="list-style-type: none"> 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

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.

Gross	\$1,910,975,400	\$39,028,900
Restricted	1,910,975,400	39,028,900
GF/GP	\$0	\$0

TRANSPORTATION**Major Budget Changes from FY 2022-23 YTD Appropriations****7. Transportation Economic Development Fund (TEDF)**

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.

	FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
Gross	\$45,951,000	\$9,418,000
Restricted	45,951,000	9,418,000
GF/GP	\$0	\$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.

8. Transit Programs – Local Bus Operating Assistance

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.

Gross	\$201,750,000	\$60,000,000
Federal	0	45,000,000
Restricted	201,750,000	15,000,000
GF/GP	\$0	\$0

9. Transit Programs – Non-Urban Operating/Capital

The amount included in the budget for federal non-urbanized area formula grants under 49 USC 5311 would remain unchanged at \$39.8 million.

Gross	\$39,845,600	\$0
Federal	37,845,600	0
Local	2,000,000	0
GF/GP	\$0	\$0

10. Transit Capital

Recognizes \$43.6 million increase in estimated federal transit capital grants for local transit agencies.

Gross	\$179,076,100	\$43,641,400
Federal	78,000,000	43,641,400
Local	31,000,000	0
Private	2,000,000	0
Restricted	68,076,100	0
GF/GP	\$0	\$0

11. Rail Operations and Infrastructure

Retains current-year baseline funding. Also includes one-time \$14.9 million CTF increase.

Gross	\$137,750,700	\$14,900,000
Federal	30,000,000	0
Local	100,000	0
Private	2,000,000	0
Restricted	105,650,700	14,900,000
GF/GP	\$0	\$0

12. Van Pooling

Includes \$400,000 CTF for the van pool program, a \$205,000 CTF increase as compared to current year.

Gross	\$195,000	\$205,000
Restricted	195,000	205,000
GF/GP	\$0	\$0

13. Specialized Services

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.

Gross	\$26,541,300	\$3,771,100
Federal	13,127,400	0
Local	4,185,000	0
Restricted	9,228,900	3,771,100
GF/GP	\$0	\$0

14. Detroit/Wayne County Port Authority

Includes \$100,000 CTF baseline increase.

Gross	\$500,000	\$100,000
Restricted	500,000	100,000
GF/GP	\$0	\$0

15. Marine Passenger Service

Increases CTF support by \$188,000 for line item that provides capital assistance to eligible public ferry services in Michigan.

Gross	\$4,964,000	\$188,000
Federal	2,652,000	0
Local	500,000	0
Restricted	1,812,000	188,000
GF/GP	\$0	\$0

TRANSPORTATION

Major Budget Changes from FY 2022-23 YTD Appropriations		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
16. Capital Outlay – Salt Storage and other Property Maintenance	Gross	\$5,501,500	\$2,499,000
Increases STF support by \$2.5 million for construction of salt storage facilities and capital maintenance of other MDOT-owned facilities.	Restricted	5,501,500	2,499,000
	GF/GP	\$0	\$0
17. Capital Outlay - Airport Improvement Program (AIP)	Gross	\$160,461,900	\$19,607,800
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).	Federal	135,000,000	20,000,000
	Local	17,500,000	0
	Private	2,000,000	0
	Restricted	5,961,900	(392,200)
	GF/GP	\$0	\$0
18. Detroit Metropolitan Wayne County Airport	Gross	\$5,850,000	\$520,000
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.	Restricted	5,850,000	520,000
	GF/GP	\$0	\$0
19. IJJA Airport Infrastructure Grants	Gross	\$95,000,000	\$0
Retains current-year \$95.0 million federal spending authority for a new program of federal aid to public airports established under Division J of IJJA.	Federal	95,000,000	0
	GF/GP	\$0	\$0
20. Back Out FY 2022-23 One-Time Items	Gross	\$92,500,000	(\$92,500,000)
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 IJJA 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.)	Restricted	1,250,000	(1,250,000)
	GF/GP	\$91,250,000	(\$91,250,000)
21. One-Time – Intermodal Capital Investments Grants	Gross	\$0	\$50,000,000
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 IJJA. (See also Section 1001)	Restricted	0	45,000,000
	GF/GP	\$0	\$5,000,000
22. One-Time GF/GP – Michigan/Local Bridge Bundling Initiative	Gross	\$0	\$80,000,000
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)	GF/GP	\$0	\$80,000,000
23. One-Time GF/GP – MI Contracting Opportunity	Gross	\$0	\$3,000,000
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)	GF/GP	\$0	\$3,000,000
24. One-Time GF/GP – Critical Infrastructure Projects	Gross	\$0	\$181,600,000
Includes \$181.6 million one-time GF/GP for 27 critical infrastructure projects identified in the table in boilerplate Section 1005 below.	GF/GP	\$0	\$181,600,000

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

		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Enacted Change
25. One-Time GF/GP – New Technology/Mobility	Gross	\$0	\$18,500,000
Includes \$18.5 million one-time GF/GP for three projects in support of new transportation technology, defined in boilerplate Section 1004 below.	GF/GP	\$0	\$18,500,000
26. ARP – One-Time Mobility Fund Platform	Gross	\$0	\$3,500,000
Includes \$3.5 million federal ARP COVID-19 relief funds for mobility public-private partnership and programming projects defined in boilerplate Section 1008.	Federal	0	3,500,000
	GF/GP	\$0	\$0
27. ARP – One-Time Mobility Challenge	Gross	\$0	\$3,500,000
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)	Federal	0	3,500,000
	GF/GP	\$0	\$0
28. ARP – One-Time Air Service Revitalization	Gross	\$0	\$7,000,000
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)	Federal	0	7,000,000
	GF/GP	\$0	\$0
29. Economic Adjustments	Gross	NA	(\$84,800)
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.	IDG	NA	(8,300)
	Federal	NA	(136,100)
	Restricted	NA	59,600
	GF/GP	NA	\$0
30. Executive Budget Revision – Staffing	Gross	NA	\$0
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.	Federal	NA	0
	Restricted	NA	0
	GF/GP	NA	\$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 IJA 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 100002 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:

Subsec. (2) Subdivision	Recipient/Designation	Amount
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
	Total	\$181,600,000

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)

**Appropriation
Change**

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 Freight Corridor (freight pre-clearance customs data sharing).

Gross	\$124,099,900
Federal	124,099,900
GF/GP	\$0

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.

Gross	\$1,548,800
Federal	1,548,800
GF/GP	\$0



Mary Ann Cleary, Director
Kevin Koorstra, Deputy Director

Agriculture and Rural Development	William E. Hamilton
Capital Outlay	Perry Zielak
Community Colleges	Perry Zielak
Corrections	Robin R. Risko
Education (Department)	Noel Benson
Environment, Great Lakes, and Energy	Austin Scott
General Government:	
Attorney General/Civil Rights/State (Department)/	
Technology, Management, and Budget	Michael Cnossen
Executive Office/Legislature/Legislative Auditor General/Lottery/Treasury	Viola Bay Wild
Health and Human Services:	
Child Welfare, Child Support, Community Services, Public Health and Aging	Sydney Brown
Medicaid, Physical and Behavioral Health	Kevin Koorstra
Public Assistance, Field Operations, Medicaid-backup	Kent Dell
Higher Education	Perry Zielak
Insurance and Financial Services	Marcus Coffin
Judiciary	Robin R. Risko
Labor and Economic Opportunity (Michigan Strategic Fund)	Viola Bay Wild
Licensing and Regulatory Affairs	Marcus Coffin
Military and Veterans Affairs	Michael Cnossen
Natural Resources	Austin Scott
Natural Resources Trust Fund	Austin Scott
School Aid	Noel Benson; Jacqueline Mullen
State Police	Marcus Coffin
Transportation	William E. Hamilton
Unemployment Insurance	Marcus Coffin
 Economic/Revenue Forecasting	 Jim Stansell; Benjamin Gielczyk
Local Finance/Revenue Sharing/Tax Analysis	Jim Stansell; Benjamin Gielczyk
 Legislative Analysis	 Rick Yuille Edith Best; Holly Kuhn; Joshua Roesner; Alex Stegbauer
 Fiscal Oversight, Audit, and Litigation	 Mary Ann Cleary
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