

FY 2021-22: TOTAL GENERAL GOVERNMENT
Summary: As Reported by House Appropriations Committee
House Bill 4398 (H-3)



Analysts: Ben Gielczyk and Michael Crossen

IDG/IDT	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Executive	FY 2021-22 House*	FY 2021-22 Senate	FY 2021-22 Conference	Difference: House From FY 2020-21 YTD	
						Amount	%
	\$1,099,669,700	\$1,132,012,100	\$287,762,400			(\$811,907,300)	(73.8)
Federal	1,188,435,200	1,190,035,100	297,363,500			(891,071,700)	(75.0)
Local	26,297,200	26,260,700	6,565,300			(19,731,900)	(75.0)
Private	11,950,100	11,907,500	3,304,800			(8,645,300)	(72.3)
Restricted	2,432,301,600	2,425,356,200	1,757,516,900			(674,784,700)	(27.7)
GF/GP	1,403,539,900	1,430,603,200	723,042,100			(680,497,800)	(48.5)
Gross	\$6,162,193,700	\$6,216,174,800	\$3,075,555,000			(\$3,086,638,700)	(50.1)
FTEs	9,994.0	10,522.0	9,950.0			(44.0)	(0.4)

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as “one-time.”

*The majority of the appropriations in the House Subcommittee Recommendation provided the equivalent of one-quarter of the annual appropriation.

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), Treasury (including the Bureau of State Lottery, Michigan Gaming Control Board, State Building Authority, Revenue Sharing, and Debt Service), and Labor and Economic Opportunity (including 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). **Budget issues are listed by department on the following pages.**

Major Boilerplate Changes from FY 2020-21

Sec. 206. Disciplinary Action Against State Employees – RETAINED

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. Executive deletes. House retains.

Sec. 211. Countercyclical Budget and Economic Stabilization Fund – REVISED

Executive includes no countercyclical budget and economic stabilization fund deposit in FY 2021-22. House concurs.

Sec. 216. FTE Vacancies and Remote Work Report – REVISED

Requires departments and agencies to provide quarterly reports that provide 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 2020, 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. Executive deletes. House revises by requiring departments and agencies to submit information to DTMB for DTMB to compile and submit the report; requires DTMB to appear and testify to the Appropriations Subcommittees on General Government to present on ongoing cost savings achieved by remote work, the reduced use of office space, and the department’s strategy to achieve future costs savings by remote work.

Sec. 217. Work Project Expenditures – RETAINED

Prohibits appropriations in from being expended in cases where existing work project authorization is available for the same expenditures. Executive deletes. House retains.

Major Boilerplate Changes from FY 2020-21

Sec. 218. State Administrative Board Transfers – RETAINED

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. Executive deletes. House retains.

Sec. 219. Receipt and Retention of Required Reports – RETAINED

Requires departments to receive and retain copies of all reports required in Article VIII; requires federal and state guidelines to be followed for short-term and long-term retention of records; authorizes departments to electronically retain copies of reports unless otherwise required by federal and state guidelines. Executive deletes. House retains.

Sec. 220. Reporting Requirement on Policy Changes – RETAINED

Requires departments to report on policy changes made in order to implement enacted legislation. Executive deletes. House retains.

Sec. 221. Fund Sourcing Priorities – RETAINED

Requires federal or private grant funding to be used prior to General Fund appropriations when available for the same expenditure. Executive deletes. House retains.

Sec. 222. Work Plan Changes for Coronavirus Relief Fund – DELETED

Requires state budget director to provide written notification on any changes in work planned spending categories for work projects containing Coronavirus Relief Funds for FY 2019-20 prior to expenditures occurring from new or increased spending categories. Executive and House deletes.

Sec. 222. Severance Pay Report – NEW

Requires the department and agencies to report the name and any amount of severance pay given to any high-ranking department official; requires the department and agencies to maintain an internet site and post severance pay in excess of 6 weeks of wages for a former department or agency employee of any rank; requires the department and agencies to submit an annual report on the total amount of severance pay remitted to former employees during the prior fiscal year and the total number of those employees; defines "severance pay". House adds.

Sec. 223. Coronavirus Relief Fund Transfer to Unemployment Trust Fund – RETAINED

Requires any Coronavirus Relief Fund appropriations in part 1 for which expenditures have not been incurred as of December 30, 2020 to be deposited into the Unemployment Insurance Trust Fund. Executive deletes. House retains and revises the year to 2021.

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

Prohibits various state government entities from requiring proof of COVID-19 vaccination as a condition of accessing any state services or facilities, producing COVID-19 vaccine passports, and providing information to other parties for inclusion in a COVID-19 vaccine passport. House adds.

Sec. 229. Initiatives and Recommendations Related to Savings Identified in Audit Reports – RETAINED

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. Executive deletes section. House retains current law.

Sec. 235. Federal Funding Contingency Plan – RETAINED

Requires the state budget director, in consultation with the appropriate department, to recommend a contingency plan for the federal funding reduction. Requires report by April 1. Executive deletes. House retains.

Sec. 240. New Program Metrics – RETAINED

Requires the State Budget Office provide a list of new programs and program enhancements that exceed \$500,000. Also requires identified programs to use program-specific measuring metrics in addition to the metrics required under Section 447 of the Management and Budget Act. The State Budget Office shall provide a report on the metrics and performance progress of identified programs by September 30. Express intent that future program funding increases be based on prior performance. Executive deletes. House retains.

FY 2021-22: DEPARTMENT OF ATTORNEY GENERAL
Summary: As Reported by House Appropriations Committee
House Bill 4398 (H-3)



Analyst: Michael Cossen

IDG/IDT	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Executive	FY 2021-22 House	FY 2021-22 Senate	FY 2021-22 Conference	Difference: House From FY 2020-21 YTD	
						Amount	%
	\$35,285,800	\$35,083,600	\$8,771,300			(\$26,514,500)	(75.1)
Federal	9,906,100	9,868,400	2,467,200			(7,438,900)	(75.1)
Local	0	0	0			0	--
Private	0	0	0			0	--
Restricted	20,488,300	20,390,800	5,098,200			(15,390,100)	(75.1)
GF/GP	41,148,400	41,996,000	10,160,800			(30,987,600)	(75.3)
Gross	\$106,828,600	\$107,338,800	\$26,497,500			(\$80,331,100)	(75.2)
FTEs	543.4	547.4	542.4			(1.0)	(0.2)

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (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 the 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 2020-21 YTD Appropriations

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Change
--	---	-------------------------------

Generally, the House Subcommittee Recommendation appropriates the equivalent of one quarter of the anticipated annual appropriation. For major budget changes listed below the quartered appropriations are annualized for comparison purposes.

1. Clean Slate Criminal Record Expungement Implementation

Executive includes \$560,000 GF/GP and authorizes 4.0 FTE positions to support ongoing personnel costs of implementing the "Clean Slate" legislation package, 2020 PA 187-193. Additional FTE positions are authorized to handle the manual processing of applications to approve or oppose setting aside convictions. House concurs.

FTE	0.0	4.0
Gross	\$0	\$560,000
GF/GP	\$0	\$560,000

2. Address Confidentiality Program

Executive includes \$500,000 GF/GP to establish an online system and database to register and safekeep survivors' personal information. The Address Confidentiality Program Act, 2020 PA 301, requires the department to create and maintain a computerized database containing participants information within two years of an appropriation being made to the Confidential Address Fund created in the act for the purpose of administering the program. House does not include.

Gross	\$0	\$0
GF/GP	\$0	\$0

3. Public Safety Initiative

House reduces \$42,500 GF/GP for personnel costs related to prosecutorial services to reduce backlog of outstanding warrants in high-crime areas of the state and to increase prosecutions in recognition of the availability of sufficient program funding from funds authorized to carry forward from the prior fiscal year through work project designation.

Gross	\$888,600	(\$42,500)
GF/GP	\$888,600	(\$42,500)

		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Change
<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>			
4. Sexual Assault Law Enforcement	Gross	\$1,459,500	(\$457,200)
<u>House</u> reduces \$457,200 GF/GP for personnel costs to support investigations and prosecutions in 6 cities resulting from evidence supplied by sexual assault kits. The reduction recognizes the availability of sufficient program funding from money authorized to carry forward from prior fiscal years through work project designations.	GF/GP	\$1,459,500	(\$457,200)
5. Operations Reduction	Gross	\$96,003,900	(\$240,100)
<u>House</u> reduces \$240,100 GF/GP from the Operations line item to reflect administrative efficiencies. The funding reduction is distributed across 47 new line items created by the unrolling of the Operations line item as described in item number 10.	IDG	32,285,800	0
	Federal	7,024,400	0
	Restricted	20,068,500	0
	GF/GP	\$33,625,200	(\$240,100)
6. Unclassified Positions	FTE	6.0	(5.0)
<u>House</u> reduces \$853,400 GF/GP and 5.0 unclassified FTE positions for department administrative savings.	Gross	\$828,500	(\$853,400)
	GF/GP	\$828,500	(\$853,400)
7. PACC Special Courts Prosecutors Pilot	Gross	\$2,228,500	\$240,000
<u>House</u> includes \$240,000 GF/GP of one-time funding for the Prosecuting Attorneys Coordinating Council to establish a pilot program to issue two grants of \$120,000 annually to support two additional prosecutors to work on a county specialty court's caseload.	GF/GP	\$2,228,500	\$240,000
8. PACC NextGen Case Management IT System	Gross	\$2,228,500	\$500,000
<u>House</u> includes \$500,000 GF/GP of one-time funding to continue software development, implementation, and maintenance for the Prosecuting Attorneys Coordinating Council's NextGen case management IT system to replace the current 30-year old legacy state system. The NextGen system will comply with federal Criminal Justice Information Systems standards, enhance information security, and improve connectivity among prosecutors and criminal justice stakeholders.	GF/GP	\$2,228,500	\$500,000
9. PACC Nursing Home Special Counsel	Gross	\$2,228,500	\$100
<u>House</u> includes a \$100 GF/GP placeholder for an independent Special Counsel within the Prosecuting Attorneys Coordinating Council to investigate incidents or deaths related to the spread of the coronavirus at long-term care facilities and the policies established by the state in response to COVID-19, and for determining whether any violations of law may have contributed to the spread of the virus among residents of those facilities.	GF/GP	\$2,228,500	\$100
10. Operations Line Item Unrolling	Gross	\$96,003,900	\$0
<u>House</u> unrolls the Operations line item by division and initiative into 47 new line items for a \$0 net change.	IDG	32,285,800	0
	Federal	7,024,400	0
	Restricted	20,068,500	0
	GF/GP	\$33,625,200	\$0
11. Economic Adjustments	Gross	NA	(\$549,800)
Reflects decreased costs of \$549,800 Gross (\$212,400 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2021 and 1.0% on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>Executive</u> and <u>House</u> include.	IDG	NA	(202,200)
	Federal	NA	(37,700)
	Restricted	NA	(97,500)
	GF/GP	NA	(\$212,400)

Major Boilerplate Changes from FY 2020-21

Sec. 308. Appropriation of Litigation Expense Reimbursements – DELETED

Appropriates up to \$500,000 from litigation expense reimbursements for court fees and legal costs assessed against the governor, the office of the governor, the attorney general, and the office of the attorney general when acting as the named party in litigation against the state; authorizes unexpended funding, up to \$250,000, to be carried forward. Executive revises by increasing appropriation from \$500,000 to \$1.0 million. House deletes.

Sec. 309a. Prisoner Reimbursements Report – RETAINED

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

Sec. 314. Flint Water Investigation – REVISED

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. House revises by deleting subsection (1) appropriating funds through boilerplate. The House adds a new line item in part 1 appropriating funds for expenses associated with Flint Declaration of Emergency due to drinking water contamination

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

Requires department to notify of lawsuit settlements with a fiscal impact for the state of \$2.0 million or more; prohibits department from entering a lawsuit that is contrary to state laws; requires department to enforce state laws. Executive deletes. House retains.

Sec. 321. Attorney General Presentation on Federal Lawsuits – RETAINED

Requires department to submit notification upon entering lawsuit against federal government and estimated costs for participating in the lawsuit. Executive deletes. House retains.

Sec. 323. PACC Special Courts Prosecutors Pilot – NEW

Requires one-time funding for the PACC Special Courts Prosecutors Pilot to be used by the Prosecuting Attorneys Coordinating Council to establish a pilot program to issue two grants of \$120,000 to support two additional prosecutors to work on a county specialty court's caseload. House adds.

Sec. 324. Payroll Fraud Enforcement Unit Report – NEW

Requires the department to submit an annual report and post on its website on the activities and findings of the Payroll Fraud Enforcement Unit, including a listing of each complain received, the unit's finding on the validity of each complaint, and any enforcement action taken. House adds.

Sec. 328. Wayne County Juvenile Justice System Report – NEW

Requires the department to submit an annual report on the Juvenile Justice System in Wayne County that includes the number of youth referred to the department for care in the previous fiscal year and the first quarter of the current fiscal year, and the type of setting for each referred youth, any applicable performance outcomes, and identified financial costs or savings. House adds.

FY 2021-22: DEPARTMENT OF CIVIL RIGHTS
Summary: As Reported by House Appropriations Committee
House Bill 4398 (H-3)



Analyst: Michael Crossen

	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Executive	FY 2021-22 House	FY 2021-22 Senate	FY 2021-22 Conference	Difference: House From FY 2020-21 YTD	
						Amount	%
IDG/IDT	\$299,800	\$298,900	\$74,700			(\$225,100)	(75.1)
Federal	2,868,200	2,850,700	712,800			(2,155,400)	(75.1)
Local	0	0	0			0	--
Private	18,700	18,700	4,700			(14,000)	(74.9)
Restricted	58,500	58,500	14,600			(43,900)	(75.0)
GF/GP	14,792,200	14,357,300	3,442,500			(11,349,700)	(76.7)
Gross	\$18,037,400	\$17,584,100	\$4,249,300			(\$13,788,100)	(76.7)
FTEs	116.0	115.0	110.0			(6.0)	(5.2)

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (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 2020-21 YTD Appropriations

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Change
--	---	-------------------------------

Generally, the House Subcommittee Recommendation appropriates the equivalent of one quarter of the anticipated annual appropriation. For major budget changes listed below the quartered appropriations are annualized for comparison purposes.

1. Transfer of Women's Commission to LEO

Executive removes \$366,800 GF/GP and 1.0 FTE position to reflect the transfer of the Michigan Women's Commission from the department to the Department of Labor and Economic Opportunity, as ordered under Executive Order 2020-171, to address concerns about economic security and gender pay equity. House concurs.

FTE	2.0	(1.0)
Gross	\$3,159,200	(\$366,800)
GF/GP	\$3,159,200	(\$366,800)

2. Unclassified Positions

House reduces \$587,400 GF/GP and 5.0 unclassified FTE positions for department administrative savings.

FTE	6.0	(5.0)
Gross	\$725,600	(\$587,400)
GF/GP	\$725,600	(\$587,400)

3. Economic Adjustments

Reflects decreased costs of \$86,500 Gross (\$68,100 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2021 and 1.0% on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. Executive and House include.

Gross	NA	(\$86,500)
IDG	NA	(900)
Federal	NA	(17,500)
GF/GP	NA	(\$68,100)

Major Boilerplate Changes from FY 2020-21

Sec. 401. Contingency Authorization – RETAINED

Appropriates up to \$1.0 million in federal and up to \$375,000 in private contingency authorization; authorizes expenditure of funds after legislative transfer to specific line items. Executive revises by authorizing up to \$2.0 million in federal contingency authorization and up to \$750,000 in private contingency authorization. House retains.

Sec. 402. Training and Information Dissemination – RETAINED

Authorizes department to receive and expend local and private funds, up to a combined total of \$85,000, pertaining to employer training, publication and sale of informational material, copy and witness fees, mediation activities, workshops and seminars, and related staffing costs. Executive revises by eliminating cap of \$85,000. House retains.

FY 2021-22: EXECUTIVE OFFICE

**Summary: As Reported by House Appropriations Committee
House Bill 4398 (H-3)**



Analyst: Ben Gielczyk

	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Executive	FY 2021-22 House	FY 2021-22 Senate	FY 2021-22 Conference	Difference: House From FY 2020-21 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0			\$0	--
Federal	0	0	0			0	--
Local	0	0	0			0	--
Private	0	0	0			0	--
Restricted	0	0	0			0	--
GF/GP	7,114,300	7,318,600	7,318,600			204,300	2.9
Gross	\$7,114,300	\$7,318,600	\$7,318,600			\$204,300	2.9
FTEs	89.2	89.2	89.2			0.0	0.0

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (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 2020-21 YTD Appropriations

1. Executive Office Operations

Reflects increased costs of \$204,300 GF/GP related to Executive Office staff and other operations. Executive and House include.

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Change
FTE	89.2	0.0
Gross	\$7,114,300	\$204,300
GF/GP	\$7,114,300	\$204,300

Major Boilerplate Changes from FY 2020-21

There are no major boilerplate changes for FY 2021-22.

FY 2021-22: DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY



**Summary: As Reported by House Appropriations Committee
House Bill 4398 (H-3)**

Analyst: Ben Gielczyk

IDG/IDT	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Executive	FY 2021-22 House*	FY 2021-22 Senate	FY 2021-22 Conference	Difference: House From FY 2020-21 YTD	
						Amount	%
	\$0	\$0	\$0			\$0	--
Federal	1,138,389,800	1,143,364,800	285,695,600			(852,694,200)	(74.9)
Local	10,900,000	10,900,000	2,725,000			(8,175,000)	(75.0)
Private	11,317,800	11,267,000	2,816,800			(8,501,000)	(75.1)
Restricted	272,389,100	243,502,700	64,676,000			(207,713,100)	(76.3)
GF/GP	251,367,600	421,143,100	47,469,000			(203,898,600)	(81.1)
Gross	\$1,684,364,300	\$1,830,177,600	\$403,382,400			(\$1,280,981,900)	(76.1)
FTEs	2,579.9	3,096.9	2,564.9			(15.0)	(0.6)

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

*The majority of the appropriations in the House Subcommittee Recommendation provided the equivalent of one-quarter of the annual appropriation.

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 2020-21 YTD Appropriations

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Change
--	---	-------------------------------

Generally, the House Subcommittee Recommendation appropriates the equivalent of one quarter of the anticipated annual appropriation, except in areas such as debt service, statutorily required distributions, payments to locals, certain grants, which incorporate the full annual appropriation. For major budget changes listed below the quartered appropriations are annualized for comparison purposes.

1. Michigan Reconnect Program

Executive includes \$120.0 million GF/GP (considered a one-time appropriation) and authorizes 20.0 FTE positions to provide Reconnect programming for FY 2021-22 and FY 2022-23. Reconnect provides a last-dollar scholarship to individuals over the age of 25 with a high school diploma seeking an associate degree or Pell-eligible skill certificate. House eliminates funding and FTE positions.

FTE	12.0	(12.0)
Gross	\$30,000,000	(\$30,000,000)
Restricted	30,000,000	(30,000,000)
GF/GP	\$0	\$0

2. Futures for Frontliners

Executive includes \$39.1 million GF/GP (considered a one-time appropriation) to support existing frontliner population and an expansion of the program to include workers who are newly employed between November 1, 2020 and January 31, 2021, in industries disproportionately impacted by COVID-19. House does not include.

Gross	\$0	\$0
GF/GP	\$0	\$0

Major Budget Changes from FY 2020-21 YTD Appropriations		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Change
3. Reconnect and Futures for Frontliners Wraparound Services	Gross	\$0	\$0
<u>Executive</u> includes \$6.0 million GF/GP (considered a one-time appropriation) to provide services to single parents participating in the programs. Services could include childcare, personalized advising, tutoring, career counseling, and assistance with transition to a 4-year program. <u>House</u> does not include.	GF/GP	\$0	\$0
4. Flint Settlement Debt Service	Gross	\$0	\$0
<u>Executive</u> includes \$35.0 million GF/GP for annual debt service costs associated with anticipated bond issuance pursuant to the Flint Settlement. Payments would continue for the planned 30-year term of the bond issuance. <u>House</u> does not include.	GF/GP	\$0	\$0
5. Business Attraction and Community Revitalization	Gross	\$100,000,000	(\$5,860,000)
<u>House</u> reduces by \$5.9 million GF/GP for a total program appropriation of \$94.1 million Gross.	Restricted	59,350,000	0
	GF/GP	\$40,650,000	(\$5,860,000)
6. Biomedical Research Support Grant	Gross	\$1,000,000	\$0
<u>Executive</u> removes funding. <u>House</u> retains \$1.0 million GF/GP (considered a one-time appropriation) for a grant award for Van Andel Institute.	GF/GP	\$1,000,000	\$0
7. Child Care Provider Preservation and Expansion Grants	Gross	\$0	\$1,000,000
<u>House</u> provides \$1.0 million GF/GP (considered a one-time appropriation) for a grant program to defray costs associated with starting a child care provider business. Eligible costs would include licensing fees, infrastructure upgrades, background checks, training, equipment purchases, and other costs associated with meeting state requirements. Costs incurred over prior three years would be eligible and grants would be capped at \$2,000.	GF/GP	\$0	\$1,000,000
8. Michigan Career and Technical Institute Upgrades	Gross	\$0	\$1,000,000
<u>House</u> provides \$1.0 million GF/GP (considered a one-time appropriation) for infrastructure improvements, including mechanical, plumbing, and electrical projects at the Michigan Career and Technical Institute.	GF/GP	\$0	\$1,000,000
9. Reduced Recidivism Employment Supports	Gross	\$0	\$660,000
<u>House</u> provides \$660,000 GF/GP (considered a one-time appropriation) to a nonprofit that operates a program provides services to parolees and probationers assessed by MDOC as moderate or high-risk to recidivate. The program would provide job readiness training, transitional employment, job coaching and placement, and postplacement retention services.	GF/GP	\$0	\$660,000
10. Rural Jobs and Capital Investment Fund	Gross	\$1,500,000	\$500,000
<u>Executive</u> removes funding. <u>House</u> increases grant to Rural Jobs and Capital Investment Fund by \$500,000 GF/GP.	GF/GP	\$1,500,000	\$500,000
11. Small Business Development Centers	Gross	\$0	\$200,000
<u>House</u> includes \$200,000 GF/GP to provide grants to small business development centers operating in a prosperity region that does not include the main campus of a four-year university. Grants are capped at \$100,000 and funds must be used by the grantee to leverage additional matching dollars.	GF/GP	\$0	\$200,000
12. Going Pro	Gross	\$28,670,700	\$0
<u>Executive</u> includes \$15.0 million GF/GP (considered a one-time appropriation) to provide a total of \$43.7 million for Going Pro, of which \$28.7 million is ongoing. Program primarily funds employer-based training grants. <u>House</u> does not include the one-time increase.	Restricted	9,540,800	0
	GF/GP	\$19,129,900	\$0

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		<u>FY 2020-21 Year-to-Date (as of 2/11/21)</u>	<u>FY 2021-22 House Change</u>
13. Statewide Pre-Apprenticeship Program	Gross	\$0	\$0
<u>Executive</u> includes \$3.0 million GF/GP for a statewide pre-apprenticeship program that would connect individuals that are unemployed or underemployed with training and resources to advance careers in the building and construction trades. <u>House</u> does not include.	GF/GP	\$0	\$0
14. Workforce Training Equipment Purchase Grants	Gross	\$0	\$1,500,000
<u>House</u> includes \$1.5 million of contingent fund, penalty and interest account for equipment grants to qualified training providers for employer-driven workforce training programs. Individual grants are capped at \$90,000.	Restricted	0	1,500,000
	GF/GP	\$0	\$0
15. Housing and Community Development Program	Gross	\$0	\$0
<u>Executive</u> includes \$10.0 million GF/GP (considered a one-time appropriation) for deposit in MSHDA's Housing and Community Development Fund. The fund supports development and coordination of public and private resources to meet low-income household affordable housing needs and revitalize downtowns. The fund last received an appropriation as part of the National Mortgage Settlement in 2012. <u>House</u> does not include.	GF/GP	\$0	\$0
16. Child Care Facilitator Pilot Project	Gross	\$1,000,000	\$1,200,000
<u>Executive</u> and <u>House</u> include \$2.2 million GF/GP (considered a one-time appropriation) to continue childcare facilitator pilot project established in FY 2020-21 with \$1.0 million appropriation serving three locations. Program is administered by LEO in consultation with MDE. Program utilizes both state and business support.	GF/GP	\$1,000,000	\$1,200,000
17. Child Savings Accounts	Gross	\$0	\$0
<u>Executive</u> provides \$2.0 million GF/GP (considered a one-time appropriation) to allocate \$1.0 million for grants to organizations that can deploy funds to build child savings account program to improve financial literacy, boost educational attainment for low-income children, and support wealth building in low-income families and \$1.0 million for two pilot programs (rural and urban) where funds are used as matching grants for family contributions or to match philanthropic or community donations to child savings accounts. <u>House</u> does not include.	GF/GP	\$0	\$0
18. Mobility Futures Initiative	Gross	\$0	\$0
<u>Executive</u> includes \$25.0 million GF/GP (considered a one-time appropriation) for a multi-agency effort to advance mobility initiatives in the state. The initiative would be centrally coordinated through LEO's Office of Future Mobility and Electrification and involve the Departments of Environment, Great Lakes, and Energy (EGLE) and Transportation (MDOT). Of the total, the funds would be allocated as follows:	GF/GP	\$0	\$0
<ul style="list-style-type: none"> \$15.0 million to LEO for long-term planning, innovative technology deployment, electric charging infrastructure, new economic sector development, and workforce training and credentialing in emerging industries \$8.0 million to EGLE for electric charging infrastructure and vehicle fleet conversion \$2.0 million to MDOT for on-demand service pilots in underserved areas for regional mobility and addressing systemic inequity 			
<u>House</u> does not include.			
19. Poverty Task Force – Research and Planning	Gross	\$0	\$0
<u>Executive</u> includes \$1.0 million GF/GP (considered a one-time appropriation) for research and planning that would increase effectiveness of state benefit programs. <u>House</u> does not include.	GF/GP	\$0	\$0

		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Change
Major Budget Changes from FY 2020-21 YTD Appropriations			
20. Focus: HOPE Grant	Gross	\$0	\$0
<u>Executive</u> includes \$1.0 million GF/GP (considered a one-time appropriation) for the nonprofit's workforce, youth development, and community empowerment and advocacy efforts. <u>House</u> does not include.	GF/GP	\$0	\$0
21. Brownfield Redevelopment Fund Creation and Increase	Gross	\$50,000	\$1,125,000
<u>Executive</u> and <u>House</u> include \$1.1 million Gross (\$0 GF/GP) to support community development projects authorized under 2012 PA 502. Revenues exists from captured brownfield tax increment finance revenue pursuant to the act. Also transfers \$50,000 in fund source authorization from special project advances for a total authorization of \$1.2 million.	Restricted	50,000	1,125,000
	GF/GP	\$0	\$0
22. Federal Fund Authorization Increases	Gross	NA	\$13,075,000
<u>Executive</u> and <u>House</u> include the following federal fund appropriation authorization increases to reflect new federal awards:	Federal	NA	13,075,000
<ul style="list-style-type: none"> \$6.0 million for Michigan Learning and Education Advancement Program (MiLEAP) to help jobseekers transition from education and training to employment through customized training and support \$4.0 million for Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) to increase the number of low-income students prepared to enter postsecondary education \$3.1 million for Workforce Development H-1B grants to reflect two new grants to prepare the workforce for middle- to high-skilled positions currently filled by H-1B workers and to connect employers with skilled healthcare workers in rural communities 	GF/GP	NA	\$0
23. State Historic Preservation Office (SHPO)	Gross	\$0	\$2,100,000
<u>Executive</u> and <u>House</u> include \$2.1 million Gross (\$0 GF/GP) for office operations. Includes \$1.9 million in federal fund sourcing and \$200,000 in new restricted fees and charges as a result of authorization included in 2020 PA 343 which allowed SHPO to collect fees for the historic tax credit program.	Federal	0	1,900,000
	Restricted	0	200,000
	GF/GP	\$0	\$0
24. Michigan Women's Commission Transfer from Civil Rights	FTE	0.0	2.0
<u>Executive</u> and <u>House</u> include \$366,800 GF/GP and authorizes 2.0 FTE positions to reflect the transfer of the Michigan Women's Commission from the Department of Civil Rights to the Department of Labor and Economic Opportunity, as ordered under Executive Order 2020-171. The Women's Commission works to address concerns about economic security and gender pay equity. Includes 1.0 FTE as an unclassified position.	Gross	\$0	\$366,800
	GF/GP	\$0	\$366,800
25. Unemployment Insurance Benefits Claim Monitoring	Gross	\$0	\$4,000,000
<u>House</u> includes \$4.0 million GF/GP to support ongoing costs related to unemployment insurance benefit claims monitoring and fraud detection through the use of a third-party service that provides a proprietary identity document capture and verification solution.	GF/GP	\$0	\$4,000,000
26. Unemployment Insurance Agency Staffing	FTE	736.0	0.0
<u>Executive</u> includes authorization for an additional 500.0 FTE positions to align with increased federal administrative revenues. Up to 500.0 FTE positions were previously authorized for up to 6 months in 2020 PA 123. <u>House</u> does not include.	Gross	\$299,363,800	\$0
	Federal	276,626,400	0
	Restricted	22,737,400	0
	GF/GP	\$0	\$0
27. Current Services Baseline Technical Adjustments	Gross	NA	\$1,769,000
<u>Executive</u> and <u>House</u> include \$1.8 million Gross (\$78,100 GF/GP) to accommodate technical adjustments related to defined calculations, federal match requirements, and federal and restricted revenue estimates.	Federal	NA	1,680,400
	Restricted	NA	10,500
	GF/GP	NA	\$78,100

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		<u>FY 2020-21 Year-to-Date (as of 2/11/21)</u>	<u>FY 2021-22 House Change</u>
28. Removal of FY 2020-21 One-Time Appropriations	Gross	\$96,288,800	(\$96,288,800)
<u>Executive</u> and <u>House</u> remove funding for the following one-time appropriations:	Federal	10,000,000	(10,000,000)
	GF/GP	\$86,288,800	(\$86,288,800)
<ul style="list-style-type: none"> • \$27.8 million GF/GP – Michigan Enhancement Grants • \$10.0 million Federal – Coronavirus Relief Fund Grants • \$3.5 million GF/GP – Michigan Stages Survival Grants • \$55.0 million GF/GP – Small Business Survival Grants 			
29. Executive Direction Reorganization	FTE	NA	0.0
<u>Executive</u> transfers \$1.1 million GF/GP from Workforce Development Programs to Executive Direction and Operations and includes new authorization for 7.0 FTE positions. This request would allow for additional centralized financial staff and flexible funding to support core operations of the department. <u>House</u> does not include.	Gross	NA	\$0
	GF/GP	NA	\$0
30. Unclassified Salaries	FTE	34.5	(5.0)
<u>House</u> eliminates funding for the equivalent of five unclassified positions.	Gross	\$4,073,100	(\$750,000)
	Federal	1,435,700	(583,400)
	Restricted	2,279,600	(100,700)
	GF/GP	\$357,800	(\$65,900)
31. Economics Adjustments	Gross	NA	(\$2,133,700)
Reflects net decrease of \$2.1 million Gross (\$180,600 GF/GP). Budgeted increases for salaries and wages (negotiated 2.0% increase on October 1, 2021 and 1.0% on April 1, 2022), and increases related to actuarially required retirement contributions, worker's compensation, and building occupancy charges, were offset by a reduction in calculated contributions for retiree medical benefits. <u>Executive</u> and <u>House</u> include.	Federal	NA	(1,680,400)
	Private	NA	(800)
	Restricted	NA	(271,900)
	GF/GP	NA	(\$180,600)

Major Boilerplate Changes from FY 2020-21

DEPARTMENT LABOR AND ECONOMIC OPPORTUNITY (LEO)

Sec. 980. Contingency Funds – RETAINED

Appropriates \$15.0 million of federal contingency funds, \$5.0 million of state restricted contingency funds, \$1.0 million of private contingency funds, and \$1.0 million of local contingency funds. Executive revises contingency fund authorizations to \$30.0 million federal, \$10.0 million state restricted, \$2.0 million private, and \$2.0 million local. House retains current law.

Sec. 983. Broadband Bonding Prohibition – RETAINED

Prohibits Department of Labor and Economic Opportunity (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. Executive deletes section. House retains current law.

Sec. 984. SIGMA System Reporting – RETAINED

Requires LEO to use SIGMA to report encumbrances and expenditures. Executive deletes section. House retains current law.

Sec. 989. Update of Workers' Compensation Administrative Code – RETAINED

States intent of the legislature that the workers' compensation agency annually update R 418.10101 to R 418.101504 of the Michigan Administrative Code as required under the Worker's Disability Compensation Act. Executive deletes section. House retains current law.

Sec. 989a. Employee Union Activities Prohibition – NEW

Prohibits the funds appropriated in part 1 from being expended for training, promotion, education, or other activities related to the establishment or development of an employee union. House includes as new section.

Major Boilerplate Changes from FY 2020-21

LEO – MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY (MSHDA)

Sec. 990. Michigan State Housing Development Authority Annual Report – RETAINED

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. Executive deletes section. House retains current law.

LEO – MICHIGAN STRATEGIC FUND (MSF)

Sec. 1004. Statutory Reporting Requirements Update – RETAINED

Requires MSF to provide information included in the MSF Act annual activities report to Legislature by March 15. Executive deletes section. House retains current law.

Sec. 1005d. Pure Michigan Promotion – NEW

Requires Pure Michigan campaign to prioritize sectors of the economy that were disproportionately impacted by the COVID-19 pandemic. House includes as new section.

Sec. 1006. Business Incentive and Community Revitalization Grant Amendment Reporting – RETAINED

Requires MSF to provide a report of prior-year amendments to Michigan Business Development Program and Michigan Community Revitalization Program incentives by March 15. Executive deletes section. House retains current law.

Sec. 1009. Land Purchase Provisions – RETAINED

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. If land or options on land are purchased, the section 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 by March 15. Executive deletes section. House retains current law.

Sec. 1013. Fundraising Activity – RETAINED

Prohibits MEDC staff involved in fundraising from being party to grant award, incentives, or tax abatement decisions. Executive deletes section. House retains current law.

Sec. 1033. Film and Digital Media Office Status Report – RETAINED

Requires annual activities report from the Michigan Film and Digital Media Office. The report shall include a listing of all projects that received assistance from the office, a listing of the services provided for each project, and an estimate of the investment leveraged. Executive deletes section. House retains current law.

Sec. 1035. Michigan Council for Arts and Cultural Affairs (MCACA) Grants – RETAINED

Requires MCACA to administer an arts and cultural grant program that maintains an equitable geographic distribution of funding and utilizes past arts and cultural grant programs as a guideline; requires MCACA to publish application criteria; authorizes MCACA to charge a non-refundable application fee to be used for expenses necessary to administer the programs; requires a report to the legislature. Executive revises by eliminating prohibition on part 1 appropriation being used to support administration of the program. House retains current law.

Sec. 1041. Business Attraction and Community Revitalization Transfer of Funds – RETAINED

Requires MSF to request not more than 60% of the funds appropriated for Business Attraction and Community Revitalization prior to April 1. Executive deletes section. House retains current law.

Major Boilerplate Changes from FY 2020-21

Sec. 1047. Michigan Enhancement Grants – DELETED

Specifies one-time appropriation in part 1 for Michigan Enhancement Grants shall be awarded to the following: (1) ERecording Commission (\$600,000), (2) Western Upper Peninsula Workforce Development Retirement Shortfall (\$1.1 million), (3) Holy Cross Services (\$1.0 million), (4) Rural Jobs Investment Fund (\$1.5 million), (5) McLaren – Cheboygan (\$3.0 million), (6) McLaren – Greenlawn (\$5.0 million), (7) Michigan Center for Civic Education (\$220,000), (8) Naval Museum Infrastructure Grant (\$200,000), (9) Governor Warner Historic Mansion Renovation (\$85,000), (10) Sloan Museum (\$1.0 million), (11) Langley Covered Bridge (\$750,000), (12) North Flint Food Market (\$506,800), (13) Helmets to Hardhats (\$250,000), (14) United Methodist Community House (\$1.0 million), (15) Michigan Aerospace Manufacturers Association (\$500,000), (16) Pershing High School Military Training (\$300,000), (17) Detroit Public Schools Air Filters (\$250,000), (18) Kent County Youth Sex Offender Diversion Program (\$75,000), (19) Statewide Pre-apprenticeship Program (\$3.0 million), (20) US 131 Interchange Kalamazoo County Planning and Design (\$1.8 million); (21) UCAN Addiction Recovery (\$200,000), (22) Amity Foundation (\$750,000), (23) Grand Traverse County Railway Improvements (\$500,000), (24) Chippewa County Railway Improvements (\$200,000), (25) Alcona County Railway Improvements (\$300,000), (26) Gaylord/Otsego County Railway Improvements (\$154,000), (27) Arenac County Railway Improvements (\$41,000), (28) Bay County Railway Improvements (\$94,000), (29) Gratiot County Railway Improvements (\$211,000), (30) Forest Road Roundabout (\$1.7 million), (31) Child Care Pilot Project (\$1.0 million), (32) Allegan County Bridge Repairs (\$3.0 million), and (33) Van Andel Institute (\$1.0 million). Executive and House delete section.

Sec. 1047. Health Care Business Incubator Pilot Project – NEW

Requires \$100 of Entrepreneurship Eco-System line item to be allocated to a health care business incubator pilot program that emphasizes entrepreneurial engagement with hospitals and health systems in the development of new technology and care models. House includes as new section.

Sec. 1048. Michigan Enhancement Grants Grant Agreements – DELETED

Requires MSF to execute a grant agreement with certain requirements for each Michigan Enhancement Grant awarded; requires quarterly updates on grant status; requires recipients to respond to reasonable requests. Executive and House delete section.

Sec. 1052. Coronavirus Relief Fund Grants – DELETED

Specifies one-time appropriation in part 1 for Coronavirus Relief Fund Grants shall be awarded to the following for eligible expenses: (1) Wolverine Human Services (\$2.4 million), Spectrum Human Services (\$1.9 million), Orchard's Children Services (\$81,900), Oakland Family Services (\$77,100), Ennis Center (\$85,800), Hospital UV Air Cleaner Grant Program (\$2.0 million), Michigan Tech COVID Testing Facility (\$400,000), and Rapid COVID Testing (\$3.0 million). Executive and House delete section.

Sec. 1053. Good Jobs for Michigan Appropriation Authority – NEW

Appropriates the funds transferred from the General Fund for deposit into the Good Jobs for Michigan Fund for calculated payments to eligible recipients. Executive and House include as new section.

LEO – EMPLOYMENT SERVICES

Sec. 1055. MIOSHA Fines Repayment – NEW

Requires the Michigan Occupational Safety and Health Administration (MIOSHA) to return fines levied on employers between April 30, 2020 and October 13, 2020 that were levied due to COVID-19 violations. House includes as new section.

Sec. 1056. MIOSHA Press Release Limitation – NEW

Prohibits MIOSHA from identifying specific employers by name in communications distributed to the press with respect to violations issued under emergency rules. House includes as new section.

LEO – WORKFORCE DEVELOPMENT AND UNEMPLOYMENT

Sec. 1066. Going Pro Administration – RETAINED

Requires Going Pro to be administered according to specific guidelines outline in boilerplate. Allows up to \$5.0 million of funds appropriated for Going Pro to be used for matching funds when federal funds requiring a match become available. The intent of the funds is increasing the skill level of employees in skilled trades and to address in-demand talent needs in Michigan. Executive revises to eliminate legislative notification related to program goal, solution, or guidance changes. Adds language authorizing up to \$250,000 to be used for award to national, nonprofit program that connects National Guard, reserve, retired, and transitioning active-duty military service members with skilled training and quality career opportunities in the construction industry. House retains current law.

Major Boilerplate Changes from FY 2020-21

Sec. 1067. Going Pro Talent Fund – DELETED

Authorizes funds appropriated for Going Pro in part 1 to be deposited into the Going Pro Talent Fund. States that if the funds are deposited, they are considered available for expenditure under the Going Pro Talent Fund Act. Executive and House delete section.

Sec. 1069. Healthy Michigan Work Requirement Assistance – RETAINED

Allows funds appropriated in part 1 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. Provides that funds may be used to hire additional department field staff to educate impacted Healthy Michigan plan recipients on the requirements and available services, make referrals, assess and address barriers to employment, and manage other caseload-related impacts. Requires quarterly report. Executive revises by striking reporting requirement. House retains current law.

Sec. 1070. Dropout Support and Career Training Grant – RETAINED

Requires \$1.5 million of the funds appropriated for Going Pro to support a pilot program to assist adults over the age of 23 in obtaining high school diplomas and placement in career training programs. Provides requirements to qualify as an eligible program provider. Provides detailed reimbursement rates for certain performance measures. Executive deletes section. House retains current law.

Sec. 1071. Dropout Prevention and Recovery Program for Michigan Youth – RETAINED

Requires \$3.8 million from the funds appropriated for At-Risk Youth Grants to be awarded to the Michigan franchise holder of the national Jobs for America's Graduates program. Executive deletes section but retains funding in part 1. House retains current law section; retains funding in part 1.

Sec. 1072. High School Equivalency-to-School Program Guidelines – RETAINED

Stipulates that \$250,000 appropriated in part 1 for the program are to be used to cover the cost of a high school equivalency test free of charge to individuals meeting certain requirements. Requires LEO to develop procedures, provide program information, provide full-year cost estimate, and provide a report. Executive deletes section; retains funding in part 1. House retains current law section; retains funding in part 1.

Sec. 1073. Statewide Pre-Apprenticeship Program – NOT INCLUDED

Requires funds appropriated in part 1 for the Statewide Pre-Apprenticeship Program to be awarded to a nonprofit with demonstrated effectiveness in the administration of an apprenticeship readiness program that increases the state's building trades and construction talent pool; requires program to enroll Michigan residents with the goal of achieving employment in the building trades and construction industry; requires program to prioritize economically distressed communities and target residents from underrepresented populations. Executive includes as new section. House does not include section.

Sec. 1074. Michigan Reconnect Grant Program – DELETED

Provides requirements for the Michigan Reconnect grant program; requires the department to allocate 10.0 FTE positions for navigators who provide support services and 2.0 FTE positions for oversight and implementation of the program. Executive and House delete section.

Sec. 1074. Unemployment Insurance Agency Expenditure Report – NEW

Requires Unemployment Insurance Agency to provide a report at least quarterly that includes fiscal year-to-date expenditures by division and program unit. Requires report to be transmitted within 30 days of the end of the quarter. House includes as new section.

Sec. 1075. Unemployment Insurance Agency Claimants and Trust Fund Reporting – RETAINED

Requires the department to provide a monthly report that provides 4-week average number of unique claimants, 4-week average number of eligible claimants with certification, 4-week average number of claims paid, total amount of standard unemployment insurance payments paid for the month, total amount of unemployment insurance tax generated for the quarter, and balance of the Michigan unemployment trust fund at the end of the quarter. Executive revises to make report quarterly. House retains current law.

Sec. 1077. Unemployment Insurance Agency Federal Funds – NOT INCLUDED

Authorizes appropriation and expenditure of USDOL federal funds received in excess of the gross appropriation in part 1 for the Unemployment Insurance Agency; requires notification to State Budget Director and legislative subcommittees prior to expenditure. Executive includes as new section. House does not include section.

Sec. 1077. Unemployment Insurance Agency Branch Offices – NEW

Requires Unemployment Insurance Agency to provide full-time, in-person services at all existing unemployment insurance local offices. House includes as new section.

Major Boilerplate Changes from FY 2020-21

Sec. 1077a. Unemployment Insurance Agency Benefit Claims Monitoring – NEW

Requires funds appropriated in part 1 for Unemployment Insurance Agency Benefit Claims Monitoring to be used to support ongoing costs related to unemployment insurance benefit claims monitoring and fraud detection through the use of a third-party service that provides a proprietary identity document capture and verification solution. House includes as new section.

Sec. 1079. Interagency Agreement for TANF Funds – REVISED

Requires LEO to extend into an interagency agreement with DHHS for the use of TANF funds. Requires report on use of TANF funds by LEO. Executive deletes section. House revises to require LEO to provide reporting on the interagency agreement with DHHS from requiring LEO to extend the interagency agreement.

LEO – REHABILITATION SERVICES

Sec. 1082. Michigan Rehabilitation Services Report – RETAINED

Requires annual status and outcome report on efforts taken to remedy and improve the MRS. Executive deletes section. House retains current law.

Sec. 1083. Michigan Rehabilitation Services Funding for Disabled Agricultural Workers – RETAINED

Allocates \$50,000 from MRS appropriation line item along with federal matching funds for vocational rehabilitation services to disabled agricultural workers; requires report. Executive revises to strike \$50,000 allocation and make allocation permissive. House retains current law.

Sec. 1084. Michigan Rehabilitation Services Order of Selection and Local Collaboration – RETAINED

States legislative intent that MRS not implement an order of selection for vocational and rehabilitative services; requires legislative notification if program is at risk of implementing an order of selection. States legislative intent that LEO coordinate with MRS, Michigan Works!, local technology and trade schools, local community mental health, and other local entities to fully utilize available MRS program space regardless of eligibility criteria. Executive revises to remove legislative intent that MRS not implement an order of selection for vocational and rehabilitative services. House retains current law.

Sec. 1085. Job Development and Community Employment-Related Contracts – RETAINED

Allocates \$6.1 million of MRS funding for service authorizations with accredited, community-based rehabilitation organizations for job development and employment-related services. Executive deletes section. House retains

Sec. 1086. Centers for Independent Living – RETAINED

Requires that all funds appropriated within the Independent Living appropriation line item be used to support Centers for Independent Living in underserved areas and to build capacity; requires report. Executive revises to remove limit of \$5.5 million on funds appropriated that may be used to leverage federal funds. House retains current law.

LEO – COMMISSIONS

Sec. 1091. Ethnic Affairs Commissions' Spending – DELETED

Requires expenditure of appropriated funds by the commissions to directly relate to mission statements. Executive and House delete section.

Sec. 1092. Office of Global Michigan Report – RETAINED

Requires Office of Global Michigan to report on activities of office; stipulates reporting requirements. Executive revises to reflect activities of the office. House retains current law.

LEO – ONE-TIME APPROPRIATIONS

Sec. 1093. Michigan Housing and Community Development Program – NOT INCLUDED

Requires part 1 appropriation to be deposited into the Michigan Housing and Community Development Fund; designates all funds in the fund as appropriated and available for expenditure for statutory purposes. Executive includes as new section. House does not include.

Sec. 1093. Reduced Recidivism Employment Supports – NEW

Requires funds appropriated in part 1 to be awarded to a nonprofit that provides services to parolees and probationers assessed by MDOC as moderate or high-risk to recidivate. The program would provide job readiness training, transitional employment, job coaching and placement, and postplacement retention services. Authorizes the Michigan Strategic Fund to receive and expend funds from MDOT, DNR, and EGLE to support the program. House includes as new section.

Major Boilerplate Changes from FY 2020-21

Sec. 1094. Focus: HOPE Grant – NOT INCLUDED

Permits part 1 appropriation to be awarded for education and workforce development programming, early childhood education, youth development, food assistance, or community empowerment and advocacy. Executive includes as new section. House does not include.

Sec. 1094. Rural Jobs and Capital Investment Fund – NEW

Requires funds appropriated in part 1 to be deposited in the Rural Jobs and Capital Investment Fund. States that funds in the Rural Jobs and Capital Investment Fund are appropriated and available for expenditure pursuant to statute. House includes as new section.

Sec. 1095. Child Care Facilitator Project – NOT INCLUDED

Requires part 1 appropriation to be awarded for the project; requires LEO to administer program in consultation with the Michigan Department of Education. Executive includes as new section. House does not include.

Sec. 1095. Biomedical Research Support Grant – NEW

Requires funds appropriated in part 1 to be awarded to the Van Andel Institute. House includes as new section.

Sec. 1096. Mobility Futures Initiative – NOT INCLUDED

Requires funds appropriated in part 1 to support a multi-agency program to invest in mobility and electrification industries, infrastructure, and workforce opportunities. Requires LEO Office of Future Mobility and Electrification to coordinate efforts with EGLE and MDOT; allocates specific amounts to LEO (\$15.0 million), EGLE (\$8.0 million), and MDOT (\$2.0 million) for specific purposes; requires report. Executive includes as new section. House does not include.

Sec. 1096. Michigan Career and Technical Institute – NEW

Requires funds appropriated in part 1 to be awarded for critical infrastructure improvements, including mechanical, plumbing, and electrical projects at the Michigan Career and Technical Institute associated with Michigan Rehabilitation Services. House includes as new section.

Sec. 1097. Reconnect and Futures for Frontliners Wraparound Services – NOT INCLUDED

Requires funds appropriated in part 1 to be expended by LEO to provide childcare, broadband access, transportation, or other services enrolled in Michigan Reconnect or Futures for Frontliners to remove barriers to employment and improve student success. Executive includes as new section. House does not include.

Sec. 1097. Small Business Development Centers – NEW

Requires funds appropriated in part 1 to be used for grants to small business development centers operating in a prosperity region that does not include the main campus of a four-year university. Grants would be capped at \$100,000 and would be required to be used to leverage additional matching dollars. House includes as new section.

Sec. 1098. Child Savings Accounts – NOT INCLUDED

Requires funds to be expended in partnership with philanthropic and nonprofit organizations to support recommendations of the Michigan Poverty Task Force; authorizes up to \$1.0 million to be allocated as grants to organizations able to demonstrate ability to deploy funds to build child savings account programs to improve financial literacy, boost educational attainment for low-income children, and support wealth building in low-income families; authorizes up to \$1.0 million to support matching grant pilot programs that utilize family contributions, philanthropic, or community donations to child savings accounts with one award to a rural community and one award to an urban community. Executive includes as new section. House does not include.

Sec. 1098. Child Care Facilitator Pilot Project – NEW

Requires funds appropriated in part 1 to be used to continue the child care facilitator project originally initiated and funded in section 1047 of Article 5 of 2020 PA 166; requires funds to be used to expand the child care facilitator pilot project to at least two new facilitator hubs; requires new facilitators to be a nonprofit, limited liability company, C-corporation, S-Corporation, or a sole proprietor; caps administration costs at \$100,000. House includes as new section.

Sec. 1099. Poverty Task Force – Research and Planning – NOT INCLUDED

Requires part 1 appropriation to be used for implementation of the recommendations of the Michigan Poverty Task Force, including conducting research and planning related to the effectiveness of state benefits programs. Executive includes as new section. House does not include.

Major Boilerplate Changes from FY 2020-21

Sec. 1099a. Workforce Training Equipment Grants – NEW

Requires funds appropriated in part 1 to be used by the Michigan Strategic Fund to create a grant program to provide equipment grants to qualified training providers for employer-driven workforce training programs provided to a qualified training provider that provides workforce training for employers and individuals; defines workforce training; requires funds to be distributed consistent with the small business grants distributed in 2020 PA 123; defines qualified employer and qualified training provider; caps grants at \$90,000; requires funds not awarded by January 31, 2022 to revert to the Michigan Strategic Fund for redistribution; requires report. House includes as new section.

Sec. 1100. Michigan Reconnect Grant Program – NOT INCLUDED

Requires part 1 appropriation to be expended according to statutory requirements; designates unexpended funds as work project. Executive includes as new section. House does not include.

Sec. 1101. Futures for Frontliners – NOT INCLUDED

Requires funds appropriated in part 1 to be used for last-dollar tuition costs, mandatory fees, and contact hours at community colleges for Michigan residents that are eligible frontline workers. Requires funds to be used to expand the eligible population to include individuals who became newly unemployed between November 1, 2020, and January 31, 2021, in industries disproportionately impacted by COVID-19; designates unexpended funds as work project. Executive includes as new section. House does not include.

FY 2021-22: LEGISLATURE

Summary: As Reported by House Appropriations Committee House Bill 4398 (H-3)



Analyst: Ben Gielczyk

IDG/IDT	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Executive	FY 2021-22 House	FY 2021-22 Senate	FY 2021-22 Conference	Difference: House From FY 2020-21 YTD	
						Amount	%
	\$0	\$0	\$0			\$0	--
Federal	0	0	0			0	--
Local	0	0	0			0	--
Private	400,000	406,000	406,000			6,000	1.5
Restricted	4,637,300	4,706,800	4,706,800			69,500	1.5
GF/GP	170,702,600	177,830,400	174,774,400			4,071,800	2.4
Gross	\$175,739,900	\$182,943,200	\$179,887,200			\$4,147,300	2.4

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (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 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.

Major Budget Changes from FY 2020-21 YTD Appropriations

1. Legislative Operations Adjustment

Reflects increased costs of \$2.6 million Gross (\$2.5 million GF/GP) related to legislative staff and other operations. Executive and House include.

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Change
Gross	\$172,250,500	\$2,583,800
Private	400,000	6,000
Restricted	4,637,300	69,500
GF/GP	\$167,213,200	\$2,508,300

2. Census Tracking

Executive and House remove \$340,000 GF/GP that supported one-time costs related to equipment, supplies, and services needed for tracking and reporting census and reapportionment information for the state of Michigan.

Gross	\$340,000	(\$340,000)
GF/GP	\$340,000	(\$340,000)

3. Independent Citizens Redistricting Commission

Executive reduces by \$40,500 GF/GP to reflect constitutionally required appropriation. The Michigan Constitution requires the appropriation of an amount equal to not less than 25% of the GF/GP budget for the Secretary of State for Independent Citizens Redistricting Commission operations. House reduces by \$218,400 GF/GP.

Gross	\$3,149,400	(\$218,400)
GF/GP	\$3,149,400	(\$218,400)

4. Capital Security Improvements

Executive provides \$5.0 million GF/GP (considered a one-time appropriation) to provide enhanced security measures at the Michigan State Capitol Building. Funding would support security staffing, infrastructure improvements, and equipment, which may include x-ray machines, magnetometers, and video and audio equipment necessary to implement a weapons ban. House does not include.

Gross	\$0	\$0
GF/GP	\$0	\$0

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		<u>FY 2020-21 Year-to-Date (as of 2/11/21)</u>	<u>FY 2021-22 House Change</u>
5. Office of Children's Ombudsman	Gross	NA	\$2,121,900
<u>House</u> includes \$2.1 million GF/GP to effectuate the transfer of the Office of Children's Ombudsman from DTMB to the Legislative Council.	GF/GP	NA	\$2,121,900
6. State Employee Ombudsman	Gross	NA	\$100
<u>House</u> includes \$100 GF/GP placeholder for State Employee Ombudsman under House Bill 4064.	GF/GP	NA	\$100

Major Boilerplate Changes from FY 2020-21

Sec. 613. Senate Census Tracking/Reapportionment Work Project – DELETED

Provides that funds appropriated in part 1 are work project appropriations; the purpose of the funds is to purchase equipment, supplies, and services needed for tracking and reporting census and reapportionment information for the state of Michigan; estimated cost of the project is \$170,000; tentative completion date is September 30, 2025. Executive and House delete.

Sec. 614. House of Representatives Census Tracking/Reapportionment Work Project – DELETED

Provides that funds appropriated in part 1 are work project appropriations; the purpose of the funds is to purchase equipment, supplies, and services needed for tracking and reporting census and reapportionment information for the state of Michigan; estimated cost of the project is \$170,000; tentative completion date is September 30, 2025. Executive and House delete.

Sec. 618. Capitol Security Improvements – NOT INCLUDED

Requires funds appropriated in part 1 for Capitol Security Improvements to be used for security staffing; infrastructure improvements; and equipment, including, but not limited to, x-ray machines, magnetometers, and video and audio equipment necessary to implement a weapons ban. Executive includes as new section. House does not include.

Sec. 618. State Employee Ombudsman – NEW

Requires the funds appropriated in part 1 for the State Employee Ombudsman to be used to effectuate the provisions of HB 4064, including the investigation and evaluation of reports of suspected misconduct in state departments and agencies; prohibits funds to be used if HB 4064 is not enacted into law. House includes as new section.

FY 2021-22: LEGISLATIVE AUDITOR GENERAL
Summary: As Reported by House Appropriations Committee
House Bill 4398 (H-3)



Analyst: Ben Gielczyk

	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Executive	FY 2021-22 House	FY 2021-22 Senate	FY 2021-22 Conference	Difference: House From FY 2020-21 YTD	
						Amount	%
IDG/IDT	\$6,250,400	\$6,345,200	\$6,345,200			\$94,800	1.5
Federal	0	0	0			0	--
Local	0	0	0			0	--
Private	0	0	0			0	--
Restricted	2,139,500	2,170,500	2,170,500			31,000	1.4
GF/GP	18,324,000	18,598,900	18,598,900			274,900	1.5
Gross	\$26,713,900	\$27,114,600	\$27,114,600			\$400,700	1.5

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (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 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Change
Major Budget Changes from FY 2020-21 YTD Appropriations			
1. Auditor General Operations Increase			
Reflects increased costs of \$400,700 Gross (\$274,900 GF/GP) related to Auditor General Staff and other operations. <u>Executive</u> and <u>House</u> include.	Gross	\$26,713,900	\$400,700
	IDG	6,250,400	94,800
	Restricted	2,139,500	31,000
	GF/GP	\$18,324,000	\$274,900

Major Boilerplate Changes from FY 2020-21

Sec. 625. Access to Confidential Information – RETAINED

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. Executive deletes section. House retains.

FY 2021-22: DEPARTMENT OF STATE
Summary: As Reported by House Appropriations Committee
House Bill 4398 (H-3)



Analyst: Michael Crossen

IDG/IDT	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Executive	FY 2021-22 House	FY 2021-22 Senate	FY 2021-22 Conference	Difference: House From FY 2020-21 YTD	
						Amount	%
	\$20,000,000	\$20,000,000	\$5,000,000			(\$15,000,000)	(75.0)
Federal	1,460,000	1,460,000	365,000			(1,095,000)	(75.0)
Local	0	0	0			0	--
Private	50,100	50,100	12,600			(37,500)	(74.9)
Restricted	220,189,900	218,218,600	54,554,600			(165,635,300)	(75.2)
GF/GP	12,597,500	12,435,600	2,931,000			(\$9,666,500)	(76.7)
Gross	\$254,297,500	\$252,164,300	\$62,863,200			(\$191,434,300)	(75.3)
FTEs	1,592.0	1,592.0	1,585.0			(7.0)	(0.4)

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (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 2020-21 YTD Appropriations	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Change
--	--	--

Generally, the House Subcommittee Recommendation appropriates the equivalent of one quarter of the anticipated annual appropriation. For major budget changes listed below the quartered appropriations are annualized for comparison purposes.

1. Motorcycle Safety Fund	Gross	\$1,800,000	\$300,000
<u>Executive</u> authorizes an additional \$300,000 of state restricted Motorcycle Safety Fund revenue to reflect an increase in an earmark to the fund from motorcycle registration fees authorized under 2017 PA 115. Revenue from the fund supports grants to local governments and schools for motorcycle safety training. <u>House</u> concurs.	Federal	300,000	0
	Restricted	1,500,000	300,000
	GF/GP	\$0	\$0
2. Reinstatement Fee Reduction	Gross	\$4,704,300	(\$1,204,300)
<u>Executive</u> reduces state restricted fund authorization by \$1.2 million to reflect an anticipated decrease in revenue from driver reinstatement fees following the elimination of driver responsibility fees and other criminal justice reform legislation. <u>House</u> concurs.	Restricted	4,704,300	(1,204,300)
	GF/GP	\$0	\$0
3. Operations Line TACF Reduction	FTE	110.0	(2.0)
<u>House</u> reduces \$500,000 of state restricted Transportation Administration Collection Fund revenue and 2.0 FTE positions for department administrative efficiencies.	Gross	\$26,233,200	(\$500,000)
	Restricted	26,232,900	(500,000)
	GF/GP	\$300	\$0

Major Budget Changes from FY 2020-21 YTD Appropriations		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Change
4. MERTS Upgrade and TACF Increase		Gross	\$38,918,000
<u>House</u> provides \$500,000 of state restricted Transportation Administration Collection Fund revenue to the Information Technology Services and Projects line to support costs of modernizing the Michigan Electronic Reporting and Tracking System, the state's campaign finance disclosure software system, to improve user experience and service.		Restricted	500,000
		GF/GP	\$0
5. Unclassified Positions		FTE	(5.0)
<u>House</u> reduces \$711,800 GF/GP and 5.0 unclassified FTE positions for department administrative savings.		Gross	(\$711,800)
		GF/GP	(\$711,800)
6. Economic Adjustments		Gross	(\$1,228,900)
Reflects decreased costs of \$1.2 million Gross (\$161,900 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2021 and 1.0% on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>Executive</u> and <u>House</u> include.		Restricted	(1,067,000)
		GF/GP	(\$161,900)

Major Boilerplate Changes from FY 2020-21

Sec. 701. Contingency Authorization – RETAINED

Appropriates up to \$2.0 million in federal, \$2.5 million in state restricted, \$25,000 in local, and \$50,000 in private contingency authorization; authorizes expenditure of funds after legislative transfer to specific line items. Executive revises by appropriating up to \$2.0 million in federal, \$7.5 million in state restricted, \$50,000 in local, and \$100,000 in private contingency authorization. House retains.

Sec. 703. Record Look-Up Fees – RETAINED

Authorizes DOS to sell copies of records, at \$11 per record, for various conveyances and to use revenue to finance expenses; requires revenue balance at fiscal year-end to be credited to Transportation Administration Collection Fund; requires DOS to provide quarterly report on number of records sold and revenue collected. Executive revises by increasing the record look-up fee from \$11 to \$15 per record. House retains.

Sec. 714. Branch Office Closings or Consolidations – RETAINED

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. Executive deletes. House retains.

Sec. 717. Accept Gifts to Support Department Activities – REVISED

Authorizes DOS to accept non-monetary gifts to support licensing, regulation, and safety functions; prohibits acceptance if conditioned on future state spending; requires report. Executive revises by striking “nonmonetary” and by authorizing revenue received to be expended for departmental functions relating to licensing, regulation, or safety. House revises by retaining current language and adding that gifts and donations must be of a de minimus value.

Sec. 718. Full-Time, Walk-In Branch Office Services – NEW

Requires the department to maintain full-time, in-person services at each secretary of state branch office and must not require an appointment to receive such service. House adds.

Sec. 719. High School Voting Machines - DELETED

Requires DOS to make available at least 1 voting machine to at least 1 high school per Michigan Prosperity Region for familiarizing students with voting procedures; requires machines to be made available at no cost to the high school or school district in which machine is placed. Executive includes. House deletes.

Sec. 719. Branch Office Restricted Fund Savings – NEW

Requires cost savings to be achieved through efficiencies at secretary of state branch offices if the amount of revenue collected in the Transportation Administration Collection Fund is less than the amount needed to support costs related to implementing the Michigan Vehicle Code. House adds.

Major Boilerplate Changes from FY 2020-21

Sec. 720. Election Mailings – NEW

Requires the secretary of state to not send absentee voter election applications to electors; requires notification of any election-related mailing to 20 percent or more of registered voters in any voting precinct and a copy of the planned mailing not later than 14 days before sending the mailing. House adds.

Sec. 721. Ballot Proposal 2 Cost Report – RETAINED

Requires DOS to submit quarterly report on all expenditures associated with establishing Independent Citizens Redistricting Commission and its role as secretary of commission as required by Constitutional amendment approved under Ballot Proposal 2 of 2018. Executive deletes. House retains.

Sec. 721a. Ballot Proposal 3 Cost Report – RETAINED

Requires DOS to submit quarterly report on all expenditures associated with implementing changes and new procedures and purchasing equipment needed for implementing same-day registration and no-reason absentee voting as required by Constitutional amendment approved under Ballot Proposal 3 of 2018. Executive deletes. House retains.

Sec. 722. Legacy Mainframes System Modernization – RETAINED

Authorizes DOS to spend funds to modernize legacy mainframe systems; requires report of modernization project detailing costs and various updates on project. Executive deletes. House retains.

Sec. 724. MERTS Upgrade – NEW

Appropriates \$125,000 to support costs of modernizing the Michigan Electronic Reporting and Tracking System, the state's campaign finance disclosure software system, to improve user experience and service. House adds.

Sec. 726. Initiative Petition Canvassing – NEW

Requires the Bureau of Elections to complete the canvass of initiative petitions within 90 days of the petition being filed and within 120 days if the petition is filed within 45 days or fewer before a November general election. House adds.

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

**Summary: As Reported by House Appropriations Committee
House Bill 4398 (H-3)**



Analyst: Michael Cnossen

IDG/IDT	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Executive	FY 2021-22 House	FY 2021-22 Senate	FY 2021-22 Conference	Difference: House From FY 2020-21 YTD	
						Amount	%
	\$1,024,720,900	\$1,057,210,900	\$264,302,800			\$760,418,100	(74.2)
Federal	8,389,300	5,129,800	1,282,500			(7,106,800)	(84.7)
Local	2,337,700	2,328,700	582,200			(1,755,500)	(75.1)
Private	134,600	134,700	33,700			(100,900)	(75.0)
Restricted	123,046,400	121,020,600	30,255,000			(92,791,400)	(75.4)
GF/GP	516,326,100	513,945,100	293,264,800			(223,061,300)	(43.2)
Gross	\$1,674,955,000	\$1,699,769,800	\$589,721,000			(\$1,085,234,000)	(64.8)
FTEs	3,139.0	3,147.0	3,127.0				(12.0) (0.4)

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (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 2020-21 YTD Appropriations

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Change
--	---	-------------------------------

Generally, the House Subcommittee Recommendation appropriates the equivalent of one quarter of the anticipated annual appropriation, except in areas such as debt service, statutorily required distributions, payments to locals, certain grants, which incorporate the full annual appropriation. For major budget changes listed below the quartered appropriations are annualized for comparison purposes.

1. Advanced Persistent Cyber Security Threats

Executive provides \$20.0 million GF/GP in one-time funding to invest in a variety of tools and measures, such as emergency response, threat intelligence, and vulnerability assessments, to enhance Michigan's cyber security defense capabilities against persistent and sophisticated threats from hostile countries and actors. House provides \$15.0 million.

	Gross	\$0	\$15,000,000
GF/GP	GF/GP	\$0	\$15,000,000

2. Information Technology Investment Fund (ITIF)

Executive provides \$17.5 million GF/GP (\$15.0 million one-time funding) for the department's portfolio of information technology legacy system modernization projects for a total funding amount of \$50.0 million GF/GP in FY 2021-22 to support 8 new projects. House provides \$15.0 million GF/GP in one-time funding for the Michigan Child Support Enforcement System IT project within ITIF.

	Gross	\$32,500,000	\$15,000,000
GF/GP	GF/GP	\$32,500,000	\$15,000,000

		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Change
<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>			
3. State Psychiatric Facilities Special Maintenance	Gross	\$15,000,000	\$0
<u>Executive</u> maintains \$15.0 million GF/GP in one-time funding to the Enterprisewide Special Maintenance program to support deferred maintenance projects at each of the state's five inpatient psychiatric hospitals and centers. This request would fulfil the original request of \$30.0 million, of which \$15.0 was appropriated in FY 2020-21. The psychiatric hospitals include the Walter Reuther Psychiatric Hospital in Westland, the Kalamazoo Psychiatric Hospital in Kalamazoo, the Caro Center in Caro, the Center for Forensic Psychiatry in Ann Arbor, and the Hawthorn Center in Northville. <u>House</u> does not include.	GF/GP	\$15,000,000	\$0
4. Green Revolving Fund	Gross	NA	\$0
<u>Executive</u> provides \$5.0 million GF/GP in one-time funding to capitalize a fund for providing up-front financing for projects at state facilities that achieve energy efficiency or renewable energy; would allow for the re-investment of resources in new projects on a continuous basis to establish a long-term funding project aimed at reducing the state's carbon footprint. <u>House</u> does not include.	GF/GP	NA	\$0
5. Legal Services	Gross	NA	\$100
<u>Executive</u> provides \$5.0 million GF/GP in one-time funding to support various potential future litigation costs on major statewide issues not unique to a single agency. Funding in prior years has been supported with balances in work project accounts, the last of which will expire in FY 2020-21. <u>House</u> provides a \$100 placeholder.	GF/GP	NA	\$100
6. SIGMA Data Storage	Gross	NA	\$1,650,000
<u>Executive</u> provides \$1.7 million GF/GP to support ongoing operational costs related to data storage for SIGMA, the state's centralized accounting and enterprise resource planning tool. These ongoing costs are currently supported from work project funding authorized for SIGMA implementation which will expire this year. <u>House</u> concurs.	GF/GP	NA	\$1,650,000
7. Office of the Children's Ombudsman	Gross	\$1,931,400	(\$1,931,400)
<u>Executive</u> provides \$200,000 GF/GP to fill a vacant position and support ongoing costs for the office's computerized complaint system to address findings of a 2019 performance audit of the office by the Office of the Auditor General. Initial funding of \$100,000 GF/GP is being requested in FY 2020-21 to integrate the Complaint Investigation System with MiSACWIS and the Michigan Vital Records System in an effort to improve the state's child welfare system. <u>House</u> concurs with Executive's increase and transfers the office to the Legislative Council.	GF/GP	\$1,931,400	(\$1,931,400)
8. Veterans Homes Accounting Services	Gross	\$25,279,200	\$1,051,900
<u>Executive</u> authorizes receipt of \$1.1 million in IDG funding from the Department of Military and Veterans Affairs and 8.0 FTE positions to increase accounting and financial services for the Michigan Veterans Homes. <u>House</u> concurs.	IDG	14,750,800	1,051,900
	Restricted	5,042,700	0
	GF/GP	\$5,485,700	\$0
9. Public Safety Officer Survivor Benefits	Gross	NA	\$43,000
<u>Executive</u> provides \$43,000 GF/GP to support costs of providing up to five years of health care insurance for the surviving spouse and dependents of public safety officers who have died in the line of duty in accordance with 2016 PA 284. <u>House</u> concurs.	GF/GP	NA	\$43,000
10. Defined Contribution Deferred Compensation Funding	Gross	\$25,451,200	\$400,000
<u>Executive</u> provides \$400,000 of state restricted Deferred Compensation funds to support services associated with administering the state's Defined Contribution plans. <u>House</u> concurs.	Restricted	25,374,200	400,000
	GF/GP	\$77,000	\$0

Major Budget Changes from FY 2020-21 YTD Appropriations		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Change
11. MPSCS Police Radio Leases	Gross	\$48,505,600	\$157,500
<u>Executive</u> reflects the transfer of \$157,500 GF/GP from the Michigan State Police (MSP) to the Michigan Public Safety Communication System (MPSCS) to support radio leases for MSP and other public safety agencies. <u>House</u> concurs.	Local	2,281,500	0
	GF/GP	\$46,224,100	\$157,500
12. FY 2021-22 IT IDG Baseline Adjustment	Gross	NA	\$33,138,500
<u>Executive</u> authorizes \$33.1 million in IDG funding 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. <u>House</u> concurs.	IDG	NA	33,138,500
	GF/GP	NA	\$0
13. State Police Retirement System Supplemental Payments	Gross	\$77,000	(\$27,000)
<u>Executive</u> reduces supplemental payments by \$27,000 GF/GP as required by 2015 PA 168 to produce an annual retirement allowance of \$16,000 to each retiree or beneficiary. <u>House</u> concurs.	GF/GP	\$77,000	(\$27,000)
14. Removal of Current Year One-Time Funding	Gross	\$56,855,000	(\$56,855,000)
<u>Executive</u> eliminates \$56.9 million Gross (\$51.5 million GF/GP) of one-time funding appropriated in FY 2020-21: \$37.2 million for Venture Michigan II voucher purchase, \$14.3 million for statewide broadband, \$2.1 million in state restricted funding for retirement services Customer Relationship Management system replacement, and \$3.3 million in federal funds for the COVID-19 Office of Accountability. <u>House</u> concurs.	Federal	3,250,000	(3,250,000)
	Restricted	2,100,000	(2,100,000)
	GF/GP	\$51,505,000	(\$51,505,000)
15. SWCAP Adjustment	Gross	NA	\$0
<u>Executive</u> reallocates fund sourcing associated with annual Statewide Cost Allocation Plan (SWCAP) for a net change of \$0 Gross and decrease of \$212,600 GF/GP. <u>House</u> concurs.	IDG	NA	10,600
	Restricted	NA	202,000
	GF/GP	NA	(\$212,600)
16. Business Incentive Study	Gross	\$0	\$1,000,000
<u>House</u> provides \$1,000,000 GF/GP to implement the Economic Development Incentive Evaluation Act (2018 PA 540) which requires the department to contract with private a entity, nonprofit entity, or academic institution for the evaluation of economic development incentives.	GF/GP	\$0	\$1,000,000
17. Property Management Reduction	Gross	\$8,059,900	(\$825,000)
<u>House</u> reduces \$825,000 GF/GP from the Property Management line which supports costs of DTMB-occupied space in private and state-owned buildings.	IDG	\$1,283,800	0
	Federal	172,200	0
	Local	21,200	0
	Restricted	1,154,300	0
	GF/GP	\$5,428,400	(\$825,000)
18. Enterprisewide Special Maintenance for State Facilities	Gross	\$28,000,000	(\$825,100)
<u>House</u> reduces \$825,100 GF/GP from funding for maintenance, demolition, and upkeep projects at all state-owned properties.	IDG	0	0
	GF/GP	\$28,000,000	(\$825,100)
19. Unclassified Positions	FTE	6.0	(5.0)
<u>House</u> reduces \$326,200 GF/GP and 5.0 unclassified FTE positions for department administrative savings.	Gross	\$691,100	(\$326,200)
	IDG	490,600	0
	Restricted	65,500	0
	GF/GP	\$390,500	(\$326,200)
20. Economic Adjustments	Gross	NA	(\$2,444,100)
Reflects decreased costs of \$2.4 million Gross (\$186,900 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2021 and 1.0% on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>Executive</u> and <u>House</u> include.	IDG	NA	(1,711,000)
	Federal	NA	(9,500)
	Local	NA	(9,000)
	Private	NA	100
	Restricted	NA	(527,800)
	GF/GP	NA	(\$186,900)

Major Boilerplate Changes from FY 2020-21

Sec. 801. Contingency Authorization – RETAINED

Appropriates up to \$2.0 million in federal, \$4.0 million in state restricted, \$75,000 in local, and up to \$50,000 in private contingency authorization; authorizes expenditure of funds after legislative transfer to specific line items. Executive revises by appropriating up to \$4.0 million in federal, \$8.0 million in state restricted, \$150,000 in local, and \$100,000 in private contingency authorization. House retains.

Sec. 803. Statewide Administrative and Support Services – REVISED

Provides for receipt and expenditure of funds for various administrative and support services provided to state departments and agencies. Executive revises by including project oversight among services authorized for receipt and expenditure of funds and universities and community colleges among entities that may receive support services; authorizes unexpended fee revenue collected to carry forward at the close of the fiscal year. House concurs with adding project oversight but does not include universities and community colleges.

Sec. 809. Computer Contracts – RETAINED

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. Executive revises by raising reporting threshold from \$250,000 to \$500,000. House retains.

Sec. 815. Special Maintenance, Remodeling, and Additions for State Agencies – NOT INCLUDED

Appropriates federal and restricted funds earned based on initiatives undertaken with the funds appropriated for Special Maintenance, Remodeling, and Additions for State Agencies; requires the State Budget Director to determine the appropriate manner for implementing this section; requires the department to notify the legislature within 10 days of effectuating appropriations authorized under this section. Executive adds. House does not include.

Sec. 816. Information Technology Investment Fund – NOT INCLUDED

Appropriates federal and restricted funds earned based on initiatives undertaken with the funds appropriated for enterprisewide information technology investments; requires the State Budget Director to determine the appropriate manner for implementing this section. Executive adds. House does not include.

Sec. 816. Privatization RFPs – RETAINED

Requires RFP issued for purpose of privatization to include all factors to be used in evaluating and determining price. Executive deletes. House retains.

Sec. 819. Supplier Risk Assessment Program – NEW

Requires DTMB, with funds appropriated for the Budget and Financial Management line, to maintain a comprehensive supplier risk and information subscription used for a pre-contract risk assessment program and to make the subscription services available to all executive branch departments. House adds.

Sec. 821. Office of Retirement Services Report – RETAINED

Requires the Office of Retirement Services (ORS) to produce a report on the 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 the annual required contribution flow per fiscal year and a justification if the payroll growth assumption is maintained at or above 0% for any pension or OPEB plan; requires additional items to be reported for the Michigan Public School Employees' Retirement System; requires ORS to post the most recent year's CAFR for each plan. Executive deletes. House retains.

Sec. 822d. Report on Fee Rate Schedules – RETAINED

Requires a report on fee and rate schedules used by state departments and agencies for services to include changes in fees and rates and an explanation of the factors used to justify increased changes. Executive deletes. House retains.

Sec. 822n. Request for Proposals Website – RETAINED

Requires DTMB to establish a request for proposals website that is searchable by department and agency. Executive deletes. House retains.

Sec. 824. Spatial Information and Technical Services – RETAINED

Authorizes DTMB to receive and expend funds for supplying spatial information and technical services to other state departments, local units of government, and other organizations; requires report of fund sources and expenditures. Executive revises by deleting reporting requirement. House retains.

Major Boilerplate Changes from FY 2020-21

Sec. 826. Definition of Information Technology Services – REVISED

Defines “information technology services” as services involving all aspects of managing and processing information, including certain IT management and support items and services. Executive revises to replace server management with cloud services support and management including infrastructure, platform, and software as a service; replaces planning and budget management with procurement and contract management. House concurs.

Sec. 828. IT-Related Appropriations and Expenditures – REVISED

Requires detailed quarterly report on funding and expenditures for IT services and projects. Executive revises by requiring a report for the first and third quarter and extends time permitted to submit the report from 30 to 45 calendar days after each fiscal quarter. House concurs with quarter revision and retains report deadline.

Sec. 829. Life-Cycle of Hardware and Software – RETAINED

Requires report that analyzes and makes recommendations on the life-cycle of IT hardware and software. Executive deletes. House retains.

Sec. 830. Enterprise IT Project Reporting – RETAINED

Requires quarterly report on active and closed IT projects throughout all executive branch departments with information on schedule, budget, cost, project changes, project success scores, and numbers of completed projects that have exceeded their initial schedule and budget estimates. Executive deletes. House retains.

Sec. 832. Child Support Enforcement System – RETAINED

Requires DTMB to notify the legislature of potential or actual penalties for failure of Michigan Child Support Enforcement System to achieve federal certification; requires additional reporting in the event of penalties being imposed. Executive deletes. House retains.

Sec. 836. Information Technology Investment Fund Purpose – DELETED

Requires funds appropriated for Information Technology Investment Fund to be used for modernization of state IT systems and integrate state system interfaces to improve customer service. Executive and House delete section.

Sec. 838. Performance Targets in State Procurement Contracts – DELETED

Requires department to develop policies and procedures that will require all new procurement contracts to include performance-related liquidated damages or performance targets with incentives. Executive and House delete section.

Sec. 840. EPMO Performance Measures – RETAINED

Requires development and use of metrics for activities related to funds appropriated to Enterprise Portfolio Management Office. Executive deletes. House retains.

Sec. 841. Connecting Michigan Communities Broadband Expansion Grants – DELETED

Requires funds to be awarded as grants to areas underserved by broadband internet providers; prohibits awarding of grants for use in areas that have received funding assistance for broadband; prohibits awarding of grants to public entities for establishing a broadband network; prohibits awarding more than \$5.0 million to any one project or applicant; requires a competitive selection process for awarding of grants; provides criteria and priorities for determining award selection; lists information required on grant applications; requires DTMB to post award notifications with information on each grant on its website; establishes criteria for delineation of unserved areas within census blocks; requires grant recipients to submit reports including details on expenditures, service benchmarks, and project progress. Executive and House delete section.

Sec. 862. Capital Outlay Required Reports – RETAINED

Requires DTMB to provide various detailed reports to Joint Capital Outlay Subcommittee and fiscal agencies with status of each planning or construction project financed by SBA. Executive deletes. House retains.

Sec. 863. Capital Outlay Rental Increase Approval – NEW

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 prior to being approved by the State Administrative Board. House adds.

Sec. 880. Business Incentive Study – NEW

Requires one-time appropriated funds for Business Incentive Study to be used to implement the Economic Development Incentive Evaluation Act (2018 PA 540). House adds.

Major Boilerplate Changes from FY 2020-21

Sec. 901. Green Revolving Fund – NOT INCLUDED

Creates the Green 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; states that funds appropriated for the Green Revolving Fund are deposited into the fund; describes department's responsibilities in administering the fund; directs money saved by projects from the fund to be deposited to the fund and appropriates those funds. Executive adds. House does not include.

FY 2021-22: DEPARTMENT OF TREASURY
Summary: As Reported by House Appropriations Committee
House Bill 4398 (H-3)



Analyst: Ben Gielczyk

	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Executive	FY 2021-22 House*	FY 2021-22 Senate	FY 2021-22 Conference	Difference: House From FY 2020-21 YTD	
						Amount	%
IDG/IDT	\$13,112,800	\$13,073,500	\$3,268,400			(\$9,844,400)	(75.1)
Federal	27,421,800	27,361,400	6,840,400			(20,581,400)	(75.1)
Local	13,059,500	13,032,000	3,258,100			(9,801,400)	(75.1)
Private	28,900	31,000	31,000			2,100	7.3
Restricted	1,789,352,600	1,815,287,700	1,596,041,200			(193,311,400)	(10.8)
GF/GP	371,167,200	222,978,200	165,082,100			(206,085,100)	(55.5)
Gross	\$2,214,142,800	\$2,091,763,800	\$1,774,521,200			(\$439,621,600)	(19.9)
FTEs	1,934.5	1,934.5	1,930.5			(4.0)	(0.2)

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

*The majority of the appropriations in the House Subcommittee Recommendation provided the equivalent of one-quarter of the annual appropriation.

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 the student financial aid programs. It also investigates fraudulent financial activity, aids 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.

Major Budget Changes from FY 2020-21 YTD Appropriations

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Change
--	---	-------------------------------

Generally, the House Subcommittee Recommendation appropriates the equivalent of one quarter of the anticipated annual appropriation, except in areas such as debt service, statutorily required distributions, payments to locals, and certain grants, which incorporate the full annual appropriation. For major budget changes listed below the quartered appropriations are annualized for comparison purposes.

1. Constitutional Revenue Sharing

Executive and House increase by \$15.4 million of restricted sales tax revenue relative to the FY 2020-21 budget act appropriated amount. Appropriation reflects January 2020 CREC estimate for FY 2021-22 which represents a \$24.8 million (2.8%) decrease from January 2020 CREC estimate for FY 2020-21.

	Gross	\$851,870,300	\$15,431,800
Restricted	851,870,300		15,431,800
GF/GP	\$0		\$0

2. City, Village, and Township (CVT) Revenue Sharing

Executive includes \$5.2 million of restricted sales tax revenue (designated a one-time appropriation) to provide a 2.0% increase for CVT Revenue Sharing payments. A CVT would be eligible for a payment equal to 102.0% of its FY 2020-21 eligible payment. Removes requirement that a CVT allocate its net increase to its unfunded pension liabilities if they have a pension that is in unfunded status pursuant to the Protecting Local Government Retirement and Benefits Act. House includes \$2.6 million of restricted sales tax revenue (designated a one-time appropriation) to provide a 1.0% increase.

	Gross	\$261,024,600	\$2,610,300
Restricted	261,024,600		2,610,300
GF/GP	\$0		\$0

		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Change
<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>			
3. County Revenue Sharing/County Incentive Program			
<u>Executive</u> includes \$4.5 million of restricted sales tax revenue (designated a one-time appropriation) to provide a 2.0% increase for 82 eligible counties. Includes an additional \$447,800 of restricted sales tax revenue to reflect full-year funding for the return of Leelanau County to state revenue sharing payments after exhausting its revenue sharing reserve fund in 2021. Each county would be eligible to receive 106.6435% of statutory full funding. County Incentive Program comprises 18.8% of the County Revenue Sharing/County Incentive Program total. Removes requirement that a county allocate its net increase to its unfunded pension liabilities if they have a pension that is in unfunded status pursuant to the Protecting Local Government Retirement and Benefits Act. <u>House</u> includes \$2.3 million of restricted sales tax revenue (designated a one-time appropriation) provide a 1.0% increase. House concurs with inclusion of \$447,800 for Leelanau County.	Gross	\$226,529,400	\$2,717,700
	Restricted	226,529,400	2,717,700
	GF/GP	\$0	\$0
4. Financially Distressed CVTs Grants			
<u>House</u> reduces by \$533,000 of sales tax revenue and transfers funding to Supplemental Revenue Sharing.	Gross	\$2,500,000	(\$533,000)
	Restricted	2,500,000	(533,000)
	GF/GP	\$0	\$0
5. Supplemental Revenue Sharing			
<u>House</u> includes \$533,000 of sales tax revenue (transferred from Financially Distressed CVT Grants) to provide two grants:	Gross	\$0	\$533,000
	Restricted	0	533,000
	GF/GP	\$0	\$0
<ul style="list-style-type: none"> \$290,000 to provide grants to CVTs and counties that were unable to utilize an amount of CRF replacement equal to the revenue sharing reduction it received in FY 2020. \$243,000 to provide grants to CVTs and counties that failed to qualify for a revenue sharing payment because transparency documents were not transmitted by December 1, 2020. 			
6. General Obligation Bond Debt Service			
<u>Executive</u> and <u>House</u> reduce by \$14.7 million GF/GP to reflect anticipated debt service costs for Clean Michigan Initiative, Great Lakes Water Quality, and Quality of Life general obligation bonds.	Gross	\$113,735,000	(\$14,671,000)
	GF/GP	\$113,735,000	(\$14,671,000)
7. Local First Responder Training and Recruitment Grants			
<u>Executive</u> includes \$5.0 million GF/GP (considered a one-time appropriation) for a program to support local government efforts related to recruitment, training, and professional development and support for first responders. Eligible first responders would include law enforcement officers, firefighters, emergency medical technicians, paramedics and local government corrections officers. Grants would be awarded on a competitive basis based on need of first responder recruitment and training. <u>House</u> does not include.	Gross	\$0	\$0
	GF/GP	\$0	\$0
8. Wrongful Imprisonment Compensation Fund			
<u>Executive</u> and <u>House</u> increase by \$7.0 million GF/GP to provide a \$10.0 million GF/GP deposit into the fund for FY 2021-22. Funds support statutorily required payments to those deemed to have been wrongfully imprisoned and eligible for compensation from the state under 2016 PA 363.	Gross	\$3,000,000	\$7,000,000
	GF/GP	\$3,000,000	\$7,000,000
9. Payments in Lieu of Taxes			
<u>Executive</u> and <u>House</u> include \$2.2 million Gross (\$1.8 million GF/GP) to adjust PILT appropriation to accommodate additional land purchases and millage increases. Appropriation would provide full funding for PILT programs (Purchased Lands, Swamp and Tax Reverted, and Commercial Forest Reserve) pursuant to statute.	Gross	\$27,992,200	\$2,183,200
	Private	28,900	2,100
	Restricted	5,806,200	406,600
	GF/GP	\$22,157,100	\$1,774,500

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		<u>FY 2020-21 Year-to-Date (as of 2/11/21)</u>	<u>FY 2021-22 House Change</u>
10. Shoreline Erosion Rehabilitation Grants	Gross	\$0	\$100
<u>House</u> includes \$100 GF/GP placeholder for Shoreline Erosion Rehabilitation Grant program that would provide awards and reimbursements for costs associated with high water shoreline erosion.	GF/GP	\$0	\$100
11. Flow-Through Entity Tax Implementation	Gross	\$0	\$10,000,000
<u>House</u> includes \$10.0 million GF/GP to support technology upgrades and implementation of Flow-Through Entity tax changes under House Bill 4288.	GF/GP	\$0	\$10,000,000
12. Unisys Mainframe Servers Cost Adjustment	Gross	NA	\$2,600,000
<u>Executive</u> and <u>House</u> include \$2.6 million GF/GP for increased costs for IT mainframe and other system maintenance costs. Mainframe supports individual income tax system and Treasury collection systems.	GF/GP	NA	\$2,600,000
13. Information Technology System Support	Gross	NA	\$2,000,000
<u>Executive</u> and <u>House</u> include \$2.0 million GF/GP to support licensing, maintenance, and other costs associated with replacing the legacy collections systems (individual income tax, garnishment, and collections). System replacement costs are funded with Information Technology Innovation Fund and existing work project resources.	GF/GP	NA	\$2,000,000
14. Recreational Marihuana Grants to Local Units	Gross	\$23,400,000	\$6,600,000
<u>Executive</u> and <u>House</u> increase by \$6.6 million of restricted Marihuana Regulation Fund to adjust the level of payments to locals based on revenues to the fund. Payments to locals are estimated at \$30.0 million for FY 2021-22. These payments comprise 30% of the Marihuana Regulation Fund allocations and are split evenly between counties and other municipalities and distributed proportionately based on the number of marihuana retail stores and microbusinesses within the municipality of county.	Restricted	23,400,000	6,600,000
	GF/GP	\$0	\$0
15. Senior Citizen Cooperative Housing Tax Exemption Program	Gross	\$10,771,700	\$500,000
<u>Executive</u> and <u>House</u> increase by \$500,000 GF/GP to accommodate two new facilities (Detroit and Farmington) expected to enter the program in FY 2021-22. Program provides property tax exemption for housing owned and operated by nonprofit organization or association for elderly, disabled, mentally ill, developmentally disabled, or physically disabled, and must consist of eight or more residential units. State reimburses local unit of government for real and/or personal property taxes exempted.	GF/GP	\$10,771,700	\$500,000
16. Dual Enrollment Payments	Gross	\$2,332,600	\$167,400
<u>Executive</u> and <u>House</u> increase by \$167,400 GF/GP to accommodate cost increase estimated at January CREC. Funding supports tuition costs of eligible nonpublic school students enrolled in postsecondary institutions.	GF/GP	\$2,332,600	\$167,400
17. Other Technical Adjustments	Gross	NA	(\$1,998,000)
<u>Executive</u> and <u>House</u> include the following technical adjustments:	Federal	NA	2,000
• Removes \$2.0 million Gross part 1 appropriation for Compulsive Gaming Prevention Fund in MGCB and transfers to a boilerplate appropriation. Transfer is required pursuant to statute.	Restricted	NA	(2,000,000)
• Restores \$2,000 Federal economic increase in Home Heating Assistance to keep funding level unchanged for FY 2021-22	GF/GP	NA	\$0

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		<u>FY 2020-21 Year-to-Date (as of 2/11/21)</u>	<u>FY 2021-22 House Change</u>
18. FY 2020-21 COVID-19 Appropriations	Gross	\$156,325,000	(\$156,325,000)
<u>Executive</u> and <u>House</u> remove following one-time appropriations included in FY 2020-21:	Restricted	4,025,000	(4,025,000)
	GF/GP	\$152,300,000	(\$152,300,000)
<ul style="list-style-type: none"> • \$45.0 million – Employee Assistance Fund • \$2.5 million – Teacher COVID-19 Grants • \$4.0 million – Gaming Case Handling and Information Processing System • \$800,000 – Blight Removal Grants • \$24.0 million – Flooding Disaster Relief Grants • \$5.0 million – Historic Preservation • \$2.0 million – School District Debt Relief Support • \$20.0 million – School Support Staff COVID-19 Grants • \$53.0 million – Teacher COVID-19 Grants 			
19. Unclassified Salaries	FTE	10.0	(4.0)
<u>House</u> reduces by \$449,200 GF/GP to eliminate funding for the equivalent of four unclassified positions.	Gross	\$1,093,700	(\$449,200)
	Federal	71,200	0
	Restricted	367,500	0
	GF/GP	\$655,000	(\$449,200)
20. Economic Adjustments	Gross	NA	(\$1,075,200)
Reflects net decrease of \$1.1 million Gross (\$259,900 GF/GP). Budgeted increases for salaries and wages (negotiated 2.0% increase on October 1, 2021 and 1.0% on April 1, 2022), and increases related to actuarially required retirement contributions, worker's compensation, and building occupancy charges, were offset by a reduction in calculated contributions for retiree medical benefits. <u>Executive</u> and <u>House</u> concur.	IDG	NA	(39,300)
	Federal	NA	(62,400)
	Local	NA	(27,500)
	Restricted	NA	(686,100)
	GF/GP	NA	(\$259,900)

Major Boilerplate Changes from FY 2020-21

TREASURY – OPERATIONS

Sec. 901. Contingency Funds – RETAINED

Appropriates up to \$500,000 of federal, \$10.0 million of state restricted, \$100,000 of local, and \$20,000 of private contingency funds; authorizes expenditures after legislative transfer to specific line items. Executive revises to increase to \$1.0 of federal, \$200,000 of local, and \$40,000 of private contingency funds. House retains current law.

Sec. 904. Investment Service Fee – REVISED

Authorizes the Department of Treasury to charge investment service fee against retirement funds; requires maintaining accounting records; provides funds for services to manage retirement funds' investment portfolios; requires report of portfolio performance. House includes new reporting requirement related to fees charged to retirement systems and methodology for determining fees.

Sec. 921. Revenue Bulletins, Notices, and Administrative Rules Notices – REVISED

Requires the department to notify the legislature on any revenue bulletins, administrative rules involving tax administration or collection, or notices interpreting changes in law. Executive and House revise to require legislative notification no later than 5 business days after posting rather than the same day of posting.

Sec. 934. Expending of Authority Revenues – RETAINED

Authorizes the department to expend revenues under various authorities for operation expense and grants to Civil Service Commission and State Employee's Retirement Fund; requires maintaining records to facilitate reimbursement. Executive revises to eliminate reporting requirement. House retains current law.

Sec. 947. Financial Independent Teams – DELETED

Stipulates that the 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. Executive and House delete section.

Major Boilerplate Changes from FY 2020-21

Sec. 949b. Good Jobs for Michigan Program Distributions – NEW

Authorizes tax capture revenues collected pursuant to written agreements under the Good Jobs for Michigan Program that are transferred from the General Fund to the Good Jobs for Michigan Fund to be appropriated to authorized businesses and the Michigan Strategic Fund for administrative expenses pursuant to statute. Executive and House include as new section.

Sec. 949i. Recreational Marihuana Revenue Distributions – NEW

Authorizes revenue collected under the Michigan Regulation and Taxation of Marihuana Act to be appropriated and distributed pursuant to the act. Executive and House include as new section.

Sec. 949l. Historic Preservation – DELETED

Prohibits funds appropriated in part 1 from being expended unless Senate Bill 54 is enacted into law. Requires funds appropriated to be used for implementation of the bill. Executive and House delete section.

Sec. 949m. Blight Elimination – DELETED

Requires funds appropriated in part 1 for Blight Removal Grants to be awarded to projects in redevelopment ready communities certified by MEDC. Individual grants would be capped at \$200,000 with priority given to projects that pose an immediate public safety or health risk. Executive and House delete section.

Sec. 949n. School District Debt Relief Support – DELETED

Provides that funding appropriated in part 1 for School District Debt Relief Support must be awarded at the discretion of the state treasurer to eligible school districts; defines eligible school districts; caps awards at \$1.0 million. Executive and House delete section.

Sec. 949o. Disaster Relief – DELETED

Provides that funds appropriated in part 1 be provided to the following: Midland/Gladwin Flooding (\$15.0 million); Arenac County Flooding (\$500,000); Houghton/Baraga Flooding (\$4.0 million); Newaygo County Flooding (\$400,000); Ionia County Flooding (\$164,000); and Ecorse River Watershed Flooding (\$3.0 million). Executive and House delete section.

Sec. 949p. Teacher COVID-19 Grants – DELETED

Requires \$53.0 million appropriation to be distributed as equal payments to eligible K-12 classroom teachers who teach in a public school or nonprofit nonpublic school; caps payments at \$500 per FTE teacher; authorizes the department to retain up to 0.5% for administration. Executive and House delete section.

Sec. 949q. School Support Staff COVID-19 Grants – DELETED

Requires \$20.0 million appropriation to be distributed as equal payments to eligible school support staff; caps payments at \$250 per FTE school support staff; authorizes the department to retain up to 0.5% for administration. Executive and House delete section.

TREASURY - REVENUE SHARING

Sec. 952. City, Village, and Township (CVT) Revenue Sharing and County Incentive Program – REVISED

Specifies distribution of \$261.0 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 100.0% of its FY 2019-20 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. Requires eligible CVTs to allocate an amount equal to their FY 2020-21 eligible payment increase (no increase was received) 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. (CVTs are exempt if they have issued a municipal security to pay down their unfunded liability.) Executive revises to reflect eligible payment equal to 102.0% of FY 2020-21 eligible payment and strikes language requiring the eligible unit to dedicated increased funds to unfunded pension liabilities. House revises to reflect eligible payment equal to 101.0% of FY 2020-21 eligible payment. House retains language requiring the eligible unit to dedicated increased funds to unfunded pension liabilities. House includes new subsection requiring a city, village, township, or county to maintain public safety expenditures at an amount not less than FY 2020-21 amount to qualify for a payment.

Major Boilerplate Changes from FY 2020-21

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 104.5619% of the amount determined pursuant to the Glen Steil State Revenue Sharing Act of 1971. Requires counties receiving a payment to allocate their FY 2020-21 eligible payment increase (no increase was received) 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. (Counties are exempt if they have issued a municipal security to pay down their unfunded liability.) Executive revises to increase payments to counties by 2.0% which would represent 106.6435% of statutory full funding. Strikes language requiring the eligible county to dedicate increased funds to unfunded pension liabilities. House revises to increase payments to counties by 1.0% which would represent 105.5981% of statutory full funding. House includes new subsection requiring a city, village, township, or county to maintain public safety expenditures at an amount not less than FY 2020-21 amount to qualify for a payment.

Sec. 956. Financially Distressed Cities, Villages, and Townships – RETAINED

Specifies distribution of \$2.5 million as grants to CVTs that have one or more conditions of probable financial distress. CVTs must work with Treasury to develop plan for grant funding and grants must be used for specific projects or services that move the CVT toward financial stability. Grants are capped at \$2.0 million. Funds are designated as work project. Requires report. Executive revises to strike use of grants for unfunded liabilities and debt obligations. House retains current law language, aligns funding with part 1 appropriation.

Sec. 957. Supplemental Revenue Sharing – CRF Replacement – NEW

Requires \$72,500 of funds appropriated in part 1 for supplemental revenue sharing to be used to provide a payment equal to the difference between the FY 2019-20 revenue sharing reduction and the amount of CRF replacement revenues the local unit of government expended. Local unit would qualify for a payment if the expenditure of CRF was less than the absolute value of the revenue sharing reduction. House includes a new section.

Sec. 958. Supplemental Revenue Sharing – Missed Revenue Sharing Payment Replacement – NEW

Requires \$60,800 of funds appropriated in part 1 for supplemental revenue sharing be used to provide a grant equal to the missed revenue sharing payment for any city, village, township, or county that failed to submit transparency and accountability documents by December 1, 2020, but submitted them by February 1, 2021. House includes as new section.

Sec. 959. Shoreline Erosion Rehabilitation Grants – NEW

Requires the funds appropriated in part 1 for Shoreline Erosion Rehabilitation Grants to be awarded to local units of government for infrastructure projects that focus on, but are not limited to, projects that address coastline erosion. Funds must be used to reimburse local units of government over the prior three-year period. Grants must be capped at 50% of the project cost. House includes as new section.

TREASURY – GAMING CONTROL BOARD

Sec. 978. Racing Commission Regulatory Changes – RETAINED

Requires the Michigan Gaming Control Board (MGCB) to determine the actual regulatory costs of conducting race dates; it would limit reimbursement to actual expenses; and the language specifies that in the case of reduced revenues, race dates can be reduced, after consultation with certified horsemen's organizations. Executive revises by removing language stating that if a certified horsemen's organization funds more than the actual regulatory cost, the balance shall remain in the agriculture equine industry development fund to fund subsequent race dates. Also strikes language stating that if a horsemen's organization funds less than the actual regulatory costs of the additional horse racing dates, the MGCB shall reduce the number of future race dates conducted by race meeting licensees with which the certified horsemen's organization has contracts. House retains current law.

Sec. 979. Millionaire Party Regulation – RETAINED

Appropriates amount not to exceed \$3.0 million to the MGCB from the State Lottery Fund to support regulation and licensing of millionaire parties pursuant to Executive Order 2012-4; requires report. Executive revises to delete the reporting requirement. House retains current law.

TREASURY – ONE-TIME APPROPRIATIONS

Sec. 1201. Local First Responder Recruitment and Training Grants – NOT INCLUDED

Provides that funds appropriated in part 1 for Local First Responder Recruitment and Training Grants are to support local efforts to expand recruitment, improve training, and provide additional professional development and support to first responders; defines first responders and applicant; requires department to establish application process; caps grants at \$100,000 for recruitment and \$100,000 for training programs. Executive includes as new section. House does not include.