

**FY 2023-24: TOTAL GENERAL GOVERNMENT**  
**Summary: Conference Report**  
**Article 5, House Bill 4437 (H-1) CR-1**



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

IDG/IDT	FY 2022-23 YTD as of 2/8/23	FY 2023-24 Executive	FY 2023-24 House	FY 2023-24 Senate	FY 2023-24 Conference	Difference: Conference From FY 2022-23 YTD	
						Amount	%
	\$1,120,888,100	\$1,156,643,700	\$1,156,643,700	\$1,156,643,700	\$1,156,861,300	\$35,973,200	3.2
<b>Federal</b>	44,640,700	44,035,500	44,035,500	44,035,500	44,035,500	(605,200)	(1.4)
<b>Local</b>	15,540,800	17,372,800	15,522,800	17,372,800	17,372,800	1,832,000	11.8
<b>Private</b>	665,500	684,800	749,800	684,800	684,800	19,300	2.9
<b>Restricted</b>	2,433,041,500	2,633,406,600	2,633,406,600	2,599,294,500	2,629,280,600	196,239,100	8.1
<b>GF/GP</b>	2,113,984,600	1,233,183,200	1,184,148,900	1,185,472,000	1,559,208,500	(554,776,100)	(26.2)
<b>Gross</b>	<b>\$5,728,761,200</b>	<b>\$5,085,326,600</b>	<b>\$5,034,507,300</b>	<b>\$5,003,503,300</b>	<b>\$5,407,443,500</b>	<b>(\$321,317,700)</b>	<b>(5.6)</b>
<b>FTEs</b>	7,498.2	7,673.1	7,567.6	7,684.1	7,732.1	233.9	3.1

Notes: (1) FY 2022-23 year-to-date figures include mid-year budget adjustments through February 8, 2023. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) FY 2022-23 year-to-date totals exclude amounts from the Department of Labor and Economic Opportunity (LEO) to compare General Government totals as organized in the FY 2023-24 budget with LEO removed.

**Overview**

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

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

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

Requires boilerplate reports to be submitted to the senate and house appropriations subcommittees, the senate and house fiscal agencies, senate and house policy offices, and the state budget office unless directed otherwise. House adds new section. Executive and Senate do not include. Conference concurs with House.

**Sec. 207. 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. (Governor deemed this section unenforceable in FY 2022-23.) Executive deletes. House, Senate, and Conference retain.

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

Provides budget stabilization fund calculations for pay-in and pay-out as required by Section 352 of the Management and Budget Act; states that \$0 is appropriated for deposit in the Countercyclical Budget and Economic Stabilization Fund in FY 2022-23. Executive and House make no deposit for FY 2023-24. Senate revises deposit to \$200.0 million for FY 2023-24. Conference revises deposit to \$100.0 million for FY 2023-24

**Sec. 212. Transparency Website – RETAINED**

Requires departments and agencies to provide data necessary for DTMB to maintain a searchable website that is accessible by public at no cost that includes expenditure data, data on payments made to vendors, and data on number of active employees, job specifications, and wage rates. Executive deletes. House, Senate, and Conference retain.

**Sec. 213. State Restricted Funds Report – RETAINED**

Requires departments, agencies, and State Budget Office to report on state restricted fund balances, projected state restricted fund revenues, and state restricted fund expenditures. Executive deletes. House, Senate, and Conference retain.

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

### **Sec. 214. Performance Metrics Website – RETAINED**

Requires departments and agencies to maintain a publicly accessible website that identifies and tracks its performance against key metrics used to monitor and improve its performance. Executive deletes. House, Senate, and Conference retain.

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

Requires directors of each department and agency to take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts. Executive revises to replace "deprived and depressed communities" with "geographically disadvantaged business enterprises". Senate retains. House and Conference concur with Executive.

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

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

### **Sec. 218. Prioritization of In-person Work for State Workforce – RETAINED**

States intent of legislature is to maximize efficiency of state workforce and, where possible, prioritize in-person work; requires each department and agency to post its in-person, remote, or hybrid work policy on its website. Executive deletes. House, Senate, and Conference retain.

### **Sec. 219. 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. (*Governor deemed this section unenforceable in FY 2022-23.*) Executive deletes. House and Senate concur. Conference retains.

### **Sec. 221. Receipt and Retention of Required Reports – RETAINED**

Requires department 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 department to electronically retain copies of reports unless otherwise required by federal and state guidelines. Executive deletes. House, Senate, and Conference retain.

### **Sec. 222. Reporting Requirement on Policy Changes – RETAINED**

Requires department to report on policy changes made in order to implement enacted legislation. Executive deletes. House, Senate, and Conference retain.

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

Requires department and agencies to report names and any amount of severance pay given to high-ranking department officials; requires department and agencies to maintain an internet site and post severance pay in excess of 6 weeks of wages for former department or agency employees; requires department and agencies to submit annual report on total amount of severance pay remitted to former employees during prior fiscal year and total number of those employees; defines "severance pay". Executive deletes. House revises by retaining current language but deletes requirement for the department to maintain an internet site and post severance pay in excess of 6 weeks of wages for former department or agency employees. Senate retains. Conference concurs with House.

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

Prohibits appropriations from being used to restrict or interfere with actions related to diversity, equity, and inclusion, to restrict or impede community access to government programs, or restrict an individual's ability to exercise the right to reproductive freedom; requires local governments to report on actions that attempt to restrict duties of local health officers. Executive adds new section. House concurs. Senate does not include. Conference includes but removes reference to interfering with actions relating to diversity, equity, and inclusion.

### **Sec. 225. Work Project Expenditures – RETAINED**

Prohibits appropriations from being expended in cases where existing work project authorization is available for the same expenditures. (*Governor deemed this section unenforceable in FY 2022-23.*) Executive deletes. House, Senate, and Conference retain.

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

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

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

### ***Sec. 226. 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, Senate, and Conference retain.

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

Requires departments and agencies to report on their efforts and progress made toward achieving savings and efficiencies identified by the auditor general in audit reports; authorizes the auditor general to perform and charge for a subsequent audit to ensure that the initiatives related to savings and efficiencies have been implemented if the required report is not received within 6 months of the release of the audit. (*Governor deemed this section unenforceable in FY 2022-23.*) Executive deletes. House concurs. Senate revises to delete authorization for the auditor general to perform and charge for a subsequent audit. Conference retains.

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

Requires departments to follow procurement statutes for any grant program or project for a public purpose unless it can fully validate the specific organization or local unit of government that will receive the funds and how the funds will be administered and expended; provides a list of required verifying and application activities departments must perform to administer public grants or projects; requires identification of the sponsoring legislator or department of a grant and certain activities for approval of a grant agreement; requires all grant funding to be expended by the close of FY 2027-28; requires information on each grant or project, including the receiving entity and grant sponsor, to be posted on a public website. Executive, House, and Senate do not include. Conference adds.

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

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

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

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

**FY 2023-24: DEPARTMENT OF ATTORNEY GENERAL**  
**Summary: Conference Report**  
**Article 5, House Bill 4437 (H-1) CR-1**



**Analyst: Michael Cossen**

	FY 2022-23 YTD as of 2/8/23	FY 2023-24 Executive	FY 2023-24 House	FY 2023-24 Senate	FY 2023-24 Conference	Difference: Conference From FY 2022-23 YTD	
						Amount	%
<b>IDG/IDT</b>	\$35,954,600	\$36,235,500	\$36,235,500	\$36,235,500	\$36,235,500	\$280,900	0.8
<b>Federal</b>	10,101,900	10,063,800	10,063,800	10,063,800	10,063,800	(38,100)	(0.4)
<b>Local</b>	0	0	0	0	0	0	--
<b>Private</b>	0	0	0	0	0	0	--
<b>Restricted</b>	20,786,700	20,773,100	20,773,100	20,773,100	20,773,100	(13,600)	(0.1)
<b>GF/GP</b>	51,429,800	49,326,000	54,326,000	69,326,200	75,726,000	24,296,200	47.2
<b>Gross</b>	<b>\$118,273,000</b>	<b>\$116,398,400</b>	<b>\$121,398,400</b>	<b>\$136,398,600</b>	<b>\$142,798,400</b>	<b>\$24,525,400</b>	<b>20.7</b>
<b>FTEs</b>	549.4	584.4	581.9	609.4	611.4	62.0	11.3

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

**Overview**

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

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

**1. Operations Line Item Roll Up**

Executive merges \$98.3 million Gross (\$34.8 million GF/GP) and 498.4 FTE positions from 3 line items into 1 Operations line item. The roll up of these line items reverses the FY 2022-23 unrolling that created them and restores an Operations line item as included in FY 2021-22. Funding and FTE authorizations for the merged line items are:

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

House, Senate, and Conference concur.

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

**2. Address Confidentiality Program Staffing**

Executive provides \$486,400 GF/GP and authorization of 2.0 FTE positions to establish the Address Confidentiality Program as authorized under the Address Confidentiality Program Act, 2020 PA 301. The program is designed to conceal the addresses of victims of stalking, domestic violence, sexual assault, human trafficking, and other activities that threaten personal harm so that they cannot be located through public records. The program provides a substitute address and free mail forwarding. A prior appropriation of \$500,000 GF/GP under 2021 PA 87 supported the creation of a required computerized database. This request would provide staff to begin and administer the program. House, Senate, and Conference concur.

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

		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Conference Change
<b>Major Budget Changes from FY 2022-23 YTD Appropriations</b>			
<b>3. LARA and EGLE Legal Services</b>	FTE	0.0	2.0
<u>Executive</u> includes \$403,400 in IDG funding from the Departments of Licensing and Regulatory Affairs and Environment, Great Lakes, and Energy and authorization for 2.0 FTE positions to provide additional legal services to expedite the processing of increasing caseloads for those departments. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	<b>Gross</b>	<b>\$3,666,000</b>	<b>\$403,400</b>
	IDG	3,666,000	403,400
	GF/GP	\$0	\$0
<b>4. Conviction Integrity Unit</b>	FTE	NA	6.0
<u>Executive</u> provides \$1.0 million GF/GP and authorization for 6.0 FTE positions to the Conviction Integrity Unit that investigates prisoner claims of innocence to determine whether new evidence is sufficient to recommend to a court that a conviction be declared wrongful and set aside. Funding would help offset the removal of a \$550,000 federal grant from the Bureau of Justice Assistance that assisted with postconviction testing of DNA evidence. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	<b>Gross</b>	<b>NA</b>	<b>\$1,010,000</b>
	GF/GP	NA	\$1,010,000
<b>5. High-Crime Communities Assistance</b>	FTE	NA	0.0
<u>Senate</u> provides \$10.0 million GF/GP and authorization for 25.0 FTE positions to increase prosecutorial capacity in high-crime communities through assistance to counties. Counties receiving support would be required to sign a memorandum of understanding with the Department of Attorney General that includes maintenance of efforts requirements for county staffing and funding. <u>Executive</u> and <u>House</u> do not include. <u>Conference</u> transfers this item to Treasury and adds \$2.0 million GF/GP for \$12.0 million total.	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
	GF/GP	NA	\$0
<b>6. Job Court</b>	FTE	0.0	5.0
<u>Executive</u> provides \$5.0 million GF/GP and authorization for 5.0 FTE positions to continue the job court pilot program and shifts funding from the one-time Appropriations unit to an ongoing line item. Job Court offers the option of dismissal of charges for selected pre-trial defendants charged with low-level, non-assaultive crimes who successfully secure and maintain gainful employment and complete the one-year program course. The program provides supervision and support to participants with the aim of assisting them and diverting prosecutorial caseloads, reducing criminal case backlogs, and reducing costs of incarceration. There are currently 3 participating courts, 1 each in Wayne, Genesee, and Marquette Counties. <u>House</u> provides \$8.6 million GF/GP total (\$6.1 million one-time) and authorization for 2.5 FTE positions for an increase of \$3.6 million from FY 2022-23. <u>Senate</u> provides \$5.0 million GF/GP as one-time funding and does not include authorization for FTE positions. <u>Conference</u> concurs with Executive.	<b>Gross</b>	<b>\$5,000,000</b>	<b>\$0</b>
	GF/GP	\$5,000,000	\$0
<b>7. PACC – In-Person Training</b>	<b>Gross</b>	<b>NA</b>	<b>\$30,000</b>
<u>Executive</u> includes \$30,000 Gross (\$0 GF/GP) in state restricted Prosecuting Attorneys Training Fees revenue to provide in-person training for local prosecutors statewide. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	Restricted	NA	30,000
	GF/GP	NA	\$0
<b>8. Sexual Assault Cases and Victim Advocacy (One-Time)</b>	<b>Gross</b>	<b>\$0</b>	<b>\$1,400,000</b>
<u>House</u> provides \$1.4 million GF/GP to support attorneys, investigators, and victim advocates dedicated to sexual assault cases to alleviate high caseloads. <u>Executive</u> and <u>Senate</u> do not include. <u>Conference</u> concurs with House.	GF/GP	\$0	\$1,400,000
<b>9. Removal of Current Year One-Time Funding</b>	<b>Gross</b>	<b>\$8,500,000</b>	<b>(\$3,500,000)</b>
<u>Executive</u> eliminates \$3.5 million of one-time GF/GP funding appropriated in FY 2022-23 for establishment of the Organized Retail Crime Unit. The \$3.5 million is intended to cover costs of the unit for a 3-year period. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	GF/GP	\$8,500,000	(\$3,500,000)

		<b>FY 2022-23 Year-to-Date (as of 2/8/23)</b>	<b>FY 2023-24 Conference Change</b>
<b><u>Major Budget Changes from FY 2022-23 YTD Appropriations</u></b>			
<b>10. FTE Authorization Increase</b>	FTE	498.4	20.0
<u>Executive</u> authorizes an additional 20.0 FTE positions to the Operations line item to provide greater flexibility in hiring. <u>Senate</u> provides authorization for 25.0 FTE positions. <u>House</u> and <u>Conference</u> concur.	<b>Gross</b>	<b>\$98,323,100</b>	<b>\$0</b>
	IDG	35,954,600	0
	Federal	7,162,600	0
	Restricted	20,361,600	0
	GF/GP	\$34,844,300	\$0
<b>11. Consumer Protection Case Support</b>	FTE	0.0	27.0
<u>Conference</u> provides \$4.5 million GF/GP and authorization for 27.0 FTE positions for attorneys and staffing to handle caseloads in the special litigation division, corporate oversight and consumer protection division, and the financial crimes division. <u>Executive</u> , <u>House</u> , and <u>Senate</u> do not include.	<b>Gross</b>	<b>\$5,000,000</b>	<b>\$4,500,000</b>
	GF/GP	\$5,000,000	\$4,500,000
<b>12. PACC – Prosecuting Attorneys Digital Evidence Storage (One-Time)</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>Senate</u> provides \$10.0 million GF/GP for improvements to computer equipment and data storage capacities to accommodate the growing amount of body camera recordings and digital evidence involved in prosecuting cases. Funding would be distributed by grants to local prosecutors for cloud or server-based storage. Funding would also support limited-term staff to expedite processing evidence accumulated during the pandemic. <u>Executive</u> includes \$10.0 million GF/GP as a FY 2022-23 supplemental appropriations request. <u>House</u> and <u>Conference</u> do not include.	GF/GP	NA	\$0
<b>13. PACC – Prosecutors Extradition Reimbursements (One-Time)</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>Senate</u> provides a \$100 placeholder for Prosecuting Attorneys Association of Michigan (PAAM) to reimburse local units of government for expenses incurred in extraditing offenders that flee the state to avoid prosecution. <u>Executive</u> includes \$1.0 million GF/GP as a FY 2022-23 supplemental appropriations request. <u>House</u> and <u>Conference</u> do not include.	GF/GP	NA	\$0
<b>14. PACC – Juvenile Life Without Parole Resentencing Cases (One-Time)</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>Senate</u> provides a \$100 placeholder for providing grants to local prosecutors to support costs of resentencing cases in which juveniles were sentenced to life without parole, which was ruled to violate the Michigan Constitution by the Michigan Supreme Court in July of 2022. Funds would support contract employees, office equipment, and expert witnesses. <u>Executive</u> includes \$3.2 million GF/GP as a FY 2022-23 supplemental appropriations request. <u>House</u> and <u>Conference</u> do not include.	GF/GP	NA	\$0
<b>15. PACC – Local Prosecutor NextGen System Data Integration</b>	<b>Gross</b>	<b>NA</b>	<b>\$10,000,000</b>
<u>Conference</u> provides \$10.0 million GF/GP to the Prosecuting Attorneys Coordinating Council to assist local prosecutor offices integrate case management data into the statewide NextGen case management computer system. <u>Executive</u> , <u>House</u> , and <u>Senate</u> do not include.	GF/GP	NA	\$10,000,000
<b>16. Detroit and Wayne County Gun Case Backlog</b>	<b>Gross</b>	<b>NA</b>	<b>\$10,000,000</b>
<u>Conference</u> provides \$10.0 million GF/GP to assist prosecutors in Detroit and Wayne County reduce the backlog of criminal gun cases. Detroit would receive \$3.0 million and Wayne County would receive \$7.0 million. <u>Executive</u> , <u>House</u> , and <u>Senate</u> do not include.	GF/GP	NA	\$10,000,000

<b><u>Major Budget Changes from FY 2022-23 YTD Appropriations</u></b>	<b><u>FY 2022-23 Year-to-Date (as of 2/8/23)</u></b>	<b><u>FY 2023-24 Conference Change</u></b>	
<b>17. Center for Civil Justice</b>	<b>Gross</b>	<b>NA</b>	<b>\$500,000</b>
<u>Conference</u> provides \$500,000 GF/GP to the Center for Civil Justice to provide legal and technical assistance to low-income individuals and to pursue impact litigation that protects low-income and marginalized communities. <u>Executive</u> , and <u>House</u> do not include. <u>Senate</u> includes as a boilerplate appropriation conditioned on availability of state restricted revenue.	GF/GP	NA	\$500,000
<b>18. Economic Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>(\$304,400)</b>
<u>Executive</u> adjusts for decreased costs of \$304,400 Gross (\$100,200 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2023), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	IDG	NA	(122,500)
	Federal	NA	(38,100)
	Restricted	NA	(43,600)
	GF/GP	NA	(\$100,200)

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

**Sec. 302a. Enforcement of State and Federal Laws – DELETED**

States it is the intent of the legislature that the attorney general use appropriated funds for upholding and enforcing any and all state and federal laws. Executive deletes. Senate retains. House and Conference concur with Executive.

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

Prohibits expenditure of proceeds from lawsuit settlements for either criminal prosecution or litigation unless appropriated by legislature. Executive deletes. House, Senate, and Conference concur.

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

Appropriates up to \$250,000 in additional antitrust, securities fraud, consumer protection or class action enforcement revenues, or attorney fees recovered by AG; authorizes unexpended funding, up to \$250,000, to be carried forward; requires information on collected revenue to be made available upon request. Executive revises to appropriate up to \$500,000 in additional revenue and to authorize up to \$1.0 million to be carried forward in the following fiscal year. House concurs. Senate retains. Conference increases authorization to \$350,000.

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

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

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

Authorizes AG to spend prisoner reimbursement revenue on activities related to State Correctional Facilities Reimbursement Act; allows up to \$1.0 million of collections in excess of \$1.131 million to be spent on representation of Department of Corrections; requires information on dollar amount of reimbursements, and descriptions of expenditures made from reimbursements to be made available upon request. Executive and Senate retain current language. House adds reporting language from section 309a requiring information on revenue and distributions of prisoner reimbursement revenue and deletes section 309a. Conference concurs with House.

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

Requires the department to submit a report on total amount of reimbursements received under the State Correctional Facility Reimbursement Act, amount paid to department to conduct investigations in determining reimbursements, and amount credited to general fund from reimbursements. Executive and Senate delete. House transfers language to section 309 and deletes section 309a. Conference concurs with House.

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

Requires \$500,000 from the Operations line item to directed to the Center for Civil Justice to provide legal and technical assistance to low-income individuals and to pursue impact litigation that protects low-income and marginalized populations. Executive and House do not include. Senate includes substantively similar language under Sec. 314. Conference adds.

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

### **Sec. 314. Lawsuit Settlement Proceeds Fund – RETAINED**

Allows department to use up to \$2.7 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. Executive revises to eliminate \$250 hourly rate cap. Senate revises to authorize up to \$3.0 million of Lawsuit Settlement Proceeds Fund revenue for the Special Litigation Division, the Corporate Oversight and Consumer Protection Division, and the Financial crimes Division; authorizes up to \$500,000 of Lawsuit Settlement Proceeds Fund revenue for the Center for Civil Justice to provide legal assistance to low-income individuals and marginalized populations. House and Conference retain.

### **Sec. 315. Legacy Costs – DELETED**

Identifies annual pension-related and retiree health care legacy costs. Executive deletes. House, Senate, and Conference concur.

### **Sec. 318. Prosecutorial Assistance to High-Crime Communities – NOT INCLUDED**

Requires at least \$10.0 million of appropriated funds to be used to provide assistance to high-crime communities through the Criminal Trials and Appeals Division; requires the department of to determine how support will be provided and which counties qualify as high-crime communities; requires the department to obtain signed memoranda of understanding with counties receiving support that include maintenance of efforts requirements. Senate adds. Executive, House, and Conference do not include.

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

Requires notification of lawsuit settlements with a fiscal impact for the state of \$200,000 or more; prohibits department from entering into a lawsuit that is contrary to state laws. Executive deletes. House revises to add language transferred from deleted section 306. Senate revises to increase lawsuit settlement notification threshold to \$1.0 million. Conference increases reporting deadline from 10 days after a settlement is reached to 14 days.

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

Requires the department to submit report upon entering lawsuit against federal government, estimated costs for participating in lawsuit, and purpose of lawsuit. House retains. Executive, Senate, and Conference delete.

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

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

### **Sec. 324. Payroll Fraud Enforcement Unit Report - RETAINED**

Requires department to report on its website activities and findings of Payroll Fraud Enforcement Unit, including a listing of each complaint received, the unit's finding on validity of each complaint, any enforcement action taken, and what complaints were not subject to action by the department; requires department to request findings of investigations conducted by other departments and agencies to comply with this section. Executive deletes. House, Senate, and Conference retain.

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

Authorizes one-time funds for Job Court to be used to hire 5.0 limited-term employees. Executive deletes. House, Senate, and Conference concur.

### **Sec. 330. Job Court Work Project Authorization – NOT INCLUDED**

Authorizes unexpended one-time funding as work project and for funds not to lapse to General Fund at end of fiscal year. House adds. Executive, Senate, and Conference do not include.

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

Directs \$3.0 million to go to Detroit and \$7.0 million to go to Wayne County to assist prosecutors offices there in reduce backlogs of criminal gun cases. Executive, House, and Senate do not include. Conference adds.

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

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



**FY 2022-23 Supplemental Appropriation Items**

**Article 16, House Bill 4437 (H-1) CR-1**

**Appropriation  
Change**

**1. Opioid Settlement Contract Costs**

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

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

**2. Job Court**

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

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

**FY 2022-23 Supplemental Boilerplate Items**

**Article 16, House Bill 4437 (H-1) CR-1**

**Sec. 351. Job Court**

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

**FY 2023-24: DEPARTMENT OF CIVIL RIGHTS**  
**Summary: Conference Report**  
**Article 5, House Bill 4437 (H-1) CR-1**



**Analyst: Michael Crossen**

IDG/IDT	FY 2022-23 YTD as of 2/8/23	FY 2023-24 Executive	FY 2023-24 House	FY 2023-24 Senate	FY 2023-24 Conference	Difference: Conference From FY 2022-23 YTD	
						Amount	%
	\$0	\$0	\$0	\$0	\$0	\$0	--
<b>Federal</b>	2,890,900	2,890,900	2,890,900	2,890,900	2,890,900	0	0.0
<b>Local</b>	0	0	0	0	0	0	--
<b>Private</b>	18,700	18,700	18,700	18,700	18,700	0	0.0
<b>Restricted</b>	58,500	58,500	58,500	58,500	58,500	0	0.0
<b>GF/GP</b>	18,633,500	26,491,900	34,178,400	23,805,400	28,741,900	10,108,400	54.2
<b>Gross</b>	<b>\$21,601,600</b>	<b>\$29,460,000</b>	<b>\$37,146,500</b>	<b>\$26,773,500</b>	<b>\$31,710,000</b>	<b>\$10,108,400</b>	<b>46.8</b>
<b>FTEs</b>	115.0	155.0	132.0	141.0	166.0	51.0	44.3

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

**Overview**

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

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

**1. Operations Funding and FTE Transfers**

Executive transfers \$400,000 GF/GP and 3.0 FTE positions from the Division on Deaf, DeafBlind, and Hard of Hearing line item for a \$0 net change. Transfers are as follows:

- Public Affairs - \$275,000 and 2.0 FTE positions
- Complaint Investigation and Enforcement - \$125,000 and 1.0 FTE position.

House concurs. Senate and Conference do not include.

	FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Conference Change
FTE	3.0	0.0
<b>Gross</b>	<b>\$400,000</b>	<b>\$0</b>
GF/GP	\$400,000	\$0

**2. Complaint Investigation and Enforcement**

Executive provides \$5.7 million GF/GP and authorization for 34.0 FTE positions to establish three additional enforcement teams to assist in reducing a backlog of discrimination complaint cases that accrued following the pandemic and state hiring freeze and to reduce the average complaint investigation completion time to six to nine months on an ongoing basis. From these amounts, \$307,800 and 2.0 FTE positions would go to the Executive Office. House provides \$11.4 million GF/GP as a one-time appropriation. Senate provides \$3.0 million GF/GP and authorization for 20.0 FTE positions. Conference concurs with Executive.

	FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Conference Change
FTE	68.0	34.0
<b>Gross</b>	<b>\$9,450,200</b>	<b>\$5,686,500</b>
Federal	2,875,900	0
Restricted	58,500	0
GF/GP	\$6,515,800	\$5,686,500

		<b>FY 2022-23 Year-to-Date (as of 2/8/23)</b>	<b>FY 2023-24 Conference Change</b>
<b><u>Major Budget Changes from FY 2022-23 YTD Appropriations</u></b>			
<b>3. Americans with Disabilities Act Training and Enforcement</b>	FTE	NA	2.0
<u>Executive</u> provides \$223,200 GF/GP to provide training and materials regarding disability complaint cases and compliance with the Americans with Disabilities Act (ADA). <u>House</u> concurs with funding and adds authorization for 2.0 FTE positions to align FTE authorization to filled positions. <u>Senate</u> concurs with Executive. <u>Conference</u> concurs with House.	<b>Gross</b>	<b>NA</b>	<b>\$223,200</b>
	GF/GP	NA	\$223,200
<b>4. Disabled Digital Access Rights Transition Plan (One-Time)</b>	FTE	NA	2.0
<u>Executive</u> provides \$3.0 million GF/GP (\$294,100 ongoing; \$2.8 million one-time) and authorization for 2.0 FTE positions to contract with vendors to develop a digital accessibility training module and to implement the ongoing Disabled Digital Access Rights Transition plan for educating state employees on compliance with federal and state disability rights laws regarding digital access, such as captioning, screen readers, and other technology that provides access for individuals with disabilities. The training aims to reduce disability complaints. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	<b>Gross</b>	<b>NA</b>	<b>\$3,044,100</b>
	GF/GP	NA	\$3,044,100
<b>5. Disparate Impact Investigation and Enforcement</b>	FTE	NA	9.0
<u>Executive</u> provides \$1.6 million GF/GP to investigate complaints regarding policies, procedures, rules, or other systems that appear fair but have a disparate impact on people according to federally and state-protected classes such as race, religion, color, national origin, age, sex, disability, criminal record, and others. The funding would support a manager, 6 investigators, a paralegal, and a secretary. <u>House</u> concurs with funding and adds authorization for 9.0 FTE positions to align FTE authorization to filled positions. <u>Senate</u> concurs with Executive. <u>Conference</u> concurs with House.	<b>Gross</b>	<b>NA</b>	<b>\$1,555,800</b>
	GF/GP	NA	\$1,555,800
<b>6. DEI Summit and Research</b>	FTE	NA	1.0
<u>Executive</u> provides \$161,000 GF/GP and authorization for 1.0 FTE position to initiate a Diversity, Equity, and Inclusion summit focusing on health equity and strategies for reducing health disparities with a focus on maternal and infant health. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	<b>Gross</b>	<b>NA</b>	<b>\$161,000</b>
	GF/GP	NA	\$161,000
<b>7. ALPACT – Police and Community Trust</b>	FTE	NA	1.0
<u>Executive</u> provides \$316,300 GF/GP and authorization for 1.0 FTE position to support the Advocates and Leaders for Police and Community Trust (ALPACT) program and to expand the program into the upper peninsula. ALPACT promotes partnerships between police units and community leaders with the aim of building trust by facilitating communication and cooperation. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	<b>Gross</b>	<b>NA</b>	<b>\$316,300</b>
	GF/GP	NA	\$316,300
<b>8. Michigan Alliance Against Hate Crimes</b>	FTE	NA	2.0
<u>Executive</u> provides \$574,400 GF/GP and 2.0 FTE positions to provide additional support to the Michigan Alliance Against Hate Crimes (MIAAHC). MIAAHC is a department-led, statewide coalition of law enforcement agencies with community and civil rights organizations and educators that help identify and address hate crimes and bias incidents and provide victim support services. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	<b>Gross</b>	<b>NA</b>	<b>\$574,400</b>
	GF/GP	NA	\$574,400
<b>9. Removal of Current Year One-Time Funding</b>	<b>Gross</b>	<b>\$3,651,900</b>	<b>(\$3,651,900)</b>
<u>Executive</u> eliminates \$3.7 million of one-time GF/GP funding appropriated in FY 2022-23:	GF/GP	\$3,651,900	(\$3,651,900)
<ul style="list-style-type: none"> <li>\$3.2 million GF/GP for Complaint Investigation and Enforcement for limited-term employees to process the complaint backlog.</li> <li>\$500,000 GF/GP for Native American Boarding School Study.</li> </ul> <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.			

<b><u>Major Budget Changes from FY 2022-23 YTD Appropriations</u></b>		<b><u>FY 2022-23 Year-to-Date (as of 2/8/23)</u></b>	<b><u>FY 2023-24 Conference Change</u></b>
<b>10. Elliott-Larsen Civil Rights Act Expansion (One-Time)</b>	<b>Gross</b>	<b>NA</b>	<b>\$2,000,000</b>
<u>House</u> provides \$2.0 million GF/GP to cover expenses incurred in implementing 2023 PA 6 which adds sexual orientation and gender identity or expression as protected categories. Expenses may include information technology system or software updates, complaints investigation, complaint defendant hearings and litigation, and community outreach, education, and training. <u>Executive</u> and <u>Senate</u> do not include. <u>Conference</u> concurs with House.	GF/GP	NA	\$2,000,000
<b>11. Community Engagement (One-Time)</b>	<b>Gross</b>	<b>NA</b>	<b>\$250,000</b>
<u>Conference</u> provides \$250,000 GF/GP to support additional outreach, engagement, and training in all parts of the state. <u>Executive</u> , <u>House</u> , and <u>Senate</u> do not include.	GF/GP	NA	\$250,000
<b>12. Economic Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>(\$51,000)</b>
<u>Executive</u> adjusts for decreased costs of \$51,000 GF/GP for negotiated salary and wage increases (2.0% on October 1, 2023), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	GF/GP	NA	(\$51,000)

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

**Sec. 401. Legislative Contingency Transfer Authorization – RETAINED**

Allows for the legislative transfer process to increase federal authorization by up to \$1.0 million, and state restricted authorization by up to \$375,000. Executive revises to increase maximum amounts of contingency authorizations up to \$2.0 million in federal and \$750,000 in private contingency funds to be appropriated. House and Senate concur. Conference retains.

**Sec. 402. Training and Information Dissemination – REVISED**

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

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

Requires a status update report on the Native American boarding school study funded in the department of civil rights in 2022 PA 166 to provide information on activities, costs, and anticipated completion date of the study. House adds. Executive and Senate do not include. Conference concurs with House.

**Sec. 410. Legacy Costs – DELETED**

Identifies annual pension-related and retiree health care legacy costs. Executive deletes. House, Senate, and Conference concur.

**ONE-TIME APPROPRIATIONS**

**Sec. 420. Complaint Investigation and Enforcement – DELETED**

Requires department to expand complaint investigation and enforcement activities to eliminate backlog of civil rights complaint cases; authorizes up to an additional 25.0 limited-term employees; authorizes unexpended one-time funding as a work project. House revises to increase authorized limited-term employees to 34.0. Executive, Senate, and Conference delete.

**Sec. 421. ELCRA Expansion – NEW**

Requires funds for ELCRA expansion to be used to cover expenses incurred in implementing 2023 PA 6 and lists eligible uses including information technology system or software updates, complaints investigation, complaint defendant hearings and litigation, and community outreach, education, and training; authorizes up to an additional 12.0 limited-term employees; authorizes unexpended one-time funding as a work project. House adds. Executive and Senate do not include. Conference concurs with House.

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

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

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

**FY 2022-23 Supplemental Appropriation Items**  
**Article 16, House Bill 4437 (H-1) CR-1**

**Appropriation**  
**Change**

***1. Native American Boarding School Study***

Includes \$750,000 GF/GP to conduct a statewide study of the number of Native American children forced to attend boarding schools in an effort to understand the impacts of historical federal and state boarding school policies regarding the removal of tribal children.

<b>Gross</b>	<b>\$750,000</b>
GF/GP	\$750,000

**FY 2022-23 Supplemental Boilerplate Items**  
**Article 16, House Bill 4437 (H-1) CR-1**

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

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

**FY 2023-24: EXECUTIVE OFFICE**  
**Summary: Conference Report**  
**Article 5, House Bill 4437 (H-1) CR-1**



Analyst: Viola Bay Wild

	FY 2022-23 YTD as of 2/8/23	FY 2023-24 Executive	FY 2023-24 House	FY 2023-24 Senate	FY 2023-24 Conference	Difference: Conference From FY 2022-23 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	0	0	0	0	0	0	--
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	0	0	0	0	0	0	--
<b>GF/GP</b>	8,533,600	8,699,000	8,699,000	8,699,000	8,905,400	371,800	4.4
<b>Gross</b>	<b>\$8,533,600</b>	<b>\$8,699,000</b>	<b>\$8,699,000</b>	<b>\$8,699,000</b>	<b>\$8,905,400</b>	<b>\$371,800</b>	<b>4.4</b>
FTEs	96.2	96.2	96.2	96.2	96.2	0.0	0.0

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

**Overview**

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

<b>Major Budget Changes from FY 2022-23 YTD Appropriations</b>		<b>FY 2022-23 Year-to-Date (as of 2/8/23)</b>	<b>FY 2023-24 Conference Change</b>
<b>1. Executive Office Operations</b>	FTE	96.2	0.0
<u>Executive</u> reflects increased costs of \$165,400 GF/GP related to Executive Office staff and other operations. <u>House</u> and <u>Senate</u> concur.	<b>Gross</b>	<b>\$8,533,600</b>	<b>\$371,800</b>
<u>Conference</u> includes increase of \$371,800 GF/GP.	GF/GP	\$8,533,600	\$371,800

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

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

**FY 2023-24: LEGISLATURE**  
**Summary: Conference Report**  
**Article 5, House Bill 4437 (H-1) CR-1**



Analyst: Viola Bay Wild

IDG/IDT	FY 2022-23 YTD as of 2/8/23	FY 2023-24 Executive	FY 2023-24 House	FY 2023-24 Senate	FY 2023-24 Conference	Difference: Conference From FY 2022-23 YTD	
						Amount	%
	\$0	\$0	\$0	\$0	\$0	\$0	--
<b>Federal</b>	0	0	0	0	0	0	--
<b>Local</b>	0	0	0	0	0	0	--
<b>Private</b>	428,300	445,400	445,400	445,400	445,400	17,100	4.0
<b>Restricted</b>	4,965,700	5,164,300	5,164,300	5,164,300	5,164,300	198,600	4.0
<b>GF/GP</b>	184,453,000	181,263,900	182,752,900	182,058,500	186,734,100	2,281,100	1.2
<b>Gross</b>	<b>\$189,847,000</b>	<b>\$186,873,600</b>	<b>\$188,362,600</b>	<b>\$187,668,200</b>	<b>\$192,343,800</b>	<b>\$2,496,800</b>	<b>1.3</b>
<b>FTEs</b>	0.0	0.0	0.0	0.0	0.0	0.0	--

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

**Overview**

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

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

**1. Legislative Operations Adjustment**

Executive reflects net increase of \$196,600 Gross (net reduction of \$19,100 GF/GP) related to legislative employees and other operations and property management costs. Executive, Senate, and Conference concur.

	FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Conference Change
<b>Gross</b>	<b>\$186,677,000</b>	<b>\$196,600</b>
Private	428,300	17,100
Restricted	4,965,700	198,600
GF/GP	\$181,283,000	(\$19,100)

**2. Independent Citizens Redistricting Commission (ICRC)**

Executive removes \$3.2 million GF/GP one-time FY 2022-23 supplemental funding for the ICRC for additional legal costs. The Michigan Constitution requires that the terms of the commissioners expire once the commission has completed its work for a census cycle. House and Senate concur. Conference includes \$3.3 million GF/GP.

<b>Gross</b>	<b>\$3,170,000</b>	<b>\$161,200</b>
GF/GP	\$3,170,000	\$161,200

**3. Legislative Corrections Ombudsman**

House includes \$389,000 GF/GP to provide funding for 3.0 additional FTE positions for the Legislative Corrections Ombudsman within the Legislative Council. Executive does not include. Senate includes \$194,500 GF/GP additional funding. Conference concurs with the House.

<b>Gross</b>	<b>\$1,078,200</b>	<b>\$389,000</b>
GF/GP	\$1,078,200	\$389,000

**4. Sentencing Commission**

House includes \$1.0 million GF/GP to provide funding for the Sentencing Commission within the Legislative Council. Executive does not include. Senate includes \$100,000 GF/GP additional funding. Conference concurs with the House.

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

<b><u>Major Budget Changes from FY 2022-23 YTD Appropriations</u></b>	<b><u>FY 2022-23 Year-to-Date (as of 2/8/23)</u></b>	<b><u>FY 2023-24 Conference Change</u></b>	
<b>5. Legislative Staffing Study</b> <u>House</u> includes \$100,000 one-time GF/GP to provide funding for a legislative staffing study by the Legislative Council. <u>Executive</u> , <u>Senate</u> , and <u>Conference</u> do not include.	<b>Gross</b> GF/GP	<b>NA</b> NA	<b>\$0</b> \$0
<b>6. Intern Pilot Program</b> <u>Senate</u> includes \$500,000 GF/GP to provide funding for an intern pilot program for each Senate office to fund one paid intern position. <u>Executive</u> and <u>House</u> do not include. <u>Conference</u> includes \$250,000 GF/GP in both the House of Representatives and the Senate line items for internship program.	<b>Gross</b> GF/GP	<b>NA</b> NA	<b>\$500,000</b> \$500,000
<b>7. Census Tracking/Reapportionment</b> <u>Senate</u> includes \$100 GF/GP placeholder for the census data tracking program. <u>Executive</u> and <u>House</u> do not include. <u>Conference</u> includes \$125,000 GF/GP for both a House and a Senate census tracking/reapportionment line item.	<b>Gross</b> GF/GP	<b>NA</b> NA	<b>\$250,000</b> \$250,000

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

**Sec. 609. Senate Census Tracking/Reapportionment – NEW**

Senate requires funding for the census tracking/reapportionment be designated as a work project appropriation. Executive and House do not include. Conference include language for Senate program.

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

Conference requires funding for the House census tracking/reapportionment be designated as a work project appropriation. Executive, Senate, and House do not include. Conference include language for House program.

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

Conference includes language requiring \$250,000 be allocated for a House internship program and \$250,000 be allocated for a Senate internship program. Executive, Senate, and House do not include.

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

Conference includes legislative intent language that the part 1 funding complies with the legislature's obligation to fulfill the ICRC's funding request for legal costs; states legislative intent that funding is contingent upon the ICRC submitting quarterly expenditure reports; requires unexpended funding be returned to the state treasury within 6 months after end of FY 2023-24. Executive, Senate, and House do not include.

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

Identifies annual pension-related and retiree health care legacy costs. Executive deletes. House, Senate, and Conference concur.

**Sec. 630. Legislative Staffing Study – NOT INCLUDED**

House requires part 1 funding be allocated for a study on legislative staffing. Executive, Senate, and Conference do not include.

**FY 2022-23 Supplemental Appropriation Items**  
**Article 16, House Bill 4437 (H-1) CR-1**

**1. Michigan State Capitol Commission**

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

	<b><u>Appropriation Change</u></b>
<b>Gross</b>	<b>\$5,100,000</b>
GF/GP	\$5,100,000



**FY 2022-23 Supplemental Boilerplate Items**

**Article 16, House Bill 4437 (H-1) CR-1**

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

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

**FY 2023-24: LEGISLATIVE AUDITOR GENERAL**  
**Summary: Conference Report**  
**Article 5, House Bill 4437 (H-1) CR-1**



**Analyst: Viola Bay Wild**

IDG/IDT	FY 2022-23 YTD as of 2/8/23	FY 2023-24 Executive	FY 2023-24 House	FY 2023-24 Senate	FY 2023-24 Conference	Difference: Conference From FY 2022-23 YTD	
						Amount	%
	\$6,654,800	\$6,921,900	\$6,921,900	\$6,921,900	\$6,921,900	\$267,100	4.0
<b>Federal</b>	0	0	0	0	0	0	--
<b>Local</b>	0	0	0	0	0	0	--
<b>Private</b>	0	0	0	0	0	0	--
<b>Restricted</b>	2,329,300	2,421,600	2,421,600	2,421,600	2,421,600	92,300	4.0
<b>GF/GP</b>	19,621,800	20,406,700	20,406,700	20,406,700	20,406,700	784,900	4.0
<b>Gross</b>	<b>\$28,605,900</b>	<b>\$29,750,200</b>	<b>\$29,750,200</b>	<b>\$29,750,200</b>	<b>\$29,750,200</b>	<b>\$1,144,300</b>	<b>4.0</b>
<b>FTEs</b>	0.0	0.0	0.0	0.0	0.0	0.0	--

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

**Overview**

The 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.

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

**1. Auditor General Operations Increase**

Executive reflects increased costs of \$1.1 million Gross (\$784,900 GF/GP) related to auditor general staff and other operations. House, Senate, and Conference concur.

	FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Conference Change
<b>Gross</b>	<b>\$28,605,900</b>	<b>\$1,144,300</b>
IDG	6,654,800	267,100
Restricted	2,329,300	92,300
GF/GP	\$19,621,800	\$784,900

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

**Sec. 620. Authorization to Audit Executive, Judicial, and Legislative Branches – RETAINED**

Requires auditor general to conduct audits of the executive, judicial, and legislative branches. Executive deletes. House retains. Senate deletes. Conference retains.

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

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

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

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

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

### ***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. House, Senate, and Conference retain.

### ***Sec. 627. Operations Work Project Language – RETAINED***

Provides work project authorization for unexpended funds related to field operations for auditing the State of Michigan Comprehensive Annual Financial Report. Executive deletes. House, Senate, and Conference retain.

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

Conference includes language requiring the auditor general to provide quarterly reports related to projects initiated during the prior quarter; specifies details to be included in report, such as audit title, type, period, objective, who is conducting the audit, reasons for audit initiation, if permitted by law, reason audit was initiated whether an inquiry, tip, or request, details on any similar audits conducted, estimated timeframe, and estimated resources needed for audit. Executive, Senate, and House do not include.

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

Conference includes language requiring the auditor general to provide quarterly reports related to projects in progress during the prior quarter; specifies details to be included in report, such as audit title, when initiated, audit status, estimated timeframe for completion, resources being spent to date, estimated resources needed to complete audit, department resources spent to date, and estimated department resources needed to respond to audit. Executive, Senate, and House do not include.

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

Conference includes language requiring the auditor general to provide quarterly reports related to projects completed during the prior quarter; specifies details to be included in report, such as audit title, when initiated, when released, results, including number and type of findings, total resources being spent on audit, and total department resources spent on audit. Executive, Senate, and House do not include.

**FY 2023-24: DEPARTMENT OF STATE**  
**Summary: Conference Report**  
**Article 5, House Bill 4437 (H-1) CR-1**



**Analyst: Michael Cossen**

	FY 2022-23 YTD as of 2/8/23	FY 2023-24 Executive	FY 2023-24 House	FY 2023-24 Senate	FY 2023-24 Conference	Difference: Conference From FY 2022-23 YTD	
						Amount	%
<b>IDG/IDT</b>	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$0	0.0
<b>Federal</b>	1,460,000	1,460,000	1,460,000	1,460,000	1,460,000	0	0.0
<b>Local</b>	0	0	0	0	0	0	--
<b>Private</b>	50,100	50,100	100,100	50,100	50,100	0	0.0
<b>Restricted</b>	221,007,300	223,392,000	223,392,000	223,392,000	269,374,700	48,367,400	21.9
<b>GF/GP</b>	12,679,300	17,838,300	32,838,300	17,938,500	13,324,700	645,400	5.1
<b>Gross</b>	<b>\$255,196,700</b>	<b>\$262,740,400</b>	<b>\$277,790,400</b>	<b>\$262,840,600</b>	<b>\$304,209,500</b>	<b>\$49,012,800</b>	<b>19.2</b>
<b>FTEs</b>	1,592.0	1,608.0	1,608.0	1,608.0	1,625.0	33.0	2.1

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

**Overview**

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

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

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

<b>Major Budget Changes from FY 2022-23 YTD Appropriations</b>		<b>FY 2022-23 Year-to-Date (as of 2/8/23)</b>	<b>FY 2023-24 Conference Change</b>
<b>5. TACF/TASF Revenue Replacement</b>		<b>Gross</b>	<b>\$19,000,000</b>
<u>Executive</u> replaces \$19.0 million state restricted from the Transportation Administration Support Fund (TASF), created in Treasury under section 949I, to support expenses related to vehicle and driver services, with a corresponding amount of revenue authorization from the Transportation Administration Collection Fund (TACF), resulting in a net \$0 change. Revenue from TASF was provided in FY 2022-23 to help address the long-term revenue shortfall anticipated for TACF. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.		Restricted	19,000,000
		GF/GP	\$0
<b>6. Additional Branch Office Security Staff</b>		<b>Gross</b>	<b>NA</b>
<u>Executive</u> provides \$150,000 in state restricted TACF revenue to support 3 additional security guards, 1 each for Grand Rapids, Flint, and Saginaw following an internal department review identifying locations with highest reported incidents at offices in these cities. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.		Restricted	150,000
		GF/GP	\$0
<b>7. Contracted Security Cost Increase</b>		<b>Gross</b>	<b>NA</b>
<u>Executive</u> provides \$140,000 in state restricted Driver Fees revenue to cover costs of a new statewide security contract that increased the pay rate for security guards to a competitive level to decrease turnover and increase employee longevity. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.		Restricted	140,000
		GF/GP	\$0
<b>8. Mobile Branch Office Staffing</b>		FTE	10.0
<u>Executive</u> provides \$1.2 million in state restricted TACF revenue and authorization for 10.0 FTE positions to support staffing of 7 mobile secretary of state office vans to provide easy access of services to rural areas and locations with high concentrations of customers with barriers to visiting branch offices in-person. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.		<b>Gross</b>	<b>NA</b>
		Restricted	1,220,000
		GF/GP	\$0
<b>10. Digital Identification Cards</b>		<b>Gross</b>	<b>NA</b>
<u>Senate</u> provides \$100,000 GF/GP to implement a digital state identification card system. <u>Executive</u> and <u>House</u> do not include. <u>Conference</u> concurs with <u>Senate</u>		GF/GP	\$100,000
<b>11. Executive Revision 2024-1</b>		<b>Gross</b>	<b>NA</b>
<u>Conference</u> includes \$8,100 in state restricted TACF revenue and concurs with Executive Revision 2024-1 which provided increases in compensation rates for certain state classified position in the healthcare, skilled trades, and transportation fields. <u>Executive</u> , <u>House</u> , and <u>Senate</u> do not include.		Restricted	8,100
		GF/GP	\$0

<b><u>Major Budget Changes from FY 2022-23 YTD Appropriations</u></b>		<b><u>FY 2022-23 Year-to-Date (as of 2/8/23)</u></b>	<b><u>FY 2023-24 Conference Change</u></b>
<b>12. Implementation of Ballot Proposals 1 and 2 of 2022 (Ongoing and One-Time)</b>	FTE	NA	20.0
	<b>Gross</b>	<b>NA</b>	<b>\$45,974,600</b>
<u>Executive</u> provides \$4.7 million GF/GP and authorization for 3.0 FTE positions to support costs related to implementing Proposals 22-1 and 22-2. An additional \$11.5 million GF/GP is recommended in FY 2022-23 to implement the ballot proposals. FY 2023-24 funding would be allocated as follows:	Restricted	NA	45,974,600
	GF/GP	NA	\$0
<ul style="list-style-type: none"> <li>• Proposal 1 - \$138,600 and 1.0 FTE position for an information technology (IT) developer to accommodate changes in receiving and reporting electronic filings of annual financial disclosure reports</li> <li>• Proposal 2 - \$2.5 million to fund local clerks' postage costs for absent-voter applications and ballots; \$1.8 million for security video recording data and maintenance of ballot drop boxes; \$277,200 and 2.0 FTE positions for ongoing department administration and oversight of the changes.</li> </ul>			
<u>House</u> concurs and adds \$15.0 million GF/GP in one-time funding for implementing additional costs of Proposal 22-2 for a total increase of \$19.7 million. <u>Senate</u> concurs and adds \$100 GF/GP to ongoing funding and a \$100 one-time funding placeholder. <u>Conference</u> includes \$46.0 million of state restricted revenue from the Election Administration Support Fund created in Treasury in FY 2023-24 and authorization for 20.0 FTE positions. \$18.8 million is appropriated for ongoing staffing and administrative costs and \$27.2 million is appropriated as one-time.			
<b>13. Organ Donor Registration (One-Time)</b>	<b>Gross</b>	<b>NA</b>	<b>\$100,000</b>
<u>House</u> appropriates \$50,000 of private funding from the Thomas Daley Gift of Life Fund to facilitate the growth of organ donor registration in Michigan by creating the ability to opt to become an organ donor on state tax forms. This initiative would be done in coordination with Treasury and a corresponding \$15,000 appropriation of private funds. <u>Executive</u> and <u>Senate</u> do not include. <u>Conference</u> includes \$100,000 GF/GP	Private	NA	0
	GF/GP	NA	\$100,000
<b>14. Economic Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>\$53,800</b>
<u>Executive</u> adjusts for increased costs of \$53,800 Gross (decrease of \$600 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2023), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	IDG	NA	(73,500)
	Federal	NA	(1,500)
	Restricted	NA	129,400
	GF/GP	NA	(\$600)

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

**Sec. 701. Legislative Contingency Transfer Authorization – RETAINED**

Allows for the legislative transfer process to increase federal authorization by up to \$500,000, state restricted authorization by up to \$500,000, local authorization by up to \$25,000, and private authorization by up to \$50,000. Executive revises to increase maximum amounts of contingency authorizations up to \$2.0 million in federal, \$7.5 million in state restricted, \$50,000 in local and \$100,000 in private contingency funds to be appropriated. House and Senate concur. Conference retains.

**Sec. 703. Commercial Look-Up Fees – RETAINED**

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

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

### **Sec. 703a. Bulk Records Sales – DELETED**

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

### **Sec. 705. Department Publications – RETAINED**

Authorizes DOS to accept gifts and grants to underwrite publications pertaining to the vehicle code and authorizes DOS to approve paid advertising in such publications; authorizes unexpended funds to be carried forward into the next fiscal year; requires annual report on details of gifts received under this subsection, expenditures made from those gifts, and other details. Executive and Senate revise to delete reporting requirement. House and Conference retain.

### **Sec. 712. Automotive Repair Facilities Training Video – DELETED**

Authorizes DOS to produce and sell automotive repair facilities training video and charge a fee not to exceed cost of production and distribution; requires fee revenue to be deposited into auto repair facility account. Executive and Senate retain. House and Conference delete.

### **Sec. 713. Organ Donor Program Public Information Campaign – RETAINED**

Provides for receipt and expenditure of funds for a public information campaign for organ donor program; authorizes revenues from gifts and grants to be carried forward; requires annual report on amount of revenue collected, purpose of each expenditure, and amount of revenue carried forward. Executive revises to delete reporting requirement. House and Senate concur. Conference 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. (*Governor deemed this section unenforceable in FY 2022-23.*) Executive deletes. House, Senate, and Conference retain.

### **Sec. 717. Gifts to Support Department Activities – REVISED**

Authorizes DOS to accept non-monetary gifts of a de minimus value to support licensing, regulation, and safety functions; prohibits acceptance if conditioned on future state spending; requires report. Executive revises to delete conditions of gifts being non-monetary and of a de minimus value; authorizes expenditure of revenues received under this subsection for functions related to licensing, regulation and safety purposes; deletes reporting requirement. House concurs with Executive but retains reporting requirement. Senate concurs with Executive. Conference concurs with House.

### **Sec. 718. Full-Time Walk-In Branch Office Services – DELETED**

Requires department to maintain "adequate in-person services" as defined in Michigan Vehicle Code, MCL 257.1a., which defines as providing in-person service options, without requirement of advance appointment, on each day and at each location a secretary of state branch office is open for services in this state. (*Governor deemed this section unenforceable in FY 2022-23.*) Executive deletes. House, Senate, and Conference concur.

### **Sec. 718. Election Spending Subject to Guidance – NEW**

Requires funds to be spent in accordance with election law and the instructions, orders and/or guidance of the secretary of state as to the proper method for the conduct and administration of elections. Executive adds new section. House, Senate, and Conference concur.

### **Sec. 719. State HAVA Grant Report – RETAINED**

Requires a report on reimbursements to counties, cities, and townships from department's election security grant program funded by federal Help America Vote Act funding. Executive and Senate delete. House and Conference retain.

### **Sec. 720. Election Mailings – DELETED**

Requires secretary of state, except for under certain conditions, to notify speaker of the house, senate majority leader, and relevant local government clerks of any election-related mailing to 20 percent or more of registered voters in any voting precinct and a copy of planned mailing not later than 14 days before sending mailing. Executive deletes. House, Senate, and Conference concur.

### **Sec. 720a. Election Notices Report – DELETED**

Requires department to report on figures on voter registrations from information returned from change of address notifications sent by secretary of state. Required information includes number of electors who corrected their voter registration records, and number of possible improper votes cast at preceding primary and general election referred to law enforcement by secretary of state. Executive deletes. House, Senate, and Conference concur.

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

**Sec. 722. Legacy Mainframes System Modernization – RETAINED**

Requires expense report by fund source on Customer and Automotive Records System (CARS) including projected expenses in current and next fiscal years. Executive and Senate delete. House and Conference retain.

**Sec. 722a. MERTS Election System Report – DELETED**

Requires report describing progress made on updating the state's software application for campaign finance and state level committees filing for public office, Michigan Electronic Reporting and Tracking System (MERTS), and on contracting to modernize or replace the system, including timeline towards completing modernization, key implementation dates, and anticipated costs. Executive deletes. House, Senate, and Conference concur.

**Sec. 723. County Clerk Training – RETAINED**

Requires funds appropriated for county clerk education and training to be used only for costs associated with training local clerks in preparation for elections. Executive deletes. House and Senate concur. Conference retains

**Sec. 725. Legacy Costs – DELETED**

Identifies annual pension-related and retiree health care legacy costs. Executive deletes. House, Senate, and Conference concur.

**ONE-TIME APPROPRIATIONS**

**Sec. 750. Organ Donor Registry – NEW**

Requires the department to facilitate the growth of the donor registry of the state anatomical gift donor registry program in accordance with methods of giving authorized under the Revised Uniform Anatomical Gift Law of the Public Health Code, 1978 PA 368. House adds. Executive and Senate do not include. Conference concurs with House

**Sec. 750. Proposals 22-1 and 22-2 Implementation – NEW**

Requires funds to be used to support costs related to implementing Proposal 22-1 and 22-2 and lists eligible costs; requires up to \$30.0 million to be used for incentive grants to counties to coordinate implementation of early voting by local governments within their jurisdiction and to incentivize multijurisdictional coordination that provides for efficient election administration; authorizes unexpended funds as a work project. Executive, House, and Senate do not include. Conference adds.

**Sec. 751. Proposal 22-2 Implementation – NOT INCLUDED**

Requires funds appropriated for Proposal 22-2 to be used to support costs related to implementing Proposal 22-2; requires a report on expenditures by purpose and disbursements by local unit of government when applicable. House adds. Executive, Senate, and Conference do not include.

**FY 2022-23 Supplemental Appropriation Items**  
**Article 16, House Bill 4437 (H-1) CR-1**

**1. Branch Office Security Guards**

Includes \$75,000 in state restricted Transportation Administration Collection Fund revenue to support 3 additional security guards, 1 each for Grand Rapids, Flint, and Saginaw. An internal department review identified offices in these cities as having the highest number of reported incidents.

	<b>Gross</b>	<b>\$75,000</b>
Restricted		75,000
GF/GP		\$0

**2. Implementation of Proposals 1 and 2**

Includes \$11.5 million in restricted funds to support costs related to implementing the state constitutional amendments approved by voters in Ballot Proposals 1 and 2 of 2022. Funding would be allocated as follows: \$250,000 for an IT developer to accommodate changes in receiving and reporting electronic filings of annual financial disclosure reports; \$10.0 million to purchase and install an estimated 2,000 ballot drop boxes and security cameras; and \$1.3 million for IT developers to develop software and update the Qualified Voter File to accommodate early voting, a permanent absentee voter list, military postmark dates, ballot tracking, and other changes.

	<b>Gross</b>	<b>\$11,500,000</b>
Restricted		11,500,000
GF/GP		\$0

**FY 2022-23 Supplemental Boilerplate Items**  
**Article 16, House Bill 4437 (H-1) CR-1**

**Sec. 751. Election Administration and Services**

Authorizes funds to be used to implement requirements of Proposals 22-1 and 22-2; designates unexpended funds as a work project appropriation.



**FY 2023-24: TECHNOLOGY, MANAGEMENT, AND BUDGET**  
**Summary: Conference Report**  
**Article 5, House Bill 4437 (H-1) CR-1**



**Analyst: Michael Crossen**

IDG/IDT	FY 2022-23 YTD as of 2/8/23	FY 2023-24 Executive	FY 2023-24 House	FY 2023-24 Senate	FY 2023-24 Conference	Difference: Conference From FY 2022-23 YTD	
						Amount	%
	\$1,047,125,600	\$1,082,389,000	\$1,082,389,000	\$1,082,389,000	\$1,082,606,600	\$35,481,000	3.4
<b>Federal</b>	5,217,200	4,699,000	4,699,000	4,699,000	4,699,000	(518,200)	(9.9)
<b>Local</b>	2,331,200	2,334,700	2,334,700	2,334,700	2,334,700	3,500	0.2
<b>Private</b>	137,400	137,400	137,400	137,400	137,400	0	0.0
<b>Restricted</b>	123,219,300	134,180,300	134,180,300	134,180,300	134,180,400	10,961,100	8.9
<b>GF/GP</b>	657,109,000	637,611,800	559,401,900	572,191,900	832,699,500	175,590,500	26.7
<b>Gross</b>	<b>\$1,835,139,700</b>	<b>\$1,861,352,200</b>	<b>\$1,783,142,300</b>	<b>\$1,795,932,300</b>	<b>\$2,056,657,600</b>	<b>\$221,517,900</b>	<b>12.1</b>
<b>FTEs</b>	3,167.0	3,216.0	3,220.0	3,216.0	3,220.0	53.0	1.7

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

**Overview**

The Department of Technology, Management, and Budget (DTMB) is the centralized service agency for the executive branch. Its responsibilities include information technology services and project support for state departments and agencies; state facility and lease management; the state motor vehicle fleet; state purchasing and procurement; state retirement systems; internal audit; state budget development and monitoring; and state accounting and financial control systems. Autonomous units within DTMB include the following: State Budget Office, Office of the State Employer, Civil Service Commission, Office of Retirement Services, State Administrative Board, and the Office of Children's Ombudsman.

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

		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Conference Change
<b>1. Administrative Services/Data and Analytics Transfer</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>Executive</u> transfers \$160,000 from the Administrative Services line item to the Michigan Center for Data and Analytics line item to align data analytics and related information technology costs to support the Michigan Center for Data and Analytics in accordance with Executive Order No. 2022-11 for a net \$0 change. The Michigan Center for Data and Analytics was renamed from the Bureau of Labor Market Information and Strategies. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	GF/GP	NA	\$0
<b>2. Health and Safety Office Transfer</b>	FTE	NA	0.0
<u>Executive</u> transfers \$353,000 and 2.0 FTE positions from the Administrative Services line item to Building Operation Services line item to align with the current structure, operations, and administration of the Health and Safety Office within the State Facilities Administration. The transfer incorporates a \$31,100 reduction in state restricted Special Revenue, Internal Service, and Pension Trust Funds revenue and a corresponding increase in IDG funding from Building Occupancy and Parking Charges revenue. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
	IDG	NA	31,000
	Restricted	NA	(31,000)
	GF/GP	NA	\$0
<b>3. Business Incentive Study Funding Removal</b>	<b>Gross</b>	<b>\$1,000,000</b>	<b>(\$1,000,000)</b>
<u>Executive</u> removes \$1.0 million GF/GP for implementation of the Economic Development Incentive Evaluation Act (2018 PA 540) which requires the department to contract with a private entity, nonprofit entity, or academic institution for the periodic evaluation of economic development incentives as outlined in the Act. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	GF/GP	\$1,000,000	(\$1,000,000)

<b>Major Budget Changes from FY 2022-23 YTD Appropriations</b>		<b>FY 2022-23 Year-to-Date (as of 2/8/23)</b>	<b>FY 2023-24 Conference Change</b>
<b>4. SIGMA Contractual Cost Increase</b>		<b>Gross</b>	<b>NA</b>
<u>Executive</u> provides \$366,500 GF/GP to align resources with contractual inflationary cost increases to support the operations of Statewide Integrated Governmental Management Applications (SIGMA), the state's enterprise resource planning tool. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.		GF/GP	\$366,500
<b>5. Statewide Janitorial Service Contract Increases</b>		<b>Gross</b>	<b>NA</b>
<u>Executive</u> provides \$2.1 million in IDG funding from Building Occupancy and Parking Charges to align authorization with ongoing contractual janitorial service costs for state-owned and managed facilities. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.		IDG	2,108,000
		GF/GP	\$0
<b>6. Caro Psychiatric Hospital Building Operations</b>		FTE	9.0
<u>Executive</u> provides \$3.5 million in IDG funding from Building Occupancy and Parking Charges and authorization for 9.0 FTE positions for ongoing building management and operational support of the Caro State Psychiatric Hospital that is anticipated to be completed in Spring of 2023. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.		<b>Gross</b>	<b>NA</b>
		IDG	3,477,000
		GF/GP	\$0
<b>7. Central Procurement Staffing and IT Enhancements</b>		FTE	4.0
<u>Executive</u> provides \$984,100 in state restricted funding to support additional procurement services staff and to enhance operations of the central procurement database. <u>House</u> concurs with funding and adds authorization for 4.0 FTE positions. <u>Senate</u> concurs with Executive. <u>Senate</u> concurs with Executive. <u>Conference</u> concurs with House		<b>Gross</b>	<b>NA</b>
		Restricted	984,100
		GF/GP	\$0
<b>8. State Budget Office FTE Increase</b>		FTE	5.0
<u>Executive</u> provides authorization for 5.0 FTE positions for the State Budget Office. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.		<b>Gross</b>	<b>NA</b>
		GF/GP	\$0
<b>9. Design and Construction Services Staffing Increase</b>		FTE	14.0
<u>Executive</u> provides \$2.2 million in IDG funding from User Fees and authorization for 14.0 FTE positions to support costs to the Division of Design and Construction Services for project management and oversight as the number of construction projects in development across state government have increased with the influx of federal state fiscal relief funding. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.		<b>Gross</b>	<b>NA</b>
		IDG	2,200,000
		GF/GP	\$0
<b>10. Federal Employment Services Reduction</b>		<b>Gross</b>	<b>\$3,021,000</b>
<u>Executive</u> reduces \$500,000 in federal Wagner-Peyser Employment Service Program funding allocated to the Michigan Center for Data and Analytics. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.		Federal	3,021,000
		GF/GP	\$0
<b>11. Fleet Vehicle Travel Services Rate Increase</b>		<b>Gross</b>	<b>\$85,732,400</b>
<u>Executive</u> provides \$2.0 million in IDG funding from the Motor Transport Fund to align IDG authorization with increased travel services rates charged to departments to reflect higher projected gasoline prices. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.		IDG	85,732,400
		GF/GP	\$0
<b>12. Executive Revision 2024-1</b>		<b>Gross</b>	<b>NA</b>
<u>Conference</u> includes \$217,600 in IDG revenue and concurs with Executive Revision 2024-1 which provided increases in compensation rates for certain state classified position in the healthcare, skilled trades, and transportation fields. <u>Executive</u> , <u>House</u> , and <u>Senate</u> do not include.		IDG	217,600
		GF/GP	\$0
<b>13. SWCAP Adjustment</b>		<b>Gross</b>	<b>NA</b>
<u>Executive</u> reallocates fund sourcing associated with the annual Statewide Cost Allocation Plan (SWCAP) for a net change of \$0 Gross and increase of \$1.3 million GF/GP. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.		IDG	(216,800)
		Restricted	(1,060,200)
		GF/GP	\$1,277,000

	FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Conference Change
<b>Major Budget Changes from FY 2022-23 YTD Appropriations</b>		
<b>14. IT IDG Line Item Consolidation</b>	FTE 784.0	0.0
<u>Executive</u> consolidates funding for five IT IDG line items and FTE positions, totaling \$271.9 million, into a new Information Technology Services line item which would receive all department IT IDG funding of \$855.3 million, for a net \$0 change. Consolidations would reflect delivery of IT services being project-based instead of department-based. Consolidations by line item:	<b>Gross</b> \$271,888,900	<b>\$0</b>
	IDG 271,888,900	0
	GF/GP \$0	\$0
<ul style="list-style-type: none"> <li>• Education Services - \$5.0 million and 33.0 FTE positions</li> <li>• General Services - \$139.8 million and 350.5 FTE positions</li> <li>• Public Protection - \$64.1 million and 162.5 FTE positions</li> <li>• Resources Services - \$21.9 million and 138.5 FTE positions</li> <li>• Transportation Services - \$41.1 million and 99.5 FTE positions.</li> </ul> <u>House, Senate, and Conference</u> concur.		
<b>15. Annual IT IDG Baseline Adjustment</b>	<b>Gross</b> NA	<b>\$26,831,300</b>
<u>Executive</u> increases IDG funding from Technology User Fee revenue by \$26.8 million to reflect projects and service adjustments in other executive department and agency budgets, administrative cost allocation changes, and IT budgetary requests made by departments and agencies. Technology Service appropriation lines are prorated by department based on their total IT budget. <u>House, Senate, and Conference</u> concur.	IDG NA	26,831,300
	GF/GP NA	\$0
<b>16. IT Personnel Transfer to Lottery</b>	FTE 1.0	(1.0)
<u>Executive</u> transfers \$155,300 in IDG funding from Technology User Fee revenue and 1.0 FTE position to the Michigan Bureau of State Lottery to organize employees by tasks typically performed by agencies. <u>House, Senate, and Conference</u> concur.	<b>Gross</b> \$155,300	<b>(\$155,300)</b>
	IDG 155,300	(155,300)
	GF/GP \$0	\$0
<b>17. Capitol City Support</b>	<b>Gross</b> NA	<b>\$1,000,000</b>
<u>Senate</u> provides \$1.0 million GF/GP to the city of Lansing to maintain or improve local roads, sidewalks, public utility infrastructure, emergency response, traffic management, or other public safety services that support the state capitol and adjacent state facilities. <u>Executive</u> and <u>House</u> do not include. <u>Conference</u> concurs with <u>Senate</u> .	GF/GP NA	\$1,000,000
<b>18. Office of the Child Advocate Expansion</b>	FTE 14.0	8.0
<u>Executive</u> provides \$1.6 million GF/GP and authorization for 8.0 FTE positions to the Office of the Child Advocate (OCA) (formerly the Office of Children's Ombudsman). The office is an autonomous state agency established under 1994 PA 204 and charged with investigating actions and policies of Department of Health and Human Services and child placement agencies related to Michigan's child protection services. The increased funding would allow OCA to investigate facility complaints on behalf of children within the juvenile justice system upon an amendment to 1994 PA 204 to expand the Office's authorized role. The investment is based on recommendations from the Task Force on Juvenile Justice Reform established under Executive Order 2021-6. <u>House, Senate, and Conference</u> concur.	<b>Gross</b> \$2,160,200	<b>\$1,600,000</b>
	GF/GP \$2,160,200	\$1,600,000
<b>19. State Building Authority Capital Outlay Debt Financing</b>	<b>Gross</b> \$231,570,600	<b>\$5,000,000</b>
<u>Executive</u> provides \$5.0 million GF/GP to the annual amount set aside for payments on debt for capital construction projects financed through the State Building Authority to reflect a projected increase in payments due on bonds following recent increases in state capital outlay projects. <u>House, Senate, and Conference</u> concur.	GF/GP \$231,570,600	\$5,000,000

<b>Major Budget Changes from FY 2022-23 YTD Appropriations</b>		<b>FY 2022-23 Year-to-Date (as of 2/8/23)</b>	<b>FY 2023-24 Conference Change</b>
<b>20. Civil Service – State Restricted Revenue Alignment</b>		<b>Gross</b>	<b>\$11,200,500</b>
<u>Executive</u> reduces \$1.5 million in state restricted State Sponsored Group Insurance revenue to align authorization with available revenues collected from assessments to fund the state's flexible spending account program. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.		Restricted	(1,500,000)
		GF/GP	\$0
<b>21. Civil Service – Increased HR Staffing</b>		FTE	14.0
<u>Executive</u> provides \$1.9 million Gross (\$895,800 GF/GP) and authorization for 14.0 FTE positions to support additional staff for the Civil Service Commission to assist in providing timely human resources services for hiring and staffing operations statewide. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.		<b>Gross</b>	<b>\$36,171,700</b>
		Restricted	1,035,600
		GF/GP	\$895,800
<b>22. Enterprisewide Microsoft License Agreement</b>		<b>Gross</b>	<b>NA</b>
Provides \$12.6 million GF/GP for licensing Microsoft software for all Executive branch departments and agencies.		GF/GP	\$12,600,000
<b>23. State Facilities Maintenance (One-Time)</b>		<b>Gross</b>	<b>\$70,000,000</b>
<u>Executive</u> provides \$100.0 million GF/GP one-time for maintenance, demolition, and infrastructure projects for 800 buildings and 5,000 state-owned structures. This is an increase of \$30.0 million from a FY 2022-23 one-time appropriation of \$70.0 million for the same purpose. With \$28.0 million GF/GP in the current-year base, a total of \$128.0 million would be available for deferred special maintenance projects. <u>House</u> provides \$68.0 million GF/GP one-time for a \$2.0 million decrease from FY 2022-23 one-time funding. <u>Senate</u> does not include. <u>Conference</u> provides \$25.0 million GF/GP for a \$45.0 million decrease from FY 2022-23.		GF/GP	(\$45,000,000)
<b>24. Information Technology Innovation Fund (ITIF) Legacy IT System Projects (Ongoing &amp; One-Time)</b>		<b>Gross</b>	<b>\$135,000,000</b>
<u>Executive</u> provides \$76.2 million GF/GP in total ITIF funding (\$41.2 million GF/GP one-time) to support new information technology legacy system modernization projects. This represents a \$58.8 million GF/GP reduction in the one-time appropriation. The ongoing appropriation would be maintained at \$35.0 million GF/GP. FY 2023-24 recommended projects list includes \$40.5 million for expansion of the system supporting the state's city income tax collection service to accommodate inclusion of the City of Flint and 22 other cities, should they elect to participate. <u>House</u> includes a \$100 GF/GP one-time placeholder for a \$100.0 million decrease in one-time funding. <u>Senate</u> concurs with Executive. <u>Conference</u> includes \$52.9 million GF/GP in total ITIF funding (\$17.9 million one-time) for a \$82.1 million decrease from FY 2022-23.		GF/GP	(\$82,108,000)
<b>25. ORS IT Database Modernization (One-Time)</b>		<b>Gross</b>	<b>NA</b>
<u>Executive</u> provides \$11.8 million in state restricted Pension Trust Fund revenue to complete the modernization of the Clarety transactional database used by the Office of Retirement Services to serve all members of the state's retirement system. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.		Restricted	11,800,000
		GF/GP	\$0
<b>26. State Fleet Electric Vehicles</b>		<b>Gross</b>	<b>NA</b>
<u>Executive</u> provides \$10.0 million GF/GP to begin transitioning the state's fleet of over 14,000 leased and owned vehicles to electric vehicles. <u>House</u> includes all but \$100 of the Executive recommendation. <u>Senate</u> provides \$2.5 million. <u>Conference</u> provides \$1.0 million GF/GP for ongoing administration costs and to conduct an analysis on infrastructure needs of transitioning the states fleet to electric power.		GF/GP	\$1,000,000

<b>Major Budget Changes from FY 2022-23 YTD Appropriations</b>		<b>FY 2022-23 Year-to-Date (as of 2/8/23)</b>	<b>FY 2023-24 Conference Change</b>
<b>27. Statewide Student Data Record System Planning (One-Time)</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>Executive</u> provides \$2.0 million GF/GP to support planning efforts towards the establishment of a statewide student data record system that aims to enhance data analytics and improve strategies for achievements and degree completion. <u>House</u> concurs. <u>Senate</u> and <u>Conference</u> do not include.	GF/GP	NA	\$0
<b>28. Civil Service – Management Training (One-Time)</b>	<b>Gross</b>	<b>NA</b>	<b>\$5,000,000</b>
<u>Executive</u> provides \$5.0 million GF/GP for the Civil Service Commission to support the creation of a training program for the next generation of state employee managers. <u>House</u> and <u>Senate</u> do not include. <u>Conference</u> concurs with <u>Executive</u> .	GF/GP	NA	\$5,000,000
<b>29. Vendor Cybersecurity Monitoring</b>	<b>Gross</b>	<b>NA</b>	<b>\$4,000,000</b>
<u>House</u> provides a \$100 GF/GP placeholder for software that would provide cybersecurity vulnerability information about companies that do business with state departments and agencies to track cyber threats in the state's vendor ecosystems. <u>Executive</u> and <u>Senate</u> do not include. <u>Conference</u> includes \$4.0 million GF/GP.	GF/GP	NA	\$4,000,000
<b>30. State Building Transition</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>Senate</u> includes \$20.0 million GF/GP to increase building space efficiencies or utilization at state-owned or leased properties, implement work policies that are competitive with private-sector employers and that will improve the delivery of services to state residents, and redevelop state-owned properties that will support new partnerships that will increase public access, expand community green spaces, or develop connections to commercial corridors in the community. <u>Executive</u> , <u>House</u> , and <u>Conference</u> do not include.	GF/GP	NA	\$0
<b>31. Michigan School for the Deaf Dorm</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>Senate</u> includes \$20.0 million GF/GP to support the construction of a new dormitory for the Michigan School for the Deaf. <u>Executive</u> , <u>House</u> , and <u>Conference</u> do not include.	GF/GP	NA	\$0
<b>32. IJJA State and Local Cybersecurity Grant Program</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>Senate</u> provides \$7.6 million GF/GP to support a new State and Local Cybersecurity Grant Program in accordance with the IJJA for activities which include operating a cybersecurity planning committee, developing or revising a federally approved cybersecurity plan, and administration of grant awards. Of the total, \$23.9 million would be appropriated from the federal Infrastructure Investment and Jobs Act Fund. <u>Executive</u> provides \$31.5 million Gross (\$7.6 million GF/GP) in its FY 2022-23 supplement request. <u>House</u> and <u>Conference</u> do not include.	GF/GP	NA	\$0
<b>33. Actuarial Study</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>Senate</u> provides \$500,000 GF/GP to conduct an actuarial analysis for pension systems that have a proposed pension benefit change or proposed consolidation into another pension system. <u>Executive</u> and <u>House</u> and <u>Conference</u> do not include.	GF/GP	NA	\$0
<b>34. Make it in Michigan Competitive Fund</b>	<b>Gross</b>	<b>NA</b>	<b>\$286,805,700</b>
Includes \$286.8 million GF/GP for deposit into the Make it in Michigan Competitiveness Fund to set aside funds to leverage major funding opportunities available from recent federal legislation including, but not limited to, the Infrastructure Investment and Jobs Act (IIJA), CHIPS and Science Act, and the Inflation Reduction Act. An interagency evaluation committee formed by the Michigan Infrastructure Office in collaboration with the State Budget Director will recommend how to distribute funds to the legislature. Funds in the Make it in Michigan Competitive Fund would be subject to appropriation or legislative transfer for expenditure.	GF/GP	NA	\$286,805,700

<u>Major Budget Changes from FY 2022-23 YTD Appropriations</u>		<u>FY 2022-23 Year-to-Date (as of 2/8/23)</u>	<u>FY 2023-24 Conference Change</u>
<b>35. Make it in Michigan</b>	<b>Gross</b>	<b>NA</b>	<b>\$100</b>
Includes a \$100 placeholder from state restricted funding to facilitate legislative transfers of funding from the Make it in Michigan Competitiveness Fund to leverage specific major funding opportunities available from recent federal legislation including, but not limited to, the Infrastructure Investment and Jobs Act (IIJA), CHIPS and Science Act, and the Inflation Reduction Act when they become available.	Restricted	NA	100
	GF/GP	NA	\$0
<b>36. Removal of Current Year One-Time Funding</b>	<b>Gross</b>	<b>\$15,750,000</b>	<b>(\$15,750,000)</b>
<u>Executive</u> eliminates \$15.8 million GF/GP of one-time funding appropriated in FY 2022-23:	GF/GP	\$15,750,000	(\$15,750,000)
<ul style="list-style-type: none"> <li>\$750,000 for Software Purchasing Review services</li> <li>\$15.0 million for Supply Chain Technology software.</li> </ul> <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.			
<b>37. Economic Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>(\$1,390,500)</b>
Executive adjusts for decreased costs of \$1.4 million Gross (\$96,500 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2023), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	IDG	NA	(1,011,800)
	Federal	NA	(18,200)
	Local	NA	3,500
	Restricted	NA	(267,500)
	GF/GP	NA	(\$96,500)

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

**Sec. 801. Legislative Contingency Transfer Authorization – REVISED**

Allows for the legislative transfer process to increase federal authorization by up to \$2.0 million, state restricted authorization by up to \$4.0 million, local authorization by up to \$75,000, and private authorization by up to \$50,000. Executive revises to increase maximum amounts of contingency authorizations up to \$4.0 million in federal, \$8.0 million in state restricted, \$150,000 in local and \$2,000,000 in private contingency funds to be appropriated. House and Senate concur. Conference revises to increase maximum amounts of contingency authorizations up to \$1.0 billion in federal, \$300.0 million in state restricted, \$20.0 million in local and \$20.0 million in private contingency funds to be appropriated.

**Sec. 809. Computer Contracts – REVISED**

Requires DTMB to report revisions that increase or decrease current contracts for computer software development, hardware acquisition, or quality assurance by more than \$250,000, individually or in aggregate. Executive deletes. House revises to increase contract change reporting threshold to \$300,000. Senate revises to increase contract change reporting threshold to \$500,000. Conference concurs with Senate.

**Sec. 810. Notices of Invitations to Bid (ITBs) and Requests for Proposals (RFPs) – RETAINED**

Requires DTMB to maintain an internet website with notice of all ITBs and RFPs over \$50,000, except for solicitations up to \$500,000 in accordance with department policy regarding providing opportunities to certain veteran and disabled-owned business; requires information to appear on first page of each department dashboard; requires ITBs and RFPs to be posted for at least 14 days prior to bid deadline. Executive revises to delete requirement for information to appear on first page of each department dashboard. House, Senate, and Conference retain.

**Sec. 813. Motor Vehicle Fleet – REVISED**

Provides for motor vehicle charges and management of motor vehicle fleet; requires detailed plan for operation of fleet; authorizes adjustment of spending authorization and motor transport fund IDG as needed to ensure that authorization meets total fleet expenditures; requires department to post the plan on its website. Executive revises to eliminate certain reporting requirements, including information on efforts to reduce travel expenditures, calculation of the amount of state motor vehicle fuel taxes that would have been incurred by fleet vehicles if they were required to pay motor fuel taxes, the cost to operate the fleet garage, and the number of fleet garage locations; revised report due date from 60 to 90 days after the close of the fiscal year; eliminated requirement for report to be posted on the department's website; changed threshold at which DTMB is authorized to charge state agencies from \$3.04 per gallon of unleaded gasoline to 10% of the budgeted per gallon price. House concurs with change in gasoline charging authorization and report due date and retains reporting requirements. Senate concurs with Executive. Conference concurs with Executive and includes both \$3.04 per gallon and 10% of the budgeted per gallon price as the threshold for additional charges.

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

### **Sec. 815. Office of State Employer Marihuana Use Hiring Policy – NOT INCLUDED**

Requires the Office of the State Employer to implement a hiring policy that allows for exceptions related to adults who use marihuana; authorizes the Office of the State Employer to prohibit marihuana consumption during work hours and if otherwise prohibited by federal law. Senate adds. Executive, House, and Conference do not include.

### **Sec. 816. Privatization RFPs – DELETED**

Requires RFP issued for purpose of privatization to include all factors to be used in evaluating and determining price. (*Governor deemed this section unenforceable in FY 2022-23.*) Executive deletes. House, Senate, and Conference concur.

### **Sec. 818. Law Enforcement Officers Memorial – REVISED**

Provides for receipt and expenditure of money from Michigan Law Enforcement Officers Memorial Monument Fund. Executive revises to designate deposits into the fund as restricted revenues and to carry forward into succeeding fiscal years. House, Senate, and Conference concur.

### **Sec. 821. Office of Retirement Services Report – DELETED**

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

### **Sec. 822d. Fees and Rates Charged to State Agencies – RETAINED**

Requires report on fees and rates charged to state agencies, along with justification for any increases from prior year. Executive and Senate delete. House and Conference retain.

### **Sec. 822e. Legacy Costs – DELETED**

Identifies annual pension-related and retiree health care legacy costs. Executive deletes. House, Senate, and Conference concur.

### **Sec. 822g. Legal Services Fund – DELETED**

Requires itemized report on all expenditures from Legal Services Fund. Executive deletes. House, Senate, and Conference concur.

### **Sec. 822e. Vendor Performance Tracking – REVISED**

Requires DTMB to establish a vendor performance tracking system that collaborates with other departments that will be used as a factor in determining future contracts in the procurement process; requires department to list and report all state departments and agencies that have not complied with requirements of this section. Executive revises to delete requirement that the department list and report all state departments and agencies that have not complied with the requirements. House, Senate, and Conference concur.

### **Sec. 822f. Request for Proposals Website – RETAINED**

Requires DTMB to establish a request for proposal (RFP) website searchable by department and agency. Executive deletes. House, Senate, and Conference retain.

### **Sec. 822g. Business Incentive Study – DELETED**

Requires not more than \$1.0 million appropriated to Administrative Services line item to be expended to implement Economic Development Incentive Evaluation Act (2018 PA 540). Executive deletes. House, Senate, and Conference concur.

### **Sec. 822g. Supplier Risk Assessment Program – RETAINED**

Requires not more than an additional \$300,000 appropriated to Business Support Services line item to be used to maintain a comprehensive supplier risk and information subscription used for the pre-contract risk assessment program described in 2017 PA 107. Executive deletes. House concurs. Senate and Conference retain.

### **Sec. 822h. Capital City Services – NEW**

Requires funds to be allocated to Lansing on a reimbursement basis to aid with local infrastructure and municipal services; requires funds to be used to maintain or improve local roads, sidewalks, public utility infrastructure, emergency response, traffic management, or other public safety services that support the state capitol and adjacent state facilities. Senate adds. Executive and House do not include. Conference concurs with Senate.

### **Sec. 822i. Prohibition of Testing Laboratories Consolidation – NEW**

Prohibits the use of funds to be used to consolidate the testing laboratories for the Department of Agriculture and Rural Development or the Department of Natural Resources. Senate adds. Executive and House do not include. Conference concurs with Senate.

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

### ***Sec. 822s. State Building Transition – NOT INCLUDED***

Requires funds to be used to increase building space efficiencies or utilization at state-owned or leased properties; lists authorized uses of funds; authorizes 3% of appropriated funds to support administrative costs; requires report on the utilization of funds. Senate adds. Executive, House, and Conference do not include.

## **DTMB – INFORMATION TECHNOLOGY**

### ***Sec. 825. Access to SIGMA and MAIN Data – RETAINED***

Requires legislature and all state departments to have access to historical and current data in SIGMA and MAIN. Executive deletes. House, Senate, and Conference retain.

### ***Sec. 826. Definition of Information Technology Services – RETAINED***

Defines "information technology services" as services involving all aspects of managing and processing information, including certain IT management and support items and services. Executive deletes. House concurs. Senate and Conference retain.

### ***Sec. 827. Michigan Public Safety Communications System (MPSCS) – REVISED***

Provides for assessment of fees and expenditure of revenues pertaining to MPSCS; requires report on revenue collected and expenditures made in support of the system; authorizes unencumbered funds to be carried forward. Executive revises to delete reporting requirement. House, Senate, and Conference concur.

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

Requires detailed quarterly report on funding and expenditures for IT services and projects. Executive deletes. House revises to make report annual. Senate retains. Conference concurs with House.

### ***Sec. 829. Life-Cycle of Hardware and Software – DELETED***

Requires report that analyzes and makes recommendations on life-cycle of IT hardware and software. Executive deletes. House, Senate, and Conference concur.

### ***Sec. 831. Information Technology Services Billing – REVISED***

Requires DTMB to submit information technology services-related invoices to departments and agencies no later than 45 days after receiving approval from departments to pay vendor invoices. Executive deletes. House and Senate retain. Conference revises reporting time to 60 days after receiving approval to pay invoice.

### ***Sec. 832. Child Support Enforcement System – RETAINED***

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

### ***Sec. 838. Solar Energy Projects Selection Process – DELETED***

Authorizes requests for proposals or other arrangements for installation of solar energy projects at state-owned or leased facilities to consider the value of the lifecycle carbon emissions in manufacturing of solar equipment as part of selection process; requires DTMB to report on implementation of this section. House retains. Executive, Senate, and Conference delete.

### ***Sec. 839. Federal and State Restricted Revenue for ITIF – NOT INCLUDED***

Appropriates additional federal and state restricted revenue for the Enterprisewide Information Technology Investments line item up to the amounts earned based on the initiatives undertaken with the General Fund appropriation. Executive adds new section. House concurs. Senate and Conference do not include.

### ***Sec. 840. EPMO Performance Measures – DELETED***

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

## **DTMB – CAPITAL OUTLAY**

### ***Sec. 862. Joint Capital Outlay Required Reports – RETAINED***

Requires DTMB to provide various detailed reports to Joint Capital Outlay Subcommittee (JCOS) and fiscal agencies with status of each planning or construction project financed by the State Building Authority. Executive deletes. House, Senate, and Conference retain.



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

### **Sec. 863. Capital Outlay Rental Increase Approval – DELETED**

Requires proposed new or renewal rental spaces or facilities for which the annual base cost is more than \$500,000 to receive approval from the Joint Capital Outlay Subcommittee (JCOS) prior to being approved by the State Administrative Board; waives JCOS approval in emergency situations and requires department to notify JCOS within 5 days after executing agreement. (*Governor deemed this section unenforceable in FY 2022-23.*) Executive deletes. Senate retains. House and Conference concur with Executive.

### **Sec. 863a. State Building Occupancy and Use Report – DELETED**

Requires DTMB to submit report which evaluates office building and space usage by all state departments and develop a projection for future building occupancy; lists additional report requirements including projections of amounts of state-owned and leased buildings, comparisons of 2019 occupancy levels with current and projected levels, plan for building occupancy efficiency, projected costs to complete space optimization plan, projected savings resulting from property divestments, and descriptions of each divested property. Executive deletes. Senate retains. House and Conference concur with Executive.

### **Sec. 866. Energy Efficiency Revolving Fund – NEW**

Creates the Energy Efficiency Revolving Fund within Treasury; authorizes Treasury to receive money or other assets for deposit into the fund and to credit interest and earnings into the fund; provides carry-forward authorization for unexpended funds at close of fiscal year; requires DTMB to provide oversight for the fund and coordinate a call for projects and prioritize projects to be awarded funds; limits administrative costs to 10% of the total project cost; describes department's responsibilities in administering the fund. Executive adds new section. House, Senate, and Conference concur.

### **Sec. 867. 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. Executive adds new section. House concurs. Senate and Conference do not include.

### **Sec. 868. Actuarial Study – NOT INCLUDED**

Requires the department to conduct an actuarial analysis for pension systems that have a proposed pension benefit change or proposed consolidation into another pension system; authorized unexpended funding as a work project. Senate adds. Executive, House, and Conference do not include.

## **DTMB – ONE-TIME APPROPRIATIONS**

### **Sec. 890. Software Purchasing Review – DELETED**

Provides a list of technical requirements and functions for platform purchased with one-time designated funds appropriated for Software Purchasing Review. Executive deletes. House, Senate, and Conference concur.

### **Sec. 890. Vendor Cybersecurity Monitoring – NEW**

Requires department to contract with a vendor to provide software that provides cybersecurity vulnerability information about companies that the state does business with and the state's vendor ecosystem; lists eligibility requirements for software vendor; lists metrics that contracted software must provide. House adds. Executive and Senate do not include. Conference concurs with House.

### **Sec. 891. Supply Chain Software Solicitation – DELETED**

Requires department, with one-time designated funds appropriated for Supply Chain Technology, to solicit Michigan-based vendor for a software product that provides real-time visibility platforms for complex supply chains; provides eligibility criteria for selecting vendor. Executive deletes. House, Senate, and Conference concur.

### **Sec. 891. Make it in Michigan Competitiveness Fund – NEW**

Creates the Make it in Michigan Competitiveness Fund in Treasury; Deposits funding appropriated in part 1 in the fund; prohibits expenditures from the fund without appropriation or legislative transfer; provides guidance and restrictions regarding transfers from the fund; states that the fund is to be used to leverage major funding opportunities available from recent federal legislation including, but not limited to, the Infrastructure Investment and Jobs Act (IIJA), CHIPS and Science Act, and the Inflation Reduction Act, directs the formation of an interagency evaluation committee to recommend appropriations or transfers; establishes reporting requirements to the legislature. Executive, House, and Senate do not include. Conference adds.

**FY 2022-23 Supplemental Appropriation Items**

**Article 16, House Bill 4437 (H-1) CR-1**

**Appropriation  
Change**

**1. State Building Operations Contractual Increase**

Includes \$2.1 million GF/GP to support increased contract costs for janitorial services and rubbish and snow removal at state-owned buildings.

**Gross \$2,108,000**  
GF/GP \$2,108,000

**2. Actuarial Study**

Includes \$500,000 GF/GP to conduct an actuarial analysis for pension systems that have a proposed pension benefit change or proposed consolidation into another pension system.

**Gross \$500,000**  
GF/GP \$500,000

**3. IJJA – State and Local Cybersecurity Grant Program**

Includes \$31.5 million Gross (\$7.6 million GF/GP) to support the new State and Local Cybersecurity Grant Program. DTMB would work with Michigan State Police to foster local partnerships through strategic planning and projects that mitigate cybersecurity threats and risks.

**Gross \$31,457,200**  
Federal 23,877,100  
GF/GP \$7,580,100

**4. Make it in Michigan**

Includes \$50.0 million GF/GP to leverage major funding opportunities available from recent federal legislation including, but not limited to, the Infrastructure Investment and Jobs Act, CHIPS and Science Act, and Inflation Reduction Act. Funds would be allocated at the discretion of an interagency evaluation committee formed by the Michigan Infrastructure Office in collaboration with the state budget director.

**Gross \$50,000,000**  
GF/GP \$50,000,000

**FY 2022-23 Supplemental Boilerplate Items**

**Article 16, House Bill 4437 (H-1) CR-1**

**Sec. 851. Actuarial Study**

Requires the department to conduct an actuarial analysis for pension systems that have a proposed pension benefit change or proposed consolidation into another pension system; designates unexpended funds as a work project appropriation.

**Sec. 852. State and Local Cybersecurity Grant Program**

Designates unexpended funds for State and Local Cybersecurity Grant Program as a work project appropriation; funds would be used to support activities including operating a cybersecurity planning committee, developing or revising a federally approved cybersecurity plan, and administering grant awards.

**Sec. 853. Make it in Michigan**

Requires funds to be used to leverage federal funding opportunities; authorizes funds to be used for match requirements only after other eligible state resources are exhausted; limits use of funds for assistance to local units of government, state agencies, and other non-profit entities partnering with the state for federal funding opportunities; requires the Michigan Infrastructure Office and the state budget director to form an interagency evaluation committee to develop guidelines and selection criteria for the disbursement of funds; designates unexpended funding as a work project appropriation.

**Sec. 854. Michigan Law Enforcement Officers Memorial Monument Fund**

Authorizes the department to receive and expend funds from the Michigan Law Enforcement Officers Memorial Monument Fund; designates deposits and unencumbered funds as restricted revenues that carry over to succeeding years.

**Sec. 855. Schoolcraft College – Applied Science Renovation and Expansion Project Cost Decrease**

Reduces the cost of the Schoolcraft College - Applied Science Renovation and Expansion project by \$1.8 million; the project was approved for construction in 2018 PA 618; the project cost and scope were revised in 2020 PA 66 to a total project cost of \$24.3 million, a state share of \$10.0 million, and a college share of \$14.3 million; the decrease would come out of the college's share of the project, resulting in a total project cost of \$22.5 million and a college share of \$12.5 million.

**Sec. 856. Budget Stabilization Fund**

Appropriates \$100.0 million for deposit into the Countercyclical Budget and Economic Stabilization Fund for FY 2022-23.

**FY 2023-24: DEPARTMENT OF TREASURY**  
**Summary: Conference Report**  
**Article 5, House Bill 4437 (H-1) CR-1**



Analyst: Viola Bay Wild

IDG/IDT	FY 2022-23 YTD as of 2/8/23	FY 2023-24 Executive	FY 2023-24 House	FY 2023-24 Senate	FY 2023-24 Conference	Difference: Conference From FY 2022-23 YTD	
						Amount	%
<b>Federal</b>	\$11,153,100	\$11,097,300	\$11,097,300	\$11,097,300	\$11,097,300	(\$55,800)	(0.5)
<b>Local</b>	24,970,700	24,921,800	24,921,800	24,921,800	24,921,800	(48,900)	(0.2)
<b>Private</b>	13,209,600	15,038,100	13,188,100	15,038,100	15,038,100	1,828,500	13.8
<b>Restricted</b>	31,000	33,200	48,200	33,200	33,200	2,200	7.1
<b>GF/GP</b>	2,060,674,700	2,247,416,800	2,247,416,800	2,213,304,700	2,197,308,000	136,633,300	6.6
<b>Gross</b>	1,161,524,600	291,545,600	291,545,700	291,045,800	392,670,200	(768,854,400)	(66.2)
<b>FTEs</b>	<b>\$3,271,563,700</b>	<b>\$2,590,052,800</b>	<b>\$2,588,217,900</b>	<b>\$2,555,440,900</b>	<b>\$2,641,068,600</b>	<b>(\$630,495,100)</b>	<b>(19.3)</b>
	1,978.5	2,013.5	2,008.5	2,013.5	2,013.5	35.0	1.8

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

**Overview**

The Department of Treasury is the chief fiscal agency of the state and the primary source of advice to the governor on tax and fiscal policy issues. The department's mission is to collect state taxes; to invest, control, and disburse state monies; and to protect the state's credit rating and that of its cities. The department manages one of the nation's largest pension funds, administers revenue sharing, and administers student financial aid programs. It also investigates fraudulent financial activity, provides assistance on all property tax-related issues, and advises issuers of municipal obligations. The Bureau of State Lottery, the Michigan Gaming Control Board (MGCB), and State Building Authority (SBA) are autonomous agencies housed within the department.

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

**1. Constitutional Revenue Sharing**

Executive increases authorization for restricted sales tax revenue by \$61.9 million over the FY 2022-23 appropriated amount. Appropriation represents a \$5.9 million decrease from January 2023 CREC estimates for FY 2022-23 payments. House concurs. Senate includes \$63.9 million restricted revenue. Conference includes \$64.1 million restricted revenue.

	FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Conference Change
<b>Gross</b>	<b>\$1,036,594,900</b>	<b>\$64,068,200</b>
Restricted	1,036,594,900	64,068,200
GF/GP	\$0	\$0

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

Executive includes a net increase of \$44.9 million restricted sales tax revenue; eliminates FY 2022-23 one-time restricted funding of \$2.7 million and includes \$47.5 million restricted funding for CVT revenue sharing (\$28.0 million is one-time funding). Of the funding, \$28.0 million is for a 5.0% ongoing and 5.0% one-time increase (10.0% total) for CVT revenue sharing payments, and \$19.6 million is for CVT public safety initiatives. For the non-public safety payments, a CVT would be eligible for a payment equal to 110.0% of its FY 2022-23 payment. The public safety initiatives funding would provide a 7.0% increase (2.0% ongoing and 5.0% one-time) from FY 2022-23 and would fund local public safety initiatives, such as public safety employee recruitment, retention, training, equipment, and infrastructure improvements. House concurs. Senate includes net increase of \$25.3 million restricted funding; provides \$28.0 million for a 5.0% ongoing and 5.0% one-time increase, eliminates FY 2022-23 one-time restricted funding of \$2.7 million, and does not fund public safety initiatives. Conference includes a net increase of \$19.6 million restricted funding to support a 5.0% ongoing increase and an additional 2.0% increase for public safety initiatives.

	FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Conference Change
<b>Gross</b>	<b>\$282,219,900</b>	<b>\$19,569,000</b>
Restricted	282,219,900	19,569,000
GF/GP	\$0	\$0

		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Conference Change
<b>Major Budget Changes from FY 2022-23 YTD Appropriations</b>			
<b>3. Financially Distressed CVT Revenue Sharing</b>			
<u>Senate</u> includes an increase of \$500,000 restricted sales tax revenue for the financially distressed CVT revenue sharing program. <u>Executive</u> , <u>Senate</u> , and <u>Conference</u> do not include.	<b>Gross</b>	<b>\$2,500,000</b>	<b>\$0</b>
	Restricted	2,500,000	0
	GF/GP	\$0	\$0
<b>4. County Revenue Sharing</b>			
<u>Executive</u> includes a net increase of \$39.6 million of restricted sales tax revenue; eliminates FY 2022-23 one-time restricted funding of \$2.4 million and includes \$41.4 million for county revenue sharing (\$24.4 million is one-time funding). Of the funding, \$24.4 million would support a 5.0% ongoing and 5.0% one-time increase (10.0% total) for all 83 counties, and \$17.0 million would support county public safety initiatives. Each county would be eligible to receive 123.1485% of statutory full funding. Includes an additional \$503,600 of restricted sales tax revenue for support for Emmet County, which re-entered the revenue sharing program in FY 2022-23. The public safety initiatives payments would support a 7.0% increase in new funding (2.0% ongoing and 5.0% one-time) from FY 2022-23 ongoing payments and would fund local public safety initiatives, such as public safety employee recruitment, retention, training, equipment, and infrastructure improvements. The County Incentive Program is increased by \$91,800 restricted sales tax revenue. <u>House</u> concurs. <u>Senate</u> includes a net increase of \$22.5 million of restricted sales tax revenue; provides \$24.9 million for a 5.0% ongoing and 5.0% one-time increase (10.0% total) for all 83 counties, eliminates FY 2022-23 one-time restricted funding of \$2.4 million, and does not include additional funding for public safety initiatives. <u>Conference</u> includes a net increase of \$17.6 million restricted funding to support a 5.0% ongoing increase and an additional 2.0% increase for public safety initiatives. Each county would be eligible to receive 116.4592% of statutory full funding.	<b>Gross</b>	<b>\$245,806,300</b>	<b>\$17,582,300</b>
	Restricted	245,806,300	17,582,300
	GF/GP	\$0	\$0
<b>5. New Office of Security and Data Risk Management</b>			
<u>Executive</u> transfers \$2.2 million current restricted funding and authorization for 15.0 FTE positions within the department and includes additional \$793,000 GF/GP and authorization for 5.0 new FTE positions to establish the new Office of Security and Data Risk Management. The office would secure confidential taxpayer information and protect against cybersecurity attacks. <u>House</u> concurs. <u>Senate</u> increases funding by \$493,000 GF/GP and includes authorization for 5.0 FTE positions. <u>Conference</u> concurs with the executive.	FTE	15.0	5.0
	<b>Gross</b>	<b>\$2,197,500</b>	<b>\$793,000</b>
	Restricted	2,197,500	0
	GF/GP	\$0	\$793,000
<b>6. Office of Revenue and Tax Administration (ORTA)</b>			
<u>Executive</u> increases funding by \$594,500 GF/GP and includes authorization for 3.0 FTE positions for ORTA to provide increased support for analytical activities and administration of grant programs. <u>House</u> concurs. <u>Senate</u> increases funding by \$394,500 GF/GP and includes authorization for 3.0 FTE positions. <u>Conference</u> concurs with the executive.	FTE	21.0	3.0
	<b>Gross</b>	<b>\$4,050,500</b>	<b>\$594,500</b>
	Restricted	2,126,700	0
	GF/GP	\$1,923,800	\$594,500
<b>7. School Bond Loan System</b>			
<u>Executive</u> includes \$171,000 GF/GP and authorization for 1.0 FTE position to help administer an updated IT system and application process. The FY 2023-24 executive recommendation proposes that the Information Technology and Investment Fund (ITIF) in the DTMB budget allocate \$1.0 million GF/GP to update the School Bond Qualification and Loan Program application process for local school district school bond loan requests. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	FTE	19.0	1.0
	<b>Gross</b>	<b>\$4,581,200</b>	<b>\$171,000</b>
	IDG	213,600	0
	Restricted	3,958,400	0
	GF/GP	\$409,200	\$171,000

<b>Major Budget Changes from FY 2022-23 YTD Appropriations</b>		<b>FY 2022-23 Year-to-Date (as of 2/8/23)</b>	<b>FY 2023-24 Conference Change</b>
<b>8. Attainable and Workforce Housing Program Administration</b>		FTE	NA
<u>Executive</u> includes \$665,000 GF/GP and authorization for 4.0 FTE positions for oversight and administration of tax credit programs to be established under the newly enacted Attainable Housing Facilities Act, Residential Housing Facilities Act, and expansion of the Neighborhood Enterprise Zone Act (PAs 236, 237, and 238 of 2022). <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.		<b>Gross</b>	<b>NA</b>
		GF/GP	NA
			4.0
			<b>\$665,000</b>
			\$665,000
<b>9. Qualified Heavy Equipment Rental Personal Property Tax Implementation</b>		<b>Gross</b>	<b>NA</b>
<u>Executive</u> includes \$3.4 million restricted funding for administration of a new program (\$420,000) and for estimated tax refunds (\$3.0 million) under 2022 PA 35 which exempted the personal property tax on heavy equipment rentals and imposed a 2.0% tax on the rental price of heavy equipment. From the revenues generated by the 2.0% tax, 90.0% would be distributed to eligible local tax collecting units. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.		Restricted	NA
		GF/GP	NA
			3,420,000
			<b>\$3,420,000</b>
			\$0
<b>10. Recreational Marijuana Grants to Locals</b>		<b>Gross</b>	<b>\$50,580,000</b>
<u>Executive</u> includes \$21.1 million restricted funding to align grant payments to local governments with the expected increase in revenues. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.		Restricted	50,580,000
		GF/GP	\$0
			<b>\$21,090,000</b>
			21,090,000
			\$0
			\$0
<b>11. Wrongful Imprisonment Compensation Fund</b>		<b>Gross</b>	<b>\$10,000,000</b>
<u>Senate</u> includes a reduction of \$5.0 million GF/GP for the Wrongful Imprisonment Compensation Fund. <u>Executive</u> , <u>House</u> , and <u>Conference</u> do not include.		GF/GP	\$10,000,000
			<b>\$0</b>
			\$0
<b>12. Eviction Right to Counsel Support Grants</b>		<b>Gross</b>	<b>NA</b>
<u>Senate</u> includes \$5.0 million GF/GP for the eviction right to counsel support grant program. <u>Executive</u> , <u>House</u> , and <u>Conference</u> do not include.		GF/GP	NA
			<b>\$0</b>
			\$0
<b>13. Michigan State Lottery</b>		FTE	211.0
<u>Executive</u> includes \$1.0 million restricted funding and authorization for 1.0 FTE position to increase support for Lottery's efforts to sell and promote products through both online and retail outlets. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.		<b>Gross</b>	<b>\$30,327,000</b>
		Restricted	30,327,000
		GF/GP	\$0
			1,000,000
			<b>\$1,000,000</b>
			1,000,000
			\$0
			\$0
<b>14. Michigan Gaming Control Board (MGCB)</b>		FTE	169.0
<u>Executive</u> includes \$2.5 million restricted funding and authorization for 16.0 FTE positions for additional staff, MGCB Board expenses, and IT upgrades for increased responsibilities related to the regulation of internet gaming and sports betting activities. New FTE positions would be for regulation officers, auditors, and financial and department analysts positions. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.		<b>Gross</b>	<b>\$32,742,600</b>
		Restricted	32,742,600
		GF/GP	\$0
			2,544,700
			<b>\$2,544,700</b>
			2,544,700
			\$0
			\$0
<b>15. MGCB Information Technology Accounts Receivable System</b>		<b>Gross</b>	<b>NA</b>
<u>Executive</u> includes \$2.0 million one-time restricted funding for an upgraded accounts receivable system for invoicing and payment collections. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.		Restricted	NA
		GF/GP	NA
			2,000,000
			<b>\$2,000,000</b>
			2,000,000
			\$0
			\$0
<b>16. Payment in Lieu of Taxes (PILT)</b>		<b>Gross</b>	<b>\$30,175,400</b>
<u>Executive</u> includes \$2.1 million Gross (\$1.7 million GF/GP) increase in PILT payments for property tax payments to local units of government for state lands owned by the Department of Natural Resources to align payments with current property tax estimates. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.		Private	31,000
		Restricted	6,212,800
		GF/GP	\$23,931,600
			2,200
			435,100
			<b>\$2,112,700</b>
			2,112,700
			\$1,675,400

		<b>FY 2022-23 Year-to-Date (as of 2/8/23)</b>	<b>FY 2023-24 Conference Change</b>
<b>Major Budget Changes from FY 2022-23 YTD Appropriations</b>			
<b>17. City Income Tax Administration Program Expansion</b>	FTE	72.0	5.0
<u>Executive</u> includes \$1.9 million local funding and authorization for 5.0 FTE positions for the administration of a proposed expansion of the city income tax administration program. The FY 2023-24 executive recommendation proposes that the ITIF in the DTMB budget allocate \$40.5 million GF/GP to improve the program's IT system to be able to expand the program on a voluntary basis to the 23 cities that currently levy city income taxes. Currently, the City of Detroit is the only city that uses the administration program. Of the \$1.9 million increase, \$850,000 would support additional staff and \$1.0 million would support IT-related costs. <u>House</u> does not include. <u>Senate</u> and <u>Conference</u> concur with the Executive.	<b>Gross</b>	<b>\$10,148,200</b>	<b>\$1,850,000</b>
	Local	10,148,200	1,850,000
	GF/GP	\$0	\$0
<b>18. Presidential Primary One-Time Funding</b>	<b>Gross</b>	<b>\$0</b>	<b>\$20,000,000</b>
<u>Executive</u> includes \$20.0 million one-time GF/GP for the Michigan presidential primary election and additional related costs of Proposal 2 of 2022. In past presidential primary elections, the state has provided funding to local clerks for the costs of this primary. <u>House</u> includes \$20.0 million GF/GP (\$100 less than the executive). <u>Senate</u> and <u>Conference</u> concur with the Executive.	GF/GP	\$0	\$20,000,000
<b>19. Other Technical Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>\$10,698,600</b>
<u>Executive</u> includes the following technical adjustments:	Restricted	NA	10,608,600
<ul style="list-style-type: none"> <li>Includes \$10.1 million restricted funding for the Convention Facility Development Distribution due to anticipated increased revenue</li> <li>Includes an increase of \$318,600 restricted funding for emergency 911 payments</li> <li>Includes an increase of \$150,000 restricted funding in Bureau of Investments</li> <li>Includes \$90,000 GF/GP for the Senior Citizen Cooperative Housing Tax Exemption Program for new facilities entering the program.</li> </ul>	GF/GP	NA	\$90,000
<u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.			
<b>20. Advertising for Responsible Gaming</b>	<b>Gross</b>	<b>\$3,000,000</b>	<b>\$0</b>
<u>Executive</u> transfers the \$3.0 million restricted funding for the advertising for responsible gaming that is one-time funding in FY 2022-23 to on-going funding. <u>House</u> retains funding as one-time. <u>Senate</u> and <u>Conference</u> concur with the executive.	Restricted	3,000,000	0
	GF/GP	\$0	\$0
<b>21. Organ Donor Registry</b>	<b>Gross</b>	<b>NA</b>	<b>\$150,000</b>
<u>House</u> includes \$15,000 one-time private funding from the Thomas Daley Gift of Life Fund to implement new program to allow taxpayers to sign up for the organ donor registry on state income tax forms. <u>Executive</u> and <u>Senate</u> do not include. <u>Conference</u> includes \$150,000 GF/GP for program.	Private	NA	0
	GF/GP	NA	\$150,000
<b>22. Raise Up Local State Matching Grant Program</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>House</u> includes \$100 one-time GF/GP for the Raise Up Local State Matching Grant Program. <u>Executive</u> , <u>Senate</u> , and <u>Conference</u> do not include.	GF/GP	NA	\$0
<b>23. Local Unit Municipal Pension Grants</b>	<b>Gross</b>	<b>NA</b>	<b>\$35,000,000</b>
<u>House</u> includes \$100 one-time GF/GP for the municipal pension principal payment grant program. <u>Senate</u> includes \$100 one-time GF/GP for local unit municipal OPEB grant program. <u>Executive</u> does not include. <u>Conference</u> includes \$35.0 million GF/GP for Local Unit Municipal Retirement Pension and Health Care Benefit Premium Payment Grants.	GF/GP	NA	\$35,000,000

<b><u>Major Budget Changes from FY 2022-23 YTD Appropriations</u></b>		<b><u>FY 2022-23 Year-to-Date (as of 2/8/23)</u></b>	<b><u>FY 2023-24 Conference Change</u></b>
<b>24. Senate Bill 65 Placeholder</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>Senate</u> includes \$100 one-time GF/GP placeholder for SB 65 which would modify the state essential services assessment filing process for the 2021 tax year for certain entities due to the COVID-19 pandemic. <u>Executive</u> , <u>House</u> , and <u>Conference</u> do not include.	GF/GP	NA	\$0
<b>25. Beverage Container Distributor Grants</b>	<b>Gross</b>	<b>NA</b>	<b>\$8,000,000</b>
<u>Conference</u> includes \$8.0 million one-time GF/GP for grants to licensed distributors for beverage container deposit costs; grants must equal 1/2 of 1 cent per returnable container for beer, ale, or other malt drinks, or mixed wine or spirit drink. <u>Executive</u> , <u>House</u> , and <u>Senate</u> do not include.	GF/GP	NA	\$8,000,000
<b>26. Election Administration Support Fund</b>	<b>Gross</b>	<b>NA</b>	<b>\$27,209,200</b>
<u>Conference</u> includes \$27.2 million one-time GF/GP for new fund; funding may only be expended upon appropriation or legislative transfer. <u>Executive</u> , <u>House</u> , and <u>Senate</u> do not include.	GF/GP	NA	\$27,209,200
<b>27. High Crime Community Support</b>	<b>Gross</b>	<b>NA</b>	<b>\$12,000,000</b>
<u>Conference</u> includes \$12.0 million one-time GF/GP for grants to be awarded to county prosecutors in 6 specific communities to address caseload backlogs. <u>Executive</u> , <u>House</u> , and <u>Senate</u> do not include.	GF/GP	NA	\$12,000,000
<b>28. FY 2022-23 One-Time Appropriations</b>	<b>Gross</b>	<b>\$869,000,000</b>	<b>(\$869,000,000)</b>
<u>Executive</u> removes the following one-time GF/GP appropriations included in FY 2022-23:	GF/GP	\$869,000,000	(\$869,000,000)
<ul style="list-style-type: none"> <li>\$750.0 million – Local municipal pension principal payment grants</li> <li>\$100.0 million – Deposit into the MSP retirement system</li> <li>\$19.0 million – Transportation Administration Support Fund.</li> </ul> <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.			
<b>29. Removal of FY 2022-23 Supplemental Appropriations</b>	<b>Gross</b>	<b>\$25,000,000</b>	<b>(\$25,000,000)</b>
<u>Executive</u> removes \$25.0 million GF/GP included in FY 2022-23 supplemental in 2023 PA 1 for the Water Shutoff Prevention Fund. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	GF/GP	\$25,000,000	(\$25,000,000)
<b>30. Economic Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>(\$804,200)</b>
<u>Executive</u> reflects reduced costs of \$804,200 million Gross (increase of \$32,100 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2023), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	IDG	NA	(55,800)
	Federal	NA	(48,900)
	Local	NA	(21,500)
	Restricted	NA	(710,100)
	GF/GP	NA	\$32,100

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

#### **TREASURY OPERATIONS**

##### ***Sec. 901. Legislative Contingency Transfer Authorization – RETAINED***

Allows for the legislative transfer process to increase federal authorization by up to \$500,000, state restricted authorization by up to \$10.0 million, local authorization by up to \$100,000, and private authorization by up to \$20,000. Executive revises to increase maximum amounts of contingency authorizations for federal to \$1.0 million, state restricted authorization to \$10.0 million, local authorization to \$200,000, and private authorization to \$40,000. House and Senate concur. Conference retains current-year authorization amounts.

##### ***Sec. 902a. Notification of Bond Refinancing and Restructuring – RETAINED***

Requires the department to report, within 30 days after a new refinancing or restructuring bond sale, on the annual debt service changes, change in principal and interest over the duration of the debt, and the projected change in present value of the debt service due to the refinancing. Executive deletes. House, Senate, and Conference retain.

##### ***Sec. 938. Qualified Heavy Equipment Rental Personal Property Exemption (QHERPPE) – NEW***

Executive appropriates revenue collected in new QHERPPE reimbursement fund and directs the distribution of funding to follow section 9 of 2022 PA 35. House, Senate, and Conference concur.

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

### ***Sec. 947. Financial Independence Teams – REVISED***

Stipulates that financial independence teams shall cooperate with the financial responsibility section to coordinate and streamline efforts in identifying and addressing fiscal emergencies in school districts and intermediate school districts. Executive deletes. House retains. Senate concurs with the executive. Conference revises language to state that it is the intent of the legislature that the teams cooperate under this section.

### ***Sec. 948. Annual Legacy Costs – DELETED***

Identifies annual pension-related and retiree health care legacy costs. Executive deletes. House, Senate, and Conference concur.

### ***Sec. 949a. City Income Tax Expansion – REVISED***

Authorizes funds appropriated for the city income tax administration to be used for expansion of individual income tax returns to one additional city; revises to allow the department to expand the program to additional cities; appropriates local funding received from agreements with cities for staffing and administration of the program. Executive revises language to allow expansion of program to additional cities. House retains current-year language. Senate and Conference concur with the executive.

### ***Sec. 949g. Equal Opportunity Program Funding Distribution – DELETED***

Appropriates tax capture revenues collected under the employment opportunity program and allows distribution of payments to qualified businesses pursuant to chapter 8F of the Michigan Strategic Fund Act. Executive deletes. House retains. Senate and Conference concur with the executive.

### ***Sec. 949l. Transportation Administration Support Fund – DELETED***

Creates the Transportation Administration Support Fund in the Department of Treasury; requires funds to be carried forward and not lapse; subjects funds to appropriation; specifies that funds appropriated for the fund are to be deposited in the fund. Executive deletes. House, Senate, and Conference concur.

### ***Sec. 949n. SB 65 Implementation – NOT INCLUDED***

Senate includes language that requires department to expend funding to cover the costs to the state and local units of government that result from the enactment of SB 65, if the bill is enacted into law. Executive, House, and Conference do not include.

### ***Sec. 949r. Eviction Right to Counsel Support Grants – NOT INCLUDED***

Senate includes language that requires department to award grants to communities that have adopted a local ordinance requiring a right to counsel in eviction proceedings; requires matching funds. Executive, House, and Conference do not include.

### ***Sec. 949s. Local Unit Municipal OPEB Grants – NOT INCLUDED***

Senate includes language that requires department to establish and operate a grant program to award grants to qualified local units to be deposited into their qualified OPEB system or systems. Executive, House, and Conference do not include.

## **REVENUE SHARING**

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

Specifies distribution of \$266.2 million to all CVTs that received a payment under Section 950(2) of 2009 PA 128 greater than \$1,000.00; eligible payment is equal to 110.0% of its FY 2021-22 eligible payment; in order to qualify for its eligible payment, a CVT is required to comply with the items listed under accountability and transparency; to qualify for county incentive payment, counties are required to comply with the items listed under accountability and transparency; any unexpended funds are directed to be deposited in the Financial Distressed CVTs program in Sec. 956, subject to approval of transfers. Executive revises to reflect eligible payment equal to 110.0% of FY 2022-23 eligible payment (5.0% ongoing and 5.0% one-time) and a separate 7.0% increase to be used for local public safety initiatives (2.0% ongoing and 5.0% one-time); any CVT determined to have a pension system in underfunded status must allocate the amount of its current payment minus an amount equal to 7.0% of total eligible payment minus the sum of its FY 2022-23 ongoing and one-time payment amount to its pension unfunded liability, and deletes requirement of a citizen's guide of local finances and a performance dashboard. House concurs. Senate concurs with the executive, but does not include local public safety initiatives language, county incentive program language, and deletes requirement of debt service and budget reports. Conference requires that payments equal 104.0% of FY 2022-23 payment and an additional 1.0% if the CVT has expended, obligated, or declined by December 31, 2023 federal ARPA funding; includes 2.0% additional one-time funding for local public safety initiatives.



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

**Sec. 955. County Revenue Sharing Payments – REVISED**

Requires the county revenue sharing appropriation to be distributed so that each eligible county receives a payment (when coupled with the County Incentive Program payment) equal to 117.3115% of the amount determined pursuant to the Glenn Steil State Revenue Sharing Act of 1971, 1971 PA 140; requires counties receiving a payment to allocate their FY 2020-21 eligible payment increase to their unfunded pension liabilities if they have a pension that is considered to be in unfunded status pursuant to the Protecting Local Government Retirement and Benefits Act, 2017 PA 202. (Counties are exempt if they have issued a municipal security to pay down their unfunded liability.) Executive revises to increase payments to counties to 123.1485% of statutory full funding which represents a 17.0% increase over FY 2022-23 ongoing payment – 10.0% consists of a 5.0% ongoing and 5.0% one-time increase and a separate 7.0% increase to be used for local public safety initiatives (2.0% ongoing and 5.0% one-time); any county determined to have a pension system in underfunded status must allocate the amount of its current payment minus an amount equal to 7.0% of total eligible payment minus the sum of its FY 2022-23 ongoing and one-time payment amount to its pension unfunded liability. House concurs. Senate concurs with the executive, but does not include local public safety initiatives language. Conference requires that payments equal 116.4592% of statutory full funding which represents a 5.0% increase over FY 2022-23 ongoing payment; includes an additional 2.0% increase for local public safety initiatives.

**ONE-TIME APPROPRIATIONS**

**Sec. 979a. Responsible Gaming Advertising – NEW**

House includes language requiring MGCB, in consultation with DHHS, to allocate funding to support addiction prevention and education efforts in addition to responsible gaming advertising; requires report on expenditures. Executive and Senate do not include. Conference includes as Sec. 975.

**Sec. 979b. Raise Up Local State Matching Grant Program – NOT INCLUDED**

House includes language requiring the department to establish a Raise Up Local State Matching Grant Program to provide matching grants to eligible municipalities for certain property taxes and special assessments. Executive, Senate, and Conference do not include.

**Sec. 979c. Local Unit Municipal Pension Principal Payment Grant Program – NOT INCLUDED**

House includes language requiring the department to establish and operate a grant program to award funding to qualified local units to deposit into their qualified retirement systems that have a funded ratio of 60 or greater; grant awards are capped at 5% of appropriated funding. Executive, Senate, and Conference do not include.

**Sec. 990. Local Unit Municipal Retirement Pension and Health Care Benefit Premium Payment Grants – NEW**

Conference includes language requiring the department to establish and operate a grant program that provides relief to local governments with the greatest burden from qualified pension and retirement health benefit systems; department shall consult with relevant stakeholders to develop method of distribution and program requirements. Executive, Senate, and House do not include.

**Sec. 991. High-Crime Community Support – NEW**

Conference requires funding be used for grants to be awarded to county prosecutors in 6 specific communities to address caseload backlogs; requires report. Executive, House, and Senate do not include.

**Sec. 992. Election Administration Support Fund – NEW**

Conference includes language to create new fund; funding may only be expended upon appropriation or legislative transfer; unexpended funding shall be carried forward and shall not lapse to the general fund. Executive, House, and Senate do not include.

**Sec. 993. Beverage Container Distributor Grants – NEW**

Conference requires funding be used for grants to licensed distributors for beverage container deposit costs; grants must equal 1/2 of 1 cent per returnable container for beer, ale, or other malt drinks, or mixed wine or spirit drink. Executive, House, and Senate do not include.

**FY 2022-23 Supplemental Appropriation Items**

**Article 16, House Bill 4437 (H-1) CR-1**

**1. Implementation of Workforce Housing Package**

Includes \$1.4 million GF/GP and authorization for 4.0 FTE positions to support administration and implementation of requirements of the Attainable Housing Facilities Act, Residential Housing Facilities Act, and Neighborhood Enterprise Zone Act.

**Appropriation  
Change**

FTEs	4.0
<b>Gross</b>	<b>\$1,374,000</b>
GF/GP	\$1,374,000

**FY 2022-23 Supplemental Appropriation Items**

**Article 16, House Bill 4437 (H-1) CR-1**

**Appropriation  
Change**

**2. Qualified Heavy Equipment Rental Personal Property Tax Exemption**

Appropriates \$3.4 million of Qualified Heavy Equipment Rental Personal Property Exemption Fund revenue to be distributed according to the Qualified Heavy Equipment Rental Personal Property Specific Tax Act.

<b>Gross</b>	<b>\$3,400,000</b>
Restricted	3,400,000
GF/GP	\$0

**3. Implementation of Earned Income Tax Credit Changes**

Includes \$925,000 GF/GP to be used to support implementation and administration activities related to expansion of the Michigan Earned Income Tax Credit.

<b>Gross</b>	<b>\$925,000</b>
GF/GP	\$925,000

**4. Election Administration Support Fund**

Includes \$11.5 million GF/GP for deposit into the Election Administration Support Fund which is created to support costs to the Department of State for implementing Ballot Proposals 1 and 2 of 2022.

<b>Gross</b>	<b>\$11,500,000</b>
GF/GP	\$11,500,000

**5. Implementation of Retirement and Pension Income Tax Changes**

Includes \$900,000 GF/GP to support implementation and administration activities related to rollback of retirement and pension tax.

<b>Gross</b>	<b>\$900,000</b>
GF/GP	\$900,000

**FY 2022-23 Supplemental Boilerplate Items**

**Article 16, House Bill 4437 (H-1) CR-1**

**Sec. 901. Qualified Heavy Equipment Rental Personal Property Exemption**

Appropriates revenue collected in the Qualified Heavy Equipment Rental Personal Property Exemption Fund and requires distribution according to the Qualified Heavy Equipment Rental Personal Property Specific Tax Act.

**Sec. 902. Earned Income Tax Credit Implementation**

Requires funds to be used to support implementation and administration activities related to expansion of the Michigan Earned Income Tax Credit; authorizes the department to utilize limited-term employees; designates unexpended funds as a work project appropriation.

**Sec. 903. Election Administration Support Fund**

Creates the Election Administration Support Fund; requires expenditure of funds to be subject to appropriation or legislative transfer; authorizes the state treasurer to direct the investment of the fund and to receive money or other assets for deposit into the fund including interest and earnings from the fund; authorizes funds to not lapse to the general fund at the close of the fiscal year.

**Sec. 904. Implementation of the Rollback of the Retirement Tax**

Requires funds to be used to support implementation and administration activities related to rollback of retirement and pension tax; authorizes the department to utilize limited-term employees; designates unexpended funds at a work project appropriation.