

FY 2018-19 SUPPLEMENTAL APPROPRIATIONS
Summary: Conference Report
Senate Bill 138 (S-2) CR-1



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Overview

Senate Bill 138 (S-2) CR-1 contains supplemental appropriation adjustments to multiple budget areas for FY 2018-19. In sum, adjustments would increase Gross appropriations in the state budget by \$473.8 million and decrease GF/GP appropriations by \$26.1 million.

Appropriation and boilerplate priorities initiated by the State Budget Office, and priorities initiated by the legislature, are identified following this overview.

FY 2018-19 APPROPRIATION SUMMARY

Budget Area		FY 2018-19 Year-to-Date Appropriations	FY 2018-19 Supplemental Change	% Change
Agriculture and Rural Development	Gross	\$112,198,100	\$1,277,000	1.1
	GF/GP	\$62,835,200	\$1,277,000	2.0
Attorney General	Gross	\$104,027,700	\$1,372,500	1.3
	GF/GP	\$41,206,800	\$0	0.0
Education	Gross	\$406,134,900	(\$10,000,000)	(2.5)
	GF/GP	\$91,503,600	\$254,200	0.3
Health and Human Services	Gross	\$25,545,746,400	\$451,697,300	1.8
	GF/GP	\$4,447,614,400	(\$34,239,200)	(0.8)
Judiciary	Gross	\$304,079,100	\$1,250,000	0.4
	GF/GP	\$196,079,500	\$0	0.0
Licensing and Regulatory Affairs	Gross	\$552,996,800	\$500,000	0.1
	GF/GP	\$135,845,300	\$0	0.0
Natural Resources	Gross	\$484,430,900	\$21,100,000	4.4
	GF/GP	\$77,241,800	\$0	0.0
State Police	Gross	\$777,936,400	\$1,927,600	0.2
	GF/GP	\$493,173,800	\$1,927,600	0.4
Technology, Management, & Budget	Gross	\$1,186,873,000	\$4,465,000	0.4
	GF/GP	\$305,473,900	\$4,465,000	1.5
Treasury (Operations)	Gross	\$595,041,500	\$250,000	0.0
	GF/GP	\$128,881,300	\$250,000	0.2
TOTAL	Gross	\$30,069,464,800	\$473,839,400	1.6
	GF/GP	\$5,979,855,600	(\$26,065,400)	(0.4)

FY 2018-19 Supplemental Appropriation Items

AGRICULTURE AND RURAL DEVELOPMENT

1. Industrial Hemp Research and Development

Includes \$1.3 million GF/GP for developing and implementing industrial hemp pilot research programs in accordance with 2018 PA 641. Programs would include licensing, monitoring, and testing.

	Appropriation Change
Gross	\$1,277,000
GF/GP	\$1,277,000

<u>FY 2018-19 Supplemental Appropriation Items</u>	<u>Appropriation Change</u>
ATTORNEY GENERAL	
2. Legal Services for DEGLE	Gross \$700,000
Authorizes receipt of an additional \$700,000 from the Department of Environment, Great Lakes, and Energy for investigation and enforcement regarding environmental contaminants, including perfluoroalkyl and polyfluoroalkyl substances (PFAS).	IDG 700,000 GF/GP \$0
3. Legal Services for DHHS, DTMB, and MSHDA	Gross \$672,500
Authorizes receipt of an additional \$170,000 from DHHS to represent child abuse cases in Wayne County; an additional \$335,000 from DTMB for various legal support services, but largely for review of IT-related contracts; and \$167,500 from MSHDA for additional legal staff.	IDG 672,500 GF/GP \$0
EDUCATION	
4. Child Development and Care Program – Caseload Adjustment	Gross (\$10,000,000)
Decreases CDC caseload subsidy by \$10.0 million based on consensus caseload estimates.	Federal (10,000,000) GF/GP \$0
5. Child Development and Care Program – State Matching Fund Increase	Gross \$0
Includes \$254,200 GF/GP to meet state matching fund requirements for the CDC program. The FMAP rate was reduced from 64.78% to 64.45%. The rate reduction in federal funds necessitates an increase in state funds in order to draw down the full amount of federal revenue.	Federal (254,200) GF/GP \$254,200
HEALTH AND HUMAN SERVICES	
6. Restricted Revenue – Fund Source Adjustment	Gross \$417,400
Includes \$417,400 in restricted funding to align authorization with available revenues, resulting from re-basing first year SIGMA cost allocations. Line items affected include Property Management (\$324,700), Worker’s Compensation (\$40,000), and Terminal Leave Payments (\$52,700).	Restricted 417,400 GF/GP \$0
7. Federal Child Support Collection Fee Increase	Gross \$0
Includes \$956,300 GF/GP and reduces federal funding by a like amount to fund an increase in the annual federal child support collection fee. The fee was raised from \$25 to \$35 per case once \$550 is collected on behalf of the custodial parent. Currently, the state pays this fee instead of assessing it on custodial parents.	Federal (956,300) GF/GP \$956,300
8. Community Services and Outreach Administration Adjustments	FTE 0.0
Includes \$1.7 million Gross (\$60,000 GF/GP) and authorization for 1.0 additional FTE position for the Community Services and Outreach line item. The FTE position authorization would be transferred from the Michigan Community Service Commission line item.	Gross \$1,650,500 Federal 1,275,500 Restricted 315,000 GF/GP \$60,000
9. Adoption Support Services Fund Shift	Gross \$0
Includes \$100,200 GF/GP to offset a decrease of the same amount in federal Title IV-B funding.	Federal (100,200) GF/GP \$100,200
10. Adoption Incentive Payment Grant	Gross \$4,145,500
Authorizes receipt of an additional \$4.1 million in federal grant awards for the Adoption and Legal Guardianship Incentive Payments Program.	Federal 4,145,500 GF/GP \$0
11. Child Welfare Institute Staffing Increase	FTE 1.0
Includes \$130,000 Gross (\$98,600 GF/GP) and authorizes 1.0 FTE position for a supervisor to oversee the six new child welfare trainers added in the FY 2018-19 budget.	Gross \$130,000 Federal 31,400 GF/GP \$98,600
12. Kinship Navigator	Gross \$427,700
Authorizes receipt of an additional \$427,700 in federal funds to reflect a grant award received in September 2018 for the Kinship Navigator program.	Federal 427,700 GF/GP \$0
13. Settlement Monitor	Gross \$148,300
Includes \$148,300 Gross (\$78,400 GF/GP) to cover costs of an increase in the Settlement Monitor contract.	Federal 69,900 GF/GP \$78,400
14. Strong Families/ Safe Children	Gross (\$2,550,100)
Reduces federal funding authorization by \$2.6 million to reflect reduced federal grant awards in FY 2017-18.	Federal (2,550,100) GF/GP \$0

<u>FY 2018-19 Supplemental Appropriation Items</u>		Appropriation Change	
15. Bay Pines Center and Shawono Center		Gross	\$0
Replaces \$489,600 of the local county chargeback revenue appropriation with GF/GP in order to allow full use of the appropriated amounts in the facilities' budgets (\$252,300 Bay Pines; \$237,300 Shawono). The county chargeback revenue authorization in these line items is greater than the amount the counties might be required to pay.		Local	(489,600)
		GF/GP	\$489,600
16. State Supplementation Administration		Gross	\$125,000
Includes \$125,000 GF/GP to support increased administrative costs based on a 3-year spending average and a 2.8% administrative rate increase for federal SSI.		GF/GP	\$125,000
17. MI Rehabilitation Services – FTE Allocation		FTE	29.0
Includes authorization for 29.0 FTE positions to meet newly imposed federal Workforce Innovation and Opportunity Act mandates that all persons with disabilities be served.		Gross	\$0
		GF/GP	\$0
18. Federal Mental Health Block Grant		FTE	1.5
Authorizes an additional 1.5 FTE positions for the Federal Mental Health Block Grant. The positions would be supported with current funding.		Gross	\$0
		GF/GP	\$0
19. Revenue Recapture		Gross	\$100
Includes \$100 in local funding for the revenue recapture program of the state psychiatric hospitals.		Local	100
		GF/GP	\$0
20. Electronic Mobile Verification System		Gross	\$1,500,000
Includes \$1.5 million Gross (\$150,000 GF/GP) for a Medicaid adult home help electronic verification program.		Federal	1,350,000
		GF/GP	\$150,000
21. Increase Hurley GME		Gross	\$2,363,000
Increases non-GF/GP Graduate Medical Education (GME) program funding by \$2.4 million for Hurley Hospital.		Federal	1,181,500
		Restricted	1,181,500
		GF/GP	\$0
22. Opioid Prescribing		Gross	(\$2,000,000)
Reflects a savings of \$2.0 million Gross (\$474,900 GF/GP) resulting from a FY 2018-19 policy change that limits dispensing of certain opioid prescriptions to seven days and reduces Morphine Equivalent Daily Dose limits in accordance with federal CDC guidelines.		Federal	(1,525,100)
		GF/GP	(\$474,900)
23. Medicare Premium Payments Buy-in Costs		Gross	\$8,018,400
Includes \$8.0 million Gross (\$2.9 million GF/GP) to cover costs associated with changes to the state's Medicare buy-in policy for individuals who are dually eligible for Medicare and Medicaid.		Federal	5,167,900
		GF/GP	\$2,850,500
24. Beaumont Psychiatric Residency Training Funding		Gross	\$0
Includes a net \$0 reappropriation of Beaumont psychiatric residency training funding in order to revise current year boilerplate. (Sec. 501.)		GF/GP	\$0
25. Child Welfare Caseload Adjustment		Gross	\$25,361,900
Includes an increase of \$25.4 million Gross (\$16.2 million GF/GP) to revise child welfare caseload costs based on the May caseload consensus between the State Budget Office, the Senate Fiscal Agency, and the House Fiscal Agency.		Federal	7,035,400
		Restricted	2,142,200
		GF/GP	\$16,184,300
26. Public Assistance Caseload Adjustment		Gross	(\$4,475,100)
Includes a reduction of \$4.5 million Gross (\$1.8 million GF/GP) to revise public assistance caseload costs based on the May caseload consensus between the State Budget Office, the Senate Fiscal Agency, and the House Fiscal Agency.		Federal	(2,713,100)
		GF/GP	(\$1,762,000)
27. Food Assistance Caseload Adjustment		Gross	(\$113,757,300)
Reduces \$113.8 million Gross (\$0 GF/GP) to revise Medicaid behavioral health costs based on the May caseload consensus between the State Budget Office, the Senate Fiscal Agency, and the House Fiscal Agency.		Federal	(113,757,300)
		GF/GP	\$0
28. Behavioral Health Caseload Adjustment		Gross	\$98,137,800
Includes \$98.1 million Gross (\$9.6 million GF/GP) to revise Medicaid behavioral health costs based on the May caseload consensus between the State Budget Office, the Senate Fiscal Agency, and the House Fiscal Agency.		Federal	78,436,900
		Restricted	10,140,400
		GF/GP	\$9,560,500

<u>FY 2018-19 Supplemental Appropriation Items</u>		Appropriation Change
29. Children's Special Health Care Caseload Adjustment		
Includes \$6.8 million Gross (\$3.1 million GF/GP) to revise CSHCS costs based on the May caseload consensus between the State Budget Office, the Senate Fiscal Agency, and the House Fiscal Agency.	Gross	\$6,831,800
	Federal	3,750,200
	GF/GP	\$3,081,600
30. Medical Services Caseload Adjustment		
Includes an increase of \$425.2 million Gross (a reduction of \$65.7 million GF/GP) to revise Medicaid physical health costs based on the May caseload consensus between the State Budget Office, the Senate Fiscal Agency, and the House Fiscal Agency.	Gross	\$425,222,400
	Federal	305,529,000
	Restricted	185,430,700
	GF/GP	(\$65,737,300)
JUDICIARY		
31. Statewide e-File System Expansion		
Authorizes expenditure of an additional \$1.3 million of Electronic Filing Fee Fund revenue to support the continued statewide expansion of the e-file system. The revenue is available due to expanded use of the system and a corresponding increase in the amount of fees paid by users.	Gross	\$1,250,000
	Restricted	1,250,000
	GF/GP	\$0
LICENSING AND REGULATORY AFFAIRS		
32. Child Care Restricted Funding		
Authorizes receipt of an additional \$500,000 in fee revenue anticipated to be collected from child day care centers and child day care homes for licensing and regulation pursuant to 2017 PA 258.	Gross	\$500,000
	Restricted	500,000
	GF/GP	\$0
NATURAL RESOURCES		
33. Off-road Vehicle Trail Improvement Fund Revenue Increase		
Includes \$3.0 million from the ORV Trail Improvement Fund for capital projects across Michigan's ORV trail system. Projects include erosion mitigation, infrastructure repair, and trail maintenance (\$1.4 million); grants to maintain existing ORV facilities, develop new facilities, and restore natural resources damaged by ORV use (\$764,500); DNR law enforcement (\$716,800); Finance and Operations (\$44,300); Executive Direction (\$36,000); and Marketing and Outreach (\$13,400).	Gross	\$3,000,000
	Restricted	3,000,000
	GF/GP	\$0
34. Federal Recreational Trails Program		
Includes \$1.9 million in federal funding to align spending authority with available revenue. The federal program helps states develop and maintain recreational trails. There are over twenty trail projects in Michigan that would benefit from this funding.	Gross	\$1,900,000
	Federal	1,900,000
	GF/GP	\$0
35. Snowmobile Trail Improvement Fund Revenue Increase		
Includes \$6.0 million from the Snowmobile Trail Improvement Fund for grants to replace snowmobile trail groomers, maintain existing groomers, and support trail maintenance by local sponsors (\$3.7 million) and for capital projects across Michigan's snowmobile trail system, including erosion mitigation, infrastructure repair, and trail maintenance (\$2.3 million).	Gross	\$6,000,000
	Restricted	6,000,000
	GF/GP	\$0
36. State Parks Repair and Maintenance – Capital Outlay		
Authorizes \$8.0 million of Park Improvement Fund revenue and \$500,000 of Recreation Passport Fees revenue to be used for demolition, maintenance, repair, renovation, and small-scale construction projects at various state parks and recreation areas.	Gross	\$8,500,000
	Restricted	8,500,000
	GF/GP	\$0
37. Shooting Range Improvements – Capital Outlay		
Authorizes \$1.7 million in federal funding for shooting range enhancement projects, focused on addressing safety and conflict, as well as improved shooting opportunities, in Allegan, Lapeer, and Marquette Counties. Funds are available from a federal excise tax on the sale of firearms and ammunition.	Gross	\$1,700,000
	Federal	1,700,000
	GF/GP	\$0
STATE POLICE		
38. Active Violence Response Training		
Includes \$1.9 million GF/GP for the Michigan Commission on Law Enforcement Standards to develop and implement an active violence training curriculum in accordance with 2018 PA 552. Law requires existing licensed law enforcement officers and individuals seeking law enforcement officer licensure to complete active violence response training developed by MCOLES.	Gross	\$1,927,600
	GF/GP	\$1,927,600
TECHNOLOGY, MANAGEMENT, AND BUDGET		
39. Appropriation of Proceeds from Sale of Farnum Building		
Appropriates \$4.5 million, the net proceeds of the sale of the Farnum Building, to the Enterprisewide Special Maintenance program as required by 2018 PA 207. Funding would cover a portion of the costs of relocating the Senate from the Farnum Building to the Binsfeld Building.	Gross	\$4,465,000
	GF/GP	\$4,465,000

FY 2018-19 Supplemental Appropriation Items

TREASURY

40. Senior Citizen Cooperative Housing Tax Exemption Reimbursement

Includes \$250,000 GF/GP to provide full funding for two new facilities that became eligible for reimbursements in FY 2018-19. Facilities are in Ingham and Saginaw Counties.

Gross	\$250,000
GF/GP	\$250,000

FY 2018-19 Supplemental Boilerplate Items

AGRICULTURE AND RURAL DEVELOPMENT

Sec. 301. Industrial Hemp Research and Development

Authorizes unexpended funds appropriated for industrial hemp research and development to be considered a work project appropriation and carried forward. Funding supports implementing industrial hemp pilot research programs. Project would be accomplished by utilizing state employees or contracts with service providers, or both. Project is estimated to cost \$1.3 million, with a tentative completion date of September 30, 2023.

ATTORNEY GENERAL

Sec. 401. Legal Services for DEGLE

Authorizes unexpended funds appropriated for legal services for DEGLE to be considered a work project appropriation and carried forward. Funding supports investigation and enforcement regarding environmental contaminants, including perfluoroalkyl and polyfluoroalkyl substances (PFAS). Project would be accomplished by utilizing state employees or contracts with service providers, or both. Project is estimated to cost \$700,000, with a tentative completion date of September 30, 2023.

HEALTH AND HUMAN SERVICES

Sec. 501. Beaumont Psychiatric Residency

Allocates \$3.0 million GF/GP as a grant to Beaumont Health to create and support a new psychiatric residency training program and authorizes unexpended funds appropriated for the new psychiatric residency training program to be considered a work project appropriation and carried forward. Funding supports a psychiatric residency program operated by a nonprofit Michigan health system. Project would be accomplished by utilizing contracts with service providers. Project is estimated to cost \$3.0, million with a tentative completion date of November 30, 2019.

STATE POLICE

Sec. 601. Active Violence Response Training

Authorizes unexpended funds appropriated for active violence response training to be considered a work project appropriation and carried forward. Funding supports training law enforcement personnel on responses to active violence situations. Project would be accomplished by utilizing state employees or contracts with service providers, or both. Project is estimated to cost \$1.9 million, with a tentative completion date of September 30, 2023.

REPEALER

Enacting Section 1.

Repeals section 462 of 2018 PA 618