

**Summary: Executive Budget Recommendation
for Fiscal Year 2020-21
TOTAL GENERAL GOVERNMENT**



**Analysts: Ben Gielczyk
Michael Crossen**

	FY 2019-20 Year-to-Date as of 2/6/20	FY 2020-21 Executive	Difference: FY 2020-21 Vs. FY 2019-20	
			Amount	%
IDG/IDT	\$1,024,134,300	\$1,094,669,700	\$70,535,400	6.9
Federal	1,002,960,800	1,000,301,400	(2,659,400)	(0.3)
Local	21,437,000	21,297,200	(139,800)	(0.7)
Private	6,943,100	6,948,700	5,600	0.1
Restricted	2,342,240,100	2,462,932,400	120,692,300	5.2
GF/GP	1,110,223,100	1,322,119,400	211,896,300	19.1
Gross	\$5,507,938,400	\$5,908,268,800	\$400,330,400	7.3
FTEs	9,922.0	9,989.0	67.0	0.7

Notes: (1) FY 2019-20 year-to-date figures include mid-year budget adjustments through February 6, 2020. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

Currently, the following departmental and agency budgets are included in the General Government budget: Executive Office, Legislature, Legislative Auditor General, and the Departments of Attorney General, Civil Rights, State, Technology, Management, and Budget (including the former Departments of Civil Service and Information Technology, and State Building Authority rent costs), Treasury (including the Bureau of State Lottery, Michigan Gaming Control Board, State Building Authority, Revenue Sharing, and Debt Service), and Labor and Economic Opportunity (including Michigan Strategic Fund/Michigan Economic Development Corporation, Michigan State Housing Development Authority, Employment Services, Unemployment Insurance Agency, Michigan Rehabilitation Services, and Workforce Development). **Budget issues are listed by department on the following pages.**

Summary pages for individual department/agency budgets contained within the current FY 2020-21 General Government appropriations bill follow this page.

Major Boilerplate Changes From FY 2019-20

Sec. 211. Countercyclical Budget and Economic 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 no funds are deposited in the Countercyclical Budget and Economic Stabilization Fund in FY 2019-20. Revises calculation tables; includes no countercyclical budget and economic stabilization fund deposit in FY 2020-21.

Sec. 216. Receipt and Retention of Required Reports – DELETED

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

Sec. 217. Fund Sourcing Priorities – DELETED

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

Sec. 218. Disciplinary Action Against State Employees – DELETED

Prohibits departments from taking disciplinary action against employees for communicating with legislators or their staff.

Sec. 219. Reporting Requirement Penalties – DELETED

Requires departments and agencies to provide all reports by the indicated due date and to provide information requested by a member of the legislature, his or her staff, or the House and Senate fiscal agencies in a timely manner. Indicates that if the report is not provided by the required due date or a request for information is not received within 30 days of the request date, state funds appropriated in part 1 shall be reduced by 5%. Authorizes department or agency to request a waiver if chairs of the subcommittees on general government are notified.

Major Boilerplate Changes From FY 2019-20

Sec. 221. Reporting Requirement on Policy Changes – DELETED

Requires departments to report on policy changes made to implement enacted legislation.

Sec. 222. Work Project Expenditures – DELETED

Prohibits appropriations in part 1 from being expended in cases where existing work project authorization is available for the same expenditures.

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

Requires departments to report on their efforts and progress made toward achieving savings and efficiencies identified by the auditor general in audit reports.

Sec. 235. Federal Funding Contingency Plan – DELETED

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

Sec. 240. New Program Metrics – DELETED

Requires the State Budget Office provide a list of new programs and program enhancements that exceed \$500,000. Also requires identified programs to use program-specific measuring metrics in addition to the metrics required under Section 447 of the Management and Budget Act. The State Budget Office shall provide a report on the metrics and performance progress of identified programs by September 30. Express intent that future program funding increases be based on prior performance. Revises the due date of the required report and does not include the stated intent of the legislature that the governor consider performances of new programs as the basis for any increase in funds appropriated from the prior year.

**Summary: Executive Budget Recommendation
for Fiscal Year 2020-21
ATTORNEY GENERAL**



Analyst: Michael Cossen

	FY 2019-20 Year-to-Date as of 2/6/20	FY 2020-21 Executive	Difference: FY 2020-21 Vs. FY 2019-20	
			Amount	%
IDG/IDT	\$34,373,000	\$35,285,800	\$912,800	2.7
Federal	9,713,700	9,906,100	192,400	2.0
Local	0	0	0	--
Private	0	0	0	--
Restricted	20,159,800	20,136,300	(23,500)	(0.1)
GF/GP	41,736,300	41,648,400	(87,900)	(0.2)
Gross	\$105,982,800	\$106,976,600	\$993,800	0.9
FTEs	542.4	540.4	(2.0)	(0.4)

Notes: (1) FY 2019-20 year-to-date figures include mid-year budget adjustments through February 6, 2020. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

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

Major Budget Changes from FY 2019-20 Year-to-Date (YTD) Appropriations	FY 2019-20 YTD (as of 2/6/20)	Executive Change from YTD
1. Elder Abuse Task Force	Gross NA	\$387,500
Authorizes \$387,500 GF/GP to support three investigators to serve the Elder Abuse Task Force, a joint initiative between the department, Michigan Supreme Court, legislature, and other organizations. The task force would work to implement changes recommended by previous elder abuse task forces to prevent elder abuse, neglect, and exploitation, and to support abuse victims. Previous task forces are 1998 Supreme Court Task Force on Guardianships and Conservatorships and 2007 Governor's Task Force on Elder Abuse.	GF/GP NA	\$387,500
2. Ok2Say Transfer to State Police	FTE 2.0	(2.0)
Transfers \$1.5 million Gross (\$1.0 million GF/GP), 2.0 FTE positions, and administrative and promotional functions of the Ok2Say multimedia student safety reporting hotline to the Michigan State Police (MSP). MSP currently staffs and operates the hotline call center.	Gross \$1,472,300	(\$1,472,300)
	Restricted 472,300	(472,300)
	GF/GP \$1,000,000	(\$1,000,000)
3. Public Safety Initiative	FTE 1.0	0.0
Reduces \$521,100 of GF/GP that was used for additional prosecutorial services to reduce the backlog of outstanding warrants in Saginaw, Flint, Pontiac, and Wayne County. The reduction is possible because there is more than sufficient funding available for the number of outstanding warrants.	Gross \$906,200	(\$521,100)
	GF/GP \$906,200	(\$521,100)
4. Technical Adjustment from Ad Board Transfer	Gross \$4,300	(\$4,300)
Eliminates 43 \$100 placeholder line items, for a total reduction of \$4,300 Gross (\$500 GF/GP). Administrative Board Resolution 2019-12 consolidated unrolled line items.	IDG 2,300	(2,300)
	Federal 200	(200)
	Restricted 1,300	(1,300)
	GF/GP \$500	(\$500)

<u>Major Budget Changes from FY 2019-20 Year-to-Date (YTD) Appropriations</u>	<u>FY 2019-20 YTD (as of 2/6/20)</u>	<u>Executive Change from YTD</u>
5. Economic Adjustments	Gross	NA
Reflects increased costs of \$2.6 million Gross (\$1.1 million GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2020 and 1.0% on April 4, 2021), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	NA
	Federal	NA
	Restricted	NA
	GF/GP	NA
		\$2,621,400
		915,100
		192,600
		444,700
		\$1,069,000

Major Boilerplate Changes from FY 2019-20

Sec. 308. Appropriation of Litigation Expense Reimbursements – NEW

Appropriates up to \$1.0 million from litigation expense reimbursements for court fees and legal costs assessed against the Governor, the office of the Governor, the Attorney General, and the office of the Attorney General when acting as the named party in litigation against the state; authorizes unexpended funding, up to \$250,000, to be carried forward.

Sec. 309a. Prisoner Reimbursements Report – DELETED

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

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

Requires department to notify of lawsuit settlements with a fiscal impact for the state of \$5.0 million or more; prohibits department from entering a lawsuit that is contrary to state laws; requires department to enforce state laws.

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

Requires department to submit notification upon entering lawsuit against federal government and estimated costs for participating in the lawsuit; requires Attorney General to appear within 30 business days of a request before House and Senate subcommittees on General Government.

<u>Supplemental Recommendations for FY 2019-20 Appropriations</u>		<u>FY 2019-20 Recommendation</u>
1. Wrongful Conviction DNA Testing	Gross	\$275,600
Authorizes \$275,600 of federal funding for post-conviction DNA testing. This will allow review of new evidence associated with post-conviction claims of innocence.	Federal	275,600
	GF/GP	\$0
2. PACC NextGen Case Tracking IT System	Gross	\$128,800
Authorizes \$128,800 of federal funding to support continued development of the NextGen prosecutor case management tracking system used to replace the Prosecuting Attorneys Coordinating Council's legacy IT system.	Federal	128,800
	GF/GP	\$0

**Summary: Executive Budget Recommendation
for Fiscal Year 2020-21
CIVIL RIGHTS**



Analyst: Michael Crossen

	FY 2019-20 Year-to-Date as of 2/6/20	FY 2020-21 Executive	Difference: FY 2020-21 Vs. FY 2019-20	
			Amount	%
IDG/IDT	\$298,500	\$299,800	\$1,300	0.4
Federal	2,816,900	2,868,200	51,300	1.8
Local	0	0	0	--
Private	18,700	18,700	0	0.0
Restricted	58,500	58,500	0	0.0
GF/GP	13,195,700	13,542,200	346,500	2.6
Gross	\$16,388,300	\$16,787,400	\$399,100	2.4
FTEs	116.0	116.0	0.0	0.0

Notes: (1) FY 2019-20 year-to-date figures include mid-year budget adjustments through February 6, 2020. (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 2019-20 Year-to-Date (YTD) Appropriations	FY 2019-20 YTD (as of 2/6/20)	Executive Change from YTD
1. Economic Adjustments	Gross	NA
Reflects increased costs of \$399,100 Gross (\$346,500 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2020 and 1.0% on April 4, 2021), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	1,300
	Federal	51,300
	GF/GP	\$346,500

Major Boilerplate Changes from FY 2019-20

Sec. 401. Contingency Funding – REVISED

Appropriates up to \$1.0 million in federal and \$375,000 in private contingency funds; authorizes expenditure of funds after legislative transfer to specific line items. Revises to appropriate up to \$2.0 million in federal and \$750,000 in private contingency funds.

Sec. 405. Federal Complaint Report – DELETED

Requires department to notify legislature and State Budget Office prior to submitting report or complaint to U.S. Commission on Civil Rights or another federal department.

Sec. 411. Museums Support – DELETED

Allocates \$500,000 each to Arab American National Museum in Dearborn, Charles H. Wright Museum of African American History in Detroit, and Holocaust Memorial Center in Farmington Hills.

**Summary: Executive Budget Recommendation
for Fiscal Year 2020-21
EXECUTIVE OFFICE**



Analyst: Ben Gielczyk

	FY 2019-20 Year-to-Date as of 2/6/20	FY 2020-21 Executive	Difference: FY 2020-21 Vs. FY 2019-20	
			Amount	%
IDG/IDT	\$0	\$0	\$0	--
Federal	0	0	0	--
Local	0	0	0	--
Private	0	0	0	--
Restricted	0	0	0	--
GF/GP	7,114,300	7,276,500	162,200	2.3
Gross	\$7,114,300	\$7,276,500	\$162,200	2.3
FTEs	89.2	89.2	0.0	0.0

Notes: (1) FY 2019-20 year-to-date figures include mid-year budget adjustments through February 6, 2020. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

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

<u>Major Budget Changes from FY 2019-20 Year-to-Date (YTD) Appropriations</u>		<u>FY 2019-20 YTD (as of 2/6/20)</u>	<u>Executive Change from YTD</u>
1. Operational Adjustments	Gross	\$7,114,300	\$162,200
Reflects increased costs of \$162,200 GF/GP related to Executive Office staff and other operations.	GF/GP	\$7,114,300	\$162,200

Major Boilerplate Changes from FY 2019-20

There are no major boilerplate changes for FY 2020-21.

**Summary: Executive Budget Recommendation
for Fiscal Year 2020-21
LABOR AND ECONOMIC OPPORTUNITY**



Analyst: Ben Gielczyk

	FY 2019-20 Year-to-Date as of 2/6/20	FY 2020-21 Executive	Difference: FY 2020-21 Vs. FY 2019-20	
			Amount	%
IDG/IDT	\$0	\$0	\$0	--
Federal	956,759,300	953,506,000	(3,253,300)	(0.3)
Local	5,900,000	5,900,000	0	0.0
Private	6,315,700	6,317,800	2,100	0.0
Restricted	196,073,800	232,848,300	36,774,500	18.8
GF/GP	142,308,300	186,869,500	44,561,200	31.3
Gross	\$1,307,357,100	\$1,385,441,600	\$78,084,500	6.0
FTEs	2,565.9	2,567.9	2.0	0.1

Notes: (1) FY 2019-20 year-to-date figures include mid-year budget adjustments through February 6, 2020. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Department of Labor and Economic Opportunity (LEO) engages in economic development; community growth and development; affordable housing, tourism; job creation, retention, and training; and workforce development and preparedness. LEO includes the Michigan Strategic Fund (MSF)/Michigan Economic Development Corporation (MEDC), Bureau of Employment Relations, Bureau of Services for Blind Persons, Michigan Occupational Safety & Health Administration (MIOSHA), Workforce Development, Michigan Rehabilitation Services, Office of Global Michigan, Unemployment Insurance Agency (UIA), Workers' Disability Compensation Agency, State Land Bank, and Michigan State Housing Development Authority (MSHDA).

Major Budget Changes from FY 2019-20 Year-to-Date (YTD) Appropriations	FY 2019-20 YTD (as of 2/6/20)	Executive Change from YTD
1. Business Attraction and Community Revitalization	Gross	\$79,379,900
Provides a net increase of \$20.6 million Gross, for a total appropriation of \$100.0 million Gross (\$41.4 million GF/GP), by increasing 21 st Century Jobs Fund appropriations \$31.0 million and reducing GF/GP appropriations \$10.4 million.	Restricted	31,000,000
	GF/GP	(\$10,379,900)
2. Going Pro	Gross	\$0
Includes \$27.9 million GF/GP for Going Pro. Program primarily provides employer-based training grants. <i>Note: Program funding was vetoed in FY 2019-20.</i>	GF/GP	\$27,920,700
3. Pure Michigan	Gross	\$0
Includes \$15.0 million GF/GP for Pure Michigan program and authorizes the receipt of matching contributions from the tourism industry to augment state appropriations. <i>Note: Program funding was vetoed in FY 2019-20.</i>	GF/GP	\$15,000,000
4. Nature, Science, and Cultural Experiences Grant Program	Gross	\$0
Includes \$10.0 million GF/GP (designated one-time appropriations) for a new competitive grant program that would award grants to cultural, educational, or governmental organizations for projects that bring art, science, nature, history, and culture to Michigan residents; provide economic benefits to Michigan communities; and preserve and celebrate Michigan's culture and natural environment. The program would be administered by the Michigan Council for Arts and Cultural Affairs.	GF/GP	\$10,000,000

Major Budget Changes from FY 2019-20 Year-to-Date (YTD) Appropriations		FY 2019-20 YTD (as of 2/6/20)	Executive Change from YTD
5. First Responder Presumed Coverage Claims	Gross	\$250,000	\$3,750,000
Includes \$4.0 million First Responder Presumed Coverage Fund to pay benefit claims authorized in Section 405 of the Worker's Disability Compensation Act, 1969 PA 317. The recently enacted internet gaming (2019 PA 152) and sports wagering (2019 PA 149) legislation annually deposits \$4.0 million into the fund. This represents a net increase of \$3.8 million Gross compared to FY 2019-20.	Restricted	0	4,000,000
	GF/GP	\$250,000	(\$250,000)
6. Centers for Independent Living	Gross	\$12,031,700	\$2,000,000
Increases by \$2.0 million GF/GP for a total appropriation of \$14.0 million Gross (\$5.7 million GF/GP). Grants assist persons with disabilities to increase their ability to perform everyday activities; to coordinate independent living services with other federal, state, and local agencies; and to provide outreach services.	Federal	8,451,600	0
	Private	10,000	0
	GF/GP	\$3,570,100	\$2,000,000
7. Postsecondary Best Practices Grants	Gross	\$0	\$1,000,000
Includes \$1.0 million GF/GP (designated one-time appropriations) to provide incentive grants for universities and community colleges that exhibit Complete College America best practices for college completion efforts.	GF/GP	\$0	\$1,000,000
8. Focus: HOPE	Gross	\$1,000,000	\$0
Maintains \$1.0 million GF/GP (designated one-time appropriations) to support Focus: HOPE operations. Specifically, funds are dedicated for education and workforce development programming, early childhood education, youth development, food assistance, or community empowerment and advocacy.	GF/GP	\$1,000,000	\$0
9. Removal of One-Time Appropriations	Gross	\$1,000,600	(\$1,000,600)
Removes \$1.0 million Gross (\$1.0 million GF/GP) appropriated for one-time grants in FY 2019-20:	Federal	100	(100)
	Restricted	300	(300)
<ul style="list-style-type: none"> Alpena Community College: \$500,000 Belleville seawall repair: \$250,000 Saginaw County Community Corrections: \$250,000 Removes of \$600 Gross (\$400 GF/GP) that remained in 6 line items after State Administrative Board Resolution 2019-14 transferred funds 	GF/GP	\$1,000,200	(\$1,000,200)
10. Blight Elimination Grants	Gross	\$250,100	(\$250,100)
Removes \$250,100 GF/GP for rural blight elimination grants.	GF/GP	\$250,100	(\$250,100)
11. Revenue Adjustments to Align with Fund Sourcing and FTE Adjustment	FTE	NA	2.0
Reduces by \$7.8 million Gross and increases by \$176,900 GF/GP to accommodate fund sourcing adjustments necessary to align with actual revenues:	Gross	NA	(\$7,753,900)
	Federal	NA	(7,868,700)
<ul style="list-style-type: none"> Reduces federal funds to reflect actual revenues: (\$7.7 million) Reduces federal and restricted funds that cannot support economics increases: (\$70,600) Replaces \$176,900 of federal funds in Michigan Rehabilitation Services line item with corresponding amount of GF/GP Authorizes an additional 2.0 FTE positions for the Office of Global Michigan (includes no accompanying appropriations) 	Restricted	NA	(62,100)
	GF/GP	NA	\$176,900
12. Economic Adjustments	Gross	NA	\$6,798,300
Reflects increased costs of \$4.2 million Gross (\$402,500 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2020 and 1.0% on April 4, 2021), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	Federal	NA	4,615,500
	Private	NA	2,100
	Restricted	NA	1,836,900
	GF/GP	NA	\$343,800

Major Boilerplate Changes from FY 2019-20

Sec. 980. Contingency Funds – REVISED

Appropriates \$15.0 million of federal contingency funds, \$5.0 million of state restricted contingency funds, \$1.0 million of private contingency funds, and \$1.0 million of local contingency funds. Revises contingency fund authorizations to \$30.0 million federal, \$10.0 million state restricted, \$2.0 million private, and \$2.0 million local.

Sec. 983. Broadband Bonding Prohibition – DELETED

Prohibits Department of Labor and Economic Opportunity (LEO), the Michigan Strategic Fund (MSF), and the Michigan State House Development Authority (MSHDA) from issuing or refinancing bonds or using any funds for broadband construction, expansion, repairs, or upgrades.

Sec. 984. SIGMA System Reporting – DELETED

Requires LEO to use SIGMA to report encumbrances and expenditures.

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

Requires Michigan State Housing Development Authority (MSHDA) to annually present a report on the status of the authority's housing production goals under all financing programs.

STATE LAND BANK AUTHORITY

Sec. 998. Blight Removal Grants – DELETED

Requires \$500,000 appropriated in part 1 for Blight Removal Grants to be allocated in the following manner: (1) \$250,000 for blight removal projects located in counties with populations under 50,000, with priority given to communities with the greatest population loss since 2000 and grants capped at \$50,000; (2) \$250,000 awarded to blight removal projects in the city of Detroit performed and administered by nonprofits. *Note: Ad Board transferred all but \$100 of associated line item in FY 2019-20 to Workforce Development Programs for Healthy Michigan work requirement assistance.*

MICHIGAN STRATEGIC FUND

Sec. 1004. Statutory Reporting Requirements Update – DELETED

Requires MSF to provide information included in the MSF Act annual activities report to Legislature by March 15.

Sec. 1006. Pure Michigan Receive and Expend Revenues – NEW

Authorizes MSF to receive and expend additional revenue received for the purposes of Pure Michigan promotion campaign.

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

Requires MSF to provide a report of prior year amendments to Michigan Business Development Program and Michigan Community Revitalization Program incentives by March 15.

Sec. 1013. Fundraising Activity – DELETED

Prohibits MEDC staff involved in fundraising from being party to grant award, incentives, or tax abatement decisions.

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

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

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

Requires MSF to request not more than 60% of the funds appropriated for Business Attraction and Community Revitalization prior to April 1.

Sec. 1047. Michigan Enhancement Grants – DELETED

Specifies appropriation in part 1 shall be awarded to the following: Center for Employment Opportunities (\$662,000), County E-Recording grants (\$166,000), Van Andel Institute (\$1.0 million), Western Upper Peninsula workforce development retirement shortfall (\$971,000). *Note: Ad Board transferred all but \$100 of associated line item in FY 2019-20 to Workforce Development Programs for Healthy Michigan work requirement assistance.*

WORKFORCE DEVELOPMENT AND UNEMPLOYMENT

Sec. 1065. Going Pro Program – DELETED

Requires TIA to publish data and reports on March 15 and September 30 on the Going Pro Program. Requires the Department of Talent and Economic Development to expand workforce training and re-employment services to better connect workers to in-demand jobs and identify specific outcomes with performance metrics for this initiative.

Major Boilerplate Changes from FY 2019-20

Sec. 1066. Going Pro Administration – NEW

Requires Going Pro to be administered according to specific guidelines outline in boilerplate. Allows up to \$5.0 million of funds appropriated for Going Pro to be used for matching funds when federal funds requiring a match become available. The intent of the funds is increasing the skill level of employees in skilled trades and to address in-demand talent needs in Michigan. *Note: Section was vetoed along with funding for Going Pro in FY 2019-20.*

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

Requires \$3.8 million from the funds appropriated for At-Risk Youth Grants to be awarded to the Michigan franchise holder of the national Jobs for America's Graduates program.

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

Stipulates that \$250,000 appropriated in part 1 for the program are to be used to cover the cost of a high school equivalency test free of charge to individuals meeting certain requirements. Requires Talent Investment Agency to develop procedures, provide program information, provide full-year cost estimate, and provide a report.

Sec. 1073. GED-to-School Work Project Authorization – DELETED

Requires unexpended funds appropriated in FY 2014-15 for the GED-to-School program in work project status to be reauthorized as a work project. This would authorize continued usage of funds for the High School Equivalency-to-School program.

Sec. 1079. Interagency Agreement for TANF Funds – DELETED

Requires TIA to extend into an interagency agreement with the Department of Health and Human Services (DHHS) for the use of TANF funds. Requires report on use of TANF funds by TIA.

Sec. 1080. Community Ventures Matching Funds – DELETED

Stipulates that up to \$1.0 million funding in part 1 for the Community Ventures may be used for a matching program (\$1 for \$1) if private funds are raised. *Note: Ad Board transferred all but \$100 of associated line item in FY 2019-20 to Workforce Development Programs for Healthy Michigan work requirement assistance.*

REHABILITATION SERVICES

Sec. 1082. Michigan Rehabilitation Services (MRS) Funding for Disabled Agricultural Workers – REVISED

Allocates \$50,000 from MRS appropriation line item along with federal matching funds for vocational rehabilitation services to disabled agricultural workers; requires report. Revises by removing \$50,000 cap.

Sec. 1083. Michigan Rehabilitation Services Order of Selection and Local Collaboration – REVISED

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

Sec. 1084. Centers for Independent Living – REVISED

Requires that all funds appropriated within the Independent Living appropriation line item be used to support Centers for Independent Living in underserved areas and to build capacity; requires report. Revises by removing limit of \$5.5 million on funds appropriated that may be used to leverage federal funds. Removes language stating that if federal funds exist, Centers for Independent Living will negotiate a mutually beneficial contractual arrangement with Michigan rehabilitation services.

ONE-TIME APPROPRIATIONS

Sec. 1091. Postsecondary Best Practices Grants – NEW

Authorizes LEO to allocate funding for grants to community colleges, public universities, or independent nonprofit colleges or universities that implement the best practices identified by Complete College America aimed at improving postsecondary education credential completion rates; authorizes department development application protocol.

Sec. 1092. Focus: HOPE – NEW

Authorizes funds appropriated in part 1 for Focus: HOPE to be awarded for education and workforce development programming, early childhood education, youth development, food assistance, or community empowerment and advocacy.

Major Boilerplate Changes from FY 2019-20

Sec. 1093. Nature, Science, and Cultural Experience Competitive Grant Program – NEW

Requires Michigan Council for Arts and Cultural Affairs to establish a competitive grant program whereby grants shall be awarded to cultural, educational, or governmental organizations that are anchors and catalysts within their communities. Grants must focus on projects that bring art, science, nature, history, and culture to Michigan residents, provide economic benefit to Michigan communities, and preserve and celebrate culture in Michigan; requires the council to develop application process.

**Summary: Executive Budget Recommendation
for Fiscal Year 2020-21
LEGISLATURE**



Analyst: Ben Gielczyk

	FY 2019-20 Year-to-Date as of 2/6/20	FY 2020-21 Executive	Difference: FY 2020-21 Vs. FY 2019-20	
			Amount	%
IDG/IDT	\$0	\$0	\$0	--
Federal	0	0	0	--
Local	0	0	0	--
Private	400,000	400,000	0	0.0
Restricted	4,514,100	4,637,300	123,200	2.7
GF/GP	170,576,000	175,414,200	4,838,200	2.8
Gross	\$175,490,100	\$180,451,500	\$4,961,400	2.8

Notes: (1) FY 2019-20 year-to-date figures include mid-year budget adjustments through February 6, 2020. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

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

Major Budget Changes from FY 2019-20 Year-to-Date (YTD) Appropriations	FY 2019-20 YTD (as of 2/6/20)	Executive Change from YTD
1. Legislative Operations Adjustment	Gross \$172,127,300	\$3,552,400
Reflects increased costs of \$3.6 million Gross (\$3.4 million GF/GP) related to legislative staff and other operations.	Private 400,000	0
	Restricted 4,514,100	123,200
	GF/GP \$167,213,200	\$3,429,200
2. Independent Citizens Redistricting Commission	Gross \$3,362,800	\$1,409,000
Includes \$1.4 million GF/GP, for a total of \$4.8 million GF/GP, for Independent Citizens Redistricting Commission operations. The Michigan Constitution requires an appropriation for the Independent Citizens Redistricting Commission equal to an amount not less than 25% of the GF/GP budget for the Secretary of State.	GF/GP \$3,362,800	\$1,409,000

Major Boilerplate Changes from FY 2019-20

There are no major boilerplate changes for FY 2020-21.

**Summary: Executive Budget Recommendation
for Fiscal Year 2020-21
LEGISLATIVE AUDITOR GENERAL**



Analyst: Ben Gielczyk

	FY 2019-20 Year-to-Date as of 2/6/20	FY 2020-21 Executive	Difference: FY 2020-21 Vs. FY 2019-20	
			Amount	%
IDG/IDT	\$6,068,400	\$6,250,400	\$182,000	3.0
Federal	0	0	0	--
Local	0	0	0	--
Private	0	0	0	--
Restricted	2,077,100	2,139,500	62,400	3.0
GF/GP	17,790,300	18,324,000	533,700	3.0
Gross	\$25,935,800	\$26,713,900	\$778,100	3.0

Notes: (1) FY 2019-20 year-to-date figures include mid-year budget adjustments through February 6, 2020. (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 2019-20 Year-to-Date (YTD) Appropriations	FY 2019-20 YTD (as of 2/6/20)	Executive Change from YTD
1. Auditor General Operations Adjustments	Gross \$25,935,800	\$778,100
Reflects increased costs of \$778,100 Gross (\$533,700 GF/GP) related to Auditor General staff and other operations.	IDG 6,068,400	182,000
	Restricted 2,077,100	62,400
	GF/GP \$17,790,300	\$533,700

Major Boilerplate Changes from FY 2019-20

Sec. 625. Access to Confidential Information – DELETED

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.

Sec. 626. Michigan Department of Transportation Contract Consultant Performance Audit – DELETED

Requires Auditor General to conduct a performance audit of MDOT use and procurement of contract consultants for evaluating construction material specifications and availability.

**Summary: Executive Budget Recommendation
for Fiscal Year 2020-21
STATE (DEPARTMENT)**



Analyst: Michael Cossen

	FY 2019-20 Year-to-Date as of 2/6/20	FY 2020-21 Executive	Difference: FY 2020-21 Vs. FY 2019-20	
			Amount	%
IDG/IDT	\$20,000,000	\$20,000,000	\$0	0.0
Federal	1,460,000	1,460,000	0	0.0
Local	0	0	0	--
Private	50,100	50,100	0	0.0
Restricted	215,431,700	215,490,200	58,500	0.0
GF/GP	13,451,200	19,087,200	5,636,000	41.9
Gross	\$250,393,000	\$256,087,500	\$5,694,500	2.3
FTEs	1,592.0	1,602.0	10.0	0.6

Notes: (1) FY 2019-20 year-to-date figures include mid-year budget adjustments through February 6, 2020. (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 2019-20 Year-to-Date (YTD) Appropriations	FY 2019-20 YTD (as of 2/6/20)	Executive Change from YTD
1. Enhanced Branch Office Security Pilot Program	FTE	NA
Authorizes \$790,000 GF/GP and 10.0 FTE positions to provide state fire and safety officers for greater security, for the public and state employees, at five Secretary of State branch offices that have reported an increase in incidents of threatening and disorderly behavior. Transfers \$178,000 GF/GP from the Branch Operations line for a total of \$968,000 GF/GP appropriated for the pilot program.	Gross	NA
	GF/GP	NA
		10.0
		\$790,000
		\$790,000
2. TAC Fund Shift	Gross	\$0
Replaces \$4.7 million of state restricted funding from the Transportation Administration Collection Fund (TACF) with a corresponding amount of GF/GP for a net change of \$0 Gross in anticipation of insufficient TACF revenue to cover future appropriations.	Restricted	\$0
	GF/GP	NA
		10.0
		\$0
		(4,699,700)
		\$4,699,700
3. Enhanced Driver License Fee Fund Shift	Gross	NA
Replaces \$663,200 GF/GP with a corresponding amount of state restricted funding from Enhanced Driver License Fees for GF/GP savings and a net change of \$0 Gross.	Restricted	NA
	GF/GP	NA
		663,200
		\$0
		(\$663,200)
4. Economic Adjustments	Gross	NA
Reflects increased costs of \$4.9 million Gross (\$809,500 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2020 and 1.0% on April 4, 2021), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	Restricted	NA
	GF/GP	NA
		4,095,000
		\$4,904,500
		\$809,500

Major Boilerplate Changes from FY 2019-20

Sec. 701. Contingency Funding – REVISED

Appropriates up to \$2.0 million in federal, \$2.5 million in state restricted, \$25,000 in local, and \$50,000 in private contingency funds; authorizes expenditure of funds after legislative transfer to specific line items. Revises to appropriate up to \$7.5 million in state restricted, \$50,000 in local, and \$100,000 in private contingency funds.

Sec. 703. Commercial Look-Up Fees – REVISED

Authorizes DOS to sell copies of records, at \$11 per record, for various conveyances and to use revenue to finance expenses; requires revenue balance at fiscal year-end to be credited to Transportation Administration Collection Fund; requires department to provide quarterly report on number of records sold and revenue collected. Revises to increase record look-up fee from \$11 to \$13 per record.

Sec. 714. Branch Office Closings or Consolidations – DELETED

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.

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

Authorizes Department of State to accept non-monetary gifts to support licensing, regulation, and safety functions; prohibits acceptance if conditioned on future state spending; requires report. Revises to include contributions and grants, appropriate revenue received, and authorize carry-forward of unexpended funds to be available for appropriation.

Sec. 721. Ballot Proposal 2 Cost Report – DELETED

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

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

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

Supplemental Recommendations for FY 2019-20 Appropriations

**FY 2019-20
Recommendation**

1. Enhanced Branch Office Security Pilot Program

Authorizes \$395,000 GF/GP and 10.0 FTE positions to provide state fire and safety officers for greater security, for the public and state employees, at five Secretary of State branch offices that have reported an increase in incidents of threatening and disorderly behavior.

FTE	10.0
Gross	\$395,000
GF/GP	\$395,000

**Summary: Executive Budget Recommendation
for Fiscal Year 2020-21
TECHNOLOGY, MANAGEMENT, AND BUDGET**



Analyst: Michael Crossen

	FY 2019-20 Year-to-Date as of 2/6/20	FY 2020-21 Executive	Difference: FY 2020-21 Vs. FY 2019-20	
			Amount	%
IDG/IDT	\$950,488,800	\$1,019,720,900	\$69,232,100	7.3
Federal	4,968,400	5,139,300	170,900	3.4
Local	2,321,200	2,337,700	16,500	0.7
Private	131,100	134,600	3,500	2.7
Restricted	117,916,800	122,296,400	4,379,600	3.7
GF/GP	493,574,200	594,121,100	100,546,900	20.4
Gross	\$1,569,400,500	\$1,743,750,000	\$174,349,500	11.1
FTEs	3,132.0	3,139.0	7.0	0.2

Notes: (1) FY 2019-20 year-to-date figures include mid-year budget adjustments through February 6, 2020. (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: State Budget Office, Office of the State Employer, Civil Service Commission, Office of Retirement Services, State Administrative Board, and Office of Children's Ombudsman.

Major Budget Changes from FY 2019-20 Year-to-Date (YTD) Appropriations	FY 2019-20 YTD (as of 2/6/20)	Executive Change from YTD
<p>1. Venture Michigan Fund II Voucher Purchase Provides \$56.3 million GF/GP to purchase tax vouchers issued by the state to Venture Michigan Fund (VMF) and collateralized to generate investment capital from lenders under the Michigan Early Stage Venture Investment Act of 2003. Authorizing the purchase of vouchers is projected to result in GF/GP savings of \$11.3 million in FY 2020-21 through avoidance of both interest that would accrue on vouchers between their use as payment and their redemption and necessity of issuing additional vouchers as payment because out-of-state lenders sold the vouchers at a discount.</p>	<p>Gross GF/GP</p>	<p>NA NA</p> <p>\$56,300,000 \$56,300,000</p>
<p>2. State Psychiatric Facilities Special Maintenance Authorizes \$30.0 million of one-time GF/GP to the Enterprisewide Special Maintenance program to support deferred maintenance projects at each of the state's five inpatient psychiatric hospitals and centers. Funds would be distributed as follows: \$13.4 million to Walter Reuther Psychiatric Hospital in Westland, \$8.5 million to Kalamazoo Psychiatric Hospital in Kalamazoo, \$3.5 million to Caro Center in Caro, \$3.4 million to Center for Forensic Psychiatry in Ann Arbor, and \$1.2 million to Hawthorn Center in Northville.</p>	<p>Gross GF/GP</p>	<p>NA NA</p> <p>\$30,000,000 \$30,000,000</p>
<p>3. Cyber Security Preparedness for Advanced Persistent Threats Authorizes \$20.0 million of one-time GF/GP to invest in a variety of tools and measures, such as emergency response, threat intelligence, and vulnerability assessments, to enhance Michigan's cyber security defense capabilities against persistent and sophisticated threats from hostile countries and actors.</p>	<p>Gross GF/GP</p>	<p>NA NA</p> <p>\$20,000,000 \$20,000,000</p>

Major Budget Changes from FY 2019-20 Year-to-Date (YTD) Appropriations	FY 2019-20 YTD (as of 2/6/20)	Executive Change from YTD	
4. Paid Parental Leave	Gross	NA	\$10,000,000
Authorizes \$10.0 million of one-time GF/GP to offset additional labor costs, such as overtime wages and new temporary hires, related to filling in for state workers who are eligible to take up to 12 weeks of paid parental leave for a qualifying birth or adoption as of October 1, 2020.	GF/GP	NA	\$10,000,000
5. Green Revolving Fund	Gross	NA	\$5,000,000
Authorizes \$5.0 million of one-time GF/GP to capitalize a fund for providing up-front financing for projects at state facilities that achieve energy efficiency or renewable energy. Funding would allow for the re-investment of resources in new projects on a continuous basis to establish a long-term funding project aimed at reducing the state's carbon footprint.	GF/GP	NA	\$5,000,000
6. Retirement Services Customer Relationship Management	Gross	NA	\$2,500,000
Authorizes \$2.5 million of state restricted pension trust funds to support the replacement of the existing Customer Relationship Management System used by the Office of Retirement Services (ORS) and its ongoing maintenance. Of the \$2.5 million, \$2.1 million is recommended as one-time funding to develop and implement the system and \$400,000 is recommended as ongoing funding to maintain the system.	Restricted	NA	2,500,000
	GF/GP	NA	\$0
7. Retirement Services Financial Reporting Compliance	Gross	NA	\$400,000
Authorizes \$400,000 of state restricted from pension trust funds to allow ORS to comply with updated Government Accounting and Standards Board (GASB) auditing and actuarial requirements and to administer increased reporting standards related to the Military Retirement System becoming a prefunded system under a qualified trust.	Restricted	NA	400,000
	GF/GP	NA	\$0
8. State Police Retirement System Supplemental Payments	Gross	\$10,000	(\$5,000)
Reduces \$5,000 of GF/GP that was used for supplemental payments as required by 2015 PA 168 to produce an annual retirement allowance of \$16,000 to each retiree or beneficiary. The estimated payout in FY 2020-21 is \$77,000 for 20 beneficiaries, a decrease of \$5,000 GF/GP from FY 2019-20.	GF/GP	\$10,000	(\$5,000)
9. FY 2020-21 IT IDG Baseline Adjustment	FTE	1,460.5	2.0
Authorizes \$59.4 million of IDG funding to reflect projects and service adjustments in other executive department and agency budgets, administrative cost allocation changes, and IT budgetary requests made by departments and agencies. Authorizes 2.0 FTE positions to reflect ongoing IT support for the Lawful Sports Betting Act, 2019 PA 149. Technology service appropriation lines are prorated by department based on their total IT budget.	Gross	\$770,504,200	\$59,425,400
	IDG	770,504,200	59,425,400
	GF/GP	\$0	\$0
10. DTMB Rate Changes for Vehicle Services	Gross	NA	\$962,600
Authorizes \$962,600 of IDG funding to reflect increased rate agreements for vehicle travel services agreed upon by the rate committee based on projected miles driven and discontinuation of certain models of state-owned vehicles.	IDG	NA	962,600
	GF/GP	NA	\$0
11. SWCAP Adjustment	Gross	NA	\$0
Reallocates fund sourcing associated with Statewide Cost Allocation Plan (SWCAP) for a net change of \$0 Gross and an increase of \$196,500 GF/GP.	IDG	NA	481,500
	Restricted	NA	(678,000)
	GF/GP	NA	\$196,500

Major Budget Changes from FY 2019-20 Year-to-Date (YTD) Appropriations	FY 2019-20 YTD (as of 2/6/20)	Executive Change from YTD	
12. Supplier Relationship Management and MiDeal	Gross	NA	\$585,000
Authorizes \$585,000 of state restricted funds for three procurement-related recommendations: \$110,000 for a comprehensive supplier risk and information subscription used for the Pre-contract Risk Assessment program appropriated in 2017 PA 107; \$75,000 to offset costs of Michigan small business suppliers attending the Michigan Supplier Summit; and \$400,000 to continue support of MiDeal, which allows local units of government use of state-negotiated contracts.	Restricted	NA	585,000
	GF/GP	NA	\$0
13. D.J. Jacobetti Home for Veterans Accounting Center	FTE	NA	5.0
Authorizes receipt of \$710,000 of IDG funding and 5.0 FTE positions from the Department of Military and Veterans Affairs to reflect the transfer of Accounting Service Center staff members serving the D.J. Jacobetti Home for Veterans to DTMB. Accounting staff members would still serve the veterans' home.	Gross	NA	\$710,000
	IDG	NA	710,000
	GF/GP	NA	\$0
14. Administrative Services Reduction	Gross	\$24,357,700	(\$500,000)
Reduces \$500,000 GF/GP from Administrative Services from identification of administrative efficiencies.	IDG	13,255,500	0
	Restricted	5,224,300	0
	GF/GP	\$5,877,900	(\$500,000)
15. Business Support Services GF Reduction Fund Shift	Gross	\$12,911,300	\$0
Replaces \$750,000 GF/GP with a corresponding amount of state restricted Special Revenue, Internal Service, and Pension Trust Funds revenue.	IDG	457,000	0
	Federal	100	0
	Restricted	6,601,900	750,000
	GF/GP	\$5,852,300	(\$750,000)
16. Michigan Cyber Command Center Transfer to MSP	Gross	\$14,755,000	(\$665,100)
Transfers \$665,100 GF/GP and the Michigan Cyber Command Center expenses to the Michigan State Police (MSP), which are currently administered by MSP.	GF/GP	\$14,755,000	(\$665,100)
17. Public-Private Partnership	Gross	\$1,500,000	(\$1,500,000)
Eliminates \$1.5 million of state restricted authorization for the Public-Private Partnership program authorized under 2013 PA 59. Revenue for the program was never realized.	Restricted	1,500,000	(1,500,000)
	GF/GP	\$0	\$0
18. Technical Adjustment from Ad Board Transfer	Gross	\$500	(\$500)
Eliminates five \$100 placeholder line items, for a total reduction of \$500 GF/GP. Administrative Board Resolution 2019-12 consolidated unrolled line items.	GF/GP	\$500	(\$500)
19. Professional Development Funds Transfer	Gross	\$1,100,000	\$0
Transfers \$50,000 of IDG funding from Professional Development Fund - MPE, SEIU, Scientific and Engineering Unit to Professional Development Fund - MPE, SEIU, Technical Unit to reflect collective bargaining agreements identified by the Office of the State Employer. The net change is \$0 Gross.	IDG	1,100,000	0
	GF/GP	\$0	\$0
20. SBA Rent Adjustment	Gross	\$246,570,600	\$0
Transfers \$20.4 million GF/GP from the State Building Authority Rent – Department of Corrections line to the remaining three lines to align appropriations with estimated expenditures.	GF/GP	\$246,570,600	\$0
21. Information Technology Investment Fund (ITIF)	Gross	\$35,000,000	\$0
Transfers \$20.0 million GF/GP from the General Services line to the Information Technology Investment Fund line after being unrolled and consolidated in the FY 2019-20 budget.	GF/GP	\$35,000,000	\$0

Major Budget Changes from FY 2019-20 Year-to-Date (YTD) Appropriations		FY 2019-20 YTD (as of 2/6/20)	Executive Change from YTD
22. Federal Funding Alignment Transfer	Gross	\$18,695,700	\$0
Transfers \$100 of federal funding from the Business Support Services line to the Bureau of Labor Market Information and Strategies line to align with available federal funding.	IDG	457,000	0
	Federal	4,855,700	0
	Local	35,000	0
	Restricted	6,601,900	0
	GF/GP	\$6,746,100	\$0
23. Removal of Current Year One-Time Funding	Gross	\$21,948,200	(\$21,948,200)
Eliminates \$21.9 million Gross (\$21.9 million GF/GP) of one-time funding appropriated in FY 2019-20: \$10.0 million for 2020 census-related activities; \$5.0 million for Enterprisewide Special Maintenance for State Facilities; \$4.9 million for the Michigan Public Safety Communication System; \$2.0 million for Proposal 2 implementation; and \$100 of state restricted funding for a Flint drinking water emergency placeholder.	Restricted	100	(100)
	GF/GP	\$21,948,100	(\$21,948,100)
24. Economic Adjustments	Gross	NA	\$13,085,300
Reflects increased costs of \$13.1 million Gross (\$2.9 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2020 and 1.0% on April 4, 2021), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	NA	7,652,600
	Federal	NA	170,900
	Local	NA	16,500
	Private	NA	3,500
	Restricted	NA	2,322,700
	GF/GP	NA	\$2,919,100

Major Boilerplate Changes from FY 2019-20

Sec. 801. Contingency Funding – REVISED

Appropriates up to \$2.0 million in federal, \$4.0 million in state restricted, \$75,000 in local, and \$50,000 in private contingency funds; authorizes expenditure of funds after legislative transfer to specific line items. Revises to appropriate up to \$4.0 million in federal, \$8.0 million in state restricted, \$150,000 in local, and \$100,000 in private contingency funds.

Sec. 815. Special Maintenance, Remodeling, and Additions for State Agencies – NEW

Appropriates federal and restricted funds earned based on initiatives undertaken with funds appropriated for Special Maintenance, Remodeling, and Additions for State Agencies; requires the State Budget Director to determine the appropriate manner for implementing this section; requires the department to notify the legislature within 10 days of effectuating appropriations authorized under this section.

Sec. 821. Office of Retirement Services Report – DELETED

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

Sec. 822b. Public Private Partnership Investments – DELETED

Creates Public-Private Partnership Investment Fund and provides for its expenditure on certain projects; requires annual report on the fund and associated projects; requires DTMB to monitor fund revenue and request legislative transfers as necessary to pay the amount appropriated for public-private partnership investments.

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

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

Sec. 822n. Request for Proposals Website – DELETED

Requires DTMB to establish a request for proposals (RFP) website that is searchable by department and agency.

Major Boilerplate Changes from FY 2019-20

Sec. 822o. Northern Satellite Psychiatric Facility – DELETED

Requires DTMB to work with the Department of Health and Human Services to identify a location for the new Northern Satellite Psychiatric Facility; the capital outlay project was approved for planning authorization under Article II of 2017 PA 107.

Sec. 824. Spatial Information and Technical Services – DELETED

Authorizes DTMB to receive and expend funds for supplying spatial information and technical services to other state departments, local units of government, and other organizations; requires report of fund sources and expenditures.

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

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

Sec. 831. Information Technology Services Billing – REVISED

Requires DTMB to submit information technology services-related invoices to departments and agencies no later than 45 days after the end of the month in which services were provided. Revises the number of days to submit invoices from 45 to 50 and revised the start of the period from when the department receives approval to pay vendor invoices from departments and agencies.

Sec. 832. Child Support Enforcement System – DELETED

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

Sec. 836. Information Technology Investment Fund Purpose – DELETED

Explains the purpose of a one-time funding increase for the Information Technology Investment Fund.

Sec. 838. Clawback Provisions in State Procurement Contracts – DELETED

Requires department to develop policies and procedures that will require all new procurement contracts to include clawback repayment provisions in event of a breach of contract by vendor.

Sec. 840. EPMO Performance Measures – DELETED

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

Sec. 862. Capital Outlay Required Reports – DELETED

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 SBA.

Sec. 867. Farnum Building – DELETED

Allocates proceeds from sale of the Farnum Building to DTMB; requires shortfall to be appropriated by legislature if net proceeds are less than \$7.0 million.

Sec. 880. Drinking Water Declaration of Emergency Reserve Fund – DELETED

Provides information on Drinking Water Declaration of Emergency Reserve Fund; requires legislative appropriation or transfer for spending use; authorizes end of year balance to be carried forward.

Sec. 882. Department of Health and Human Services – Caro Center Replacement – DELETED

Provides for a revised scope for DHHS – Caro Center Replacement project that was approved for construction authorization in 2017 PA 107 at a total estimated cost of \$115.0 million entirely funded by the state; requires department to build a new 100-bed facility at current location of Caro Regional Mental Health Center.

Sec. 901. Green Revolving Fund – NEW

Creates the Green Revolving Fund within Treasury; authorizes Treasury to receive money or other assets for deposit into the fund and to credit interest and earnings into the fund; provides carry-forward authorization for unexpended funds at close of fiscal year; states that funds appropriated for the Green Revolving Fund are deposited into the fund; describes department's responsibilities in administering the fund; directs money saved by projects from the fund to be deposited to the fund and appropriates those funds.

Sec. 902. Paid Parental Leave – NEW

Requires funds appropriated for paid parental leave to be expended to offset costs to state agencies that are disproportionately fiscally impacted by the paid parental leave policy; authorizes the state budget director to implement the manner in which funds are allocated and expended.

Supplemental Recommendations for FY 2019-20 Appropriations

**FY 2019-20
Recommendation**

1. *Venture Michigan Fund II Voucher Purchase*

Provides \$19.1 million GF/GP to purchase tax vouchers issued by the state to Venture Michigan Fund (VMF) and collateralized to generate investment capital from lenders under the Michigan Early Stage Venture Investment Act of 2003. Authorizing the purchase of vouchers is projected to result in GF/GP savings of \$3.8 million in FY 2019-20 through avoidance of both interest that would accrue on vouchers between their use as payment and their redemption and necessity of issuing additional vouchers as payment because out-of-state lenders sold the vouchers at a discount.

Gross	\$19,100,000
GF/GP	\$19,100,000

2. *Data for the American Dream Pilot Project*

Authorizes receipt of \$1.5 million of private grant funding awarded for the Data for the American Dream Initiative, to be used for creation of tools designed to help minority and low-income individuals transition to sustainable employment through data driven decisions.

Gross	\$1,500,000
Private	1,500,000
GF/GP	\$0

**Summary: Executive Budget Recommendation
for Fiscal Year 2020-21
TREASURY**



Analyst: Ben Gielczyk

	FY 2019-20 Year-to-Date as of 2/6/20	FY 2020-21 Executive	Difference: FY 2020-21 Vs. FY 2019-20	
			Amount	%
IDG/IDT	\$12,905,600	\$13,112,800	\$207,200	1.6
Federal	27,242,500	27,421,800	179,300	0.7
Local	13,215,800	13,059,500	(156,300)	(1.2)
Private	27,500	27,500	0	0.0
Restricted	1,786,008,300	1,865,325,900	79,317,600	4.4
GF/GP	210,476,800	265,836,300	55,359,500	26.3
Gross	\$2,049,876,500	\$2,184,783,800	\$134,907,300	6.6
FTEs	1,884.5	1,934.5	50.0	2.7

Notes: (1) FY 2019-20 year-to-date figures include mid-year budget adjustments through February 6, 2020. (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 the 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 2019-20 Year-to-Date (YTD) Appropriations		FY 2019-20 YTD (as of 2/6/20)	Executive Change from YTD
1. Constitutional Revenue Sharing	Gross	\$865,441,900	\$37,186,200
Increases by \$37.2 million of restricted sales tax revenue relative to the FY 2019-20 budget act appropriated amount. Appropriation reflects January 2020 CREC estimate for FY 2020-21 which represents a \$16.5 million (1.9%) increase from January 2020 CREC estimate for FY 2019-20.	Restricted	865,441,900	37,186,200
	GF/GP	\$0	\$0
2. City, Village, and Township (CVT) Revenue Sharing	Gross	\$261,024,600	\$6,525,600
Includes \$6.5 million of restricted sales tax revenue which reflects a 2.5% increase. CVTs would be eligible to receive a payment equal to 102.5% of their FY 2019-20 eligible payment. Removes requirement that a CVT allocate its net increase to its unfunded pension liabilities if they have a pension that is in unfunded status pursuant to the Protecting Local Government Retirement and Benefits Act.	Restricted	261,024,600	6,525,600
	GF/GP	\$0	\$0
3. County Revenue Sharing/County Incentive Program	Gross	\$226,508,100	\$5,684,500
Includes \$5.7 million of restricted sales tax revenue which reflects a 2.5% revenue sharing increase for eligible counties and \$21,300 to accommodate the return of Leelanau County to state revenue sharing payments after it exhausts its revenue sharing reserve fund in 2021. Each county would be eligible to receive 107.1760% of statutory full funding. County Incentive Program comprises 18.7% of the County Revenue Sharing/County Incentive Program total. Removes requirement that a CVT allocate its net increase to its unfunded pension liabilities if they have a pension that is in unfunded status pursuant to the Protecting Local Government Retirement and Benefits Act.	Restricted	226,508,100	5,684,500
	GF/GP	\$0	\$0

Major Budget Changes from FY 2019-20 Year-to-Date (YTD) Appropriations		FY 2019-20 YTD (as of 2/6/20)	Executive Change from YTD
4. Local Climate Resilient Infrastructure Grants	Gross	\$0	\$40,000,000
Includes \$40.0 million GF/GP (designated one-time appropriations) to provide planning (\$10.0 million) and infrastructure (\$30.0 million) grants to address the effects of Michigan's changing climate on flooding, coastline erosion, and transportation networks. Treasury would work with the departments of Agriculture and Rural Development; Environment, Great Lakes, and Energy; Natural Resources; and Transportation to develop the program.	GF/GP	\$0	\$40,000,000
5. Michigan Infrastructure Council	FTE	NA	3.0
Includes \$860,000 Gross (\$610,000 GF/GP) and authorizes 3.0 FTE positions to support ongoing activities of the Michigan Infrastructure Council created under 2018 PA 323. Activities of the council have been supported with \$1.5 million in work project appropriations from FY 2017-18.	Gross	NA	\$860,000
	IDG	NA	250,000
	GF/GP	NA	\$610,000
6. General Obligation Bond Debt Service	Gross	\$104,335,000	\$9,400,000
Increases by \$9.4 million GF/GP to accommodate increased debt service requirements from new bond issuances for Clean Michigan Initiative, Quality of Life, and Great Lakes Water Quality.	GF/GP	\$104,335,000	\$9,400,000
7. Senior Citizen Cooperative Housing Grant Program	Gross	\$10,771,300	\$500,000
Increases by \$500,000 GF/GP to provide full funding for two new facilities expected to enter the program in FY 2020-21 in the cities of Detroit and Farmington.	GF/GP	\$10,771,300	\$500,000
8. Adult-Use (Recreational) Marijuana Grants to Locals	Gross	\$20,250,000	\$16,650,000
Includes \$16.7 million Marijuana Regulation Fund to adjust the level of payments to locals based on revenues to the fund. Payments to locals are estimated to total \$36.9 million in FY 2020-21. These payments comprise 30% of the Marijuana Regulation Fund allocations and are split evenly between counties and other municipalities and distributed proportionately based on the number of marijuana retail stores and microbusinesses within the county or municipality.	Restricted	20,250,000	16,650,000
	GF/GP	\$0	\$0
9. Adult-Use (Recreational) Marijuana Administration	FTE	2.0	5.0
Increases Tax Administration Services Bureau by \$731,600 Gross (\$0 GF/GP) and authorizes 5.0 FTE positions to accommodate full year costs for adult-use (recreational) marijuana administration.	Gross	\$200,100	\$731,600
	Restricted	200,100	731,600
	GF/GP	\$0	\$0
10. Wrongful Imprisonment Compensation Fund	Gross	\$10,000,000	(\$5,000,000)
Includes \$5.0 million GF/GP for deposit into the Wrongful Imprisonment Compensation Fund to provide payments to individuals who were wrongly convicted of crimes and imprisoned pursuant to the provisions of the Wrongful Imprisonment Compensation Act, 2016 PA 343. This represents a \$5.0 million Lawsuit Settlement Proceeds Fund reduction from FY 2019-20. Funds were considered one-time appropriations in FY 2019-20 and would be designated ongoing in FY 2020-21.	Restricted	5,000,000	(5,000,000)
	GF/GP	\$5,000,000	\$0
11. Supervision of the General Property Tax Law	Gross	\$16,366,100	\$2,600,000
Increases by \$2.6 million GF/GP to provide assistance to financially distressed communities and other local governments services.	Local	140,000	0
	Restricted	3,600,300	0
	GF/GP	\$12,625,800	\$2,600,000
12. Treasury Information Technology Legacy System Replacement	Gross	NA	\$2,000,000
Provides \$2.0 million GF/GP to support ongoing maintenance costs associated with new collections IT systems that would replace the Michigan Accounts Receivable Collection System (MARCS) and State Treasury Accounts Receivable (STAR) legacy systems.	GF/GP	NA	\$2,000,000

Major Budget Changes from FY 2019-20 Year-to-Date (YTD) Appropriations		FY 2019-20 YTD (as of 2/6/20)	Executive Change from YTD
13. Municipal Cost Sharing Grants and Ad Board Placeholders	Gross	\$1,250,500	(\$1,250,500)
Eliminates \$1.3 million GF/GP (designated as one-time appropriations in FY 2019-20) for Municipal Cost Sharing Grants for Dearborn 911 consolidation. Removes \$400 GF/GP that remained in line items after State Administrative Board Resolution 2019-4.	Restricted	100	(100)
	GF/GP	\$1,250,400	(\$1,250,400)
14. Convention Facility Development Fund	Gross	\$105,356,300	\$2,531,600
Increases by \$2.5 million Convention Facility Development Fund to accommodate anticipated increased revenue to the fund. Funds are distributed pursuant to statute to the Detroit Regional Convention Facility Authority (DRCFA) for debt service on the Cobo bonds, to DRCFA for operations shortfalls, to counties equal to 101% of their prior year amount, and any remainder to DRCFA to retire Cobo bonds early. Statute annually distributes 100% of the funds.	Restricted	105,356,300	2,531,600
	GF/GP	\$0	\$0
15. Implementation of Internet Gaming and Sports Betting	FTE	NA	23.0
Includes \$5.5 million of restricted gaming revenues and authorizes 23.0 FTE positions to implement and enforce the new internet gaming and sports betting legislation. Funding would allow department to hire new technicians, financial analysts, regulation officers, and auditors. The \$5.5 million appropriation would be allocated as follows: \$4.6 million for administration and \$850,000 for IT.	Gross	NA	\$5,450,000
	Restricted	NA	5,450,000
	GF/GP	NA	\$0
16. Gaming Control Board IT Legacy System Upgrade	Gross	NA	\$4,025,000
Includes \$4.1 million of restricted gaming revenues (designated one-time appropriations) for the completion of the Case Handling and Information Processing System (CHIPS).	Restricted	NA	4,025,000
	GF/GP	NA	\$0
17. Bureau of State Lottery Staffing	FTE	196.0	4.0
Includes \$508,700 State Lottery Fund and authorizes 4.0 FTE positions to increase administration and oversight capabilities necessary due to the increased points of sale and iLottery operations.	Gross	\$26,937,600	\$508,700
	Restricted	26,937,600	508,700
	GF/GP	\$0	\$0
18. Other Fund Sourcing and FTE Position Adjustments	FTE	NA	15.0
Includes the following adjustments to funding sourcing and FTE positions:	Gross	NA	(\$397,300)
• Reduces IDG from Account Services Center User Charges by \$150,300 to reflect retirement of MGCB-assigned employee.	IDG	NA	(150,300)
• Reduces Local – Audit Charges revenue by \$241,200 to more accurately reflect anticipated revenues.	Federal	NA	(5,800)
• Authorizes 15.0 FTE positions Casino Gaming Control Operations to offset a portion of the 20.0 FTE positions that were moved to a new Millionaire Party Regulation line item in FY 2019-20.	Local	NA	(241,200)
• Shifts \$5,800 economic increase for Home Heating Assistance from capped federal fund to delinquent tax collection revenue in Tax Processing accounted for in Economic Adjustments below.	GF/GP	NA	\$0
19. Economic Adjustments	Gross	NA	\$6,901,900
Reflects increased costs of \$6.9 million Gross (\$1.5 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2020 and 1.0% on April 4, 2021), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	NA	107,500
	Federal	NA	185,100
	Local	NA	84,900
	Restricted	NA	5,024,500
	GF/GP	NA	\$1,499,900

Major Boilerplate Changes from FY 2019-20

Sec. 901. Contingency Funds – REVISED

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

Sec. 926. John R. Justice Grant – DELETED

Designates the John R. Justice grant appropriation as work project appropriations. The project provides student loan forgiveness to qualified public defenders and prosecutors.

Sec. 927. Personal Property Tax Audits – REVISED

Requires the department to submit annual progress reports regarding personal property tax and essential service assessment audits. Revises by eliminating personal property tax audits from the annual progress reports because the department no longer conducts personal property tax audits.

Sec. 934. Expending of Authority Revenues – REVISED

Authorizes the department to expend revenues under various authorities for operation expense and grants to Civil Service Commission and State Employee's Retirement Fund; requires maintaining records to facilitate reimbursement. Revises by eliminating reporting requirement.

Sec. 936. Financial Data Analytical Tool Guidance – DELETED

Requires department to maintain the financial data analytic tool reimbursement work project for counties, cities, villages, townships, and regional councils of governments that reimburses participating local units for the cost of a data analytical tool that provides financial data analysis and early warning analysis from a vendor approved by Department of Technology, Management, and Budget (DTMB) in FY 2017-18. Allows for proration of available funds. Requires department to continue work project authorization for any unexpended funds.

Sec. 942. Maintenance of Existing Contracts – DELETED

Requires department to prioritize maintaining existing contracts associated with the property services division as a condition of receiving funds for Supervision of the General Property Tax Law.

Sec. 945. Audit of Minimal Assessing Requirements – DELETED

Requires the appraisal quality assurance project manager to conduct an Audit of Minimal Assessing Requirements in each assessment jurisdiction a minimum of once every five years and in accordance with 2018 PA 660.

Sec. 947. Financial Independent Teams – DELETED

Stipulates that the financial independence teams shall cooperate with the Financial Responsibility Section to coordinate and streamline efforts in identifying and addressing fiscal emergencies in school districts and intermediate school districts.

Sec. 949. Fraud Prevention Appropriation – REVISED

Specifies that the department may contract with private agencies from the funds appropriated in part 1 to prevent the disbursement of fraudulent tax refunds. Appropriates a total amount not to exceed \$1.2 million from the fund or account to which the revenues being collected are recorded or dedicated to pay contract costs or fund operations designed to reduce fraudulent income tax refund payments. Requires report. Revises appropriation maximum to \$1.5 million.

Sec. 949a. City Income Tax Expansion – DELETED

Requires funds appropriated for the city income tax administration to be used for expansion of individual income tax returns to one additional city.

Sec. 949m. Municipal Cost Sharing Grants – DELETED

Allocates \$500,000 for security camera installation around the Capitol Complex, \$500,000 for police department services during large events at the Capitol Building, and \$1.3 million for a grant to a consolidated police and EMS dispatch center in Dearborn. Governor vetoed the security camera installation grant and the large events policy services grant, both dedicated to the City of Lansing.

Sec. 949n. Student Loan Refinancing Program Study – DELETED

Requires the department to conduct a feasibility study concerning the implementation of a student loan refinancing program. *Note: Ad Board transferred all but \$100 in associated line item in FY 2019-20.*

Major Boilerplate Changes from FY 2019-20

REVENUE SHARING

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

Specifies distribution of \$261.0 million to all CVTs that received a payment under Section 950(2) of 2009 PA 128 greater than \$1,000.00. Eligible payment is equal to 102.3% of its FY 2018-19 eligible payment. To qualify for its eligible payment, a CVT is required to comply with the items listed under accountability and transparency. To qualify for county incentive payment, counties are required to comply with the items listed under accountability and transparency. Any unexpended funds are directed to be deposited in the Financial Distressed CVTs program in Sec. 956, subject to approval of transfers. Requires eligible CVTs to allocate an amount equal to their FY 2019- 20 eligible payment increase to their unfunded pension liabilities if they have a pension that is in unfunded status pursuant to the Protecting Local Government Retirement and Benefits Act. (CVTs are exempt if they have issued a municipal security to pay down their unfunded liability.) Revises by increasing eligible payments by 2.5% for all eligible CVTs. Strikes language requiring the eligible unit to dedicate increased funds to unfunded pension liabilities.

Sec. 955. County Revenue Sharing – REVISED

Requires the county revenue sharing appropriation to be distributed so that each eligible county receives a payment (when coupled with the County Incentive Program payment) equal to 104.5619% of the amount determined pursuant to the Glen Steil State Revenue Sharing Act of 1971. Requires counties receiving a payment to allocate their FY 2019-20 payment increase to their unfunded pension liabilities if they have a pension that is in unfunded status pursuant to the Protecting Local Government Retirement and Benefits Act. (Counties are exempt if they have issued a municipal security to pay down their unfunded liability.) Revises by increasing payments to counties by 2.5% which would represent 107.1760% of statutory full funding. Strikes language requiring the eligible county to dedicate increased funds to unfunded pension liabilities.

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

Specifies distribution of \$2.5 million as grants to CVTs that have one or more conditions of probable financial distress. CVTs must work with Treasury to develop plan for grant funding and grants must be used for specific projects or services that move the CVT toward financial stability. Grants are capped at \$2.0 million. Funds are designated as work project. Requires report. Revises by striking use of grants for unfunded liabilities and debt obligations.

GAMING CONTROL BOARD

Sec. 978. Racing Commission Regulatory Changes – REVISED

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

Sec. 979. Millionaire Party Regulation – REVISED

Appropriates amount not to exceed \$3.0 million to the MGCB from the State Lottery Fund to support regulation and licensing of millionaire parties pursuant to Executive Order 2012-4; requires report. Revises by deleting the reporting requirement.

ONE-TIME APPROPRIATIONS

Sec. 1201. Local Climate Resilient Infrastructure Grants – NEW

Requires that the department develop a competitive grant program, from the funds appropriated in part 1 for Local Climate Resilient Infrastructure Grants, to support the planning efforts of local communities to prepare for and strengthen their resiliency in relation to severe weather events and the effects of changing climate conditions and infrastructure grants to address the vulnerabilities presented by the adverse conditions. Allocates \$10.0 million to planning grants capped at \$250,000 and \$30.0 million to infrastructure grants capped at \$2.5 million. Authorizes the department to partner with other state agencies.

Supplemental Recommendations for FY 2019-20 Appropriations

**FY 2019-20
Recommendation**

1. Presidential Primary Reimbursements

Includes \$14.0 million GF/GP for reimbursements to counties, cities, and townships for the cost of conducting a presidential primary election pursuant to Section 624g of the Michigan Election Law, 1954 PA 116. Reimbursements totaled approximately \$13.0 million in 2016.

Gross	\$14,000,000
GF/GP	\$14,000,000