

**Summary: Executive Budget Recommendation
for Fiscal Year 2022-23
TOTAL GENERAL GOVERNMENT**



**Analyst: Viola Wild
Michael Crossen**

	FY 2021-22 Year-to-Date as of 2/9/22	FY 2022-23 Executive	Difference: FY 2022-23 vs. FY 2021-22	
			Amount	%
IDG/IDT	\$1,132,012,100	\$1,120,888,100	(\$11,124,000)	(1.0)
Federal	1,894,483,500	1,199,235,700	(695,247,800)	(36.7)
Local	26,260,700	26,240,800	(19,900)	(0.1)
Private	14,332,400	13,096,200	(1,236,200)	(8.6)
Restricted	2,500,444,800	2,629,362,400	128,917,600	5.2
GF/GP	2,653,803,700	2,176,171,500	(477,632,200)	(18.0)
Gross	\$8,221,337,200	\$7,164,994,700	(\$1,056,342,500)	(12.8)
FTEs	10,014.0	10,159.5	145.5	1.5

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

Overview

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 State Housing Development Authority, Talent Investment Agency, Unemployment Insurance Agency, and Workforce Development Agency). **Budget issues are listed by department on the following pages.**

Major Boilerplate Changes from FY 2021-22

Sec. 206. Disciplinary Action Against State Employees – DELETED

Prohibits departments from taking disciplinary action against employees in the state classified civil service for communicating with legislators or their staff; stipulates disciplinary action may be taken if the communication is prohibited by law and disciplinary action is exercised as authorized by law.

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

Includes no countercyclical budget and economic stabilization fund deposit in FY 2022-23.

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

Requires departments and agencies to provide quarterly reports that provide FTE counts by classification and actual FTE position counts compared to authorized FTE position counts; requires report on number of employees engaged in remote work in 2020, number of employees authorized to work remotely, and actual number working remotely, estimated net cost savings from remote work, and reduced use of office space associated with remote work.

Sec. 217. Work Project Expenditures – DELETED

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

Sec. 218. State Administrative Board Transfers – DELETED

Authorizes legislature, by concurrent resolution adopted by majority of members elected to and serving in each house, to inter-transfer funds if State Administrative Board transfers funds.

Sec. 219. 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. 220. Reporting Requirement on Policy Changes – DELETED

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

Major Boilerplate Changes from FY 2021-22

Sec. 221. 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. 222. Severance Pay Report – DELETED

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

Sec. 224. Intention to Sell Department Property – REVISED

Requires department to provide a 60-day notice of intent to sell property. Revised to be under Treasury.

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

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

Sec. 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. Authorizes the auditor general to perform and charge for a subsequent audit to ensure that the initiatives related to savings and efficiencies have been implemented if the required report is not received within 6 months of the release of the audit.

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.

Supplemental Recommendations for FY 2021-22 Appropriations

Major Boilerplate Changes

Budget Stabilization Fund Deposit

Includes \$51.8 million GF/GP for deposit into Countercyclical Budget and Economic Stabilization Fund in FY 2021-22.

**Summary: Executive Budget Recommendation
for Fiscal Year 2022-23
DEPARTMENT OF ATTORNEY GENERAL**



Analyst: Michael Crossen

	FY 2021-22 Year-to-Date as of 2/9/22	FY 2022-23 Executive	Difference: FY 2022-23 vs. FY 2021-22	
			Amount	%
IDG/IDT	\$35,083,600	\$35,954,600	\$871,000	2.5
Federal	9,868,400	10,101,900	233,500	2.4
Local	0	0	0	--
Private	0	0	0	--
Restricted	20,390,800	20,786,700	395,900	1.9
GF/GP	43,056,000	60,044,800	16,988,800	39.5
Gross	\$108,398,800	\$126,888,000	\$18,489,200	17.1
FTEs	547.4	555.9	8.5	1.6

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

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

Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations	FY 2021-22 YTD (as of 2/9/22)	Executive Change from YTD
1. Prosecuting Attorneys Digital Evidence Storage (One-Time)	FTE 12.0	0.0
Provides 10.0 million GF/GP to Prosecuting Attorneys Association of Michigan for improvements to computer equipment and data storage capacities to accommodate the growing amount of digital evidence involved in prosecuting cases. Funding would support equipment, software, and server upgrades to help reduce warrant review backlogs, charge and resolve cases faster, and process cases and discovery more efficiently. Funding would also support limited-term staff to expedite processing evidence accumulated during pandemic.	Gross \$2,217,600	\$10,000,000
	Federal 121,200	0
	Restricted 419,600	0
	GF/GP \$1,676,800	\$10,000,000
2. Job Specialty Court (One-Time)	Gross NA	\$5,000,000
Provides \$5.0 million GF/GP to create a job court pilot program that would offer the option of dismissal of charges for pre-trial defendants who successfully secure and maintain gainful employment. The program will provide supervision and support to participants with the aim of assisting them while diverting prosecutorial caseloads and reducing criminal case backlogs.	GF/GP NA	\$5,000,000
3. Organized Retail Crime Unit	FTE NA	6.5
Provides \$1.1 million GF/GP and 6.5 FTE positions to establish Organized Retail Fraud Unit to respond to the emergence of "smash-and-grab" organized retail crime activity and sales of stolen goods. Unit would work to reduce demand for stolen merchandise, limit opportunities to sell stolen merchandise, and reduce theft opportunities for drug users who are primary repeat offenders.	Gross NA	\$1,115,000
	GF/GP NA	\$1,115,000

Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations	FY 2021-22 YTD (as of 2/9/22)	Executive Change from YTD
4. Price Gouging Investigations	Gross	NA
Provides \$1.0 million GF/GP to augment Consumer Protection Division to initiate additional investigations and file consumer protection actions to respond to high level of consumer complaints of price gouging during recent supply chain disruption and rising inflation following the pandemic.	GF/GP	NA
		\$1,000,000
		\$1,000,000
5. PACC Online Training	FTE	12.0
Provides \$400,100 GF/GP and 2.0 FTE positions for training attorneys to expand online training opportunities for prosecution staff to assist them with responding to increased rates of violent crimes over the last two years.	Gross	\$2,217,600
	Federal	121,200
	Restricted	419,600
	GF/GP	\$1,676,800
		2.0
		\$410,100
		0
		0
		\$410,100
6. Removal of Current Year One-Time Funding	Gross	\$1,560,000
Eliminates \$1.6 million GF/GP of one-time funding appropriated in FY 2021-22:	GF/GP	\$1,560,000
<ul style="list-style-type: none"> \$1.1 million GF/GP for PACC NextGeneration case management \$500,000 GF/GP for address confidentiality program 		(\$1,560,000)
		(\$1,560,000)
7. Economic Adjustments	Gross	NA
Reflects increased costs of \$2.5 million Gross (\$1.0 million GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2022 and 0.5% to annualize the FY 2022 1.0% increase that began on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	NA
	Federal	NA
	Restricted	NA
	GF/GP	NA
		871,000
		233,500
		395,900
		\$1,023,700

Major Boilerplate Changes from FY 2021-22

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

Requires department to submit report upon entering lawsuit against federal government, estimated costs for participating in lawsuit, and purpose of lawsuit.

Sec. 323. PACC Case Management System – DELETED

Requires Prosecuting Attorneys Coordinating Council to continue to fund replacement of council's case and data management system with funds appropriated for NextGen Case and Document Management System.

Supplemental Recommendations for FY 2021-22 Appropriations

1. Unemployment Fraud Investigation and Prosecution

Provides \$4.1 million GF/GP to support 12.0 limited-term FTE positions to support additional investigations, prosecution, and recoupment of unemployment insurance funds acquired through claimant fraud, employer fraud, and identity theft. This funding would be used in conjunction with \$9.0 million of state restricted revenue recommended in Department of Labor and Economic Opportunity's budget for expanded unemployment insurance investigation staff.

	FY 2021-22 Recommendation
Gross	\$4,070,000
GF/GP	\$4,070,000

**Summary: Executive Budget Recommendation
for Fiscal Year 2022-23
DEPARTMENT OF CIVIL RIGHTS**



Analyst: Michael Cossen

	FY 2021-22 Year-to-Date as of 2/9/22	FY 2022-23 Executive	Difference: FY 2022-23 vs. FY 2021-22	
			Amount	%
IDG/IDT	\$298,900	\$0	(\$298,800)	(100.0)
Federal	2,850,700	2,890,900	40,200	1.4
Local	0	0	0	--
Private	18,700	18,700	0	0.0
Restricted	58,500	58,500	0	0.0
GF/GP	14,607,300	18,633,500	4,026,200	27.6
Gross	\$17,834,100	\$21,601,600	\$3,767,500	21.1
FTEs	115.0	115.0	0.0	0.0

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (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 2021-22 Year-to-Date (YTD) Appropriations	FY 2021-22 YTD (as of 2/9/22)	Executive Change from YTD
1. Complaint Investigation Backlog (One-Time)	FTE 40.0	0.0
Provides \$3.2 million GF/GP to support the restructuring of current complaint investigation processes and 25.0 limited-term FTE positions to help eliminate a backlog of 2,500 complaint cases which accumulated due to hiring freeze and employee turnover and retirements. Elimination of backlog would secure additional federal revenues from Department of Housing and Urban Development through closure of housing complaints.	Gross \$6,297,400	\$3,151,900
	IDG 298,900	0
	Federal 2,835,700	0
	Restricted 58,500	0
	GF/GP \$3,104,300	\$3,151,900
2. Indian Boarding School Study (One-Time)	Gross NA	\$500,000
Provides \$500,000 GF/GP to conduct a state-wide study of number of Native American children forced to attend boarding schools to understand impacts of historical federal and state boarding school policies and removal of tribal children. Study would be accomplished through location and preservation of records and interviews with those impacted by the policies. Study will align with goals of Federal Indian Boarding School Initiative.	GF/GP NA	\$500,000
3. Removal of Current Year One-Time Funding	Gross \$250,000	(\$250,000)
Eliminates \$250,000 GF/GP of one-time funding appropriated in FY 2021-22 for discrimination outreach efforts.	GF/GP \$250,000	(\$250,000)

<u>Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations</u>	<u>FY 2021-22 YTD (as of 2/9/22)</u>	<u>Executive Change from YTD</u>	
4. Economic Adjustments	Gross	NA	\$365,600
Reflects increased costs of \$365,600 Gross (\$325,400 GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2022 and 0.5% to annualize the FY 2022 1.0% increase that began on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	Federal	NA	40,200
	GF/GP	NA	\$325,400

Major Boilerplate Changes from FY 2021-22

Sec. 402. Training and Information Dissemination – REVISED

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

Sec. 412. Discrimination Outreach – DELETED

Requires department to conduct outreach efforts to increase public awareness of violent criminal activity primarily motivated by discrimination and ethnic intimidation during COVID-19 pandemic.

Sec. 412. Indian Boarding School Study – NEW

Requires funds for Indian boarding school study to research the number of Native America children forced to attend boarding schools, how they were impacted, to locate and preserve records, to work in concert with Federal Indian Boarding School Initiative, to interview boarding school survivors and tribal representatives to fully understand immediate and long-term impacts of policies of Native American children removal; requires report to be completed by January 30, 2024.

Sec. 413. Complaint Investigation and Enforcement – NEW

Authorizes unexpended one-time funding appropriated for complaint investigation and enforcement as a work project and to not lapse at close of fiscal year and carry forward to FY 2026-27 to eliminate complaint investigation and enforcement cases backlog by hiring up to 25.0 limited-term FTE positions.

**Summary: Executive Budget Recommendation
for Fiscal Year 2022-23
EXECUTIVE OFFICE**



Analyst: Viola Bay Wild

	FY 2021-22 Year-to-Date as of 2/9/22	FY 2022-23 Executive	Difference: FY 2022-23 vs. FY 2021-22	
			Amount	%
IDG/IDT	\$0	\$0	\$0	--
Federal	0	0	0	--
Local	0	0	0	--
Private	0	0	0	--
Restricted	0	0	0	--
GF/GP	7,318,600	7,708,600	390,000	5.3
Gross	\$7,318,600	\$7,708,600	\$390,000	5.3
FTEs	89.2	89.2	0	0.0

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

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

Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations

1. Executive Office Operations

Reflects increased costs of \$390,000 GF/GP related to Executive Office staff and other operations.

	FY 2021-22 YTD (as of 2/9/22)	Executive Change from YTD
FTE	89.2	0.0
Gross	\$7,318,600	\$390,000
GF/GP	\$7,318,600	\$390,000

Major Boilerplate Changes from FY 2021-22

There are no major boilerplate changes for FY 2022-23.

**Summary: Executive Budget Recommendation
for Fiscal Year 2022-23
LEGISLATURE**



Analyst: Viola Bay Wild

	FY 2021-22 Year-to-Date as of 2/9/22	FY 2022-23 Executive	Difference: FY 2022-23 vs. FY 2021-22	
			Amount	%
IDG/IDT	\$0	\$0	\$0	--
Federal	0	0	0	--
Local	0	0	0	--
Private	406,000	428,300	22,300	5.5
Restricted	4,706,800	4,965,700	258,900	5.5
GF/GP	181,535,400	178,605,900	(2,929,500)	(1.6)
Gross	\$186,648,200	\$183,999,900	(\$2,648,300)	(1.4)
FTEs	0.0	0.0	0.0	--

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (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 2021-22 Year-to-Date (YTD) Appropriations	FY 2021-22 YTD (as of 2/9/22)	Executive Change from YTD
1. Legislative Operations Adjustment	Gross \$175,997,100	\$8,002,800
Reflects increased costs of \$8.0 million Gross (\$7.7 million GF/GP) related to legislative employees and other operations.	Private 406,000	22,300
	Restricted 4,706,800	258,900
	GF/GP \$170,884,300	\$7,721,600
2. Independent Citizens Redistricting Commission (ICRC)	Gross \$3,108,900	(\$3,108,900)
Removes \$3.1 million GF/GP for the ICRC. The Michigan Constitution requires that the terms of the Commissioners expire once the Commission has completed its work for a census cycle.	GF/GP \$3,108,900	(\$3,108,900)
3. Legislative IT Design Special Project	Gross \$7,542,200	(\$7,542,200)
Removes \$7.5 million GF/GP one-time appropriation for phase two of the IT system upgrade to the legislative computer system.	GF/GP \$7,542,200	(\$7,542,200)

Major Boilerplate Changes from FY 2021-22

Sec. 616. Independent citizens Redistricting Commission – DELETED

Requires council administrator to assist in administering compensation, benefits, and other personnel support for the members, employees, staff, and consultants of the Independent Citizens Redistricting Commission.

Sec. 617. Independent Citizens Redistricting Commission Reporting – DELETED

Requires a quarterly expenditure and activities report from the Independent Citizens Redistricting Commission.

Sec. 618. Legislative IT Design Special Project Work Project – DELETED

Designates appropriation for the legislative IT design special project as a work project account.

**Summary: Executive Budget Recommendation
for Fiscal Year 2022-23
LEGISLATIVE AUDITOR GENERAL**



Analyst: Viola Bay Wild

	FY 2021-22 Year-to-Date as of 2/9/22	FY 2022-23 Executive	Difference: FY 2022-23 vs. FY 2021-22	
			Amount	%
IDG/IDT	\$6,345,200	\$6,654,800	\$309,600	4.9
Federal	0	0	0	--
Local	0	0	0	--
Private	0	0	0	--
Restricted	2,170,500	2,329,300	158,800	7.3
GF/GP	18,598,900	19,621,800	1,022,900	5.5
Gross	\$27,114,600	\$28,605,900	\$1,491,300	5.5
FTEs	0.0	0.0	0.0	--

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (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 2021-22 Year-to-Date (YTD) Appropriations	FY 2021-22 YTD (as of 2/9/22)	Executive Change from YTD
1. Auditor General Operations Increase	Gross \$27,114,600	\$1,491,300
Reflects increased costs of \$1.5 million Gross (\$1.0 million GF/GP) related to Auditor General Staff and other operations.	IDG 6,345,200	309,600
	Restricted 2,170,500	158,800
	GF/GP \$18,598,900	\$1,022,900

Major Boilerplate Changes from FY 2021-22

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

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

Sec. 625. Access to Confidential Information – 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.

**Summary: Executive Budget Recommendation
for Fiscal Year 2022-23
DEPARTMENT OF STATE**



Analyst: Michael Crossen

	FY 2021-22 Year-to-Date as of 2/9/22	FY 2022-23 Executive	Difference: FY 2022-23 vs. FY 2021-22	
			Amount	%
IDG/IDT	\$20,000,000	\$20,000,000	\$0	0.0
Federal	1,460,000	1,460,000	0	0.0
Local	0	0	0	--
Private	50,100	50,100	0	0.0
Restricted	218,218,600	221,007,300	2,788,700	1.3
GF/GP	12,435,600	13,746,600	1,311,000	10.5
Gross	\$252,164,300	\$256,264,000	\$4,099,700	1.6
FTEs	1,592.0	1,602.0	10.0	0.6

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (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 2021-22 Year-to-Date (YTD) Appropriations

		FY 2021-22 YTD (as of 2/9/22)	Executive Change from YTD
1. Mobile Secretary of State Office Expansion	FTE	916.0	0.0
Provides \$1.1 million GF/GP and 10.0 FTE positions to support staffing of 7 mobile secretary of state office vans to provide easy access of services to rural areas and locations with high concentrations of customers vulnerable to COVID-19.	Gross	\$91,785,500	\$1,067,300
	IDG	20,000,000	0
	Restricted	70,373,000	0
	GF/GP	\$1,412,500	\$1,067,300
	Gross	\$10,814,200	\$1,000,000
2. Enhanced Driver License Increase	Restricted	10,814,200	\$1,000,000
Authorizes \$1.0 million Gross (\$0 GF/GP) of state restricted enhanced driver license and enhanced personal identification card fee revenue to reflect increased level of customer transactions due to approaching date of federal REAL ID identification requirements for domestic air travel.	GF/GP	\$0	\$0
	Gross	NA	\$300,000
3. State Contracted Security Costs	GF/GP	NA	300,000
Provides \$300,000 Gross (\$0 GF/GP) to support increased costs statewide of contracted security services at secretary of state branch office locations.		NA	\$0
	Gross	\$2,730,300	(\$2,730,300)
4. Restricted Revenue Adjustments	Restricted	2,730,300	(2,730,300)
Reduces \$2.7 million Gross (\$0 GF/GP) in state restricted revenues to reflect decrease in projected revenues due in part to changes from criminal justice reform legislation:	GF/GP	\$0	\$0
• \$1.0 million – State Lottery Fund			
• \$487,600 – Reinstatement Fees			
• \$396,600 – Vehicle Theft Prevention Fund			
• \$358,500 – Parking Ticket Court Fines			
• \$308,200 – Driver Improvement Course Fund			
• \$163,600 – Child Support Clearance Fees			

<u>Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations</u>	FY 2021-22 YTD (as of 2/9/22)	Executive Change from YTD	
5. Economic Adjustments	Gross	NA	\$4,462,700
Reflects increased costs of \$4.5 million Gross (\$243,700 GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2022 and 0.5% to annualize the FY 2022 1.0% increase that began on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	Federal	NA	4,219,000
	GF/GP	NA	\$243,700

Major Boilerplate Changes from FY 2021-22

Sec. 703. Commercial Look-Up Fees – REVISED

Authorizes DOS to sell copies of records 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. Revised to eliminate requirement to submit report within 15 days of close of quarter and include number of records sold and revenues collected.

Sec. 703a. Bulk Records Sales – DELETED

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

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

Requires department to maintain "adequate in-person services" as defined in Michigan Vehicle Code, MCL 257.1a., which defines as providing in-person service options, without requirement of advance appointment, on each day and at each location a secretary of state branch office is open for services in this state.

Sec. 720. Election Mailings - DELETED

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

Sec. 721. Ballot Proposal 2 Cost Report – DELETED

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

Sec. 721a. Ballot Proposal 3 – DELETED

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

Sec. 722. Legacy Mainframes System Modernization – DELETED

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

**Summary: Executive Budget Recommendation
for Fiscal Year 2022-23
DEPARTMENT OF TECHNOLOGY, MANAGEMENT, BUDGET**



Analyst: Michael Crossen

	FY 2021-22 Year-to-Date as of 2/9/22	FY 2022-23 Executive	Difference: FY 2022-23 vs. FY 2021-22	
			Amount	%
IDG/IDT	\$1,057,210,900	\$1,047,125,600	(\$10,085,300)	(1.0)
Federal	5,129,800	5,217,200	87,400	1.7
Local	2,328,700	2,331,200	2,500	0.1
Private	234,700	137,400	2,700	2.0
Restricted	121,020,600	123,219,300	2,198,700	1.8
GF/GP	522,845,100	676,209,000	153,363,900	29.3
Gross	\$1,708,669,800	\$1,854,239,700	\$145,569,900	8.5
FTEs	3,147.0	3,177.0	30.0	1.0

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

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

Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations		FY 2021-22 YTD (as of 2/9/22)	Executive Change from YTD
1. ITIF Legacy IT System Projects (One-Time)	Gross	\$50,000,000	\$100,000,000
Provides \$115.0 million GF/GP to Information Technology Investment Fund project portfolio (ITIF) to support new information technology legacy system modernization projects. ITIF would receive \$150.0 million GF/GP total with recommended ongoing funding of \$35.0 million GF/GP to support 13 projects including replacement of Unemployment Insurance Agency's automated system (MiDAS).	GF/GP	\$50,000,000	\$100,000,000
2. State Facilities Special Maintenance (One-Time)	Gross	\$28,000,000	\$70,000,000
Provides \$70.0 million GF/GP for maintenance, demolition, and infrastructure projects for 800 buildings, and 5,000 structures that the state owns. \$28.0 million GF/GP in ongoing funding is also recommended for total of \$98.0 million for special maintenance projects.	GF/GP	\$28,000,000	\$70,000,000
3. State Fleet Electric Vehicles (One-Time)	Gross	\$82,017,200	\$10,000,000
Provides \$10.0 million GF/GP to begin transitioning the state's fleet of 7,000 vehicles to electric vehicles to demonstrate commitment to electric vehicle mobility and clean energy economy.	IDG	82,017,200	0
	GF/GP	\$0	\$10,000,000
4. MiLogin Program Augmentation and Stabilization	FTE	17.0	8.0
Provides \$5.0 million GF/GP and 8.0 FTE positions to support increased users and adoption of the state's online single sign-on platform following workers' transition to remote work. Executive recommends corresponding \$2.5 million GF/GP increase for FY 2021-22.	Gross	\$9,693,200	\$5,000,000
	GF/GP	\$9,693,200	\$5,000,000

Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations		FY 2021-22 YTD (as of 2/9/22)	Executive Change from YTD
5. Michigan Infrastructure Office	FTE	NA	5.0
Provides \$5.0 million GF/GP and 5.0 FTE positions to establish a new office that will coordinate efforts across department agencies to help ensure federal funding available to state from Infrastructure Investment and Jobs Act is used effectively and efficiently.	Gross	NA	\$5,000,000
	GF/GP	NA	\$5,000,000
6. Energy Efficiency Revolving Fund (One-Time)	Gross	\$5,000,000	\$0
Provides an additional deposit of \$5.0 million GF/GP to initial \$5.0 million deposit in FY 2021-22 for up-front financing of projects at state facilities that achieve energy efficiency or renewable energy; aims for re-investment of resources in new projects on continual basis to establish long-term funding aimed at reducing state's carbon footprint.	GF/GP	\$5,000,000	\$0
7. Cyber Security and Infrastructure Protection Division	FTE	25.0	19.0
Provides \$3.1 million GF/GP and 19.0 FTE positions for additional staffing and resources for state's cybersecurity protection office. FTE positions would be allocated as:	Gross	\$14,149,200	\$3,070,200
<ul style="list-style-type: none"> 9.0 for Governance, Risk, and Compliance Program to perform security accreditation and risk assessments of all enterprise IT systems, 8.0 for security operations to support front-line program for monitoring critical IT systems for threats, 2.0 for security architecture to ensure legacy system replacements and upgrades have adequate security protocols. 	GF/GP	\$14,149,200	\$3,070,200
8. State Office Space Realignment Assessment (One-Time)	Gross	NA	\$1,000,000
Provides \$1.0 million GF/GP to support office redesign and moving costs as state continues assessment over upcoming years of optimization of state office space as agencies evaluate work options following workers' transition to remote work during pandemic.	GF/GP	NA	\$1,000,000
9. New Grand Rapids State Police Facility	Gross	\$95,451,500	\$2,000,000
Provides \$2.0 million Gross (\$0 GF/GP) to support building management and operational costs of State Police Grand Rapids facility which opened in 2021. Costs cover maintaining building, equipment, and grounds; overseeing building-related security, utilities, parking, and asset and preventive maintenance planning.	IDG	93,951,500	2,000,000
	GF/GP	\$1,500,000	\$0
10. Central Data Analytics Center	Gross	\$2,750,000	(\$750,000)
Provides \$2.0 million GF/GP in ongoing funding to support operations of new central data analytics center for research and information sharing among state departments. Funding would enable implementation and operation of data center which was developed with \$2.8 million GF/GP in FY 2021-22.	GF/GP	\$2,750,000	(\$750,000)
11. Central Procurement IT Solicitation	FTE	104.0	2.0
Provides \$473,300 GF/GP and 2.0 FTE positions for new procurement software and to assist state agencies with IT contract development as procurement documents have increased in complexity to ensure data security and safeguarding provisions are properly included.	Gross	\$13,471,100	\$473,300
	IDG	452,900	0
	Restricted	9,118,300	0
	GF/GP	\$3,899,900	\$473,300
12. Delegated Procurement Support	FTE	173.5	7.0
Provides \$872,100 Gross (\$0 GF/GP) and 7.0 FTE positions to support increasing workload in delegated procurement process for contracts under \$500,000 due to increases in delegated authority thresholds.	Gross	\$26,156,400	\$872,100
	IDG	15,751,300	544,600
	Restricted	4,946,000	327,500
	GF/GP	\$5,459,000	\$0
13. DTMB Vehicle Fleet Rate Changes	Gross	\$82,017,200	\$3,622,500
Provides \$3.6 million Gross (\$0 GF/GP) in IDG funding to reflect increased vehicle travel and insurance service rate adjustments.	IDG	82,017,200	3,622,500
	GF/GP	\$0	\$0

Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations	FY 2021-22 YTD (as of 2/9/22)		Executive Change from YTD
14. LMISI Private Funds Placeholder	Gross	\$5,989,900	(99,900)
Adds \$100 in private funding to serve as placeholder for legislative contingency authorization transfers of potential private philanthropic grants revenue.	Federal	4,943,900	0
	Local	35,000	0
	Private	100,000	(99,900)
	GF/GP	\$911,000	\$0
15. Annual IT IDG Baseline Adjustment	Gross	\$857,768,000	(\$22,605,100)
Reduces IDG funding authorization by \$22.6 million to reflect projects and service adjustments in other executive department and agency budgets, administrative cost allocation changes, and IT budgetary requests made by departments and agencies. Technology Service appropriation lines are prorated by department based on their total IT budget.	IDG	857,768,000	(22,605,100)
	GF/GP	\$0	\$0
16. IT Personnel Transfer to Lottery	FTE	11.0	(11.0)
Transfers \$1.5 million Gross (\$0 GF/GP) and 11.0 FTE positions to Michigan Bureau of Lottery to organize employees by tasks typically performed by agencies.	Gross	\$1,459,300	(\$1,459,300)
	IDG	1,459,300	(1,459,300)
	GF/GP	\$0	\$0
17. Building Security Cost Increase and Funding Shift	Gross	\$1,500,000	(\$200,000)
Includes reduction of \$200,000 Gross (\$1.5 million GF/GP) and increases IDG authorization by \$1.3 million to shift funding for FY 2021-22 increased security costs at state-owned facilities to departments.	IDG	0	1,300,000
	GF/GP	\$1,500,000	(\$1,500,000)
18. SWCAP Adjustment	Gross	NA	\$0
Reallocates fund sourcing associated with annual Statewide Cost Allocation Plan (SWCAP) for a net change of \$0 Gross and decrease of \$212,600 GF/GP.	IDG	NA	(370,400)
	Restricted	NA	393,800
	GF/GP	NA	(\$23,400)
19. IT IDG Line Item Consolidation	Gross	NA	\$0
Consolidates funding for five IT IDG line items and FTE positions, totaling \$267.8 million, into Information Technology Services line item which would receive all department IT IDG funding of \$829.4 million, for a net \$0 change. Consolidations would reflect delivery of IT services being project-based and not department-based. Consolidations by line item:	IDG	NA	0
	GF/GP	NA	\$0
<ul style="list-style-type: none"> • Education Services - \$5.0 million and 33.0 FTE positions • General Services - \$135.8 million and 356.5 FTE positions • Public Protection - \$64.1 million and 162.5 FTE positions • Resources Services - \$21.8 million and 154.5 FTE positions • Transportation Services - \$41.1 million and 99.5 FTE positions 			
20. Civil Service Commission Transfers	FTE	NA	0.0
Transfers \$400,000 Gross (\$152,000 GF/GP) and 7.0 FTE positions for two separate requests to align staffing and funding with agency operations for a net \$0 and 0.0 FTE position change. Transfers include:	Gross	NA	\$0
	IDG	NA	0
	GF/GP	NA	\$0
<ul style="list-style-type: none"> • \$400,000 from Executive Direction to Information Technology Services and Projects • 2.0 FTE positions from Employee Benefits to Executive Direction • 5.0 FTE positions from Human Resources Operations to Information Technology Services and Projects 			

Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations		FY 2021-22 YTD (as of 2/9/22)	Executive Change from YTD
21. Removal of Current Year One-Time Funding	Gross	\$42,050,000	(\$42,050,000)
Eliminates \$42.1 million Gross (\$36.1 million GF/GP) of one-time funding appropriated in FY 2021-22:	Federal	5,000,000	(5,000,000)
	GF/GP	\$36,050,000	(\$36,050,000)
<ul style="list-style-type: none"> • \$20.0 million GF/GP for advanced cybersecurity threats • \$12.3 million GF/GP for legal service • \$1.7 million GF/GP for PPE stockpile warehouse operations • \$1.0 million GF/GP for business incentive study • \$1.0 million GF/GP for statewide PPE stockpile • \$500,000 GF/GP for Indiana border survey cost study • \$300,000 GF/GP for vendor data tracking • \$250,000 GF/GP for state innovation waiver actuarial study • \$5.0 million federal funding for COVID-19 Office of Accountability 			
22. Economic Adjustments	Gross	NA	\$11,696,100
Reflects increased costs of \$11.7 million Gross (\$3.2 million GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2022 and 0.5% to annualize the FY 2022 1.0% increase that began on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	NA	6,882,400
	Federal	NA	87,400
	Local	NA	2,500
	Private	NA	2,600
	Restricted	NA	1,477,400
	GF/GP	NA	\$3,243,800

Major Boilerplate Changes from FY 2021-22

Sec. 801. Contingency Funding – REVISED

Appropriates up to \$2.0 million in federal, \$4.0 million in state restricted, \$75,000 in local, and up to \$50,000 in private contingency funds; authorizes expenditure of funds after legislative transfer to specific line items. Revised to appropriate up to \$4.0 million in federal, \$8.0 million in state restricted, \$150,000 in local, and \$2,000,000 in private contingency funds.

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

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

Sec. 816. Information Technology Investment Fund – NEW

Appropriates federal and restricted funds earned based on initiatives undertaken with the funds appropriated for enterprisewide information technology investments; requires the State Budget Director to determine the appropriate manner for implementing this section.

Sec. 816. Privatization RFPs – DELETED

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

Sec. 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. 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 website that is searchable by department and agency.

Major Boilerplate Changes from FY 2021-22

Sec. 824. Spatial Information and Technical Services – REVISED

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. Revised to delete reporting requirement.

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. 830. Enterprise IT Project Reporting – DELETED

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

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. RFI for UIA Information System Rebid – DELETED

Requires department to use third-party vendor to compile business requirements to be incorporated into the RFP for rebid of unemployment insurance benefits system.

Sec. 838. Solar Energy Projects Selection Process – DELETED

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

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 and fiscal agencies with status of each planning or construction project financed by SBA.

Sec. 863. Capital Outlay Rental Increase Approval – DELETED

Requires proposed new or renewal rental spaces or facilities for which the annual base cost is more than \$500,000 to receive approval from the Joint Capital Outlay Subcommittee (JCOS) prior to being approved by the State Administrative Board; waives JCOS approval in emergency situations and requires department to notify JCOS within 5 days after executing agreement.

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

Requires DTMB to submit report which evaluates office building and space usage by all state departments and develop a projection for future building occupancy; lists additional report requirements including projections of amounts of state-owned and leased buildings, comparisons of past occupancy levels with projected levels, plan for building occupancy efficiency, and projected costs to complete space optimization plan.

Sec. 891. Business Incentive Study – DELETED

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

Sec. 892. Michigan-Indiana Border Survey – DELETED

Requires one-time appropriated funds for Michigan-Indiana Border Survey to be used to conduct a study and cost assessment of administration and remonumentation of Michigan-Indiana border; provides list of costs that must be estimated.

Sec. 893. State Innovation Waiver Actuarial Study – DELETED

Requires DTMB to contract with actuarial firm to conduct study that would support information needs of pursuing a state innovation waiver under Patient Protection and Affordable Care Act; lists requirements for proposed state waiver that information from study must be able to show; requires study to produce economic analysis regarding impact of waiver on health insurance coverage in Michigan.

Major Boilerplate Changes from FY 2021-22

Sec. 894. Statewide PPE Stockpile Procurement – DELETED

Requires one-time appropriated funds for Michigan-Indiana Border Survey to be used to issue request for information to ensure the state has sufficient data regarding optimal PPE needs and subsequently a request for proposal with the purpose of contracting for purchase of PPE and creating state-managed PPE reserve; lists eligibility requirements for contracted vendors.

Sec. 895. Supplier Risk Assessment Program – DELETED

Requires DTMB to maintain a comprehensive supplier risk and information subscription used for the pre-contract risk assessment program described in 2017 PA 107.

Sec. 901. Office Space Realignment Work Project Authorization – NEW

Authorizes unexpended funds appropriated for space realignment and optimization as a work project and to not lapse at close of fiscal year and carry forward to FY 2026-27 to assess state facility office space that aligns with workplace planning efforts.

Supplemental Recommendations for FY 2021-22 Appropriations

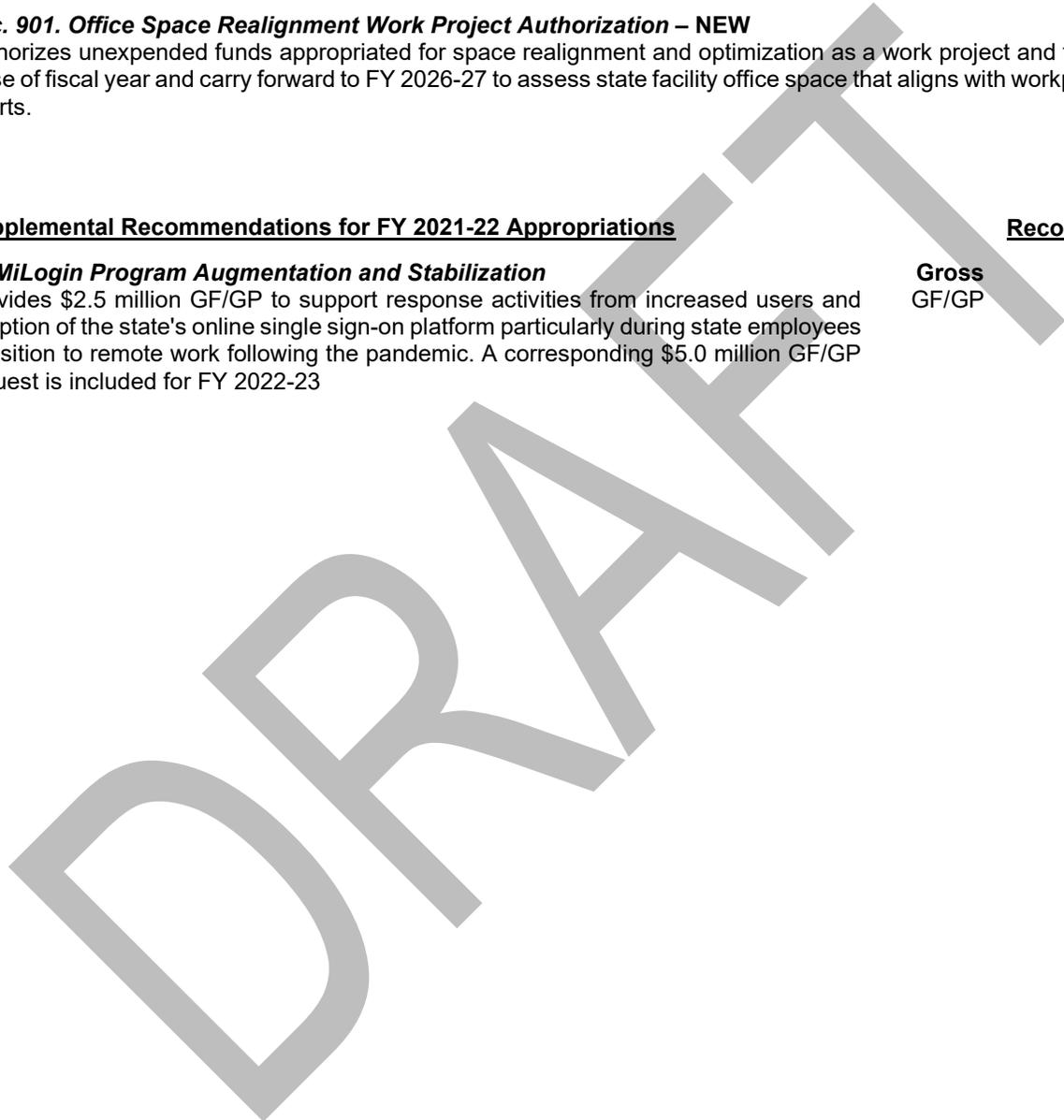
**FY 2021-22
Recommendation**

1. MiLogin Program Augmentation and Stabilization

Provides \$2.5 million GF/GP to support response activities from increased users and adoption of the state's online single sign-on platform particularly during state employees transition to remote work following the pandemic. A corresponding \$5.0 million GF/GP request is included for FY 2022-23

**Gross
GF/GP**

**\$2,500,000
\$2,500,000**



**Summary: Executive Budget Recommendation
for Fiscal Year 2022-23
DEPARTMENT OF TREASURY**



Analyst: Viola Bay Wild

	FY 2021-22 Year-to-Date as of 2/9/22	FY 2022-23 Executive	Difference: FY 2022-23 vs. FY 2021-22	
			Amount	%
IDG/IDT	\$13,073,500	\$11,153,100	(\$1,920,400)	(14.7)
Federal	436,361,400	24,970,700	(411,390,700)	(94.3)
Local	13,032,000	13,209,600	177,600	1.4
Private	31,000	31,000	0	0.0
Restricted	1,860,026,100	2,011,075,200	151,049,100	8.1
GF/GP	340,511,200	319,675,900	(20,835,300)	(6.1)
Gross	\$2,663,035,200	\$2,380,115,500	(\$282,919,700)	(10.6)
FTEs	1,934.5	1,990.5	56.0	2.9

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (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 2021-22 Year-to-Date (YTD) Appropriations		FY 2021-22 YTD (as of 2/9/22)	Executive Change from YTD
1. Constitutional Revenue Sharing	Gross	\$912,040,500	\$52,544,900
Increases by \$52.5 million of restricted sales tax revenue relative to the FY 2021-22 budget act appropriated amount. Appropriation represents a \$21.0 million decrease from January 2022 CREC estimates for FY 2021-22 payments.	Restricted	912,040,500	52,544,900
	GF/GP	\$0	\$0
2. City, Village, and Township (CVT) Revenue Sharing	Gross	\$266,245,100	\$26,624,600
Includes \$26.6 million of restricted sales tax revenue to provide a 5.0% ongoing and 5.0% one-time increase (10% total) for CVT revenue sharing payments. A CVT would be eligible for a payment equal to 110.0% of its FY 2021-22 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	266,245,100	26,624,600
	GF/GP	\$0	\$0
3. County Revenue Sharing	Gross	\$231,516,700	\$23,565,400
Includes \$23.2 million of restricted sales tax revenue to provide a 5.0% ongoing and 5.0% one-time increase (10% total) for all 83 counties. Each county would be eligible to receive 117.3115% of statutory full funding. Includes an additional \$376,000 of restricted sales tax revenue for support for Emmet County, the last remaining county to deplete their local reserve fund, and Leelanau County which became eligible in FY 2021-22. County Incentive Program is increased by \$69,300 restricted sales tax revenue and comprises 17.0% of the County Revenue Sharing/County Incentive Program total. Removes requirement that a county allocate its net increase to its unfunded pension liabilities if they have a pension that is in unfunded status pursuant to the Protecting Local Government Retirement and Benefits Act.	Restricted	231,516,700	23,565,400
	GF/GP	\$0	\$0

Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations	FY 2021-22 YTD (as of 2/9/22)		Executive Change from YTD
4. General Obligation Debt Service	Gross	\$99,064,000	\$1,020,100
Includes \$1.0 million GF/GP to reflect anticipated increase in debt service costs for Clean Michigan Initiative, Great Lakes Water Quality, and Quality of Life general obligation bonds.	GF/GP	\$99,064,000	\$1,020,100
5. Electric Vehicle and Charging Equipment Rebates	Gross	\$0	\$50,000,000
Includes \$50.0 million GF/GP one-time funding for point-of-sale rebates for electric vehicles and charging equipment. The program would provide rebates of up to \$2,000 for the purchase of a new electric vehicle and up to \$500 for at-home charging equipment. Rebates would be issued on a first-come, first served basis and are expected to complement existing federal and private incentives.	GF/GP	\$0	\$50,000,000
6. Local Transition Support Grants	Gross	\$0	\$40,000,000
Includes \$40.0 million GF/GP one-time funding for a grant program to assist local communities that experienced significant economic impacts from the departure or disinvestment of major employers and their workforce due to the COVID-19 pandemic. No local community recipient shall receive more than \$5.0 million from the grant program.	GF/GP	\$0	\$40,000,000
7. Office of Postsecondary Financial Planning	FTE	NA	5.0
Includes \$2.9 million GF/GP and authorizes 5.0 FTE positions to support the administration of new scholarship programs and to fund additional outreach for student scholarships, including the Reconnect and Educator Recruitment programs.	Gross	NA	\$2,936,100
	GF/GP	NA	\$2,936,100
8. Recreational Marihuana Grants	Gross	\$30,000,000	\$20,580,000
Includes an increase of \$20.6 million of restricted Marihuana Regulation Fund to increase the level of payments to locals based on revenues to the fund. Payments to locals are estimated at \$50.6 million for FY 2022-23. These payments are split evenly between counties and other municipalities and distributed proportionately based on the number of marihuana retail stores and microbusinesses within the municipality of county.	Restricted	30,000,000	20,580,000
	GF/GP	\$0	\$0
9. Tax Program Changes – Support for Retirement Tax Repeal	Gross	NA	\$1,200,000
Includes \$1.2 million restricted one-time funding to administer the proposed plan to restore income tax exemptions on retirement income by 2025.	Restricted	NA	1,200,000
	GF/GP	NA	\$0
10. Flow-Through Entity Tax Administration	FTE	NA	10.0
Includes \$1.4 million GF/GP and authorizes 10.0 FTE positions to provide administrative support to oversee the new flow-through entity tax established in 2021 PA 135.	Gross	NA	\$1,376,900
	GF/GP	NA	\$1,376,900
11. Office of Organizational Development	FTE	0.0	5.0
Includes \$751,300 GF/GP and authorizes 5.0 FTE positions to establish an Office of Organizational Development to recruit, develop, and retain an inclusive and diverse workforce within the department.	Gross	\$0	\$751,300
	GF/GP	\$0	\$751,300
12. Michigan Gaming Control Board (MGCB) – Staffing and IT Support	FTE	151.0	25.0
Includes an increase of \$4.8 million restricted funding and authorizes 25.0 FTE positions to MGCB to increase staff and IT support due to increased workload from higher than expected internet gaming activity.	Gross	\$31,297,600	\$4,769,400
	Restricted	31,297,600	4,769,400
	GF/GP	\$0	\$0
13. MGCB – Staff Retention and Professional Development	FTE	151.0	0.0
Includes an increase of \$360,900 restricted funding for initiative to help retain staff through professional development programs.	Gross	\$31,297,600	\$360,900
	Restricted	31,297,600	360,900
	GF/GP	\$0	\$0

Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations		FY 2021-22 YTD (as of 2/9/22)	Executive Change from YTD
14. MGCB – IT Network Speed Increase	FTE	151.0	0.0
Includes an increase of \$330,500 restricted funding to increase network speeds in Detroit MGCB casino offices to support operations, such as surveillance videos and the transfer of large regulatory files.	Gross	\$3,480,200	\$330,500
	Restricted	3,480,200	330,500
	GF/GP	\$0	\$0
15. Responsible Gaming Advertisement Campaign	Gross	NA	\$3,000,000
Includes \$3.0 million restricted one-time funding for advertising to promote responsible gaming, the use of the problem gaming hotline, and outreach to community organizations.	Restricted	NA	3,000,000
	GF/GP	NA	\$0
16. Lottery IT Support Transfer	FTE	0.0	11.0
Includes a net-to-zero technical transfer of 11.0 FTEs into the Lottery budget from DTMB. These employees provide IT services to the Lottery and the funding for these positions is currently paid from the Lottery budget to DTMB through an IDG transfer. Following this proposed transfer of FTEs, the funding would remain in the Lottery budget.	Gross	\$1,459,300	\$0
	Restricted	1,459,300	0
	GF/GP	\$0	\$0
17. Treasury – IT Maintenance	Gross	\$43,687,200	\$1,250,000
Includes an increase of \$1.3 million Gross (\$795,000 GF/GP) for increased ongoing support for two critical systems: the Revenue Sharing and Personal Property Tax IT system and the Motor Fuel and Tobacco Tax system (MiMats).	IDG	407,300	455,000
	Federal	614,300	0
	Restricted	20,887,800	0
	GF/GP	\$21,777,800	\$795,000
18. Other Technical Adjustments	Gross	NA	\$8,310,300
Includes the following technical adjustments:	Federal	NA	(2,542,500)
• Includes \$10.7 million restricted funding for the Convention Facility Development Distribution due to anticipated increased revenue.	Restricted	NA	10,702,800
• Includes \$150,000 GF/GP for the Senior Citizen Cooperative Housing Tax Exemption Program for new facilities entering the program.	GF/GP	NA	\$150,000
• Reduces federal authorization by \$2.3 million for Michigan Guaranty Agency which monitors and collects federal student loans because a portion was reassigned to the federal agency.			
• Removes \$4,400 federal funding for an economic adjustment for the Home Heating Assistance Program.			
• Eliminates \$288,100 federal funding for the John R. Justice program that provides student loan assistance to public defenders and prosecutors; program is no longer active.			
19. FY 2021-22 One-Time Appropriations	Gross	\$44,033,000	(\$44,033,000)
Removes the following one-time GF/GP appropriations included in FY 2021-22:	GF/GP	\$43,033,000	(\$43,033,000)
• \$18.0 million – Transportation Administration Support Fund			
• \$16.0 million – NextGen Infrastructure			
• \$5.0 million – Local First Responder Recruitment and Training Grants			
• \$4.6 million – Flow-Through Entity Tax Implementation			
• \$433,000 - Coronavirus Relief Local Government Grants Reimbursement			
20. Economic Adjustments	Gross	NA	\$6,492,900
Reflects increased costs of \$6.5 million Gross (\$1.2 million GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2022 and 0.5% to annualize the FY 2022 1.0% increase that began on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	NA	143,100
	Federal	NA	151,800
	Local	NA	177,600
	Restricted	NA	4,852,100
	GF/GP	NA	\$1,168,300

Major Boilerplate Changes from FY 2021-22

TREASURY OPERATIONS

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 \$40,000 of private contingency funds.

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

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

Sec. 926. John R. Justice Grant – DELETED

Designates the John R. Justice grant appropriation as a work project appropriation.

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 to eliminate reporting requirement.

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. 949g. Equal Opportunity Program Funding Distribution – NEW

Appropriates tax capture revenues collected under the employment opportunity program and allows distribution of payments to qualified businesses pursuant to chapter 8F of the Michigan Strategic Fund Act.

Sec. 949i. Transportation Administration Support Fund – DELETED

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

Sec. 949n. NextGen Infrastructure Grant – DELETED

Requires funds appropriated for the NextGen Infrastructure Grant to be deposited in the Emergency 9-1-1 Fund.

Sec. 949n. Foster Futures Scholarship Trust Fund – NEW

Appropriates gifts or donations to the Fostering Futures Scholarship Trust Fund for the program.

Sec. 949o. Local First Responder Recruitment and Training Grants – DELETED

Requires funds appropriated for Local First Responder Recruitment and Training Grants to be used to support local efforts to expand recruitment, improve training, and provide additional professional development and support to first responders; defines first responders and applicant; requires department to establish application process; caps grants at \$100,000 for recruitment and \$100,000 for training programs.

TREASURY - REVENUE SHARING

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

Specifies distribution of \$266.2 million to all CVTs that received a payment under Section 950(2) of 2009 PA 128 greater than \$1,000.00; eligible payment is equal to 102.0% of its FY 2020-21 eligible payment; in order to qualify for its eligible payment, a CVT is required to comply with the items listed under accountability and transparency; to qualify for county incentive payment, counties are required to comply with the items listed under accountability and transparency; any unexpended funds are directed to be deposited in the Financial Distressed CVTs program in Sec. 956, subject to approval of transfers; requires eligible CVTs to allocate an amount equal to their FY 2020-21 eligible payment increase to their unfunded pension liabilities if they have a pension that is considered to be in unfunded status pursuant to the Protecting Local Government Retirement and Benefits Act, 2017 PA 202. (CVTs are exempt if they have issued a municipal security to pay down their unfunded liability.) Revises to reflect eligible payment equal to 110.0% of FY 2021-22 eligible payment and strikes language requiring the eligible unit to dedicated increased funds to unfunded pension liabilities.

Major Boilerplate Changes from FY 2021-22

Sec. 955. County Revenue Sharing Payments – REVISED

Requires the county revenue sharing appropriation to be distributed so that each eligible county receives a payment (when coupled with the County Incentive Program payment) equal to 106.6435% of the amount determined pursuant to the Glenn Steil State Revenue Sharing Act of 1971, 1971 PA 140; requires counties receiving a payment to allocate their FY 2020-21 eligible payment increase to their unfunded pension liabilities if they have a pension that is considered to be in unfunded status pursuant to the Protecting Local Government Retirement and Benefits Act, 2017 PA 202. (Counties are exempt if they have issued a municipal security to pay down their unfunded liability.) Revises to increase payments to counties by 10.0% which would represent 117.3115% of statutory full funding. Strikes language requiring the eligible county to dedicate increased funds to unfunded pension liabilities.

Sec. 957. Coronavirus Relief Local Government Grants – DELETES

Requires funds appropriated to be used to make payments to cities, villages, townships, and counties that received a coronavirus relief local government grant in 2020 PA 144 and subsequently returned at least some portion of the grant; the grant must equal the amount returned to the Department of Treasury.

TREASURY – GAMING CONTROL BOARD

Sec. 972. Internet Gaming – NEW

Requires that after required gaming expenditures are made, any remaining funding in the Fantasy Contest Fund, the Internet Gaming Fund, and the Internet Sports Betting Fund are appropriated and shall be deposited into the School Aid Fund.

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 the amount appropriated 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 to change the funding to the Internet Gaming Fund and to delete the reporting requirement.

TREASURY – ONE-TIME APPROPRIATIONS

Sec. 1200. Electric Vehicle Rebates – NEW

Requires the implementation of an electric vehicle rebate program, including at-home charging equipment for new purchases made after October 1, 2022. Requires department to issue rebates on a first come/first served basis and may be up to \$2,000 for an electric vehicle and up to \$500 for at-home charging equipment; includes work project language.

Sec. 1201. Local Community Transition Support – NEW

Requires grant program to aid local communities that experienced significant economic impacts from the departure or disinvestment of major employers and their workforce due to the COVID-19 pandemic. No applicant or project shall receive more than \$5.0 million from the grant program; requires report.

Sec. 1202. Retirement Tax Repeal – NEW

Requires that funding for the retirement income tax reform implementation not be expended unless the Income Tax Act is amended to exempt public pensions and restore tax deductions for private retirement income; includes work project language.

Supplemental Recommendations for FY 2021-22 Appropriations

**FY 2021-22
Recommendation**

1. City, Village, and Township (CVT) Revenue Sharing – Hold Harmless	Gross	\$50,000,000
Provides \$50.0 million GF/GP to make payments to cities, villages, and townships to hold them harmless for any overpayment amounts they received because of population losses identified in the 2020 Census. Due to the delay of Census data, updated population data will not be applied to revenue sharing payments until April of 2022 which may require adjustments to future payments. This funding will help offset any future negative adjustments.	GF/GP	\$50,000,000
2. Hero Pay to Essential Workers Program	Gross	\$500,000,000
Includes \$500.0 million funding from ARP – Coronavirus State Fiscal Recovery Funds for payments to eligible essential workers. Eligibility is limited to those performing essential work as defined by the U.S. Treasury federal rule for the American Rescue Plan Act of 2021.	Restricted GF/GP	\$500,000,000 \$0
3. First Responder Retention	Gross	\$50,000,000
Includes \$50.0 million Gross (\$30.0 million GF/GP) for grants to provide payments to first responders, public safety personnel, law enforcement, and certain corrections staff who performed hazardous duty or work involving physical hardship due to the COVID-19 pandemic; maximum reimbursement shall be \$1,000 per eligible employee.	Restricted GF/GP	\$20,000,000 \$30,000,000
4. Wrongful Imprisonment Compensation Fund	Gross	\$5,000,000
Includes a \$5.0 million GF/GP deposit into the fund for FY 2021-22.	GF/GP	\$5,000,000
5. Responsible Gaming Advertising Program	Gross	\$3,000,000
Includes \$3.0 million restricted funding for an advertising program to assist problem gamblers and promote responsible gambling and gaming activities.	Restricted GF/GP	\$3,000,000 \$0

DRAFT

**Summary: Executive Budget Recommendation
for Fiscal Year 2022-23
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY**



Analyst: Viola Bay Wild

	FY 2021-22 Year-to-Date as of 2/9/22	FY 2022-23 Executive	Difference: FY 2022-23 vs. FY 2021-22	
			Amount	%
IDG/IDT	\$0	\$0	\$0	--
Federal	1,433,813,200	1,154,595,000	(279,218,200)	(19.5)
Local	10,900,000	10,700,000	(200,000)	(1.8)
Private	13,591,900	12,430,700	(1,161,200)	(8.5)
Restricted	273,852,900	245,920,400	(27,932,500)	(10.2)
GF/GP	1,517,995,600	881,925,400	(636,070,200)	(41.9)
Gross	\$3,250,153,600	\$2,305,571,500	(\$944,582,100)	(29.1)
FTEs	2,588.9	2,623.9	35.0	1.4

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (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 2021-22 Year-to-Date (YTD) Appropriations

		FY 2021-22 YTD (as of 2/9/22)	Executive Change from YTD
1. Transformational Education Infrastructure Grants	Gross	\$0	\$230,000,000
Includes \$230.0 million GF/GP one-time funding to establish two grant programs for collaborative efforts among higher education institutions. The Medical Education and Health Care grant (\$100.0 million) would support a collaborative project to improve medical education, health infrastructure and access, and develop cancer research laboratories. The Electrification of the Automotive Industry grant (\$130.0 million) would support increased education opportunities on electric vehicles within a college of engineering and the development of an economic strategy plan for the electric vehicle market.	GF/GP	\$0	\$230,000,000
2. Regional Empowerment Program	Gross	\$0	\$200,000,000
Includes \$200.0 million GF/GP one-time funding for a competitive grant program to support the development and growth of regional economies; local communities may use grant funding to complete already planned projects that have local economic impact.	GF/GP	\$0	\$200,000,000
3. Pure Michigan and ARP – Pure Michigan	Gross	\$40,000,000	(\$15,000,000)
Includes an increase of \$5.0 million GF/GP for Pure Michigan. Eliminates \$20.0 million one-time federal funding appropriated in FY 2021-22 for the ARP – Pure Michigan line item.	Private	5,000,000	0
	Local	5,000,000	0
	Federal	20,000,000	(20,000,000)
	GF/GP	\$10,000,000	\$5,000,000
4. Workforce Development	Gross	NA	\$4,754,000
Includes \$4.8 million federal MiSTAIR grant funding for improving registered apprenticeship programs.	Federal	NA	4,754,000
	GF/GP	NA	\$0

Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations	FY 2021-22 YTD (as of 2/9/22)	Executive Change from YTD	
5. Office of Future Mobility and Electrification	Gross	\$0	\$4,000,000
Provides \$4.0 million GF/GP for the Office of Future Mobility and Electrification to support state efforts to become a leader in the mobility sphere, including the auto industry and the transportation sector. The office would implement the proposed Mobility Futures Initiative requested in the 2022-2 supplemental request.	GF/GP	\$0	\$4,000,000
6. Bureau of Services for Blind Persons Staff	FTE	113.0	3.0
Includes authorization for 3.0 additional FTE positions to provide pre-employment transition services to eligible blind and visually impaired students, to meet federal requirements. Additional staff supported with current appropriations.	Gross	\$25,509,200	\$0
	Federal	19,201,500	0
	Local	100,000	0
	Private	111,800	0
	Restricted	350,000	0
	GF/GP	\$5,745,900	\$0
7. Michigan State Housing Development Authority (MSHDA) Staffing	FTE	273.0	26.0
Includes authorization for 26.0 additional FTE positions to help reach goal of providing an additional 75,000 new or renovated housing units within the next 5 years. Funding for additional FTEs exists within current budget authorization.	Gross	\$46,699,600	\$0
	Restricted	46,699,600	0
	GF/GP	\$0	\$0
8. Workforce Development: Talent Retention and Expansion in Key Industries Program	Gross	\$0	\$20,000,000
Includes \$20.0 million GF/GP one-time funding for employer-led collaboratives to help meet the talent needs of businesses and develop targeted solutions to talent shortages.	GF/GP	\$0	\$20,000,000
9. Workforce Development: Barrier Removal and Employment Supports	Gross	\$0	\$15,000,000
Provides \$15.0 million GF/GP one-time funding to support program to remove barriers to employment for low-income, poor, and working poor individuals.	GF/GP	\$0	\$15,000,000
10. Workforce Development: Young Professionals Plus Program	Gross	\$0	\$15,000,000
Includes \$15.0 million GF/GP one-time funding for program to help prepare young people for self-sustaining employment.	GF/GP	\$0	\$15,000,000
11. Workforce Development: International Talent Attraction	Gross	\$0	\$15,000,000
Provides \$15.0 million GF/GP one-time funding for a competitive grant program to attract international businesses to locate corporate headquarters in Michigan.	GF/GP	\$0	\$15,000,000
12. Attainable Home Ownership and Apprenticeship Program	FTE	0.0	1.0
Includes an increase of \$11.0 million GF/GP one-time funding and authorization for 1.0 FTE position for a program to help individuals acquire, renovate, and sell properties in land banks; requires paid apprentices on each renovation site.	Gross	\$0	\$11,000,000
	GF/GP	\$0	\$11,000,000
13. Statewide Pre-Apprenticeship Program	Gross	\$8,000,000	\$2,000,000
Includes additional \$2.0 million GF/GP one-time funding to the statewide pre-apprenticeship program to connect unemployed and underemployed individuals in underserved communities with training and resources to become employed.	GF/GP	\$8,000,000	\$2,000,000
14. Nature, Science, and Cultural Experiences Grant Program	Gross	\$0	\$75,000,000
Includes \$75.0 million GF/GP one-time funding for a competitive grant program for projects that support Michigan's cultural diversity and natural beauty.	GF/GP	\$0	\$75,000,000

Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations		FY 2021-22 YTD (as of 2/9/22)	Executive Change from YTD
15. Public Sector Employment Marketing Campaign	Gross	\$0	\$10,000,000
Includes \$10.0 million GF/GP one-time funding for a local heroes marketing campaign to highlight the benefits of public sector employment and attract more workers to critical essential jobs.	GF/GP	\$0	\$10,000,000
16. State Historic Preservation Office (SHPO) Grant Program	Gross	NA	\$750,000
Includes \$750,000 federal one-time funding for a SHPO Resilient Lakeshore Heritage Grants Program to award grants for the rehabilitation of eligible rural properties along the great lakes.	Federal	NA	750,000
	GF/GP	NA	\$0
17. Office of Global Michigan – Language Access Program	Gross	\$0	\$700,000
Includes \$700,000 GF/GP one-time funding to develop a statewide language access program to help individuals who have limited English proficiency have access to services.	GF/GP	\$0	\$700,000
18. Construction Trades Training Program for Previous Military Members	Gross	\$0	\$500,000
Includes \$500,000 GF/GP one-time funding to develop a Helmets to Hardhats training program for ex-military, reserve, and National Guard service members to connect them to skilled training opportunities in the construction field.	GF/GP	\$0	\$500,000
19. Removal of FY 2021-22 One-Time Appropriations	Gross	\$364,122,200	(\$364,122,200)
Removes funding for the following one-time appropriations:	Federal	118,750,000	(118,750,000)
<ul style="list-style-type: none"> • \$2.0 million GF/GP – Child Savings Accounts • \$1.8 million GF/GP – College Degree Enhancement Grant • \$1.0 million GF/GP – Construction Career Center Grant • \$25.0 million GF/GP – Legacy Program: Futures for Frontliners • \$23.8 million Gross (\$5.0 million GF/GP) – Michigan Career and Technical Institute • \$1.0 million GF/GP – Poverty Task Force • \$6.0 million GF/GP – Reconnect and Futures for Frontliners Wraparound Services • \$660,000 GF/GP – Reentry Employment Support • \$100.0 million federal funding – ARP Community Revitalization and Placemaking Grants • \$146.9 million GF/GP – Michigan Enhancement Grants • \$48.0 million GF/GP – Michigan Infrastructure Grants • \$5.0 million GF/GP – Rural Jobs and Capital Investment • \$3.0 million GF/GP – Training Center Equipment Grants 	Restricted	25,000,000	(25,000,000)
	GF/GP	\$220,372,200	(\$220,372,200)
20. Economic Adjustments	Gross	NA	\$9,872,500
Reflects increased costs of \$9.9 million Gross (\$1.1 million GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2022 and 0.5% to annualize the FY 2022 1.0% increase that began on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	Federal	NA	6,608,000
	Private	NA	3,700
	Restricted	NA	2,201,400
	GF/GP	NA	\$1,059,400

Major Boilerplate Changes from FY 2021-22

DEPARTMENT LABOR AND ECONOMIC OPPORTUNITY (LEO)

Sec. 980. 210. 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 local, and \$5.0 million private.

Major Boilerplate Changes from FY 2021-22

Sec. 983. *Broadband Bonding Prohibition* – DELETED

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

Sec. 984. *SIGMA System Reporting* – DELETED

Requires LEO to use SIGMA to report encumbrances and expenditures.

Sec. 989. *Update of Workers' Compensation Administrative Code* – DELETED

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

Sec. 989b. *UIA Request for Solutions* – DELETED

Requires LEO to solicit proposals for solution through the state's procurement process by December 1, 2021. The solution must incorporate proven processes that correctly decipher between valid and fraudulent claims and expedite claims for payment.

LEO – MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY (MSHDA)

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.

LEO – MICHIGAN STRATEGIC FUND (MSF)

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. 1005d. *Pure Michigan Promotion* – DELETED

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

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. 1009. *Land Purchase Provisions* – DELETED

Prohibits MEDC from purchasing land or land options unless the land is in an economically distressed area or purchase is at invitation of local unit of government and economic development agency; authorizes consideration of purchases where proposed use is consistent with a regional land use plan, will result in redeveloping an economically distressed area, can be supported with existing infrastructure, and will not cause population to shift from population centers. Requires a report that lists all properties purchased, all options on land purchased, the location of the land purchased, and the purchase price if the fund purchases options on land or land.

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. 1035. *Michigan Council for Arts and Cultural Affairs (MCACA) Grants* – REVISED

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

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. 1054. *Equal Opportunity Program Funding Distribution* – NEW

Appropriates tax capture revenues collected under the employment opportunity program and allows distribution of payments to qualified businesses pursuant to chapter 8F of the Michigan Strategic Fund Act.

Major Boilerplate Changes from FY 2021-22

LEO – EMPLOYMENT SERVICES

Sec. 1056. MIOSHA Press Release Limitation – DELETED

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

Sec. 1066. Going Pro Administration – REVISED

Requires Going Pro to be administered according to specific guidelines outlined in boilerplate; allows up to \$5.0 million of funds appropriated for Going Pro to be used for matching funds for federal funding; allows up to \$250,000 to be awarded to a nonprofit program to connect National Guard, reserve, retired, and transitioning active-duty military service members with skilled training in the construction industry; requires notification to the legislature of any program goal, solution or guidance changes. Revises by deleting notification requirement.

Sec. 1067. MiSTEM Advisory Council – NEW

Requires funding be used to support MiSTEM Advisory Council staff and for administrative, training and travel costs of the council; lists responsibilities of MiSTEM staff.

Sec. 1069. Healthy Michigan Work Requirement Assistance – DELETED

Authorizes funds appropriated in part 1 for Workforce Development Program to be used for employment and training-related services and to assist Healthy Michigan plan recipients to secure and maintain training and employment; authorizes funds be used to hire additional department field staff to educate impacted Healthy Michigan Plan recipients on the requirements and available services, make referrals, assess and address barriers to employment, and manage other caseload-related impacts; requires quarterly report.

Sec. 1077. Unemployment Insurance Agency Branch Offices – DELETED

Requires funds appropriated for UIA to be used to staff unemployment insurance agency branch offices for in-person appointments for claimant services.

Sec. 1079. Interagency Agreement for TANF Funds – DELETED

Requires LEO to provide reporting on the interagency agreement with DHHS for the use of TANF funds. Requires report on use of TANF funds by LEO.

Sec. 1083. Michigan Rehabilitation Services 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 to strike \$50,000 allocation and make funding permissive.

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

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

LEO – COMMISSIONS

Sec. 1091. Ethnic Affairs Commissions' Spending – DELETED

Requires expenditure of appropriated funds by the commissions to directly relate to mission statements.

Sec. 1092. Office of Global Michigan Report – REVISED

Requires Office of Global Michigan to report on activities of office; stipulates reporting requirements. Revises to reflect activities of the office.

LEO – ONE-TIME APPROPRIATIONS

Sec. 1094. Nature, Science, and Cultural Experiences Grant Program – NEW

Requires the Michigan Council for Arts and Cultural Affairs establish a competitive grant program that awards grants for art, science, nature, history, and culture projects that provide an economic benefit to communities and celebrate the state's cultural diversity and natural beauty.

Sec. 1095. International Talent Attraction Program – NEW

Requires LEO to establish grant program to attract established and start-up businesses to locate or relocate their headquarters to Michigan; requires report.

Major Boilerplate Changes from FY 2021-22

Sec. 1096. Michigan Regional Empowerment Program – NEW

Requires LEO to establish competitive grant program to fund economic projects that fulfil local strategic priorities and that are already in the planning stage and have a local economic impact; requires report.

Sec. 1098. Transformational Education Infrastructure Grants – NEW

Requires LEO to establish competitive grant program for collaborative efforts among higher education institutions. One grant of no less than \$100.0 million shall be awarded to improve medical education, health infrastructure and access, and develop cancer research laboratories. A second grant of no less than \$130.0 million shall be awarded to improve electric vehicle teaching, training, and the development of opportunities in the state; requires report.

Sec. 1099. Attainable Homeownership and Apprenticeship Program – NEW

Requires State Land Bank Authority to establish new program to support the acquisition, renovation, and resale of properties in land bank inventories; requires report.

Sec. 1100. Public Sector Employment Marketing Campaign – NEW

Requires LEO to develop a comprehensive statewide marketing campaign to promote public service careers.

Sec. 1101. Talent Retention and Expansion Program – NEW

Requires funding to be used sector strategies in key industries for the creation of jobs that address talent shortages and may fund employer-led collaboratives.

Sec. 1102. Barrier Removal and Employment Supports – NEW

Requires funding to be used for employment, reemployment, and to remove barriers to employment for at-risk individuals.

Sec. 1103. Young Professionals Plus Program – NEW

Requires funding to be used to provide work experience, career exploration, and career preparedness for individuals ages 14 to 24 from eligible low-income families.

<u>Supplemental Recommendations for FY 2021-22 Appropriations</u>	<u>FY 2021-22 Recommendation</u>	
1. Strategic Outreach and Attraction Reserve Fund (SOAR) Deposit	Gross	\$500,000,000
Includes \$500.0 million GF/GP to deposit into the SOAR Fund to attract transformational projects to the state. Funding must be appropriated or transferred to the Critical Industry Program and Michigan Strategic Fund Readiness Program.	GF/GP	\$500,000,000
2. Community Development Block Grant – Disaster Recovery	Gross	\$59,898,000
Appropriates \$59.9 million federal funding to recognize special federal disaster recovery funding to help mid-Michigan address the May 2020 flooding disaster.	Federal	59,898,000
	GF/GP	\$0
3. Bureau of Services for Blind Persons Staff	FTE	3.0
Includes authorization for 3.0 additional FTE positions to provide pre-employment transition services to eligible blind and visually impaired students, to meet federal requirements. Additional staff supported with current appropriations.	Gross	\$0
	GF/GP	\$0
4. Mobility Futures Initiative	Gross	\$25,000,000
Includes \$25.0 million one-time GF/GP funding for the Mobility Futures Initiative to support state efforts to grow the state's mobility workforce and industry and develop and commercialize mobility technologies.	GF/GP	\$25,000,000
5. Unemployment Insurance Agency (UIA) Fraud Enforcement	FTE	52.0
Includes \$9.0 million one-time Contingent Fund, Penalty & Interest Account funds to provide enhanced fraud enforcement, including funding 20 additional limited term investigations staff for two years, extending 30 existing limited term staff for another year, and providing additional staff and resources in other relevant divisions.	Gross	\$8,980,000
	Restricted	8,980,000
	GF/GP	\$0
6. Workers' Compensation Board of Magistrates	FTE	3.0
Includes \$500,000 GF/GP and authorizes 3.0 FTE positions to hire temporary magistrates to help address the increased trial backlog affecting injured workers who have been denied benefits.	Gross	\$500,000
	GF/GP	\$500,000

Supplemental Recommendations for FY 2021-22 Appropriations

**FY 2021-22
Recommendation**

7. Going Pro

Includes a \$9.5 million fund source shift from the Contingent Fund, Penalty and Interest Account funding to GF/GP funding for the Going Pro program.

Gross
Restricted
GF/GP

\$0
(9,540,800)
\$9,540,800

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