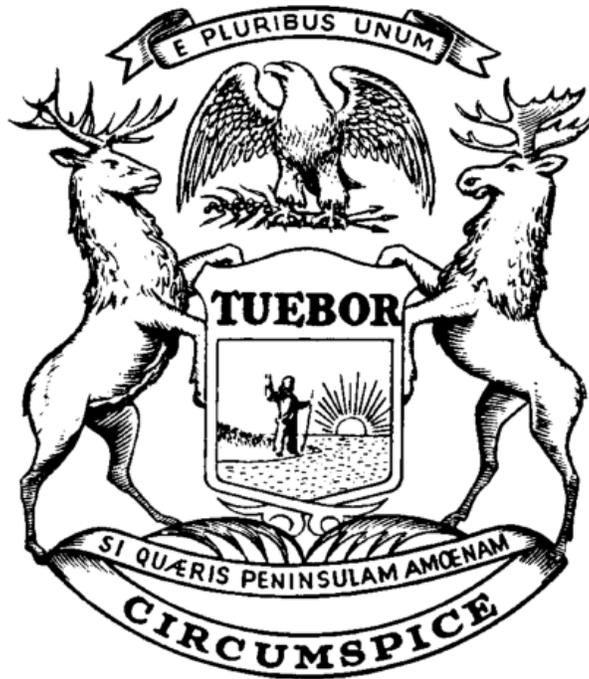


**STATE OF MICHIGAN
FISCAL YEAR 2018-19**

Appropriations Summary and Analysis



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FISCAL
AGENCY**

Mary Ann Cleary, Director

JULY 2018

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HOUSE FISCAL AGENCY

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July 2018

TO: Members of the Michigan House of Representatives

FROM: Mary Ann Cleary, Director

This ***FY 2018-19 Appropriations Summary and Analysis*** summarizes the enacted FY 2018-19 state budget. A *Glossary*, following the table of contents, explains terms used throughout this report to describe Michigan's budget. The *Budget Overview* provides information on resources used and major funding changes in the enacted FY 2018-19 budget; summary tables of appropriated funds and fund sources are also included. *Budget Detail* pages note major budget and boilerplate changes for each budget area.

When analyzing the budget, it is important to note the following:

Adjusted Gross is the amount to use when measuring the total amount of funding included in the state budget (including spending from federal sources).

State Spending from State Sources (State Restricted plus GF/GP) is the amount to use when measuring the amount of state resources collected from taxpayers to finance state spending.

General Fund/General Purpose (GF/GP) is the amount to use when measuring unrestricted state resources available for legislative allocation to various state programs.

Information in the *Budget Detail* section was provided by HFA Analysts; report production was coordinated by Kathryn Bateson, Administrative Assistant. House Fiscal Agency staff and their areas of responsibility are listed on the inside back cover of this publication. Please feel free to contact them, or me, if you have questions or need further information.

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GLOSSARY

Frequently Used State Budget Terms

STATE BUDGET TERMS

Line Item

Specific funding amount in an appropriation bill which establishes spending authorization for a particular program or function.

Boilerplate

Specific language sections in an appropriation bill which direct, limit, or restrict line-item expenditures, express legislative intent, and/or require reports.

Lapse

Appropriated amounts that are unspent or unobligated at the end of a fiscal year; appropriations are automatically terminated at the end of a fiscal year unless otherwise provided by law.

Work Project

Account authorized through statutory process which allows appropriated spending authorization from one fiscal year to be utilized for expenditures in a succeeding fiscal year or years for a specific project or purpose.

APPROPRIATION TERMS AND FUND SOURCES

Appropriations

Authority to expend funds for a particular purpose. An appropriation is not a mandate to spend.

Gross: Total of all applicable appropriations in an appropriation bill.

Adjusted Gross: Net amount of gross appropriations after subtracting interdepartmental grants (IDGs) and intradepartmental transfers (IDTs).

Interdepartmental Grant (IDG) Revenue

Funds received by one state department from another state department—usually for service(s) provided.

Intradepartmental Transfer (IDT) Revenue

Funds transferred from one appropriation unit to another within the same departmental budget.

Federal Revenue

Federal grant or match revenue; generally dedicated to specific programs or purposes.

Local Revenue

Revenue received from local units of government for state services.

Private Revenue

Revenue from non-government entities: rents, royalties or interest payments, payments from hospitals or individuals, or gifts and bequests.

State Restricted Revenue

State revenue restricted by the State Constitution, state statute, or outside restriction that is available only for specified purposes; includes most fee revenue; at year-end, unused restricted revenue generally remains in the restricted fund.

General Fund/General Purpose (GF/GP) Revenue

Unrestricted general fund revenue available to fund basic state programs and other purposes determined by the Legislature; unused GF/GP revenue lapses to the General Fund at the end of a fiscal year.

MAJOR STATE FUNDS

General Fund

The state's primary operating fund; receives state revenue not dedicated to another state fund.

School Aid Fund (SAF)

A restricted fund that serves as the primary state funding source for K-12 schools and Intermediate School Districts. Constitutionally, SAF revenue may also be used for postsecondary education.

Budget Stabilization Fund

The Countercyclical Economic and Budget Stabilization Fund (also known as the "rainy day fund"); the Management and Budget Act provides guidelines for making deposits into and withdrawals from the fund.

FY 2018-19 Budget Detail

OVERVIEW

**Budget Overview
Consensus Revenue Estimates
FY 2018-19 Balance Sheets
Summary Tables**

OVERVIEW

**FY 2018-19
BUDGET OVERVIEW**

Mary Ann Cleary, Director, and Bethany Wicksall, Deputy Director

The enacted state budget for Fiscal Year (FY) 2018-19 incorporates the May 2018 Consensus Revenue Estimating Conference (CREC) revenue estimates. In addition to those estimates, the recommendation assumes the following major funding sources for the General Fund/General Purpose (GF/GP) and School Aid Fund (SAF) budgets:

- Beginning balances of \$101.9 million GF/GP and \$217.9 million SAF.
- Continued use of tobacco settlement revenue of \$72.0 million from the new Community District Education Trust Fund.

	FY 2017-18 Year-to-Date as of 7/05/18	FY 2018-19 Enacted	Difference: FY 2018-19 Vs. FY 2017-18	
			Amount	%
Adjusted Gross	\$55,481.7	\$55,862.4	\$380.7	0.7%
Federal	\$22,539.9	\$22,418.0	(\$121.9)	(0.5%)
Local/Private	\$383.0	\$386.3	\$3.3	0.9%
Restricted	\$22,327.4	\$23,036.8	\$709.4	3.2%
GF/GP	\$10,231.4	\$10,021.4	(\$210.0)	(2.1%)

Of the \$33,058.2 million in state resources (restricted plus GF/GP) appropriated for FY 2018-19, \$18,759.2 million (56.7% of the total) is designated for payments to local units of government. Article IX, Section 30 of Michigan's Constitution requires that at least 48.97% of spending from state resources must be paid to local governments.

The FY 2018-19 enacted budget bills (SB 848 and HB 5579) include FY 2017-18 supplemental appropriations. These adjustments include:

- \$115.0 million deposit into the Budget Stabilization Fund (BSF) – estimated balance \$1.0 billion.
- Total decrease of \$513.6 million Gross, which includes a decrease of \$659.9 million in federal funds, an increase of \$1.5 million in private and local revenue, an increase of \$134.9 million in SAF funds, an increase of \$38.4 million in other restricted revenue and a decrease of \$28.4 million in GF/GP appropriations.
- K-12 budget includes a fund shift of \$136.3 million reducing GF/GP from \$215.0 million to \$78.5 million and replacing it with SAF.
- GF/GP increases include \$30.0 million for community infrastructure projects; \$25.0 million for school safety grants; \$22.0 million for enhancement grants; and \$20.0 million Gross (\$18.0 million GF/GP) for Flint service line replacement.
- The bulk of the federal adjustments are for caseload and other related adjustments for the Medicaid program (including the Healthy Michigan Plan).
- Capital Outlay appropriations of \$800 GF/GP for 8 construction authorizations.

The FY 2018-19 budget includes both program reductions and increases compared to the FY 2017-18 budget, as well as funding allocations designated as one-time in nature.

Major FY 2018-19 GF/GP program increases include:

- \$84.1 million for indigent defense reimbursement grants. (LARA)
- \$25.0 million for environmental cleanup. (DEQ)
- \$20.3 million for annualization costs associated with the 2018 State Police trooper school. (MSP)
- \$16.0 million for payments to unlicensed relative foster care providers. (DHHS)
- \$14.7 million GF/GP (\$41.4 million Gross) for the expansion of the all-inclusive care for the elderly program. (DHHS)
- \$13.2 million for transition of prison food service from private to state run. (DOC)
- \$11.9 million (\$7.8 million one-time) for a 2019 State Police trooper school. (MSP)
- \$5.0 million for information technology system enhancements in Treasury.

Major one-time allocations of GF/GP funding for FY 2018-19 include:

- \$300.0 million for roads allocated through PA 51 formula to the State, county road commissions, and cities and villages.
- \$5.5 million for non-Medicaid mental health services hold-harmless payment. (DHHS)
- \$5.0 million for a medical resident loan repayment program. (DHHS)

Major reductions or savings of GF/GP funding for FY 2018-19 include:

- \$37.5 million reduction to the information technology investment fund (ITIF). (DTMB)
- \$19.1 million savings achieved by closing a yet to be determined correctional facility in 2019. (DOC)
- \$18.8 million savings from the 2018 closure of West Shoreline Correctional Facility. (DOC)
- \$12.3 million GF/GP (\$34.6 million Gross) savings from a 10% reduction to Medicaid autism services reimbursements. (DHHS)
- \$6.3 million GF/GP (\$9.5 million Gross) reduction to the mental health and wellness commission recommendations. (DHHS)

The FY 2018-19 budget includes the following funding changes for local revenue sharing programs:

- An estimated increase of \$37.2 million from the adjusted FY 2017-18 level in constitutional revenue sharing payments to cities, villages, and townships (CVTs) based on sales tax collections.
- Continued \$5.8 million (one-time) discretionary revenue sharing payments to CVTs for the expanded pool of 101 local units.
- \$6.2 million (one-time) supplemental payments to CVTs to receive a payment under Section 952.
- \$0.3 million increase for payments to counties to provide full funding to three additional counties who will have exhausted their reserves funds in FY 2018-19 and a \$1.0 million increase for debt, pension, and OPEB obligations.

Major FY 2018-19 School Aid and Higher Education funding changes include:

- \$312.0 million for increases to district foundation allowances ranging from \$120 to \$240 per pupil based on the 2x formula (percent increases range from 1.4% to 3.1%).
- Fund shift of \$234.5 million reducing GF/GP allocations and replacing it with SAF in Higher Education.
- \$28.6 million for a 2.0% increase in public university operations (percent increases range from 2.5% to 4.1%).
- \$5.2 million increase for computer adaptive test.
- \$5.0 million special education Early On program.
- \$5.0 million for CTE incentive payments.

Retirement cost increases included in the FY 2018-19 budget include:

- \$74.8 million SAF increase to pay for the additional unfunded liability costs from lowering the assumed rate of return (AROR) for MPERS from 8.0% to 7.5% to community colleges, universities, and school districts. (2nd year of 2-year phase-in)
- \$42.2 million SAF increase to pay the additional MPERS normal cost to community colleges, universities, and school districts resulting from the change in AROR. (2nd year of 2-year phase-in)
- \$14.5 million SAF increase to reimburse school districts, ISDs, and community colleges for the increased normal costs of the 401k plan added in FY 2017-18.

The FY 2018-19 budget includes \$71.8 million in funding from the contingent fund, penalty and interest account. Ongoing funding for fire protection grants of \$13.6 million is contained in the local community stabilization authority act as a result of the adoption of HB 5908 (2018 PA 248).

A more detailed summary of major budget changes by individual budget area begins on page 22.

CONSENSUS REVENUE ESTIMATES

Jim Stansell, Senior Economist

This section describes the May 2018 Consensus Revenue Estimating Conference revenue estimates, adjusted for changes enacted, for GF/GP and SAF revenue for FY 2017-18 and FY 2018-19.

For Michigan:

- Wage and salary employment is expected to increase 1.1% in CY 2018 and 0.9% in CY 2019.
- The unemployment rate is expected to decline from 4.5% in CY 2018 to 4.4% in CY 2019.
- Personal income is expected to increase 4.1% in CY 2018 and 4.4% in CY 2019.

General Fund/General Purpose Revenue by Source

Personal Income Tax

- GF/GP individual income tax revenue is expected to increase 8.4% in FY 2017-18 before declining 3.6% in FY 2018-19, in part due to the \$150 million earmark to the transportation fund.

Sales and Use Taxes

- GF/GP sales and use tax revenue is estimated to increase at a 4.5% rate to \$1,896.8 million in FY 2017-18. In FY 2018-19, sales and use tax revenue is estimated to grow more slowly to \$1,912.1 million, a 0.8% increase.

Net Business Taxes

- Net business taxes are comprised of the Single Business Tax (SBT), the Michigan Business Tax (MBT), the corporate income tax (CIT), and insurance taxes, all of which accrue to the General Fund.
- Net business taxes are estimated to be \$477.0 million in FY 2017-18. In FY 2018-19, net business taxes are expected to increase to \$679.4 million.

GF/GP Tax Revenue

- GF/GP tax revenue is expected to increase at a 3.6% rate to \$10,097.2 million in FY 2017-18 before dipping to \$10,061.2 million in FY 2018-19, a decrease of 0.4%.

Net GF/GP Revenue

- Total net GF/GP revenue includes tax revenue and non-tax revenue.
- Non-tax revenue includes revenue from the liquor purchase revolving fund, federal aid, licenses and permits, and investment income and borrowing costs.
- Net GF/GP revenue is expected to increase to \$10,463.6 million in FY 2017-18 before declining to \$10,411.6 million in FY 2018-19, a decrease of 0.5%.

GF/GP REVENUE ESTIMATES
(Millions of Dollars)

	<u>FY 2017-18</u>	<u>FY 2018-19</u>	<u>FY 2018-19 Over FY 2017-18</u>	
			<u>Change</u>	
Individual Income Tax	\$7,299.6	\$7,039.5	(\$260.1)	(3.6%)
Sales and Use Taxes	1,896.8	1,912.1	15.3	0.8%
Net Business Taxes	477.0	679.4	202.4	42.4%
Other Taxes	423.8	430.2	6.4	1.5%
GF/GP Tax Revenue	\$10,097.2	\$10,061.2	(\$36.0)	(0.4%)
Non-Tax Revenue	366.4	350.4	(16.0)	(4.4%)
Net GF/GP Revenue	\$10,463.6	\$10,411.6	(\$52.0)	(0.5%)

SCHOOL AID FUND REVENUE ESTIMATES
(Millions of Dollars)

<u>Revenue</u>	<u>FY 2017-18</u>	<u>FY 2018-19</u>	<u>FY 2018-19 Over FY 2017-18</u>	
			<u>Change</u>	
Sales and Use Taxes	\$6,435.4	\$6,627.5	\$192.1	3.0%
Individual Income Tax Earmark	2,906.1	2,953.1	47.0	1.6%
Lottery and Casinos	1,058.4	1,065.0	6.6	0.6%
Cigarette Tax	352.0	346.7	(5.3)	(1.5%)
State Education Tax	2,039.1	2,121.7	82.6	4.1%
Real Estate Transfer Tax	331.1	336.5	5.4	1.6%
Liquor Excise and Specific Taxes	121.9	123.9	2.0	1.6%
Net SAF Revenue	\$13,244.0	\$13,574.4	\$330.4	2.5%

School Aid Fund Revenue by Source

Sales and Use Taxes

- Combined sales and use tax revenue dedicated to the SAF is forecast to increase to \$6,435.4 million in FY 2017-18 and \$6,627.5 million in FY 2018-19, an increase of 3.0%.

Income Tax

- Approximately 23.8% of gross income tax collections are dedicated to the SAF.
- SAF dedicated income tax revenue is forecast to be \$2,906.1 million in FY 2017-18, and then increase 1.6% to \$2,953.1 million in FY 2018-19.

Lottery/Casinos

- Lottery and casino revenue to the SAF is projected to increase to \$1,058.4 million in FY 2017-18 and to \$1,065.0 million in FY 2018-19.

Cigarette Tax

- Approximately 41.3% of cigarette tax revenue is dedicated to the SAF.
- The demand for tobacco products is expected to decline over the duration of the forecast, leading to total SAF tobacco tax revenue of \$352.0 million in FY 2017-18 and \$346.7 million in FY 2018-19.

OVERVIEW

State Education Tax/Real Estate Transfer Tax

- All of the 6-mill state education tax (SET) and the real estate transfer tax (RET) is dedicated to the SAF.
- SET revenue is expected to increase to \$2,039.1 million in FY 2017-18 and \$2,121.7 million in FY 2018-19.
- RET is forecast to increase to \$331.1 million in FY 2017-18 and \$336.5 million in FY 2018-19.

Net SAF Revenue

- Net SAF revenue represents revenue available for expenditure each year; it includes tax changes but does not include any GF/GP transfers, federal funds, or year-end balances.
- Net SAF revenue is expected to increase 4.4% to \$13,244.0 million in FY 2017-18 and increase 2.5% to \$13,574.4 million in FY 2018-19.

Budget Stabilization Fund Year-End Balances

The following table notes BSF deposits, withdrawals, and interest earnings from FY 1999-2000 to FY 2016-17, and HFA estimates of deposits, expected interest earnings, and year-end balances for FY 2017-18 and FY 2018-19. Deposits include appropriations as well as the provisions enacted in 2014 PA 186, which amended the Michigan Trust Fund Act to require annual \$17.5 million deposits of tobacco settlement revenue to the BSF from FY 2014-15 through FY 2034-35.

The final BSF balance was \$710.0 million for FY 2016-17, which included a deposit of \$92.5 million. For FY 2017-18, \$265.0 million in GF/GP revenue has been appropriated to the BSF in addition to with the required \$17.5 million of tobacco settlement revenue.

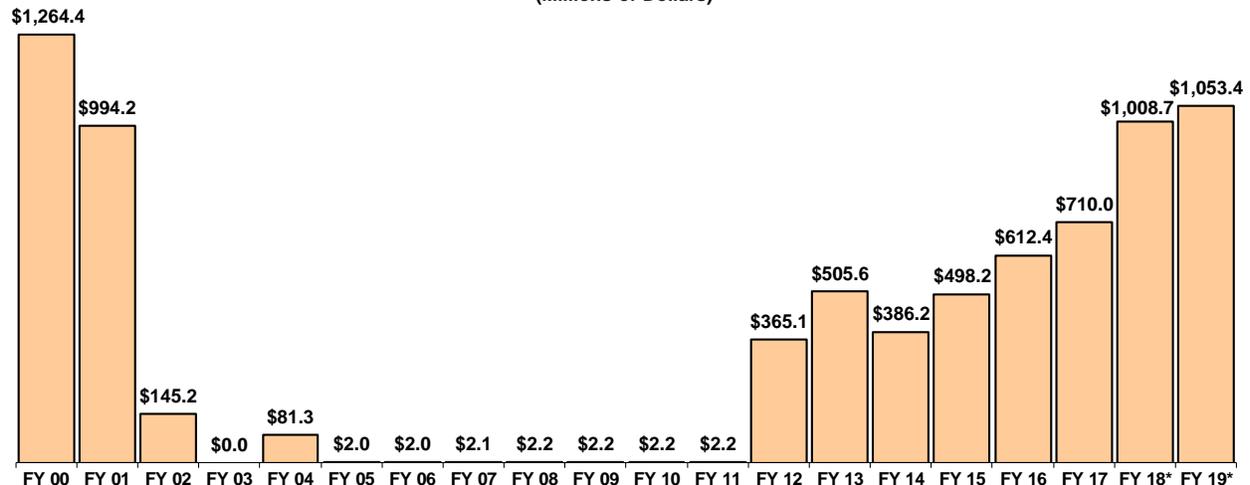
Only the required \$17.5 million of tobacco settlement revenue is identified as a deposit for FY 2018-19. The final fund balance is forecast to be \$1,008.7 million for FY 2017-18 and \$1,053.4 million for FY 2018-19.

**BUDGET STABILIZATION FUND HISTORY
(Millions of Dollars)**

<u>Fiscal Year</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Interest Earned</u>	<u>Balance</u>
1999-2000	\$100.0	\$132.0	\$73.9	\$1,264.4
2000-01	0.0	337.0	66.7	994.2
2001-02	0.0	869.8	20.8	145.2
2002-03	0.0	156.1	10.9	0.0
2003-04	81.3	0.0	0.0	81.3
2004-05	0.0	81.3	2.0	2.0
2005-06	0.0	0.0	0.0	2.0
2006-07	0.0	0.0	0.1	2.1
2007-08	0.0	0.0	0.1	2.2
2008-09	0.0	0.0	0.0	2.2
2009-10	0.0	0.0	0.0	2.2
2010-11	0.0	0.0	0.0	2.2
2011-12	362.7	0.0	0.2	365.1
2012-13	140.0	0.0	0.5	505.6
2013-14	75.0	194.8	0.4	386.2
2014-15	111.6	0.0	0.3	498.2
2015-16	112.5	0.0	1.7	612.4
2016-17	92.5	0.0	5.1	710.0
2017-18*	282.5	0.0	16.2	1,008.7
2018-19*	17.5	0.0	27.1	1,053.4

*Note: Numbers may not add due to rounding.
HFA estimates.

**BUDGET STABILIZATION FUND (BSF) BALANCE
(Millions of Dollars)**



OVERVIEW

Compliance with the State Revenue Limit

HFA estimates of the state revenue limit provided for in Article IX, Section 26, of the *Constitution of the State of Michigan*, and estimates of total state revenue collections subject to the state revenue limit are shown in the following table. As provided for in the Constitution, the revenue limit is calculated as 9.49% of total state personal income in the previous full calendar year (CY) prior to the fiscal year in which the revenue is measured, as estimated by the Bureau of Economic Analysis, United States Department of Commerce.

**COMPLIANCE WITH THE STATE REVENUE LIMIT
(Millions of Dollars)**

<u>Revenue Limit Calculations</u>	<u>FY 2017-18</u>	<u>FY 2018-19</u>
Personal Income	CY 2015	CY 2016
Amount	\$439,361	\$450,847
X Limit Ratio	9.49%	9.49%
State Revenue Limit	\$41,695.4	\$42,785.4
Total Revenue Subject to Revenue Limit	\$33,004.9	\$33,767.7
Amount (Under) Over State Revenue Limit	(\$8,690.5)	(\$9,017.7)

Implications of Exceeding the State Revenue Limit

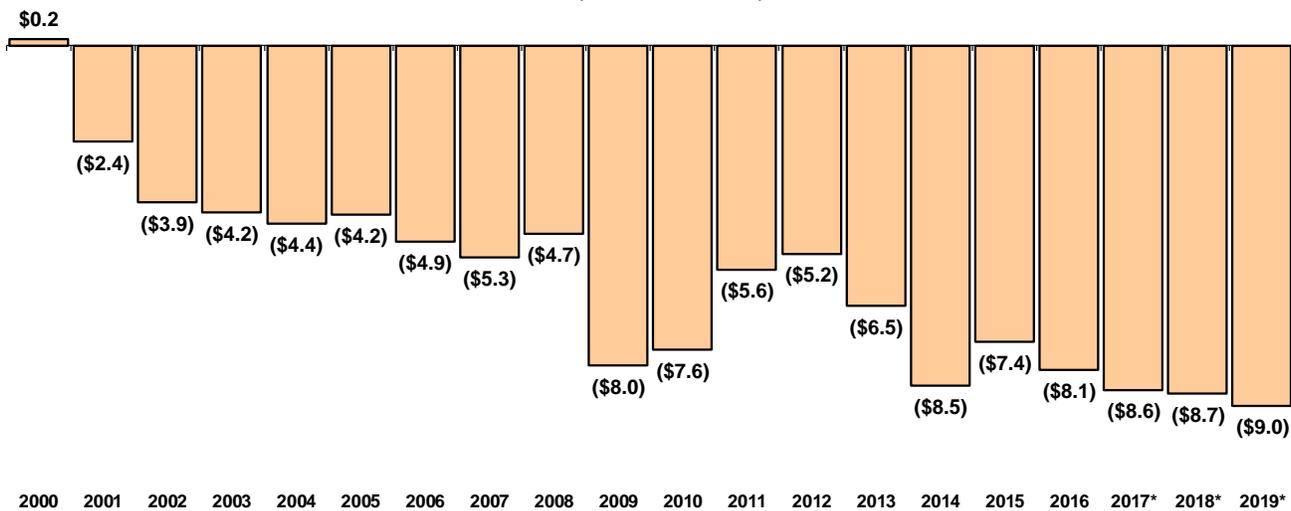
Article IX, Section 26, *Constitution of the State of Michigan*, provides that:

... For any fiscal year in the event that Total State Revenue exceed the limit established in this section by 1% or more, the excess revenues shall be refunded pro rata based on the liability reported on the Michigan income tax and single business tax (or its successor tax or taxes) annual returns filed following the close of such fiscal year. If the excess is less than 1%, this excess may be transferred to the State Budget Stabilization Fund . . .

Furthermore, the state is prohibited from spending any current year revenue in excess of the limit established in Section 26 by Article IX, Section 28.

For both FY 2017-18 and FY 2018-19, state revenue is estimated to be substantially below the revenue limit by roughly \$8.7 billion and \$9.0 billion, respectively.

**CONSTITUTIONAL REVENUE LIMIT
(Billions of Dollars)**



*FY 2017, FY 2018, and FY 2019 are consensus estimates

FY 2018-19 BALANCE SHEETS

The balance sheets below summarize estimated General Fund/General Purpose, School Aid Fund, and Merit Award Trust Fund revenues, expenditures, and balance amounts for FY 2018-19 based on the enacted state budget.

FY 2018-19 GENERAL FUND/GENERAL PURPOSE BALANCE SHEET (Millions of Dollars)

Estimated Beginning Fund Balance	\$101.9
Revenues	
May 2018 consensus revenue estimate	\$10,411.6
Lawsuit settlement fund proceeds	(6.3)
Revenue sharing to local units of government	(479.1)
Total Estimated Revenues	\$9,926.2
Expenditures	
Enacted appropriations: ongoing	\$9,569.7
Enacted appropriations: one-time	391.8
General Fund to School Aid	60.0
Total Estimated Expenditures	\$10,021.4
Estimated Change in Balance (Revenues less Expenditures)	(\$95.2)
Estimated Ending Fund Balance	\$6.7

OVERVIEW

**FY 2018-19 SCHOOL AID FUND BALANCE SHEET
(Millions of Dollars)**

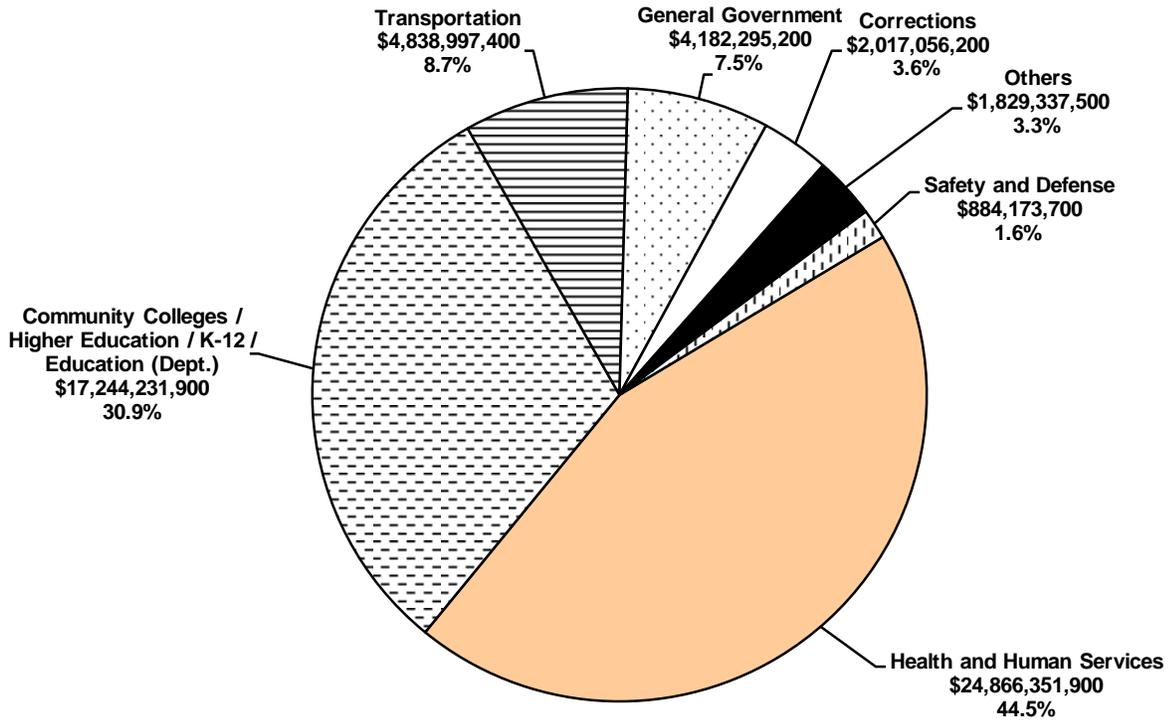
Estimated Beginning Fund Balance	\$217.6
Revenues	
May 2018 consensus revenue estimate	\$13,574.4
General Fund/General Purpose grant	60.0
Community District Education Trust Fund	72.0
MPSERS retirement obligation reform reserve fund	31.9
Federal aid	1,724.7
Total Estimated Revenues	\$15,463.0
Expenditures	
Enacted appropriations: School Aid	\$14,765.5
Enacted appropriations: Community Colleges	408.2
Enacted appropriations: Higher Education	500.1
Total Estimated Expenditures	\$15,673.8
Estimated Change in Balance (Revenues less Expenditures)	(\$210.8)
Estimated Ending Fund Balance	\$6.8

FY 2018-19 MERIT AWARD TRUST FUND BALANCE SHEET
(Millions of Dollars)

Estimated Beginning Fund Balance	\$15.2
Revenues	
Annual tobacco settlement payment due to Michigan	\$286.1
Debt service payments for prior securitization	(68.8)
Deposit to 21 st Century Jobs Fund	(75.0)
Repayment to Budget Stabilization Fund for Detroit settlement payment	(17.5)
Transfer to Community District Education Trust Fund	(72.0)
Total Estimated Net Revenues	\$52.8
Expenditures	
Attorney General: Administration	\$0.5
Community Health: Medicaid base funding	48.2
Community Health: Aging – Respite care	4.1
State Police: Tobacco settlement enforcement	0.8
Treasury: Tuition Incentive Program administration	1.2
Total Estimated Expenditures	\$54.8
Estimated Ending Fund Balance	\$13.2

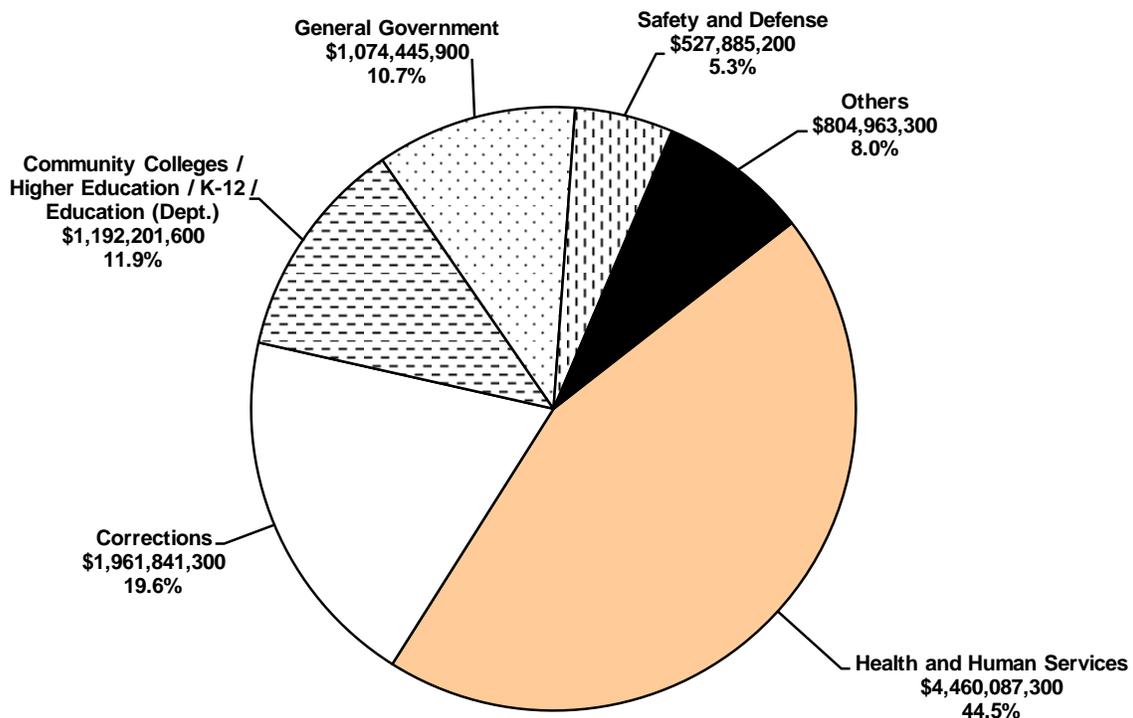
FY 2018-19 Enacted Adjusted Gross Appropriations

Total: \$55,862,443,800

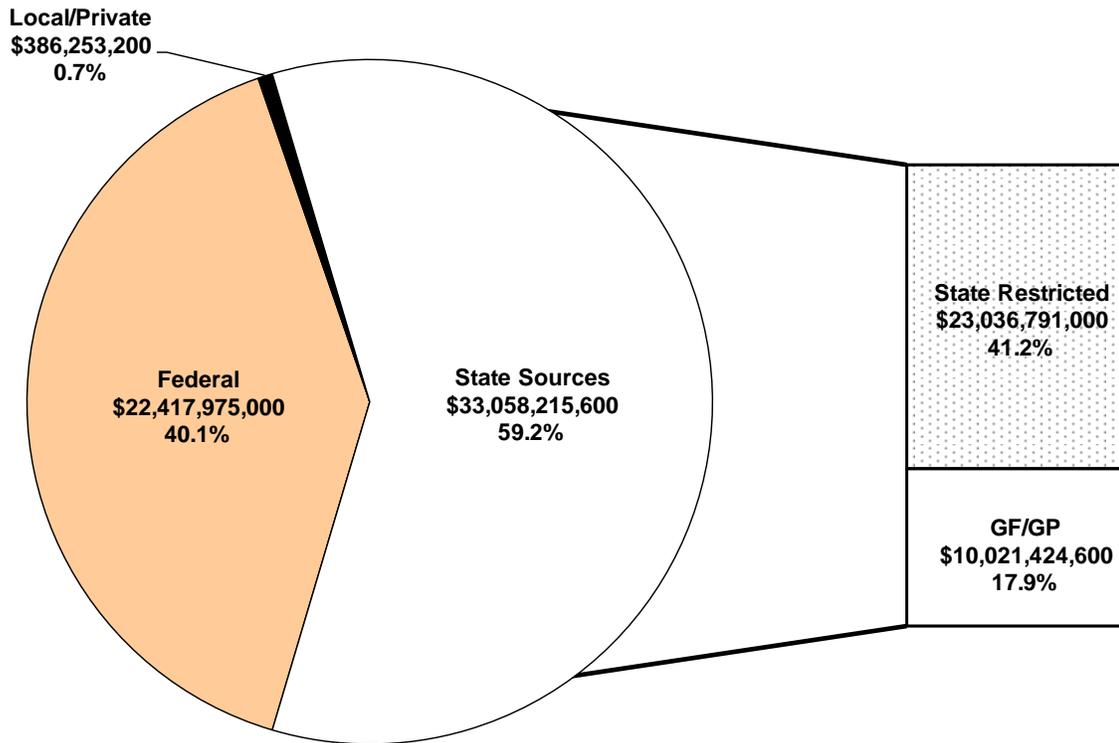


FY 2018-19 Enacted General Fund/General Purpose (GF/GP) Appropriations

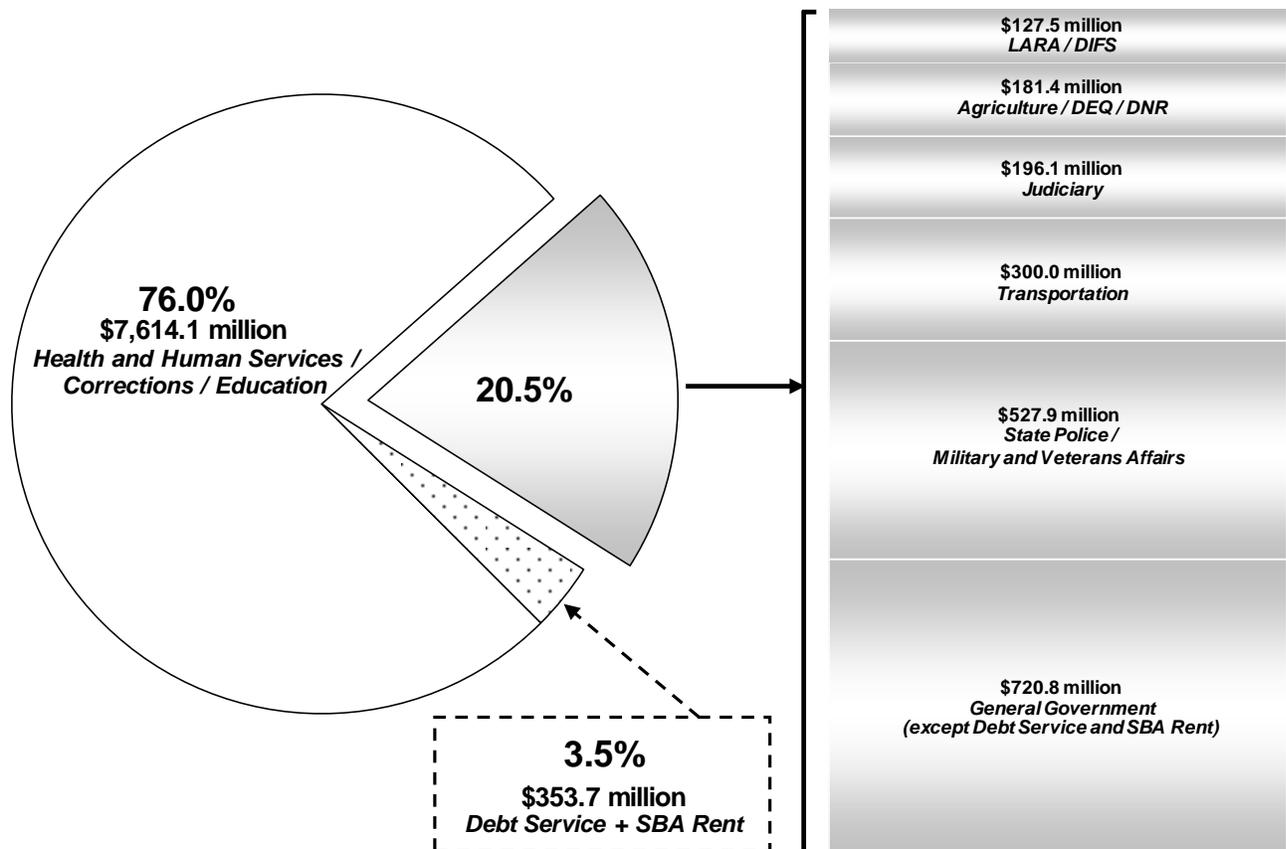
Total: \$10,021,424,600



FY 2018-19 Adjusted Gross Sources = \$55,862,443,800



FY 2018-19 GF/GP Distribution = \$10,021,424,600



SUMMARY TABLES

In the following tables, FY 2017-18 appropriations are year-to-date through July 5, 2018 and FY 2018-19 appropriations are enacted figures.

Table 1 (page 15) details the FY 2018-19 budget by Source of Funds. When interdepartmental grants and intradepartmental transfers are deducted (to avoid double counting), gross appropriations of \$56.780.6 million reduce to \$55,862.4 million in adjusted gross appropriations.

Table 2 (page 16) and **Table 3** (page 17) compare FY 2017-18 YTD appropriations to FY 2018-19 enacted appropriations.

Adjusted Gross Appropriations increase from \$55,481.7 million in FY 2017-18 to \$55,862.4 million in FY 2018-19, an increase of \$380.7 million or 0.7%.

GF/GP Appropriations decrease from \$10,231.4 million in FY 2017-18 to \$10,021.4 million in FY 2018-19, a decrease of \$210.0 million or 2.1%.

Table 4 (page 18) compares the number of authorized Full-Time Equated (FTE) Positions (classified and unclassified) from FY 2017-18 YTD to FY 2018-19. An increase of 389.0 FTEs is shown in Table 4—from 53,188.0 in FY 2017-18 to 53,577.0 in FY 2018-19. Each FTE is equivalent to 2,088 hours of employee compensated time (including overtime, annual leave, and used sick leave) during the year.

Table 5 (page 19) shows FY 2018-19 State Spending From State Sources Paid to Local Governments and compares enacted payments to local units of government to the amount of spending from state sources provided in each budget. Pursuant to Article IX, Section 30 of the *Constitution of the State of Michigan of 1963*, at least 48.97% of state spending from state resources must be paid to all units of local government. The enacted FY 2018-19 budget provides for \$18,759.2 million in state spending to local units of government, 56.7% of the estimated \$33,058.2 million in state spending from state resources—well above the constitutional requirement.

TABLE 1
FY 2018-19 ENACTED APPROPRIATIONS BY SOURCE OF FUNDS

<u>Department/Budget Area</u>	<u>Gross</u>	<u>IDG/IDT</u>	<u>Adjusted Gross</u>	<u>Federal</u>	<u>Local</u>	<u>Private</u>	<u>State Restricted</u>	<u>GF/GP</u>
Agriculture and Rural Development	\$107,948,100	\$313,900	\$107,634,200	\$11,775,200	\$0	\$101,800	\$37,172,000	\$58,585,200
Attorney General	103,648,900	30,386,400	73,262,500	9,628,500	0	0	22,427,200	41,206,800
Capital Outlay	0	0	0	0	0	0	0	0
Civil Rights	16,201,100	299,100	15,902,000	2,802,700	0	18,700	58,500	13,022,100
Community Colleges	408,215,500	0	408,215,500	0	0	0	408,215,500	0
Corrections	2,017,056,200	0	2,017,056,200	5,315,200	8,960,100	0	40,939,600	1,961,841,300
Education	400,815,000	0	400,815,000	298,074,500	5,852,800	2,035,800	8,668,200	86,183,700
Environmental Quality	447,502,600	3,143,700	444,358,900	160,225,400	0	1,061,700	209,325,300	73,746,500
Executive Office	6,980,100	0	6,980,100	0	0	0	0	6,980,100
Health and Human Services	24,880,165,600	13,813,700	24,866,351,900	17,635,395,600	121,612,600	150,409,900	2,498,846,500	4,460,087,300
Higher Education	1,669,732,600	0	1,669,732,600	123,526,400	0	0	500,188,300	1,046,017,900
Insurance and Financial Services	67,971,900	713,800	67,258,100	2,017,300	0	0	64,690,800	550,000
Judiciary	304,079,100	1,551,300	302,527,800	5,987,400	6,499,800	981,600	92,979,500	196,079,500
Legislative Auditor General	24,938,000	5,823,400	19,114,600	0	0	0	2,008,800	17,105,800
Legislature	158,112,500	0	158,112,500	0	0	400,000	4,394,300	153,318,200
Licensing and Regulatory Affairs	517,762,200	48,414,300	469,347,900	65,744,400	100,000	111,800	276,471,400	126,920,300
Military and Veterans Affairs	192,564,300	101,800	192,462,500	98,170,200	1,545,400	630,000	23,279,500	68,837,400
Natural Resources	438,442,800	232,200	438,210,600	81,731,600	0	7,431,400	299,965,800	49,081,800
School Aid	14,765,468,800	0	14,765,468,800	1,724,743,500	0	0	12,980,725,300	60,000,000
State	246,662,800	20,000,000	226,662,800	1,460,000	0	50,100	206,686,400	18,466,300
State Police	716,459,500	24,748,300	691,711,200	78,297,900	5,146,800	115,000	149,103,700	459,047,800
Talent and Economic Development	1,115,295,600	0	1,115,295,600	762,645,800	500,000	5,621,700	205,432,300	141,095,800
Tech., Mgmt., and Budget: Operations	1,100,538,000	751,777,000	348,761,000	5,033,700	2,341,600	129,400	114,037,400	227,218,900
Tech., Mgmt., and Budget: SBA Rent	246,570,600	0	246,570,600	0	0	0	0	246,570,600
Transportation	4,843,089,900	4,092,500	4,838,997,400	1,318,271,700	50,532,000	900,000	3,169,293,700	300,000,000
Treasury: Operations	562,928,500	12,780,300	550,148,200	27,128,000	13,135,700	27,500	407,475,700	102,381,300
Treasury: Debt Service	107,080,000	0	107,080,000	0	0	0	0	107,080,000
Treasury: Revenue Sharing	1,314,405,300	0	1,314,405,300	0	0	0	1,314,405,300	0
TOTAL APPROPRIATIONS	\$56,780,635,500	\$918,191,700	\$55,862,443,800	\$22,417,975,000	\$216,226,800	\$170,026,400	\$23,036,791,000	\$10,021,424,600

Note: FY 2018-19 enacted amounts include \$429.8 million Gross (\$406.8 million GF/GP) in appropriations designated as one-time only.

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TABLE 2
ADJUSTED GROSS APPROPRIATIONS
FY 2018-19 Enacted Compared with FY 2017-18 Year-to-Date

Department/Budget Area	FY 2017-18 YTD*	Enacted FY 2018-19	FY 2018-19 vs. FY 2017-18 Difference	
Agriculture and Rural Development	\$115,018,300	\$107,634,200	(\$7,384,100)	(6.4%)
Attorney General	74,009,700	73,262,500	(747,200)	(1.0%)
Capital Outlay	1,600	0	(1,600)	(100.0%)
Civil Rights	15,953,000	15,902,000	(51,000)	(0.3%)
Community Colleges	399,326,500	408,215,500	8,889,000	2.2%
Corrections	2,003,669,200	2,017,056,200	13,387,000	0.7%
Education	366,785,100	400,815,000	34,029,900	9.3%
Environmental Quality	568,474,700	444,358,900	(124,115,800)	(21.8%)
Executive Office	6,848,500	6,980,100	131,600	1.9%
Health and Human Services	24,841,698,400	24,866,351,900	24,653,500	0.1%
Higher Education	1,629,224,400	1,669,732,600	40,508,200	2.5%
Insurance and Financial Services	66,033,800	67,258,100	1,224,300	1.9%
Judiciary	298,492,400	302,527,800	4,035,400	1.4%
Legislative Auditor General	18,577,000	19,114,600	537,600	2.9%
Legislature	155,274,800	158,112,500	2,837,700	1.8%
Licensing and Regulatory Affairs	387,436,900	469,347,900	81,911,000	21.1%
Military and Veterans Affairs	183,169,300	192,462,500	9,293,200	5.1%
Natural Resources	422,510,000	438,210,600	15,700,600	3.7%
School Aid	14,582,670,800	14,765,468,800	182,798,000	1.3%
State	251,450,900	226,662,800	(24,788,100)	(9.9%)
State Police	719,174,700	691,711,200	(27,463,500)	(3.8%)
Talent and Economic Development (MSF)	1,202,577,900	1,115,295,600	(87,282,300)	(7.3%)
Tech., Mgmt., and Budget: Operations	468,283,600	348,761,000	(119,522,600)	(25.5%)
Tech., Mgmt., and Budget: SBA Rent	252,018,800	246,570,600	(5,448,200)	(2.2%)
Transportation	4,555,048,700	4,838,997,400	283,948,700	6.2%
Treasury: Operations	512,214,700	550,148,200	37,933,500	7.4%
Treasury: Debt Service	107,580,000	107,080,000	(500,000)	(0.5%)
Treasury: Revenue Sharing	1,278,215,000	1,314,405,300	36,190,300	2.8%
TOTAL APPROPRIATIONS	\$55,481,738,700	\$55,862,443,800	\$380,705,100	0.7%

* As of 7/5/2018

Note: FY 2017-18 figures include supplemental appropriations contained in FY 2018-19 budget acts.

TABLE 3
GENERAL FUND/GENERAL PURPOSE APPROPRIATIONS
FY 2018-19 Enacted Compared with FY 2017-18 Year-to-Date

<u>Department/Budget Area</u>	<u>FY 2017-18 YTD*</u>	<u>Enacted FY 2018-19</u>	<u>FY 2018-19 vs. FY 2017-18 Difference</u>	
Agriculture and Rural Development	\$66,501,800	\$58,585,200	(\$7,916,600)	(11.9%)
Attorney General	42,248,600	41,206,800	(1,041,800)	(2.5%)
Capital Outlay	1,600	0	(1,600)	(100.0%)
Civil Rights	13,006,600	13,022,100	15,500	0.1%
Community Colleges	1,025,000	0	(1,025,000)	(100.0%)
Corrections	1,948,383,600	1,961,841,300	13,457,700	0.7%
Education	81,677,400	86,183,700	4,506,300	5.5%
Environmental Quality	81,151,500	73,746,500	(7,405,000)	(9.1%)
Executive Office	6,848,500	6,980,100	131,600	1.9%
Health and Human Services	4,351,106,200	4,460,087,300	108,981,100	2.5%
Higher Education	1,279,254,500	1,046,017,900	(233,236,600)	(18.2%)
Insurance and Financial Services	150,000	550,000	400,000	266.7%
Judiciary	192,574,400	196,079,500	3,505,100	1.8%
Legislative Auditor General	16,607,600	17,105,800	498,200	3.0%
Legislature	150,597,100	153,318,200	2,721,100	1.8%
Licensing and Regulatory Affairs	44,416,600	126,920,300	82,503,700	185.7%
Military and Veterans Affairs	66,334,200	68,837,400	2,503,200	3.8%
Natural Resources	64,521,100	49,081,800	(15,439,300)	(23.9%)
School Aid	78,500,000	60,000,000	(18,500,000)	(23.6%)
State	24,274,400	18,466,300	(5,808,100)	(23.9%)
State Police	472,001,700	459,047,800	(12,953,900)	(2.7%)
Talent and Economic Development (MSF)	228,255,500	141,095,800	(87,159,700)	(38.2%)
Tech., Mgmt., and Budget: Operations	349,034,600	227,218,900	(121,815,700)	(34.9%)
Tech., Mgmt., and Budget: SBA Rent	252,018,800	246,570,600	(5,448,200)	(2.2%)
Transportation	205,000,000	300,000,000	95,000,000	46.3%
Treasury: Operations	99,967,000	102,381,300	2,414,300	2.4%
Treasury: Debt Service	107,580,000	107,080,000	(500,000)	(0.5%)
Treasury: Revenue Sharing	8,379,100	0	(8,379,100)	(100.0%)
TOTAL APPROPRIATIONS	\$10,231,417,400	\$10,021,424,600	(\$209,992,800)	(2.1%)

* As of 7/5/2018

Note: FY 2017-18 figures include supplemental appropriations contained in FY 2018-19 budget acts.

OVERVIEW

TABLE 4
AUTHORIZED FULL-TIME EQUATED (FTE) POSITIONS*
FY 2018-19 Enacted Compared with FY 2017-18 Year-to-Date

<u>Department/Budget Area</u>	<u>FY 2017-18 YTD</u>	<u>Enacted FY 2018-19</u>	<u>FY 2018-19 vs. FY 2017-18 Difference</u>	
Agriculture and Rural Development	499.5	506.5	7.0	1.4%
Attorney General	538.0	537.0	(1.0)	(0.2%)
Capital Outlay	0.0	0.0	0.0	--
Civil Rights	116.0	116.0	0.0	0.0%
Community Colleges	0.0	0.0	0.0	--
Corrections	13,819.9	13,979.2	159.3	1.2%
Education	609.5	620.5	11.0	1.8%
Environmental Quality	1,252.0	1,237.0	(15.0)	(1.2%)
Executive Office	89.2	89.2	0.0	0.0%
Health and Human Services	15,641.5	15,627.7	(13.8)	(0.1%)
Higher Education	0.0	0.0	0.0	--
Insurance and Financial Services	342.5	342.5	0.0	0.0%
Judiciary	501.0	502.0	1.0	0.2%
Legislative Auditor General	0.0	0.0	0.0	--
Legislature	0.0	0.0	0.0	--
Licensing and Regulatory Affairs	2,379.8	2,379.8	0.0	0.0%
Military and Veterans Affairs	913.5	921.5	8.0	0.9%
Natural Resources	2,267.8	2,330.3	62.5	2.8%
School Aid	0.0	0.0	0.0	--
State	1,692.0	1,592.0	(100.0)	(5.9%)
State Police	3,441.0	3,521.0	80.0	2.3%
Talent and Economic Development (MSF)	1,453.0	1,456.0	3.0	0.2%
Tech., Mgmt., and Budget: Operations	2,943.0	3,122.0	179.0	6.1%
Tech., Mgmt., and Budget: SBA Rent	0.0	0.0	0.0	--
Transportation	2,826.3	2,824.3	(2.0)	(0.1%)
Treasury: Operations	1,862.5	1,872.5	10.0	0.5%
Treasury: Debt Service	0.0	0.0	0.0	--
Treasury: Revenue Sharing	0.0	0.0	0.0	--
TOTAL FTE POSITIONS	53,188.0	53,577.0	389.0	0.7%

* Includes classified, unclassified, and nonlegislative exempt positions. Represents authorized/estimated positions, not necessarily actual positions funded.

Note: FY 2017-18 figures include supplemental appropriations contained in FY 2018-19 budget acts.

TABLE 5
STATE SPENDING FROM STATE SOURCES PAID TO LOCAL GOVERNMENTS
FY 2018-19 Enacted

<u>Department/Budget Area</u>	<u>Spending From State Sources</u>	<u>State Spending to Local Government Units</u>	<u>% of State Spending From State Sources as Payment to Locals</u>
Agriculture and Rural Development	\$95,757,200	\$6,350,000	6.6%
Attorney General	63,634,000	0	0.0%
Civil Rights	13,080,600	0	0.0%
Community Colleges	408,215,500	408,215,500	100.0%
Corrections	2,002,780,900	122,169,600	6.1%
Education	94,851,900	14,567,700	15.4%
Environmental Quality	283,071,800	5,701,000	2.0%
Executive Office	6,980,100	0	0.0%
Health and Human Services	6,958,933,800	1,468,359,900	21.1%
Higher Education	1,546,206,200	0	0.0%
Insurance and Financial Services	65,240,800	0	0.0%
Judiciary	289,059,000	148,614,500	51.4%
Legislative Auditor General	19,114,600	0	0.0%
Legislature	157,712,500	0	0.0%
Licensing and Regulatory Affairs	403,391,700	105,251,900	26.1%
Military and Veterans Affairs	92,116,900	2,242,400	2.4%
Natural Resources	349,047,600	7,431,400	2.1%
School Aid	13,040,725,300	12,847,081,000	98.5%
State	225,152,700	1,129,000	0.5%
State Police	608,151,500	14,231,300	2.3%
Talent and Economic Development (MSF)	346,528,100	31,400,000	9.1%
Tech., Mgmt., and Budget: Operations	341,256,300	0	0.0%
Tech., Mgmt., and Budget: SBA Rent	246,570,600	0	0.0%
Transportation	3,469,293,700	2,036,860,600	58.7%
Treasury: Operations	509,857,000	225,164,900	44.2%
Treasury: Debt Service	107,080,000	0	0.0%
Treasury: Revenue Sharing	1,314,405,300	1,314,405,300	100.0%
TOTALS	\$33,058,215,600	\$18,759,176,000	56.7%

FY 2018-19

Budget Detail

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
Summary of FY 2018-19 Enacted Appropriations
Article I, 2018 Public Act 207 (Senate Bill 848)**

Analyst: William E. Hamilton

	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	Difference: Enacted From FY 2017-18 YTD	
						Amount	%
IDG/IDT	\$310,300	\$313,900	\$313,900	\$313,900	\$313,900	\$3,600	1.2
Federal	11,373,900	11,695,200	11,775,200	11,775,200	11,775,200	401,300	3.5
Local	0	0	0	0	0	0	--
Private	101,600	101,800	101,800	101,800	101,800	200	0.2
Restricted	36,661,000	37,072,000	37,072,000	37,072,000	37,172,000	511,000	1.4
GF/GP	66,251,800	53,705,200	53,705,100	59,355,200	58,585,200	(7,666,600)	(11.6)
Gross	\$114,698,600	\$102,888,100	\$102,968,000	\$108,618,100	\$107,948,100	(\$6,750,500)	(5.9)
FTEs	499.5	506.5	508.5	506.5	506.5	7.0	1.4

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Michigan Department of Agriculture and Rural Development's (MDARD) key programs and priorities include ensuring food safety and security, protecting animal health and welfare, managing invasive exotic species, regulating pesticide use, certifying agricultural commodities, ensuring environmental stewardship, consumer protection, and promoting the state's agricultural economy.

Major Budget Changes from FY 2017-18 YTD Appropriations

1. Food and Dairy – Milk Safety Quality Assurance

Provides \$780,000 GF/GP increase with 5.0 additional FTE positions for dairy inspection programs. This increase, which was provided through various GF/GP reductions within other MDARD budget line items, as described below, reflects added workload related to increased dairy production and processing in Michigan. The budget also recognizes an additional \$80,000 in federal spending authority to reflect federal Food and Drug Administration (FDA) grant for training and certification. [The current year budget was also adjusted through Transfer 2018-3, approved March 21, 2018, to reflect this FDA grant.]

	FY 2017-18 YTD (as of 2/7/18)	Enacted Change From YTD
FTE	31.0	5.0
Gross	\$4,510,300	\$860,000
Federal	111,300	80,000
Restricted	219,700	0
GF/GP	\$4,179,300	\$780,000

2. Executive Direction – Office of Organizational Innovation

Includes \$307,100 GF/GP increase for two data management staff positions in the department's Office of Organizational Innovation. These positions had been cross-funded through the Information Technology Investment Fund in the DTMB budget. GF/GP funding is provided from various GF/GP reductions within budget, as described below.

FTE	20.0	0.0
Gross	\$2,216,900	\$307,100
Restricted	54,300	0
GF/GP	\$2,162,600	\$307,100

3. Food and Dairy – Food Safety Quality Assurance

Reduces baseline support by \$250,000 GF/GP. The department indicates this reduction will not affect core program activities; restricted funding is sufficient to fully support core programs, including education and outreach programs related to the federal Food Safety Modernization Act (FSMA). Increases authorized FTE positions reflects actual program staffing. Budget also eliminates \$150,000 GF/GP that had been included in FY 2017-18 budget for inspection activities related to draft beer delivery systems.

FTE	94.0	2.0
Gross	\$16,798,400	(\$400,000)
Federal	2,326,500	0
Restricted	5,510,000	0
GF/GP	\$8,961,900	(\$400,000)

AGRICULTURE AND RURAL DEVELOPMENT

<u>Major Budget Changes from FY 2017-18 YTD Appropriations</u>		FY 2017-18 YTD (as of 2/7/18)	Enacted Change From YTD
4. Animal Agriculture Initiative	Gross	\$2,500,000	(\$500,000)
Includes \$2.0 million GF/GP, shown as one-time funding. In the FY 2017-18 budget this had been included within a larger one-time grant for Michigan State University's Agriculture Industry Research and Development program.	GF/GP	\$2,500,000	(\$500,000)
5. Pesticide and Plant Pest Management (PPPM)	FTE	88.0	(1.0)
Reduces GF/GP support by \$200,000; this GF/GP reduction is offset by anticipated increase in restricted Fertilizer Control Fund revenue. Also reduces authorized positions by 1.0 FTE to reflect actual program staffing.	Gross	\$14,073,800	\$0
	Federal	1,678,500	0
	Private	21,100	0
	Restricted	6,548,400	200,000
	GF/GP	\$5,825,800	(\$200,000)
6. Environmental Stewardship/MAEAP	FTE	25.0	0.0
Reduces GF/GP support by \$100,000. The department indicates this reduction will not affect core program activities; restricted funding in the line is sufficient to fully support core programs.	Gross	\$10,236,600	(\$100,000)
	Federal	1,477,300	0
	Restricted	7,689,500	0
	GF/GP	\$1,069,800	(\$100,000)
7. Farmland and Open Space Preservation	FTE	10.0	0.0
Reduces GF/GP support by \$99,900. The department indicates that a backlog in processing applications will soon be cleared allowing for a reduction in temporary employees. This program, commonly referred to as the PA 116 program, provides tax credits to qualified farmers and landowners who agree to restrictions on development rights.	Gross	\$1,623,100	(\$99,900)
	Restricted	1,410,600	0
	GF/GP	\$212,500	(\$99,900)
8. Qualified Forest Program	FTE	9.0	0.0
Reduces baseline GF/GP support by \$230,000; this decrease is partially offset by the inclusion of an additional \$100,000 in restricted Private Forestland Development Fund revenue.	Gross	\$2,697,300	(\$130,000)
	Restricted	480,200	100,000
	GF/GP	\$2,217,100	(\$230,000)
9. Watershed Phosphorus Removal Pilot Project – NEW	Gross	\$0	\$120,000
Includes \$120,000 GF/GP for a pilot project, described as "ODC network – project clarity," related to the removal of phosphorus from lakes and other waterways. This item is shown as a one-time appropriation.	GF/GP	\$0	\$120,000
10. Laboratory Services – Federal Grant for ISO/Genome Sequencer	FTE	42.0	0.0
Increase in federal support recognizes FDA grants for specialized lab equipment. [The FY 2017-18 budget was also adjusted through Transfer 2018-3, approved March 21, 2018, to reflect this FDA grant.]	Gross	\$6,829,000	\$300,000
	IDG	218,600	0
	Federal	800,100	300,000
	Restricted	1,272,300	0
	GF/GP	\$4,538,000	\$0
11. Food and Agriculture Investment Program	Gross	\$4,743,900	\$381,100
Includes \$5.1 million GF/GP, an increase of \$381,100, for food and agriculture grant program.	GF/GP	\$4,743,900	\$381,100
12. ACRE Agriculture Incubator – NEW	Gross	\$0	\$260,000
Includes \$260,000 GF/GP for program that provides technology assistance to new and expanding agriculture-related businesses. This item is shown as a one-time appropriation.	GF/GP	\$0	\$260,000
13. County Fairs, Shows, Expositions/Festivals	Gross	\$649,300	\$525,700
Includes \$1.2 million GF/GP, an increase of \$525,700, for a program that provides matching capital grants to eligible county fairs, shows, and expositions. Of the \$1.2 million, \$775,000 is shown as a one-time appropriation.	GF/GP	\$649,300	\$525,700

AGRICULTURE AND RURAL DEVELOPMENT

<u>Major Budget Changes from FY 2017-18 YTD Appropriations</u>		<u>FY 2017-18 YTD</u>	<u>Enacted Change</u>
		<u>(as of 2/7/18)</u>	<u>From YTD</u>
14. MSU/Agriculture Industry Research and Development (AIRD)	Gross	\$5,900,000	(\$5,900,000)
Aside from the Animal Agriculture Initiative, (Item #4, above), the budget does not retain one-time funding for MSU/AIRD programs. Specific FY 2017-18 GF/GP grants not included for FY 2018-19 are: Fruit and vegetable processing/mobile labs, (\$3.2 million); Fruit and vegetable processing/workforce development, (\$1.2 million); Tree Fruit Commission, (\$1.5 million).	GF/GP	\$5,900,000	(\$5,900,000)
15. Other One-Time Funding Items	Gross	\$3,350,100	(\$3,350,100)
Budget eliminates the following GF/GP funded items identified in the FY 2017-18 budget as one-time: Enhanced Wildlife Risk Management, (\$1.0 million); Intercounty drain mapping project, (\$250,000); Food Bank Council of Michigan quick freeze facility, (\$2.0 million); Campground development grant, (\$100,000). Budget also eliminates \$100 placeholder related to Drinking water declaration of emergency.	Restricted	100	(100)
	GF/GP	\$3,350,000	(\$3,350,000)
16. Economic Adjustments	Gross	NA	\$1,061,900
Recognizes increased costs of \$1.1 million Gross (\$739,400 GF/GP) for negotiated salary and wage increases (2.0% ongoing), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	NA	3,600
	Private	NA	200
	Federal	NA	59,100
	Restricted	NA	259,600
	GF/GP	NA	\$739,400

Major Boilerplate Changes from FY 2017-18

Sec. 401. Food Safety Report/Food and Dairy Division Report – MODIFIED

Modifies current Food and Dairy Division annual report from a calendar year basis to fiscal year basis. Also modifies the scope to require report on only "significant" enforcement actions.

Sec. 402. Education and Training for Beer Delivery Systems – DELETED

Deletes \$150,000 earmark for program related to proper management of beer delivery systems authorized under Public Act 514 of 2016.

Sec. 403. FSMA Program – DELETED

Deletes section that had indicated legislative intent regarding FSMA education and training program and which had also authorized the department to use federal funds in addition to those appropriated in Part 1.

Sec. 452. Animal Industry Division Annual Report – REVISED

Report revised to include livestock depredation payments.

Sec. 453. Indemnification Payments – DELETED

Deletes report on livestock indemnification payments as duplicative and/or in conflict with requirements of the Animal Industry Act. Report on livestock depredation payments moved to the Animal Industry Division Annual report (Section 452).

Sec. 458. Aquaculture – DELETED

Deletes legislative directive that the department provide inspection and testing of aquaculture facilities; the current section is duplicative of the Michigan Aquaculture Development Act.

Sec. 461. Bovine TB Risk Mitigation – DELETED

Deletes section that had defined the Bovine TB risk mitigation program, a one-time funding program in the FY 2017-18 budget.

Sec. 462. Apiary Protection – NEW

Includes a \$20,000 earmark for apiary protection program. [This had been an earmark within the Bovine TB risk mitigation program in FY 2017-18 budget.]

Sec. 702. Rural Development Fund/Program – DELETED

Deletes section that directs department to work with Rural Development Fund Board. The section is unnecessary and duplicative of the statute establishing the Rural Development Fund, Public Act 410 of 2012.

Major Boilerplate Changes from FY 2017-18

Sec. 706. Agriculture Development Report – REVISED

Revises report to incorporate new Michigan Craft Beverage Council established under Public Act 155 of 2018.

Sec. 709. Grape and Wine Industry Council Report – DELETED

Deletes separate reporting requirement for the Grape and Wine Industry Council which was abolished under Public Act 154 of 2018. Includes the new Michigan Craft Beverage Council within the Agriculture Development Division Annual Report required under Section 706.

Sec. 802. Agriculture Equine Industry Development Fund (AEIDF) – REVISED

Includes new language prescribing the priority allocation of AEIDF revenue: support for administrative costs of the MGCB; up to \$395,000 for the line item Purses and supplements, fairs/licensed tracks; the remainder to be prorated equally among the supplements, breeders’ awards, and sire stakes awards to eligible race meeting licensees. [There is a similar section (Section 301) included in the FY 2017-18 supplemental article, Article XX, of Senate Bill 848, as enacted.]

Sec. 804. Michigan Gaming Control Board (MGCB) – DELETED

Deletes section that had required the MGCB to use actual expenditure data in determining regulatory costs. MGCB appropriations are not within the scope of Article I of the enacted budget.

Sec. 805. County Fair Capital Grant Program – REVISED

Governs matching program for county fair capital grants appropriated in Part 1. Enacted budget revises to include the following specific earmarks: up to \$25,000 for promotion, prizes, and premiums, including festivals; \$25,000 for renovations to the Tuscola County Fair grandstand, and \$250,000 for community center construction and furnishings at the Tuscola County fair.

<u>FY 2017-18 Supplemental Appropriations (Article XX)</u>		FY 2017-18 YTD (as of 2/7/18)	FY 2017-18 Supplemental Change
1. Agriculture Equine Industry Development Fund Allocation	Gross	\$671,800	\$0
Includes a net \$0 re-appropriation of state restricted Agriculture Equine Industry Development Fund revenue for Standardbred purses and supplements, licensed tracks, in order to include boilerplate (Sec. 301) that prioritizes allocation of available revenue after closure of Hazel Park Raceway.	Restricted	671,800	0
	GF/GP	\$0	\$0
2. Horse Racing – Purse Funding	Gross	\$0	\$250,000
Includes \$250,000 GF/GP for horse racing purses to be expended as directed under boilerplate Section 302.	GF/GP	\$0	\$250,000

FY 2017-18 Supplemental Boilerplate Changes (Article XX)

Sec. 301. Agriculture Equine Industry Development Fund Allocation

Defines the priority allocation of AEIDF revenue; support for administrative costs of the MGCB; “not less than” \$395,000 for the line item Purses and supplements, fairs/licensed tracks; the remainder to be prorated equally among the supplements, breeders’ awards, and sire stakes awards to eligible race meeting licensees. [There is a similar boilerplate section (Section 802) in the FY 2018-19 budget; however, that section directs that “up to” \$395,000 be allocated for the line item Purses and supplements, fairs/licensed tracks, rather than “not less than” \$395,000.]

Sec. 302. Horse Racing – Purse Funding, Work Project Designation

Directs the use of the Horse Racing - Purse Funding appropriation for specific thoroughbred and light horse racing programs; authorizes unexpended funds to be considered work project appropriations and carried forward.

**COMMUNITY COLLEGES
Summary of FY 2018-19 Enacted Appropriations
Article II, 2018 Public Act 265 (House Bill 5579)**

Analyst: Perry Zielak

IDG/IDT	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	Difference: Enacted From FY 2017-18 YTD	
						Amount	%
	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	0	0	0	0	0	0	--
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	398,301,500	405,015,500	408,215,500	405,015,500	408,215,500	9,914,000	2.5
GF/GP	1,025,000	0	0	3,190,500	0	(1,025,000)	(100.0)
Gross	\$399,326,500	\$405,015,500	\$408,215,500	\$408,206,000	\$408,215,500	\$8,889,000	2.2

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Community Colleges budget supports the 28 public community colleges located throughout the state. Community colleges offer a wide variety of educational programs, including traditional two-year transfer programs, associates' degrees, career and technical education, developmental and remedial education, continuing education, and baccalaureate programs in a limited number of areas. The colleges are supported primarily through a combination of state aid, local property tax revenue, and tuition and fees.

Major Budget Changes from FY 2017-18 YTD Appropriations

1. Community College Operations Grants

Increases funding by \$3.2 million School Aid Fund (SAF), a 1.0% increase. \$735,400 of the increase is allocated to colleges that received less than 2.0% of FY 2017-18 PPT payments. \$2.5 million is distributed using the Performance Funding Formula. Funding for Operations grants totals \$322.3 million SAF.

	FY 2017-18 YTD (as of 2/7/18)	Enacted Change From YTD
Gross	\$319,050,900	\$3,200,000
Restricted	319,050,900	3,200,000
GF/GP	\$0	\$0

2. Michigan Public School Employee Retirement System (MPERS)

Increases funding by \$4.5 million SAF for MPERS. This includes a reduction of \$3.2 million SAF for the state's share of colleges' unfunded liability to MPERS and a \$7.7 million SAF increase to cover the second year of a two-year phase-in to reduce the assumed rate of return for MPERS from 8% to 7.5%. The state's share is the difference between the actuarial accrued liability to the system and the employer contribution cap of 20.96% of payroll set by the Public School Employees Retirement act (MCL 38.1341). Brings total funding for the state share of MPERS to \$75.3 million SAF.

	FY 2017-18 YTD (as of 2/7/18)	Enacted Change From YTD
Gross	\$70,805,000	\$4,495,000
Restricted	70,805,000	4,495,000
GF/GP	\$0	\$0

3. MPERS Normal Cost Offset

Increases funding by \$2.8 million SAF to reimburse community colleges for their normal cost portion for the second year of a two-year phase-in to reduce the assumed rate of return for MPERS from 8% to 7.5%. Brings the total funding for the MPERS normal cost offset to \$6.4 million.

	FY 2017-18 YTD (as of 2/7/18)	Enacted Change From YTD
Gross	\$3,612,000	\$2,819,000
Restricted	3,612,000	2,819,000
GF/GP	\$0	\$0

4. Renaissance Zone Reimbursement Costs

Reduces funding for Renaissance Zone reimbursements to community colleges by \$600,000 SAF. Estimated reimbursement payments required by statute have decreased due to Personal Property Tax reforms. Brings total funding for reimbursements to \$2.5 million SAF.

	FY 2017-18 YTD (as of 2/7/18)	Enacted Change From YTD
Gross	\$3,100,000	(\$600,000)
Restricted	3,100,000	(600,000)
GF/GP	\$0	\$0

<u>Major Budget Changes from FY 2017-18 YTD Appropriations</u>		FY 2017-18 YTD (as of 2/7/18)	Enacted Change From YTD
5. Removal of One-Time Funding	Gross	\$1,025,000	(\$1,025,000)
Eliminates \$1.0 million GF/GP of one-time funding for the Michigan Transfer Network.	GF/GP	\$1,025,000	(\$1,025,000)

Major Boilerplate Changes from FY 2017-18

Sec. 206. Community Colleges Activities Classification Structure (ACS) Data – REVISED

Changes name of data collection entity from Activities Classification Structure to the Michigan Community Colleges Data Inventory.

Sec. 209. Community College Transparency – REVISED

Changes formal name of community colleges database to Michigan Community College Data Inventory.

Sec. 209a. Campus Safety Information and Resources – NEW

Adds language requiring community colleges to develop a “campus safety information and resources” link, which must be displayed on their websites. The website must display various safety information, campus security services and policies. Colleges must submit certification of compliance to the State Budget Director by August 31, 2018 or have monthly state payments withheld.

Sec. 210f. Articulation Agreements and Academic Partnerships Reporting – NEW

Adds language that requires the Michigan Community College Association (MCCA), the Michigan Association of State Universities (MASU), and the Michigan Independent Colleges and Universities (MICU) to report on the names and number of baccalaureate degree programs offered on community college campuses, the names of articulation agreements between universities and community colleges, and the number of students enrolled and degrees awarded through articulation agreements and on-campus baccalaureate programs.

Sec. 215. Annual Sexual Assault Reports – NEW

Adds language requiring that community colleges must submit a Title IX annual report on sexual assault incidents, as required under the Campus Save Act of 2013, to the House and Senate subcommittees on Community Colleges, the House and Senate fiscal agencies, and the State Budget Director.

Sec. 217. Activities Classification Structure Data – REVISED

Changes name of data collection entity from Activities Classification Structure to the Michigan Community Colleges Data Inventory and adds language requiring that the Center for Educational Performance and Information (CEPI) publish the Demographic Enrollment Profile with support from the Talent Investment Agency.

Sec. 225. Tuition Rate Reports – REVISED

Revises language that community colleges must include the annual cost of tuition and fees based on 30 credits and adds requirement that colleges must specify the total increase in tuition and fees from the prior academic year.

Sec. 226. Degrees Awarded by Colleges – REVISED

Changes reporting deadline from November 15 to October 15 for community colleges to report to CEPI the number of degrees and certificates awarded during the prior academic year.

COMMUNITY COLLEGES

FY 2018-19 Community College Operations Appropriations

	30%	10%	10%	10%	30%	5%	5%	100%					
	FY 2017-18	Performance-	Performance-	Performance-	Contact	Adminis-	Local	Total	PPT Related	Total	Change	FY 2018-19	
	Base	Sustainability	Improvement	Completion	Hours	trative	Strategic	Formula	Adjustments	Adjustments		Appropriation	
				Number	Rate		Value	Distribution					
Alpena	5,627,500	13,041	3,478	2,892	9,038	6,687	4,382	2,174	41,700	38,400	80,100	1.4%	\$5,707,600
Bay de Noc	5,589,000	12,952	3,468	3,310	3,454	6,762	3,662	2,159	35,800	0	35,800	0.6%	\$5,624,800
Delta	14,990,700	34,740	11,734	13,568	9,264	32,983	5,497	5,790	113,600	0	113,600	0.8%	\$15,104,300
Glen Oaks	2,601,400	6,029	3,950	1,454	1,608	4,440	151	1,005	18,600	0	18,600	0.7%	\$2,620,000
Gogebic	4,715,400	10,928	2,914	1,647	9,301	5,139	2,801	1,821	34,600	94,300	128,900	2.7%	\$4,844,300
Grand Rapids	18,556,800	43,004	11,468	14,338	11,468	59,783	5,246	7,167	152,500	0	152,500	0.8%	\$18,709,300
Henry Ford	22,299,200	51,677	13,781	11,531	19,443	53,521	5,886	8,613	164,400	0	164,400	0.7%	\$22,463,600
Jackson	12,590,100	29,177	7,780	6,445	7,780	19,629	5,299	4,863	81,000	27,100	108,100	0.9%	\$12,698,200
Kalamazoo Valley	12,948,700	30,008	8,002	9,498	8,002	31,977	5,378	5,001	97,900	0	97,900	0.8%	\$13,046,600
Kellogg	10,143,600	23,507	6,269	6,843	6,269	18,216	5,758	3,918	70,800	0	70,800	0.7%	\$10,214,400
Kirtland	3,289,400	7,623	7,490	2,688	2,033	6,688	4,448	1,270	32,200	0	32,200	1.0%	\$3,321,600
Lake Michigan	5,523,600	12,801	3,456	3,126	3,413	13,652	2,537	2,133	41,100	107,400	148,500	2.7%	\$5,672,100
Lansing	32,324,200	74,909	19,976	22,752	19,976	55,610	4,673	12,485	210,300	191,300	401,600	1.2%	\$32,725,800
Macomb	33,863,600	78,477	29,132	21,734	26,103	86,522	5,449	13,079	260,400	0	260,400	0.8%	\$34,124,000
Mid-Michigan	4,968,900	11,515	3,071	5,540	3,071	14,963	3,979	1,919	44,100	99,400	143,500	2.9%	\$5,112,400
Monroe County	4,665,500	10,812	6,289	3,531	2,883	12,480	5,294	1,802	43,100	0	43,100	0.9%	\$4,708,600
Montcalm	3,446,300	7,987	2,130	2,940	2,130	5,796	5,342	1,331	27,700	68,900	96,600	2.8%	\$3,542,900
Mott	16,258,100	37,677	10,047	16,362	15,160	33,524	4,456	6,280	123,500	0	123,500	0.8%	\$16,381,600
Muskegon	9,203,000	21,327	5,687	3,880	5,687	15,742	5,803	3,555	61,700	0	61,700	0.7%	\$9,264,700
North Central	3,353,200	7,771	2,072	2,467	7,466	8,185	4,904	1,295	34,200	15,200	49,400	1.5%	\$3,402,600
Northwestern	9,508,900	22,036	5,876	5,896	5,876	17,809	4,519	3,673	65,700	50,800	116,500	1.2%	\$9,625,400
Oakland	21,905,700	50,765	25,985	20,923	13,537	62,671	5,034	8,461	187,300	0	187,300	0.9%	\$22,093,000
Schoolcraft	12,991,300	30,107	10,601	12,434	13,424	44,814	5,223	5,018	121,600	0	121,600	0.9%	\$13,112,900
Southwestern	6,860,700	15,899	4,240	4,587	4,240	9,356	2,616	2,650	43,600	42,600	86,200	1.3%	\$6,946,900
St. Clair	7,300,100	16,918	4,511	4,835	9,807	15,322	4,372	2,820	58,600	0	58,600	0.8%	\$7,358,700
Washtenaw	13,631,400	31,590	8,424	20,760	13,732	47,632	5,174	5,265	132,600	0	132,600	1.0%	\$13,764,000
Wayne County	17,338,300	40,180	23,049	18,914	10,715	44,835	4,501	6,697	148,900	0	148,900	0.9%	\$17,487,200
West Shore	2,556,300	5,924	1,580	1,564	1,580	4,641	846	987	17,100	0	17,100	0.7%	\$2,573,400
	319,050,900	739,380	246,460	246,460	246,460	739,380	123,230	123,230	2,464,600	735,400	3,200,000	1.0%	\$322,250,900

Notes:

1. The performance improvement metric utilizes improvements in six-year average rates completions for each college from 2008, 2009, 2010 cohorts.
2. Calculations for performance completion number are based on data from IPEDS.
3. Calculations for performance completion rate are based on data provided to the Governor's dashboard on completion rates and utilizes six-year completions for each college from 2008, 2009, and 2010 cohorts.
4. Calculations for weighted contact hours are based on data provided by the Activities Classification Structure (ACS) Report from FY 2017.
5. Adjusted administrative cost data are based on data provided by the ACS Report.

DEPARTMENT OF CORRECTIONS
Summary of FY 2018-19 Enacted Appropriations
Article V, 2018 Public Act 207 (Senate Bill 848)

Analyst: Robin R. Risko

IDG/IDT	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	Difference: Enacted From FY 2017-18 YTD	
						Amount	%
	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	5,293,800	5,315,200	5,315,200	5,315,200	5,315,200	21,400	0.4
Local	8,842,400	8,960,100	8,960,100	8,960,100	8,960,100	117,700	1.3
Private	0	0	0	0	0	0	--
Restricted	41,149,400	40,939,600	40,939,600	40,939,600	40,939,600	(209,800)	(0.5)
GF/GP	1,946,633,600	1,979,910,200	1,961,910,200	1,954,910,200	1,961,841,300	15,207,700	0.8
Gross	\$2,001,919,200	\$2,035,125,100	\$2,017,125,100	\$2,010,125,100	\$2,017,056,200	\$15,137,000	0.8
FTEs	13,819.9	13,967.2	13,967.2	13,967.2	13,979.2	159.3	1.2

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Michigan Department of Corrections (MDOC) is responsible for the operation and maintenance of the state's 31 correctional facilities that house felony offenders sentenced to prison. This includes the provision of physical and mental health care, education, food service, transportation, and reintegration programs. Also, the department is responsible for the supervision of all parolees and probationers under department jurisdiction and has oversight over community corrections programs and other programs designed to encourage alternatives to prison placement for appropriate offenders. As of July 1, 2018, the department was responsible for 97,287 Michigan offenders: 38,854 prisoners, 43,590 probationers, and 14,843 parolees.

Major Budget Changes from FY 2017-18 YTD Appropriations**1. West Shoreline Correctional Facility Closure**

Reflects a savings of \$18.9 million Gross (\$18.8 million GF/GP) and a reduction of 212.7 FTE positions due to closure of the West Shoreline Correctional Facility. Net savings will be achieved from a combination of the following: eliminating \$21.3 million in funding used for operation of the facility; reducing funding for education programs by \$501,700; reducing funding for clinical and mental health care by \$1.4 million; reducing funding for prison store operations by \$92,000; and increasing funding by \$4.3 million to cover costs of re-opening closed housing units at four other correctional facilities to accommodate 1,264 prisoners coming from West Shoreline. The closure will impact 164 active employees.

	FY 2017-18 YTD (as of 2/7/18)	Enacted Change From YTD
FTE	212.7	(212.7)
Gross	\$18,924,700	(\$18,924,700)
Restricted	92,000	(92,000)
GF/GP	\$18,832,700	(\$18,832,700)

2. Transition Prison Food Service from Private to State

Includes \$13.2 million GF/GP and authorization for 352.0 FTE positions to change over operation of prison food service from a private provider to state employees. Roughly \$6.6 million of the increase is attributed to legacy costs. Out-sourcing of prison food service began in December 2013, with Aramark first providing the service. The contract with Aramark was terminated and a new contract with Trinity began in July 2015. The current contract with Trinity will expire at the end of July 2018. According to the department, staffing vacancies, food substitutions, food service delays, sanitation issues, and prisoner grievances have been major issues with both contractors.

	FTE	
FTE	0.0	352.0
Gross	\$57,163,500	\$13,239,100
GF/GP	\$57,163,500	\$13,239,100

CORRECTIONS

<u>Major Budget Changes from FY 2017-18 YTD Appropriations</u>	<u>FY 2017-18 YTD (as of 2/7/18)</u>	<u>Enacted Change From YTD</u>
3. Facility Closure Reflects a savings of \$19.2 million GF/GP to be achieved by closing a second correctional facility (second facility in addition to closure of West Shoreline).	Gross GF/GP	NA NA (\$19,201,100) (\$19,201,100)
4. Training for New Custody Staff Includes \$4.9 million in one-time GF/GP funding for training 359 new corrections officers. Funding supports salary and payroll costs of new officers while they participate in training, as well as costs for uniforms, training materials, certifications, food, travel, and lodging. (Travel and lodging is paid during training if participants live away from the facilities to which they are assigned.) On average, 50 custody staff retire each month. With the additional funding added to the FY 2017-18 base of \$9.4 million, the department will be able to train roughly 730 new officers in FY 2018-19.	Gross GF/GP	NA NA \$4,868,700 \$4,868,700
5. Program Eliminations Reflects a net savings of \$1.3 million GF/GP due to the following: <ul style="list-style-type: none">• Elimination of \$1.0 million that was budgeted for Future Facility and Staff Transition Costs – funding was first included in the FY 2016-17 budget to cover staff transition costs if a new correctional facility were to come online.• Reduction of \$500,000 in funding for Online High School Equivalency Pilot Program – funding was first included in the FY 2017-18 budget to serve up to 400 prisoners through a regionally accredited public or private school district that offers career-based online high school diplomas.• Addition of \$175,000 for Federally Qualified Health Center Pilot Program – funding was first included in the FY 2017-18 budget for the department to work with the organization that represents federally qualified health centers to implement a pilot project to ensure that behavioral and physical health needs of parolees and probationers are met.	Gross GF/GP	\$6,015,000 \$6,015,000 (\$1,325,000) (\$1,325,000)
6. Programming for Higher Custody Level Prisoners Includes \$2.4 million in one-time GF/GP to expand access to programming to higher security level prisoners (i.e., Level IV, Level V, and Administrative Segregation prisoners). The department manages over 9,000 prison beds in higher custody level settings within 76 housing units located at 18 different facilities. Currently, access to programming for these prisoners is very limited and primarily focused on behavior. Through the use of tablet computers, programming will be aimed at improving education and skill level in addition to behavior.	Gross GF/GP	NA NA \$2,400,000 \$2,400,000
7. Health Care Recruitment and Retention Includes \$2.0 million GF/GP for recruitment and retention of health care professionals, specifically, dentists, registered nurses, and qualified mental health professionals. Civil Service changed classifications and adjusted pay levels for certain medical and psychiatric positions, which requires additional funding. Also, the Bureau of Health Care Services within the department proposes offering a \$5,000 signing bonus to registered nurse candidates per the UAW contract, and increasing base pay for dentists by 20% pursuant to Civil Service rules.	Gross GF/GP	NA NA \$2,000,000 \$2,000,000
8. Corizon Integrated Health Care Contract Adjustment Reduces funding for contractual prisoner health care services by \$858,500 GF/GP based on the declining prison population.	Gross GF/GP	\$71,636,400 \$71,636,400 (\$858,500) (\$858,500)

CORRECTIONS

<u>Major Budget Changes from FY 2017-18 YTD Appropriations</u>	<u>FY 2017-18 YTD (as of 2/7/18)</u>	<u>Enacted Change From YTD</u>
9. Offenders with Special Needs Contract – Volume Adjustment Includes \$1.6 million GF/GP to support increased caseload and associated costs for reentry services for high-risk parolees with special needs. The number of offenders referred for these services by the Parole Board increased from 680 cases to 839 cases last year resulting in increased costs to the department.	Gross NA GF/GP NA	\$1,648,700 \$1,648,700
10. Prisoner Reentry Services Contracts with Local Service Providers Includes \$1.3 million GF/GP to support increased caseload and increased costs for reentry services provided by local service providers for parolees (i.e., housing and job placement, health and behavioral health, and social support services).	Gross \$13,208,600 GF/GP \$13,208,600	\$1,291,400 \$1,291,400
11. Probation Residential Services Includes \$850,000 GF/GP to support increased demand for probation residential services (i.e., cognitive behavioral therapy, substance abuse, employment, medical, case management, and temporary housing). Emphasis placed on use of community-based sanctions and services for the probation population has resulted in increased demand for services and associated increased costs.	Gross \$15,475,500 GF/GP \$15,475,500	\$850,000 \$850,000
12. Sewer Treatment Rate Increase Includes \$184,300 GF/GP to cover the cost of a sewage rate increase at the Gus Harrison Correctional Facility. The 75.9% rate increase was initiated by Madison Township in Lenawee County.	Gross NA GF/GP NA	\$184,300 \$184,300
13. Fund Source Adjustments Reduces authorization for state restricted Parole and Probation Oversight Fees by \$428,000 and increases authorization for state restricted Tether Program Participant Contributions by \$150,000 to reflect the amount of revenue the department anticipates collecting.	Gross \$6,908,500 Restricted 6,908,500 GF/GP \$0	(\$278,000) (278,000) \$0
14. Medication-Assisted Treatment Reentry Pilot Program Includes an additional \$500,000 GF/GP for expansion of the Medication-Assisted Treatment Reentry Pilot Program, which provides prerelease treatment and post-release referral for opioid- and alcohol-addicted offenders. Offenders receive one injection prior to being released from custody and are connected with an aftercare plan.	Gross \$500,000 GF/GP \$500,000	\$500,000 \$500,000
15. PTSD Study Includes \$50,000 GF/GP for the department to conduct a comprehensive study of the prevalence of post-traumatic stress disorder and other psychological issues among correctional officers that are exacerbated by the corrections environment and exposure to highly stressful situations.	Gross NA GF/GP NA	\$50,000 \$50,000
16. Savings from Historical Lapses Reflects a savings of \$550,000 GF/GP from reducing appropriations for the following line items: <ul style="list-style-type: none">• Prosecutorial and Detainer Expenses (\$100,000)• Inmate Legal Services (\$100,000)• Community Corrections (\$100,000)• Field Operations (\$250,000).	Gross NA GF/GP NA	(\$550,000) (\$550,000)
17. Enhanced Food Technology Program Includes authorization for 12.0 FTE positions and \$2.0 million GF/GP for an enhanced food technology program, which would allow inmates to complete on-the-job training hours through their work in prison kitchens.	FTE NA Gross NA GF/GP NA	12.0 \$2,000,000 \$2,000,000
18. Prison Kitchen Inspections Includes \$50,000 GF/GP for annual prison kitchen inspections.	Gross NA GF/GP NA	\$50,000 \$50,000

CORRECTIONS

<u>Major Budget Changes from FY 2017-18 YTD Appropriations</u>		<u>FY 2017-18 YTD (as of 2/7/18)</u>	<u>Enacted Change From YTD</u>
19. Per Diem Rate Increase for Residential Services Providers	Gross	\$15,475,500	\$1,500,000
Includes \$1.5 million GF/GP for a per diem reimbursement rate increase for providers of residential services for probationers. The per diem rate will increase up to \$52.50 for all facilities.	GF/GP	\$15,475,500	\$1,500,000
20. Health Care FTE Adjustments	FTE	NA	8.0
Eliminates 4.0 vacant Psychiatrist positions, which are no longer needed because they are filled through the integrated health care contract with Corizon, and adds FTE position authorization for the Clinical Complexes (7.0) and Mental Health Services and Support (1.0) line items.	Gross	NA	\$0
	GF/GP	NA	\$0
21. Technical Adjustments	Gross	NA	\$0
Makes internal FTE adjustments, funding adjustments, and transfers throughout the budget, which have no overall Gross or GF/GP impact. Adjustments are made in order to more accurately reflect employee counts and where expenditures occur as a result of reorganizations within the department.	GF/GP	NA	\$0
22. Economic Adjustments	Gross	NA	\$25,692,100
Reflects increased costs of \$25.7 million Gross (\$25.4 million GF/GP) for negotiated salary and wage increases (2.0% ongoing), insurance rate increases, actuarially required retirement contributions, worker's compensation premium costs, building occupancy charges, and fuel and utility costs.	Federal	NA	21,400
	Local	NA	117,700
	Restricted	NA	160,200
	GF/GP	NA	\$25,392,800

Major Boilerplate Changes from FY 2017-18

DEPARTMENTAL ADMINISTRATION AND SUPPORT

Sec. 312. PTSD Study – NEW

Requires MDOC to conduct a comprehensive study of the prevalence of post-traumatic stress disorder and other psychological issues among correctional officers that are exacerbated by the corrections environment and exposure to highly stressful situations; requires a report on results of the study.

OFFENDER SUCCESS ADMINISTRATION

Sec. 406. Federally Qualified Health Centers (FQHCs) – REVISED

Requires MDOC to work with the organization representing federally qualified health centers to implement a pilot project to ensure behavioral and physical health needs of parolees and probationers are met; requires the pilot project to position FQHCs to ensure parolees and probationers are enrolled in and maintain access to benefits they qualify for, are linked to health care services they need, follow up with providers, stay on medications, are engaged in services, and have barriers to care addressed; requires MDOC to make necessary accommodations to perform transition planning to allow for a direct referral to the FQHC organization for patients in relevant areas; authorizes FQHCs to submit annual reports. Revised to require the pilot project to operate in Berrien, Kent, and Macomb Counties, and to require reports from FQHCs.

Sec. 410.(3) Per Diem Reimbursement Rate Increases for Residential Services Providers – REVISED

Limits per diem reimbursement rates for residential services providers to \$47.50 for non-accredited facilities and \$48.50 for accredited facilities. Revised to reflect an increase in the per diem reimbursement rate up to \$52.50 for all facilities.

Sec. 413. Community Corrections and Jail Data – DELETED

Requires development of certain databases on local correctional trends and jail utilization; requires county cooperation in providing necessary jail data.

Sec. 414.(4) County Jail Reimbursement Program – REVISED

Defines "In the custody of the sheriff" to mean that the convicted felon has been sentenced to the county jail and is either housed in a county jail or has been released from jail and is being monitored through the use of the sheriff's electronic monitoring system. Revised definition to include a felon who is in custody, but who is being housed at a hospital or medical facility for a medical or mental health purpose.

Major Boilerplate Changes from FY 2017-18

Sec. 414.(7) County Jail Reimbursement Program Reporting – NEW

Requires MDOC to report on number of inmates sentenced to custody of the sheriff and eligible for the county jail reimbursement program, amount paid to counties, number of days inmates were in custody, number of inmates sentenced by specified category, amount paid by specified category of inmate, number of days inmates were in custody by specified category, and estimated cost of housing inmates sentenced to custody of the sheriff and eligible for the county jail reimbursement program as inmates of a state prison.

Sec. 417. Reports on Community Programs – REVISED

Requires MDOC to report on program expenditures, program details, and program impacts and results for County Jail Reimbursement Program, Felony Drunk Driver Jail Reduction and Community Treatment Program, and any new initiatives aimed at controlling prison population growth. Revised to eliminate the County Jail Reimbursement Program from reporting requirement.

Sec. 419. (2) Offender Data Reports – REVISED

Requires MDOC to provide monthly electronic mail reports on end-of-the month prisoner, probationer, and parolee populations, operating capacities at facilities, populations in county jails, prisoner intakes, returns, and exits, prisoners classified as past their earliest release dates, and parole board activity. Revised to include reporting on the number of beds in closed housing units by facility.

Sec. 423. Michigan Restaurant Association - Job Placement – NEW

Requires MDOC to collaborate with the Michigan Restaurant Association on job placement for individuals on probation and parole.

FIELD OPERATIONS ADMINISTRATION

Sec. 601. Parole and Probation Agent Caseload Audits – DELETED

Requires caseload audits of field agents to evaluate public protection issues and assess agents' abilities to complete their professional duties.

Sec. 604.(2) Criminal Justice Reinvestment – REVISED

Allocates \$600,000 to an organization that provides programming and job training services to county jail inmates to prepare them for employment upon release from jail. Revised to require that funding be allocated to an organization that received a US DOL training to work 2-adult reentry grant.

HEALTH CARE

Sec. 802. Detailed Report on Health Care Expenditures – REVISED

Requires MDOC to report on expenditures itemized by vendor, allocations, status of payments from contractors to vendors, and projected expenditures from accounts for prisoner health care, mental health care, pharmaceutical services, and durable medical equipment. Revised to require reports to include a breakdown of all payments to the integrated care provider itemized by physical health care, mental health care, and pharmacy services.

CORRECTIONAL FACILITIES ADMINISTRATION

Sec. 901. Enhanced Food Technology Program – NEW

Requires MDOC to expand the food technology education program to at least 700 inmates annually; requires inmates participating in the program to complete 408 hours of on-the-job training in a prison kitchen.

Sec. 902. Future Facility Staff Transition – DELETED

Requires appropriation to be used for staff transition costs.

Sec. 902. ServSafe Food Handler Certification – NEW

Requires all inmates working in prison kitchens to complete the minimum requirements for ServSafe Food Handler certification before being allowed to work in prison kitchens; authorizes certification requirements to be met by using online materials unless the department determines the program would be best served by using other materials; requires current prison kitchen workers to complete certification requirements by April 1 to maintain eligibility to work in prison kitchens.

Sec. 903. Prison Kitchen Inspections – NEW

Requires all MDOC-operated kitchens to be annually inspected to ensure they meet food safety standards established for food service establishments under the Food Law, or for food service establishments under the 2001 Food Code published by the FDA.

CORRECTIONS

Major Boilerplate Changes from FY 2017-18

Sec. 903a. Food Service Reporting – NEW

Requires MDOC to report biannually, by facility, on average per-meal costs, which are to include actual food costs, total compensation for all food service workers, including benefits and legacy costs, inspection and compliance costs, and contract and sanitation violation information.

Sec. 908. Online Career High School Education Program – REVISED

Requires MDOC to establish an online career high school education pilot program to serve up to 400 prisoners through a regionally accredited public or private school district that offers career-based online high school diplomas; requires the school district chosen for the pilot program to be paid a specified amount per prisoner per course successfully completed; authorizes MDOC to use federal funds to expand the program beyond 400 prisoners; requires MDOC to report on progress of prisoners in the program. Revised to include authorization for funding for the pilot to be used for certification programs related to the enhanced food technology program, and to eliminate requirement that school district chosen for the pilot program be paid a specified amount per prisoner per course successfully completed.

Sec. 937. Competitive Bidding – DELETED

Prohibits MDOC from issuing a RFP for a contract in excess of \$5.0 million unless MDOC has first considered a request for information (RFI) or a request for qualification (RFQ) relative to the contract.

Sec. 945. Notice on Intent to Renew or Rebid Food Service Contract – DELETED

Requires MDOC to provide notice to the legislature and fiscal agencies of its intent to renew or rebid the prisoner food service contract.

Sec. 1201. Anticipated FY 2018-19 Appropriations – REVISED

Expresses legislative intent that FY 2018-19 appropriations will be funded at the same level as FY 2017-18 appropriations, adjusting for changes in caseloads, federal fund match rates, economic factors, and available revenues. Revised to update fiscal years.

<u>FY 2017-18 Supplemental Appropriations (Article XX)</u>	<u>FY 2017-18 YTD (as of 2/7/18)</u>	<u>FY 2017-18 Supplemental Change</u>	
<i>1. Vocational Village</i>	Gross	NA	\$1,750,000
Includes \$1.8 million GF/GP for investment in and expansion of vocational village programming within correctional facilities.	GF/GP	NA	\$1,750,000

**DEPARTMENT OF EDUCATION
Summary of FY 2018-19 Enacted Appropriations
Article VI, 2018 Public Act 207 (Senate Bill 848)**

Analyst: Samuel Christensen

IDG/IDT	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	Difference: Enacted From FY 2017-18 YTD	
						Amount	%
	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	254,084,700	255,366,800	255,366,800	330,816,800	298,074,500	43,989,800	17.3
Local	5,817,200	5,852,800	5,852,800	5,852,800	5,852,800	35,600	0.6
Private	2,034,300	2,035,800	2,035,800	2,035,800	2,035,800	1,500	0.1
Restricted	8,567,600	8,668,200	8,668,200	8,668,200	8,668,200	100,600	1.2
GF/GP	81,677,400	85,183,700	85,183,700	85,183,800	86,183,700	4,506,300	5.5
Gross	\$352,181,200	\$357,107,300	\$357,107,300	\$432,557,400	\$400,815,000	\$48,633,800	13.8
FTEs	609.5	620.5	620.5	620.5	620.5	11.0	1.8

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The State Board of Education is an eight-member elected board constitutionally mandated to provide leadership and supervision for public education in Michigan. The Michigan Department of Education (MDE) is the administrative arm of the Board charged with implementing state and federal educational mandates and administering programs. Major responsibilities of the MDE include developing and overseeing the K-12 school system, certifying teachers, disbursing funds to educational organizations and libraries, providing technical assistance to school districts and libraries, and providing early education and child care support for low-income and other qualifying families.

Major Budget Changes from FY 2017-18 YTD Appropriations

1. Child Development and Care (CDC) Biweekly Block Reimbursement Rate Schedule

Adds \$15.0 million federal funds to implement, by December 1, 2018, a biweekly block reimbursement rate schedule for child care centers, group homes and registered family homes, with the reimbursement blocks as follows: 0-30 hours paid hourly; 31-60 hours paid at 60 hours; 61-80 hours paid at 80 hours; and 81-90 hours paid at 90 hours. License exempt providers will receive their current hourly reimbursement rate. Before the funds can be expended, MDE must provide a detailed spending report. (See Major Boilerplate Changes for Sec. 1011 below.)

	FY 2017-18 YTD (as of 2/7/18)	Enacted Change From YTD
Gross	\$162,396,100	\$15,000,000
Federal	122,966,400	15,000,000
GF/GP	\$39,429,700	\$0

2. Office of Great Start Operations Line Item Shift and Fund Increase

Shifts \$14.0 million total from the Office of Great Start Operations to two new line items within the Michigan Office of Great Start unit: \$11.5 million to CDC Contractual Services and \$2.5 million to the TEACH Scholarship Program. Increases by \$603,800 federal to maintain current operations support.

FTE	65.0	0.0
Gross	\$25,598,400	(\$13,396,200)
Federal	23,472,400	(13,396,200)
Private	250,000	0
Restricted	64,600	0
GF/GP	\$1,811,400	\$0

3. Child Development and Care Contractual Services

Shifts \$11.5 million federal from the Office of Great Start Operations line item to a new line item titled Child Development and Care Contractual Services within the Michigan Office of Great Start unit. The new line item funds contracted services provided by the Early Childhood Investment Corporation (ECIC) that administers child care quality initiatives, and also funds license exempt monitoring to make sure license exempt providers meet health and safety requirements.

Gross	NA	\$11,500,000
Federal	NA	11,500,000
GF/GP	NA	\$0

EDUCATION (DEPARTMENT)

<u>Major Budget Changes from FY 2017-18 YTD Appropriations</u>	<u>FY 2017-18 YTD (as of 2/7/18)</u>	<u>Enacted Change From YTD</u>	
4. Teacher Education Assistance for College and Higher Education (TEACH) Scholarship Fund Increase and Line Item Shift	Gross	NA	\$5,000,000
Shifts \$2.5 million from the Office of Great Start Operations line item to a new line item titled TEACH Scholarship Program and adds \$2.5 million for a total of \$5.0 million federal for the TEACH Scholarship. The TEACH scholarship program provides credit-based educational opportunities (associate's degrees, bachelor's degrees, and other related certificates and credentials) for child care providers in Michigan. (See <i>Major Boilerplate Changes</i> for Sec. 1004 below.)	Federal	NA	5,000,000
	GF/GP	NA	\$0
5. CDC – FY 2018-19 Caseload Consensus	Gross	\$162,396,100	\$24,603,900
Increases gross appropriation by \$24.6 million federal to align with consensus caseload estimates and consensus cost per case estimates.	Federal	122,966,400	24,603,900
	GF/GP	\$39,429,700	\$0
6. School Reform Office to MDE: Partnership District Support Operations	FTE	4.0	9.0
Adds \$2.9 million GF/GP and 9.0 FTEs to Partnership District Support Operations for the transfer of the School Reform Office (SRO) from DTMB to MDE (Executive Order 2017-5). Operational support will be responsible for supporting existing partnership districts as partnership liaisons, as well as provides data analysis, financial management, and office management for school reform efforts.	Gross	\$641,800	\$2,853,400
	GF/GP	\$641,800	\$2,853,400
7. School Reform Office to MDE: State Board/Superintendent Operations	FTE	11.0	2.0
Adds \$497,600 GF/GP and 2.0 FTEs to State Board/Superintendent Operations for the transfer of the School Reform Office (SRO) from DTMB to MDE (Executive Order 2017-5). Operational support staff work with the superintendent to identify, partner with, and hold districts accountable for meeting goals outlined in partnership agreements.	Gross	\$2,104,200	\$497,600
	Federal	156,600	0
	Private	28,100	0
	Restricted	654,400	0
	GF/GP	\$1,265,100	\$497,600
8. State Aid to Libraries	Gross	\$11,067,700	\$1,000,000
Increases state aid to libraries by \$1.0 million GF/GP to a total of \$12.1 million.	GF/GP	\$11,067,700	\$1,000,000
9. Early Literacy Implementation	Gross	\$15,571,200	\$1,000,000
Provides \$1.0 million GF/GP to School Support Services Operations for continuing implementation of literacy initiatives funded in Section 35a of the School Aid Act. Previously, these funds were located in Section 35 of the School Aid Act.	Federal	14,522,300	0
	Local	11,700	0
	Restricted	159,300	0
	GF/GP	\$877,900	\$1,000,000
10. Project UNIFY	Gross	\$15,571,200	\$500,000
Provides \$500,000 GF/GP to School Support Services Operations for Project UNIFY, now known as Special Olympics Unified Champion Schools. MDE oversees the program and has been reimbursed by DHHS since 2015, but is now directly funded. The program brings together students with and without disabilities through education, sports, and leadership enrichment activities in their communities.	Federal	14,522,300	0
	Local	11,700	0
	Restricted	159,300	0
	GF/GP	\$877,900	\$500,000
11. Braille Textbook Production Expansion	Gross	\$450,000	\$300,000
Increases by \$300,000 in restricted funds in the Michigan Schools for the Deaf and Blind unit's Low Incidence Outreach program to a total of \$750,000. The increased appropriation allows for increased production and sale of specialized braille books, and additional fund revenue provides free books, services, supports, and training for students, teachers, parents, and other related personnel.	Restricted	450,000	300,000
	GF/GP	\$0	\$0

EDUCATION (DEPARTMENT)

<u>Major Budget Changes from FY 2017-18 YTD Appropriations</u>	FY 2017-18 YTD (as of 2/7/18)	Enacted Change From YTD	
12. Adolescent and School Health	Gross	\$0	\$100
Provides \$100 GF/GP placeholder to replace a reduction in federal funds for a \$320,000 grant, for which state agencies will no longer be able to apply, associated with the Division of Adolescent and School Health (DASH). The grant provides staffing and programming to support school districts in Michigan in human immunodeficiency virus/Sexually Transmitted Infection (HIV/STI) prevention and sex education.	GF/GP	\$0	\$100
13. Renaissance Zones Adjustment	Gross	\$3,300,000	(\$800,000)
Reduces funding for Renaissance Zone reimbursements to libraries by \$800,000 GF/GP. Estimated reimbursement payments required by statute have decreased due to recent Personal Property Tax reform.	GF/GP	\$3,300,000	(\$800,000)
14. Economic Adjustments	Gross	NA	\$1,506,300
Includes economic adjustments that reflect increased costs of \$1.5 million Gross (\$455,300 GF/GP) for negotiated salary and wage increases (2.0% ongoing), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	Federal	NA	901,400
	Local	NA	47,300
	Private	NA	1,500
	Restricted	NA	100,800
	GF/GP	NA	\$455,300

Major Boilerplate Changes from FY 2017-18

Sec. 225. Grant Application Penalty – REVISED

Revises to require MDE to comply with Sec. 17c of the State School Aid Act or face a reduction in state money. The requirements are as follows: In August, place information for grants on the state board agenda; not later than September 1, open the grant application, provide districts and eligible entities and post on its website the grant application and award process schedule and the list of state grants and contracts available; and not later than December 1, publish grant awards. Expands the penalty from a 1% reduction of state money appropriated for state board/superintendent operations to 2.5% for state board/superintendent operations, unclassified positions, school support services operations, and field services operations.

Sec. 231. Child Protection Law Reporting – NEW

Requires MDE to submit task force recommendations for reducing child sexual abuse to school districts, intermediate school districts (ISDs), and public school academies (PSAs) as required by 12b of the child protection law, 1975 PA 238, MCL 722.632b. Additionally requires MDE to collect information from all school districts, ISDs, and PSAs that have adopted policies specified by section 12b of the Child Protection Law and create and submit a report to House and Senate appropriations committees, House and Senate fiscal agencies, and the state budget director that includes a list of each school district, ISD, and PSA that adopted each policy specified by section 12b of the Child Protection Law.

Sec. 232. In-Demand Occupations Report – NEW

Requires MDE to distribute the most recent regional in-demand occupations report issued by the Department of Technology, Management, and Budget (DTMB) to all high schools in each school district, ISD, or PSA.

Sec. 233. Teacher Recruitment Program – NEW

Creates a teacher recruitment program that will provide resources and programming to high school students who are interested in teaching and who are members of underrepresented groups in the teaching profession. Requires MDE to do the following: create a process for nomination and admission of pupils to the program; advertise the program; invite postsecondary institutions in MI that operate teacher preparation programs to participate in the training program; connect pupils in the program with representatives of teacher preparation programs in MI; at least once, conduct conferences for pupils in the program in locations that are geographically convenient; and provide research and resources to pupils in the program and postsecondary institutions on successful activities and programs.

Sec. 234. Administrative Rules – NEW

Prohibits MDE from developing, staffing, or promoting activities for the promulgation of new, revised, or rescinded administrative rules until a permanent state superintendent of public instruction is appointed by the state board of education. However, if an administrative rules change request for rule-making was submitted to the office of regulatory affairs before the effective date of this act, MDE may proceed with the administrative rules change.

EDUCATION (DEPARTMENT)

Major Boilerplate Changes from FY 2017-18

Sec. 350. Special Education Reform Task Force Guidelines – REVISED

Revises to indicate the cost (\$100,000 from Special Education Operations) for the design and distribution to all parents and legal guardians of a student with a disability information for all Individualized Education Plans (IEPs), and deletes the requirement to train mediators knowledgeable about the dispute resolution system and state and federal mandates pertaining to the rights and protections of students with disabilities.

Sec. 409. Due Process Hearings – NEW

Requires that when conducting a due process hearing related to a child's individualized education program (IEP) educational placement, a state administrative judge shall consider the Michigan Schools for the Deaf and Blind the least restrictive environment under federal law for the parent's child who is deaf, deafblind, or hard of hearing.

Sec. 601. Early Literacy Implementation – NEW

Directs the early literacy implementation funding to costs associated with programs for early childhood literacy funded in Section 35a of the State School Aid Act. See *Major Budget Changes* for Early Literacy Implementation above.

Sec. 602. Adolescent and Social Health HIV/STI Prevention – NEW

Directs GF/GP funds in part 1 toward replacing a federal DASH HIV/STI prevention grant that was funded in the Sec. 39a(2)(a) of the State School Aid Act but carried out by MDE.

Sec. 701. Multi-Tiered Systems of Support (MTSS), At-Risk, Reading Intervention Funding Support – REVISED

Revises the grade ranges for the report detailing the progress made by districts receiving at-risk funding under Sec. 31a of the State Aid Act from K-3 to K-12, the grades for the report in implementing MTSS from 4-8 to K-12, and the grades for providing reading intervention services described in section 1280f of the revised school code from K-3 to K-12.

Sec. 1001. Number of Childcare Providers – DELETED

Deletes a report by November 1, 2017 on the average number of childcare providers (by type) receiving payment for childcare services for the fiscal year ending September 30, 2017.

Sec. 1002. CDC Provider Reimbursement Rate Increase – REVISED

Revises to set the final rates set after the FY 2017-18 reimbursement increases as the rates for the CDC program.

Sec. 1004. CDC TEACH Scholarship – REVISED

Revises to require MDE to use \$5.0 million rather than \$1.0 million federal CCDF for TEACH Scholarships for credit-based educational opportunities for child care providers, with preference given to providers trying to increase their Great Start to Quality star rating.

Sec. 1009. CDC Increase to Eligibility Entrance Threshold – REVISED

Revises to set the entrance income threshold for the CDC program at 130% of the federal poverty guidelines.

Sec. 1010. CDC Funding Changes – NEW

Requires MDE to notify the House and Senate appropriations subcommittees, the House and Senate fiscal agencies, and the state budget director of federal changes to the CDC program including changes to the federal matching award amount, the block grant, and federal mandates that require appropriations adjustments.

Sec. 1011. CDC Biweekly Block Reimbursement Rate Schedule – NEW

Provides guidance and reporting on implementation for a new biweekly block reimbursement rate schedule. The new section directs \$15.0 million in part 1 to implement, by December 1, 2018, a biweekly block reimbursement rate schedule only for licensed providers (child care centers, group homes, or registered family homes) at the following block segments: 1-30 hours reimbursed at the hourly reimbursement rate; 31-60 reimbursed as 60 hours; 61-80 reimbursed as 80 hours; and 81-90 reimbursed as 90 hours. Unlicensed providers are reimbursed through the current hourly reimbursement rate schedule. Intent language is provided to reimburse providers based on the block segment that is closest to the number of billed hours actually paid to the provider. Before the funds can be expended, MDE must provide a detailed spending report that specifies how MDE will implement the block reimbursement, the specific rates broken out by provider type and differentiation by age groups, and the overall projected costs for FY 2018-19 and FY 2019-20.

Sec. 1021. National Career Readiness Certificate – DELETED

Deletes a requirement that MDE renegotiate the ACT WorkKeys test to ensure the costs for registering and providing students with the National Career Readiness Certificate are included in the contract cost and are not charged to the student.

EDUCATION (DEPARTMENT)

FY 2017-18 Supplemental Appropriations (Article XX)

1. Child Development and Care (CDC) Caseload Adjustment

Increases Child Development and Care Caseload subsidy by \$14.6 million based on consensus caseload estimates.

	FY 2017-18 YTD (as of 2/7/18)	FY 2017-18 Supplemental Change
Gross	\$162,396,100	\$14,603,900
Federal	122,966,400	14,603,900
GF/GP	\$39,429,700	\$0

ENVIRONMENTAL QUALITY

**DEPARTMENT OF ENVIRONMENTAL QUALITY
Summary of FY 2018-19 Enacted Appropriations
Article VII, 2018 Public Act 207 (Senate Bill 848)**

Analyst: Austin Scott

IDG/IDT	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	Difference: Enacted From FY 2017-18 YTD	
						Amount	%
IDG/IDT	\$3,100,500	\$3,143,700	\$3,143,700	\$3,143,700	\$3,143,700	\$43,200	1.4
Federal	170,042,600	160,225,400	160,225,400	160,225,400	160,225,400	(9,817,200)	(5.8)
Local	0	0	0	0	0	0	--
Private	555,300	1,061,700	1,061,700	1,061,700	1,061,700	506,400	91.2
Restricted	314,725,300	283,210,700	209,325,300	209,325,300	209,325,300	(105,400,000)	(33.5)
GF/GP	63,081,500	46,946,500	71,946,500	47,066,500	73,746,500	10,665,000	16.9
Gross	\$551,505,200	\$494,588,000	\$445,702,600	\$420,822,600	\$447,502,600	(\$104,002,600)	(18.9)
FTEs	1,252.0	1,263.0	1,221.0	1,225.0	1,237.0	(15.0)	(1.2)

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Department of Environmental Quality (DEQ) is responsible for managing Michigan's air, land, and water resources. Departmental functions include improving resource quality, reducing waste, and mitigating threats to Michigan's environment.

Major Budget Changes from FY 2017-18 YTD Appropriations

		FY 2017-18 YTD (as of 2/7/18)	Enacted Change From YTD
1. Environmental Cleanup and Redevelopment Program (One-Time)	FTEs	NA	11.0
Provides 11.0 FTEs and \$25.0 million GF/GP to partially offset the loss of Clean Michigan Initiative funding. This one-time funding is designated for the remediation and redevelopment of non-petroleum sites including vapor intrusion and PFAS projects.	Gross	NA	\$25,000,000
	GF/GP	NA	\$25,000,000
2. Oil, Gas, and Mineral Services GF/GP	FTEs	59.0	0.0
Continues \$4.0 million GF/GP for oil, gas, and mineral services to help offset a reduction in available oil and gas regulatory funding. This funding is included in the FY 2017-18 DEQ budget on a one-time basis and moved to ongoing for FY 2018-19.	Gross	\$10,680,900	\$0
	Restricted	6,680,900	0
	GF/GP	\$4,000,000	\$0
3. Lead Remediation Grants	Gross	NA	\$2,000,000
Appropriates \$2.0 million Gross (\$1.0 million GF/GP) for the DEQ to award grants for the remediation and redevelopment of sites contaminated by lead paint. Restricted funding is provided by the Cleanup and Redevelopment Fund.	Restricted	NA	1,000,000
	GF/GP	NA	\$1,000,000
4. Emergency Cleanup Actions (Lead Remediation Grants and Recycling Initiative)	Gross	\$3,000,000	(\$2,000,000)
Reduces the Emergency Cleanup Actions program by \$2.0 million from the Cleanup and Redevelopment Fund to increase support for lead remediation grants (\$1.0 million) and recycling (\$1.0 million). This program administers contingency account to abate acute risk sites and provides funding to confirm whether an emergency exists at a site.	Restricted	3,000,000	(2,000,000)
	GF/GP	\$0	\$0

ENVIRONMENTAL QUALITY

<u>Major Budget Changes from FY 2017-18 YTD Appropriations</u>		<u>FY 2017-18 YTD</u>	<u>Enacted Change</u>
		<u>(as of 2/7/18)</u>	<u>From YTD</u>
5. Recycling Initiative	Gross	\$1,011,800	\$1,000,000
Increases the Recycling Initiative by \$1.0 million from the Cleanup & Redevelopment Fund to expand the program. This program builds partnerships with stakeholders to increase the number of counties with access to recycling; promotes regional collaboration; provides education and technical assistance; and develops a measurement system to quantify recycling participation.	Restricted	0	1,000,000
	GF/GP	\$1,011,800	\$0
6. Michigan Geological Survey (One-Time)	Gross	NA	\$500,000
Provides \$500,000 one-time GF/GP to support the Michigan Geological Survey at Western Michigan University which maps the geology of Michigan.	GF/GP	NA	\$500,000
7. Landfill Research, Design, and Demonstration Project (One-Time)	Gross	NA	\$120,000
Adds \$120,000 GF/GP on a one-time basis to fund a septage bioreactor project at Smith's Creek Landfill in St. Clair County.	GF/GP	NA	\$120,000
8. Water Withdrawal Assessment Program	FTE	4.0	1.0
Increases support for the water withdrawal assessment program by 1.0 FTE and \$180,000 GF/GP in accordance with 2018 PA 209. This program administers the permitting process and monitors large scale withdrawals of groundwater.	Gross	\$1,438,400	\$180,000
	Restricted	1,050,300	0
	GF/GP	\$388,100	\$180,000
9. Removal of FY 2017-18 Supplemental Funding	FTE	7.0	(7.0)
Removes 7.0 FTEs and \$40.5 million Gross (\$15.8 million GF/GP) for FY 2017-18 supplemental appropriations included in Public Acts 158 and 201 of 2017. The vapor intrusion, PFAS, and remediation and redevelopment programs are continued in FY 2018-19 through the expanded environmental cleanup and redevelopment program.	Gross	\$40,537,500	(\$40,537,500)
	Restricted	24,700,000	(24,700,000)
	GF/GP	\$15,837,500	(\$15,837,500)
10. Removal of FY 2017-18 One-Time Funding	Gross	\$17,100,000	(\$17,100,000)
Removes \$17.1 million in restricted funding for one-time projects included in the previous fiscal year's budget:	Restricted	17,100,000	(17,100,000)
	GF/GP	\$0	\$0
Refined petroleum product cleanup program		\$14,900,000	
Drinking water declaration of emergency		2,200,000	
11. Technical Adjustments	FTEs	NA	(20.0)
Decreases DEQ budget by 20.0 FTEs and \$76.3 million Gross (\$913,400 GF/GP) to align authorization with available funds and comply with organizational changes. Adjustments include transferring the Office of the Great Lakes from the DEQ to the DNR (Executive Order 2017-9), establishing a new Office of External Relations, and eliminating authorization for Strategic Water Quality Initiative grants and loans program which was funded through FY 2017-18.	Gross	NA	(\$76,260,400)
	Federal	NA	(10,439,200)
	Private	NA	506,600
	Restricted	NA	(65,414,400)
	GF/GP	NA	(\$913,400)
12. Economic Adjustments	Gross	NA	\$3,095,300
Reflects increased costs of \$3.1 million Gross (\$615,900 GF/GP) for negotiated salary and wage increases (2.0% ongoing), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	NA	43,200
	Federal	NA	622,000
	Private	NA	(200)
	Restricted	NA	1,814,400
	GF/GP	NA	\$615,900

Major Boilerplate Changes from FY 2017-18

Sec. 238. Fee and Fund Source Report – NEW

Requires the DEQ to report on its public website information detailing activities related to departmental fees and fund sources.

ENVIRONMENTAL QUALITY

Major Boilerplate Changes from FY 2017-18

Sec. 302. Work Projects - Environmental Cleanup Actions – REVISED

Allows unexpended funds appropriated for the emergency cleanup actions program to be considered work project appropriations and carried forward into the succeeding fiscal year. The program will perform contaminated site cleanups estimated to cost \$3.0 million with a tentative completion date of September 30, 2023. Revised to split environmental cleanup actions (Sec. 302), the environmental cleanup and redevelopment program (Sec. 307), and the refined petroleum product cleanup program (Sec. 308) into separate boilerplate sections.

Sec. 306. Refined Petroleum Fund Cleanup Site List – REVISED

Requires list of cleanup sites addressed by the Refined Petroleum Product Cleanup Program for the new fiscal year and closed sites from the preceding fiscal year by January 1. Date revised from November 1 to January 1.

Sec. 307. Work Projects - Environmental Cleanup and Redevelopment Program – NEW

Allows unexpended funds appropriated for the environmental cleanup and redevelopment program to be considered work project appropriations and carried forward into the succeeding fiscal year. The program will perform contaminated site cleanups estimated to cost \$15.0 million with a tentative completion date of September 30, 2023.

Sec. 308. Work Projects - Refined Petroleum Product Cleanup Program – NEW

Allows unexpended funds appropriated for the refined petroleum product cleanup program to be considered work project appropriations and carried forward into the succeeding fiscal year. The program will perform contaminated site cleanups estimated to cost \$34.7 million with a tentative completion date of September 30, 2023.

Sec. 314. Refined Petroleum Fund Reimbursements to Owners/Operators of Legacy Releases – DELETED

Requires DEQ to expend not more than \$36.0 million of funds appropriated in 2017 PA 107 for the refined petroleum product cleanup program to reimburse owners and operators of underground storage tanks who have taken remediation actions to cleanup releases that predate the establishment of the Underground Storage Tank Cleanup Authority in 2014.

Sec. 315. Lead Remediation Grants – NEW

Requires DEQ to distribute grant awards for the remediation and redevelopment of sites contaminated by lead paint; prioritizing sites affecting families with children.

Sec. 316. Environmental Cleanup and Redevelopment Program (One-Time) – NEW

Requires DEQ to expend funds appropriated for the Environmental Cleanup and Redevelopment Program (one-time) for the remediation and redevelopment of nonpetroleum contaminated sites.

Sec. 407. Contaminated Lake and River Sediment Cleanup Program – DELETED

Allows unexpended funds appropriated for the contaminated lake and river sediment cleanup program to be considered work project appropriations and carried forward into the succeeding fiscal year. The program will perform contaminated lake and river sediment cleanups estimated to cost \$2.3 million with a tentative completion date of September 30, 2022.

Sec. 411. Kalamazoo River Superfund Site Study – DELETED

Sets aside \$150,000 of FY 2017-18 CMI contaminated sediments funding for an engineering study pertaining to the Kalamazoo River Superfund site and allows the study to be conducted by a private engineering firm.

Sec. 412. Work Projects - Aquifer Protection Program – NEW

Allows unexpended funds appropriated for the aquifer protection program to be considered work project appropriations and carried forward into the succeeding fiscal year. The program will help resolve aquifer disputes between well owners and is estimated to cost \$524,000 with a tentative completion date of September 30, 2023.

Sec. 413. Cooperative Lakes Monitoring Program – NEW

Earmarks \$150,000 from the Surface Water program (\$16.3 million Gross) to support the Cooperative Lakes Monitoring Program in FY 2018-19.

Sec. 603. Stormwater, Asset Management, and Wastewater (SAW) Grants Report – DELETED

Requires report to be posted on DEQ website which contains a summary document of each completed asset management plan for each awarded SAW grant; requires that local governments retain copies of their plan for 15 years.

Sec. 701. Underground Storage Tank Authority – REVISED

Allows unexpended funds appropriated for the underground storage tank cleanup program to be considered work project appropriations and carried forward into the succeeding fiscal year. The program will perform contaminated site cleanups estimated to cost \$20 million with a tentative completion date of September 30, 2023.

Sec. 801. Landfill Research, Design, and Development Project – NEW

Directs the expenditure of the one-time funding in part 1 for the landfill development project in St. Clair County.

ENVIRONMENTAL QUALITY

FY 2017-18 Supplemental Appropriations (Article XX)

1. Water Withdrawal Assessment Program

Includes \$70,000 GF/GP to support the water withdrawal assessment program in accordance with 2018 PA 209. Support is continued in the FY 2018-19 budget with \$110,000 in additional GF/GP for expansion of the program.

	FY 2017-18 YTD (as of 2/7/18)	FY 2017-18 Supplemental Change
FTEs	4.0	0.0
Gross	\$1,428,600	\$70,000
Restricted	1,046,700	0
GF/GP	\$381,900	\$70,000

2. Drinking Water Declaration of Emergency (One-Time)

Includes \$20.0 million Gross (\$18.0 million GF/GP) for service line replacement related to the Drinking Water Declaration of Emergency. Funding is intended to help meet requirements of the Concerned Pastors for Social Action settlement agreement.

Gross	\$2,200,100	\$20,000,000
Restricted	2,200,100	2,000,000
GF/GP	\$0	\$18,000,000

FY 2017-18 Supplemental Boilerplate Changes (Article XX)

Sec. 601. Concerned Pastors for Social Action Settlement Agreement

Requires the department to use the Drinking Water Declaration of Emergency appropriation to address legal obligations from the Concerned Pastors for Social Action settlement.

Sec. 602. Drinking Water Declaration of Emergency Work Project

Authorizes unexpended funds appropriated for the Drinking Water Declaration of Emergency to be considered work project appropriations and carried forward. Funding supports the Drinking Water Declaration of Emergency response estimated to cost \$20.0 million with a tentative completion date of September 30, 2020.

GENERAL GOVERNMENT TOTALS

GENERAL GOVERNMENT TOTALS
Summary of FY 2018-19 Enacted Appropriations
Article VIII, 2018 Public Act 207 (Senate Bill 848)

Analysts: Ben Gielczyk
Michael Cnossen

	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Revised Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	Difference: Enacted From FY 2017-18 YTD	
						Amount	%
IDG/IDT	\$782,493,800	\$821,066,200	\$821,066,200	\$821,066,200	\$821,066,200	\$38,572,400	4.9
Federal	807,906,500	808,698,700	808,698,700	808,698,700	808,698,700	792,200	0.1
Local	17,332,700	15,977,300	15,977,300	15,977,300	15,977,300	(1,355,400)	(7.8)
Private	6,244,900	6,247,400	6,247,400	6,247,400	6,247,400	2,500	0.0
Restricted	2,185,898,800	2,210,623,600	2,230,143,600	2,263,775,600	2,276,925,900	91,027,100	4.2
GF/GP	1,250,729,600	1,110,473,500	1,053,099,700	1,101,880,400	1,074,445,900	(176,283,700)	(14.1)
Gross	\$5,050,606,300	\$4,973,086,700	\$4,935,232,900	\$5,017,645,600	\$5,003,361,400	(\$47,244,900)	(0.9)
FTEs	8,591.7	8,781.7	8,772.7	8,881.7	8,784.7	193.0	2.2

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview of All General Government Departments

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 Talent and Economic Development (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 2017-18

Sec. 210. Budget Stabilization Fund Pay-In – REVISED

The FY 2017-18 pay-in was \$150.0 million, which was appropriated in appropriations act 2017 PA 107. Revised to include no pay-in for FY 2018-19.

**DEPARTMENT OF ATTORNEY GENERAL
Summary of FY 2018-19 Enacted Appropriations
Article VIII, 2018 Public Act 207 (Senate Bill 848)**

Analyst: Michael Cnossen

IDG/IDT	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	Difference: Enacted From FY 2017-18 YTD	
						Amount	%
	\$29,915,300	\$30,386,400	\$30,386,400	\$30,386,400	\$30,386,400	\$471,100	1.6
Federal	9,518,000	9,628,500	9,628,500	9,628,500	9,628,500	110,500	1.2
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	22,116,900	21,907,200	21,727,200	22,607,200	22,427,200	310,300	1.4
GF/GP	40,248,600	40,106,800	42,406,800	40,706,800	41,206,800	958,200	2.4
Gross	\$101,798,800	\$102,028,900	\$104,148,900	\$103,328,900	\$103,648,900	\$1,850,100	1.8
FTEs	536.0	536.0	538.0	536.0	537.0	1.0	0.2

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

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

Major Budget Changes from FY 2017-18 YTD Appropriations

		FY 2017-18 YTD (as of 2/7/18)	Enacted Change From YTD
1. Ok2Say	FTE	1.0	1.0
Adds \$1.0 million GF/GP and 1.0 FTE to expand the capabilities and student awareness of the multi-media student safety reporting program. Total program funding for fiscal year 2018-19 is \$2.6 million (\$2.1 million GF/GP) with \$1.1 million GF/GP funded in the budget of the Michigan State Police primarily for call center operations.	Gross	\$470,000	\$1,000,000
	Restricted	470,000	0
	GF/GP	\$0	\$1,000,000
2. Medical Marihuana Enforcement	FTE	4.0	0.0
Includes an additional \$126,700 state restricted to accommodate full year costs for legal support of medical marihuana regulatory oversight as for a total FY 2018-19 appropriation of \$501,700 state restricted. Legal support services include investigating and prosecuting violations of the acts and rules governing the licensing of medical marihuana facilities.	Gross	\$375,000	\$126,700
	Restricted	375,000	126,700
	GF/GP	\$0	\$0
3. PACC Juvenile Life Without Parole Cases	Gross	\$700,000	\$0
Replaces \$700,000 GF/GP one-time funding to the Prosecuting Attorneys Coordination Council (PACC) with \$700,000 one-time state restricted funding from the Lawsuit Settlement Proceeds Fund to be distributed to local prosecutors for legal services related to the reconsideration of juvenile life without parole case sentences.	Restricted	0	700,000
	GF/GP	\$700,000	(\$700,000)
4. PACC NextGen IT System	Gross	\$600,000	(\$600,000)
Removes \$600,000 in restricted, one-time funding from the Lawsuit Settlement Proceeds Fund used by PACC to upgrade its legacy case management IT system.	Restricted	600,000	(600,000)
	GF/GP	\$0	\$0

GENERAL GOVERNMENT: ATTORNEY GENERAL

<u>Major Budget Changes from FY 2017-18 YTD Appropriations</u>		<u>FY 2017-18 YTD</u> <u>(as of 2/7/18)</u>	<u>Enacted Change</u> <u>From YTD</u>
5. PACC Forensic Interviewing Training	Gross	\$0	\$100,000
Adds \$100,000 GF/GP to PACC for forensic interviewing training for Child Advocacy Centers and local prosecutors.	GF/GP	\$0	\$100,000
6. Bad-Faith Patent Infringement Claims	Gross	\$180,000	(\$180,000)
Reduces \$180,000 restricted from Lawsuit Settlement Proceeds Fund to support costs associated with responsibilities prescribed to the department under PA 550 of 2016 related to bad-faith patent infringement claims.	Restricted	180,000	(180,000)
	GF/GP	\$0	\$0
7. Economic Adjustments	Gross	NA	\$1,403,400
Includes increased costs of \$1.4 million Gross (\$558,200 GF/GP) for negotiated salary and wage increases (2.0% ongoing), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	NA	471,100
	Federal	NA	110,500
	Restricted	NA	263,600
	GF/GP	NA	\$558,200

Major Boilerplate Changes from FY 2017-18

Sec. 301a. Drug Investigation and Prosecution Unit – DELETED

Requires the Attorney General to maintain a minimum of 24 drug investigations and to prosecute upon sufficient evidence. The purpose of this investment is to establish a drug investigation and prosecution unit.

Sec. 314. Lawsuit Settlement Proceeds Fund – REVISED

Allows the department the use of lawsuit settlement proceeds for expenses related to the Flint Declaration of Emergency due to drinking water contamination up to a maximum of \$2.6 million and requires a quarterly expenditures report itemized by case, purpose, hourly rate of the retained attorney, and department involved; Authorizes \$600,000 to be used by the Prosecuting Attorneys Coordinating Council to upgrade its IT case management system; Authorizes \$180,000 to be used to support a single FTE cost associated with implementing the duties prescribed under PA 550 2016, The Bad-Faith Patent Infringement Claims Act. Revises to cap the hourly rate of attorneys retained for the Flint water investigation at \$250 unless the department fully complies with this section's reporting requirements; Deletes the authorization for \$180,000 for the Bad-Faith Patent Infringement Claims Act; Removes funds for the PACC IT case management system.

Sec. 314a. Prosecuting Attorneys Coordinating Council (PACC) Juvenile Life Without Parole Cases – REVISED

Authorizes \$700,000 to be set aside for investigations, crime victim rights, prosecutions, and appeals for retroactive juvenile life without parole cases. This section was introduced in FY 2017-18 and corresponded with the one-time appropriation of \$700,000 GF/GP which was not included in FY 2018-19. Revises by authorizing \$700,000 to be set aside from the Lawsuit Settlement Proceeds Fund to replace \$700,000 from GF/GP.

Sec. 316a. Address Confidentiality Program – NEW

Requires the department to develop the Address Confidentiality Program for victims of domestic or sexual assault upon passage of Senate Bill No. 655 of the 99th Legislature.

Sec. 318. PACC Forensic Interviewing Training – NEW

Requires \$100,000 GF/GP from one-time funds appropriated in part 1 for PACC to be expended for additional forensic interviewing training and states that the training shall be limited for use by Child Advocacy Centers and local prosecutors.

Sec. 319. Wrongful Imprisonment Compensation Fund – NEW

Requires a quarterly report on the Wrongful Imprisonment Compensation Fund that includes information on outgoing payments from the fund, pending cases that may require a payment from the fund, the number of claims filed and the corresponding amount of the settlement, and the balance of the fund at the end of the quarter.

<u>FY 2017-18 Supplemental Appropriations (Article XX)</u>		<u>FY 2017-18 YTD</u> <u>(as of 2/7/18)</u>	<u>FY 2017-18</u> <u>Supplemental</u> <u>Change</u>
1. OK2SAY Student Safety Program	FTEs	1.0	2.0
Includes authorization for \$1.0 million GF/GP and 2.0 FTEs and to expand capabilities and student awareness of the multi-media student safety reporting program.	Gross	\$470,000	\$1,000,000
	Restricted	470,000	0
	GF/GP	\$0	\$1,000,000

GENERAL GOVERNMENT: ATTORNEY GENERAL

FY 2017-18 Supplemental Appropriations (Article XX)

2. PACC - Case Management Computer System

Includes \$126,200 Gross to complete software development, installation, and maintenance for PACC's NextGen Case Management IT System.

	FY 2017-18 YTD (as of 2/7/18)	FY 2017-18 Supplemental Change
Gross	\$600,000	\$126,200
Federal	0	41,200
Local	0	85,000
Restricted	600,000	0
GF/GP	\$0	\$0

FY 2017-18 Supplemental Boilerplate Changes (Article XX)

Sec. 401. PACC Case Management Computer System Work Project

Authorizes unexpended funds appropriated for PACC for a case management computer system to be considered work project appropriations and carried forward. Funding supports design, development, and implementation of the system. The project is estimated to cost \$126,200 with a tentative completion date of September 30, 2022.

**DEPARTMENT OF CIVIL RIGHTS
Summary of FY 2018-19 Enacted Appropriations
Article VIII, 2018 Public Act 207 (Senate Bill 848)**

Analyst: Michael Cnossen

	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	Difference: Enacted From FY 2017-18 YTD	
						Amount	%
IDG/IDT	\$296,600	\$299,100	\$299,100	\$299,100	\$299,100	\$2,500	0.8
Federal	2,775,800	2,802,700	2,802,700	2,802,700	2,802,700	26,900	1.0
Local	0	0	0	0	0	0	--
Private	18,700	18,700	18,700	18,700	18,700	0	0.0
Restricted	151,900	58,500	58,500	58,500	58,500	(93,400)	(61.5)
GF/GP	13,006,600	13,022,100	13,022,100	13,022,100	13,022,100	15,500	0.1
Gross	\$16,249,600	\$16,201,100	\$16,201,100	\$16,201,100	\$16,201,100	(\$48,500)	(0.3)
FTEs	116.0	116.0	116.0	116.0	116.0	0.0	0.0

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (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 2017-18 YTD Appropriations

	FY 2017-18 YTD (as of 2/7/18)	Enacted Change From YTD
1. Deaf, DeafBlind, and Hard of Hearing Transfer to LARA	Gross	\$93,400
Transfers \$93,400 state restricted from the Department of Civil Rights (DCR) to the Department of Licensing and Regulatory Affairs in accordance with Executive Order No. 2017-8 which transfers the responsibilities set forth in the Deaf Persons' Interpreters Act, PA 204 of 1982 and the spending authorization of certification fees from the Division on Deafness Fund. This transfer only includes the Division on Deaf, DeafBlind, and Hard of Hearing funding responsible for interpreter licensing. \$715,600 Gross (\$696,900 GF/GP) remains in DCR for duties prescribed under the Division on Deafness Act PA 72 of 1937.	Restricted	93,400
	GF/GP	\$0
2. Deaf, DeafBlind, and Hard of Hearing Needs Assessment	Gross	\$150,000
Removes \$150,000 GF/GP of one-time funding used to survey the deaf, deafblind, and hard of hearing community throughout the state to determine its size, needs, and barriers to government service as well as to help develop a long-term strategic plan.	GF/GP	\$150,000
3. Economic Adjustments	Gross	NA
Provides for increased costs of \$194,900 Gross (\$165,500 GF/GP) for negotiated salary and wage increases (2.0% ongoing), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	NA
	Federal	2,500
	GF/GP	26,900
		NA
		\$165,500

Major Boilerplate Changes from FY 2017-18

There are no major boilerplate changes in FY 2018-19.

**EXECUTIVE OFFICE
Summary of FY 2018-19 Enacted Appropriations
Article VIII, 2018 Public Act 207 (Senate Bill 848)**

Analyst: Ben Gielczyk

IDG/IDT	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	Difference: Enacted From FY 2017-18 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	0	0	0	0	0	0	--
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	0	0	0	0	0	0	--
GF/GP	6,848,500	6,980,100	6,980,100	6,980,100	6,980,100	131,600	1.9
Gross	\$6,848,500	\$6,980,100	\$6,980,100	\$6,980,100	\$6,980,100	\$131,600	1.9
FTEs	89.2	89.2	89.2	89.2	89.2	0.0	0.0

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

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

<u>Major Budget Changes from FY 2017-18 YTD Appropriations</u>		<u>FY 2017-18 YTD</u> <u>(as of 2/7/18)</u>	<u>Enacted Change</u> <u>From YTD</u>
1. Operational Adjustments	FTE	89.2	0.0
Reflects increased costs of \$131,600 GF/GP related to Executive Office staff and other operations.	Gross	\$6,848,500	\$131,600
	GF/GP	\$6,848,500	\$131,600

Major Boilerplate Changes from FY 2017-18

There are no major boilerplate changes in FY 2018-19.

LEGISLATURE

**Summary of FY 2018-19 Enacted Appropriations
Article VIII, 2018 Public Act 207 (Senate Bill 848)**

Analyst: Ben Gielczyk

IDG/IDT	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	Difference: Enacted From FY 2017-18 YTD	
						Amount	%
	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	0	0	0	0	0	0	--
Local	0	0	0	0	0	0	--
Private	400,000	400,000	400,000	400,000	400,000	0	0.0
Restricted	4,277,700	4,394,300	4,394,300	4,394,300	4,394,300	116,600	2.7
GF/GP	150,597,100	152,487,500	152,487,500	152,718,300	153,318,200	2,721,100	1.8
Gross	\$155,274,800	\$157,281,800	\$157,281,800	\$157,512,600	\$158,112,500	\$2,837,700	1.8
FTEs	0.0	0.0	0.0	0.0	0.0	0.0	--

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (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.

<u>Major Budget Changes from FY 2017-18 YTD Appropriations</u>	<u>FY 2017-18 YTD Enacted</u>	<u>Change</u>
	<u>(as of 2/7/18)</u>	<u>From YTD</u>
1. Legislature Operations	Gross \$155,274,800	\$5,087,700
Reflects increased costs of \$5.1 million Gross (\$5.0 million GF/GP) related to Legislative staff and other operations.	Private 400,000	0
	Restricted 4,277,700	116,600
	GF/GP \$150,597,100	\$4,971,100
2. Legislative Information Technology Systems Design Project	Gross \$3,000,000	(\$2,250,000)
Includes a net reduction of \$2.3 million GF/GP in one-time appropriations related to operational and implementation costs associated with the Legislative IT System Design Project. Replaces \$3.0 million in FY 2017-18 one-time appropriations with \$750,000 GF/GP in FY 2018-19 one-time appropriations.	GF/GP \$3,000,000	(\$2,250,000)

Major Boilerplate Changes from FY 2017-18

There are no major boilerplate changes in FY 2018-19.

LEGISLATIVE AUDITOR GENERAL
Summary of FY 2018-19 Enacted Appropriations
Article VIII, 2018 Public Act 207 (Senate Bill 848)

Analyst: Ben Gielczyk

	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	Difference: Enacted From FY 2017-18 YTD	
						Amount	%
IDG/IDT	\$5,709,200	\$5,823,400	\$5,823,400	\$5,823,400	\$5,823,400	\$114,200	2.0
Federal	0	0	0	0	0	0	--
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	1,969,400	2,008,800	2,008,800	2,008,800	2,008,800	39,400	2.0
GF/GP	16,607,600	17,105,800	17,855,800	17,105,800	17,105,800	498,200	3.0
Gross	\$24,286,200	\$24,938,000	\$25,688,000	\$24,938,000	\$24,938,000	\$651,800	2.7
FTEs	0.0	0.0	0.0	0.0	0.0	0.0	--

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (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 2017-18 YTD Appropriations

1. Auditor General Operations

Reflects increased costs of \$651,800 Gross (\$498,200 GF/GP) related to Auditor General staff and other operations.

	FY 2017-18 YTD (as of 2/7/18)	Enacted Change From YTD
Gross	\$24,286,200	\$651,800
IDG	5,709,200	114,200
Restricted	1,969,400	39,400
GF/GP	\$16,607,600	\$498,200

Major Boilerplate Changes from FY 2017-18

There are no major boilerplate changes in FY 2018-19.

DEPARTMENT OF STATE
Summary of FY 2018-19 Enacted Appropriations
Article VIII, 2018 Public Act 207 (Senate Bill 848)

Analyst: Michael Crossen

IDG/IDT	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	Difference: Enacted From FY 2017-18 YTD	
						Amount	%
	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$0	0.0
Federal	1,460,000	1,460,000	1,460,000	1,460,000	1,460,000	0	0.0
Local	0	0	0	0	0	0	--
Private	50,100	50,100	50,100	50,100	50,100	0	0.0
Restricted	208,709,400	214,686,400	206,686,400	215,686,400	206,686,400	(2,023,000)	(1.0)
GF/GP	24,139,000	18,466,300	19,466,300	18,466,300	18,466,300	(5,672,700)	(23.5)
Gross	\$254,358,500	\$254,662,800	\$247,662,800	\$255,662,800	\$246,662,800	(\$7,695,700)	(3.0)
FTEs	1,592.0	1,592.0	1,592.0	1,692.0	1,592.0	0.0	0.0

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (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.

<u>Major Budget Changes from FY 2017-18 YTD Appropriations</u>		<u>FY 2017-18 YTD (as of 2/7/18)</u>	<u>Enacted Change From YTD</u>
1. Driver Responsibility Fees Replacement	Gross	\$1,000,000	\$0
Shifts restricted funding sources for the administration of the Breath Alcohol Ignition Interlock Device program to replace revenue lost from the elimination of Driver Responsibility Fees with funds available from the Transportation Administration Collection Fund (TACF) for a net change of \$0 Gross.	Restricted	1,000,000	0
	GF/GP	\$0	\$0
2. Driver License Vendor Contract Extension	Gross	\$0	\$925,000
Provides \$925,000 state restricted for a contract extension with the current vendor responsible for producing driver licenses and a server upgrade to provide greater data security.	Restricted	0	925,000
	GF/GP	\$0	\$0
3. IT Cost Increase	Gross	\$37,452,100	\$800,000
Provides \$800,000 state restricted to accommodate rate increases for services provided by DTMB and for a contract for a disaster recovery solution for the Qualified Voter File registry.	Restricted	35,860,700	800,000
	GF/GP	\$1,591,400	\$0
4. Commercial Driver License Testing Kiosks	Gross	NA	\$500,000
Provides \$500,000 state restricted to offset the anticipated loss of federal funding for kiosks in branch offices used for computerized Commercial Driver License testing.	Restricted	NA	500,000
	GF/GP	NA	\$0
5. Fund Shift GF Reduction	Gross	\$1,148,300	\$0
Replaces \$1.1 million GF/GP with a corresponding amount of state restricted funding from TACF for a net change of \$0 Gross.	Restricted	0	1,148,300
	GF/GP	\$1,148,300	(\$1,148,300)

GENERAL GOVERNMENT: STATE (DEPARTMENT)

<u>Major Budget Changes from FY 2017-18 YTD Appropriations</u>		<u>FY 2017-18 YTD (as of 2/7/18)</u>	<u>Enacted Change From YTD</u>
6. Voting Machine One-Time Funding	Gross	\$5,000,000	(\$5,000,000)
Removes \$5.0 million GF/GP included as one-time funding in PA 158 of 2017 for new voting machines statewide.	GF/GP	\$5,000,000	(\$5,000,000)
7. Credit and Debit Card Fee Assessment	Gross	\$8,000,000	(\$8,000,000)
Eliminates the Credit and Debit Assessment Services line item appropriating revenue from service assessments collected by the department for credit and debit card vendor fees. Associated boilerplate authorizes the department to use collected service assessments for expenses related to the service and restricts the department from charging assessments which exceed the costs billable to the department.	Restricted	8,000,000	(8,000,000)
	GF/GP	\$0	\$0
8. Economic Adjustments	Gross	NA	\$3,079,300
Provides \$3.1 million Gross (\$475,600 GF/GP) for negotiated salary and wage increases (2.0% ongoing), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	Restricted	NA	2,603,700
	GF/GP	NA	\$475,600

Major Boilerplate Changes from FY 2017-18

Sec. 716b. Business Application Modernization (BAM) Project Report – DELETED

Requires the department to report on funding expended for the BAM IT modernization project since its inception.

Sec. 718. Buena Vista Township Branch Office – RETAINED

Requires the Department to maintain a full-service Secretary of State branch office in Buena Vista Township.

Sec. 719. Office of Investigative Services – DELETED

States that the Office of Investigative Services may use available funds from the amount appropriated in part 1 to conduct investigations of any reported irregularities in a local, state, or national election.

Sec. 719. High School Voting Machines – NEW

Requires the Department to make at least one voting machine available to at least one high school in each prosperity region for student familiarization.

Sec. 720. Post-Election Audits – NEW

Requires the department to develop a plan to enhance post-election audit procedures to ensure machine-tabulated vote accounts are counted and reported accurately.

<u>FY 2017-18 Supplemental Appropriations (Article XX)</u>		<u>FY 2017-18 YTD (as of 2/7/18)</u>	<u>FY 2017-18 Supplemental Change</u>
1. Temporary Staff for Driver License Reinstatement	FTE	NA	100.0
Authorizes \$1.0 million in state restricted funding from TACF and 100.0 FTE positions to support increased administrative responsibilities at branch offices related to elimination and amnesty of Driver Responsibility Fees provided in PA 43 through 50 of 2018. Branch office personnel will be responsible for assisting drivers with reinstating their licenses that were suspended due to delinquent payments of Driver Responsibility Fees.	Gross	NA	\$1,000,000
	Restricted	NA	1,000,000
	GF/GP	NA	\$0
2. Motorcycle Safety Fees	Gross	NA	\$250,000
Authorizes \$250,000 in state restricted funding from the Motorcycle Safety and Education Awareness Fund, created in PA 115 of 2017, to be used to create and maintain the "Look Twice - Save a Life" program that promotes motorcycle awareness, safety, and education.	Restricted	NA	250,000
	GF/GP	NA	\$0

GENERAL GOVERNMENT: STATE (DEPARTMENT)

<u>FY 2017-18 Supplemental Appropriations (Article XX)</u>	FY 2017-18 YTD (as of 2/7/18)	FY 2017-18 Supplemental Change
3. Help America Vote Act - Election Security	Gross	NA
Authorizes receipt of \$10.7 million in federal election security grant funding awarded under the Help America Vote Act. The appropriation also includes \$400,000 GF/GP transferred from Election Administration and Services as described in item 4 and \$135,400 in new GF/GP funding. Funding will be used to improve administration of elections for federal office by enhancing election system technology, cyber security, and improving election security.	Federal	\$11,242,400
	GF/GP	10,707,000
		\$535,400
4. Election Administration and Services - Election Security Matching Funds	Gross	\$5,000,000
Reduces \$400,000 GF/GP from a one-time \$5.0 million GF/GP appropriation, authorized in PA 158 of 2017 for new voting machines, to help support the 5% state match requirement for receipt of the federal Help America Vote Act election security grant funding described in item 3.	GF/GP	(\$400,000)
		\$5,000,000
		(\$400,000)

FY 2017-18 Supplemental Boilerplate Changes (Article XX)

Sec. 901. Help America Vote Act Election Security Work Project

Authorizes unexpended funds appropriated for Help America Vote Act to be considered work project appropriations and carried forward. Funding supports election security improvements to the election system, equipment, and processes used in federal elections. The project is estimated to cost \$11.2 million with a tentative completion date of September 30, 2022.

Sec. 902. Temporary Staff for Driver License Reinstatement Work Project

Authorizes unexpended funds appropriated for Branch Operations to be considered work project appropriations and carried forward. Funding supports 100.0 FTE positions and administrative requirements related to elimination and amnesty of Driver Responsibility Fees. The project is estimated to cost \$1.0 million with a tentative completion date of September 30, 2019.

DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET
Summary of FY 2018-19 Enacted Appropriations
Article VIII, 2018 Public Act 207 (Senate Bill 848)

Analyst: Michael Crossen

	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Revised Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	Difference: Enacted From FY 2017-18 YTD	
						Amount	%
IDG/IDT	\$713,959,000	\$751,777,000	\$751,777,000	\$751,777,000	\$751,777,000	\$37,818,000	5.3
Federal	4,985,300	5,033,700	5,033,700	5,033,700	5,033,700	48,400	1.0
Local	2,316,700	2,341,600	2,341,600	2,341,600	2,341,600	24,900	1.1
Private	127,700	129,400	129,400	129,400	129,400	1,700	1.3
Restricted	111,399,300	114,457,400	114,457,400	114,457,400	114,037,400	2,638,100	2.4
GF/GP	579,855,200	489,921,900	454,921,900	495,172,100	473,789,500	(106,065,700)	(18.3)
Gross	\$1,412,643,200	\$1,363,661,000	\$1,328,661,000	\$1,368,911,200	\$1,347,108,600	(\$65,534,600)	(4.6)
FTEs	2,943.0	3,122.0	3,111.0	3,122.0	3,122.0	179.0	6.1

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (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) has legal authority under the Management and Budget Act, PA 431 of 1984, and is the central management element of the Executive branch of state government. DTMB is an interdepartmental service and management agency responsible for all of the following: ensuring proper financial record keeping for state agencies; overseeing capital outlay projects; managing state facilities, property, and leases; implementing state procurement; operating the state's retirement systems; supervising the state motor vehicle fleet; administering travel policies; providing office support services to state agencies; executing information technology projects; centralizing information technology policy-making; and unifying strategic information technology planning. Autonomous units within DTMB include: the State Budget Office, Office of the State Employer, Civil Service Commission, Office of Retirement Services, State Building Authority, State Administrative Board, and the Office of Children's Ombudsman.

Major Budget Changes from FY 2017-18 YTD Appropriations	FY 2017-18 YTD (as of 2/7/18)	Enacted Change From YTD
1. EPMO IT Management Services	FTE	NA
Provides \$2.0 million GF/GP and 11.0 FTEs to expand the Enterprise Portfolio Management Office (EPMO) IT project management services across the enterprise portfolio of IT projects to establish more standardized and efficient IT management processes and controls.	Gross	NA
	GF/GP	NA
		11.0
		\$2,010,000
		\$2,010,000
2. Regional Prosperity Grants Increase	FTE	0.0
Adds \$1.5 million GF/GP to increase grants to designated economic regions defined by the Regional Prosperity Initiative to encourage private, public, and non-profit partners to collaborate on developing economic visions and on efforts to achieve them. Grants would also be available for use to fund infrastructure asset management projects. Increase funding brings the program's total annual funding to \$4.0 million GF/GP.	Gross	\$2,500,000
	GF/GP	\$2,500,000
		0.0
		\$1,500,000
		\$1,500,000
3. IT Personnel Retention Incentives	Gross	\$0
Provides \$1.0 million GF/GP to offer pay-per-performance incentives to retain talent among the state's IT personnel.	GF/GP	\$0
		\$1,000,000
		\$1,000,000

GENERAL GOVERNMENT: TECHNOLOGY, MANAGEMENT, AND BUDGET

<u>Major Budget Changes from FY 2017-18 YTD Appropriations</u>		FY 2017-18 YTD (as of 2/7/18)	Enacted Change From YTD
4. Procurement Improvement Plan Completion	FTE	0.0	6.0
Provides \$891,900 state restricted and 6.0 FTEs for ongoing support of improved procurement operations following the guidelines set forth in Executive Order No. 2015-1. Funding will cover the costs of permanent supplier relationship management, contract management, and an enterprisewide professional development certification program for procurement professionals.	Gross	\$0	\$891,900
	Restricted	0	891,900
	GF/GP	\$0	\$0
5. Financial Services Support	FTE	0.0	6.0
Provides \$559,400 Gross (\$12,900 GF/GP) and 6.0 FTEs to support an increased workload related to procurement of IT hardware and software and to reduce agency services billing errors.	Gross	\$0	\$559,400
	IDG	0	317,900
	Restricted	0	228,600
	GF/GP	\$0	\$12,900
6. FY 2018-19 IT IDG Baseline Adjustment	Gross	\$520,487,100	\$31,023,400
Adjusts the DTMB Information Technology IDG authorization up \$31.0 million to reflect projects and service adjustments in other agency budgets, administrative cost allocation changes, and IT budgetary requests made by agencies.	IDG	520,487,100	31,023,400
	GF/GP	\$0	\$0
7. School Reform Office Transfer to MDE	FTE	11.0	(11.0)
Transfers \$3.4 million GF/GP and 11.0 FTEs to the Department of Education per Executive Order No. 2017-5 for the organizational transfer of the School Reform Office.	Gross	\$3,115,100	(\$3,353,800)
	GF/GP	\$3,115,100	(\$3,353,800)
8. Information Technology Investment Fund (ITIF)	Gross	\$72,500,000	(\$37,500,000)
Reduces \$37.5 million GF/GP from the IT modernization project portfolio to in part reflect decreased costs due to the completion of the SIGMA project. The remaining \$35.0 million GF/GP would be used to support ongoing modernization projects, six new projects, and additional projects not yet identified.	GF/GP	\$72,500,000	(\$37,500,000)
9. Homeland Security Initiatives/Cyber Security	Gross	\$16,169,300	(\$1,500,000)
Reduces \$1.5 million GF/GP for the state's data network due in part to the extension of the timeframe for developments in the State enterprise data network.	GF/GP	\$16,169,300	(\$1,500,000)
10. State Police Retirement Services	Gross	NA	(\$87,000)
Adjusts authorization to the State Police Employee Retirement System (SPERS) by reducing \$87,000 GF/GP for anticipated supplemental payments per 2015 PA 168.	GF/GP	NA	(\$87,000)
11. Special Maintenance for State Facilities	Gross	\$2,000,000	\$1,800,000
Provides an additional \$1.8 million IDG to support increased statewide utility costs and other building service contractual costs such as janitorial, security guards, and elevator maintenance. Funds are also included to start the process of standardizing all Automated External Defibrillators (AED) in state-owned buildings.	IDG	2,000,000	1,800,000
	GF/GP	\$0	\$0
12. Professional Development Funds	Gross	\$250,000	(\$50,000)
Reduces \$50,000 IDG from employer contributions for professional development of non-union represented state employees (NERES). The reduction is related to collective bargaining agreements and was approved by the Civil Service Commission in December 2017.	IDG	250,000	(50,000)
	GF/GP	\$0	\$0
13. SWCAP Adjustment	Gross	NA	\$0
Reallocates fund sourcing associated with Statewide Cost Allocation Plan (SWCAP) for a net change of \$0 Gross and reduction of \$45,100 GF/GP.	IDG	NA	(36,300)
	Restricted	NA	81,400
	GF/GP	NA	(\$45,100)

GENERAL GOVERNMENT: TECHNOLOGY, MANAGEMENT, AND BUDGET

<u>Major Budget Changes from FY 2017-18 YTD Appropriations</u>		<u>FY 2017-18 YTD</u>	<u>Enacted Change</u>
		<u>(as of 2/7/18)</u>	<u>From YTD</u>
14. Drinking Water Declaration of Emergency Reserve Fund	Gross	NA	\$100
Adds a \$100 Restricted placeholder to accommodate future transfers as potential needs related to the Drinking Water Declaration of Emergency are identified.	Restricted	NA	100
	GF/GP	NA	\$0
15. Additional FTE Request	FTE	2,937.0	167.0
Adds 167.0 classified FTEs to align department FTE totals with appropriated funds and associated positions.	Gross	NA	\$0
	GF/GP	NA	\$0
16. Removal of Current Year One-Time Funding	Gross	\$82,125,100	(\$82,125,100)
Removes \$82.1 million GF/GP of one-time funding from ten items. These items are \$2.0 million for citizen-centric government IT initiatives, \$25.0 million for the Drinking Water Declaration of Emergency Reserve Fund, \$3.7 million additional funding for Homeland Security Initiative/Cyber Security, \$35.0 million for the Michigan Infrastructure Fund, \$5.0 million for the Michigan Public Safety Communications System, \$2.1 million for MAIN closeout, \$6.2 million for the Michigan.gov CMS, \$300,000 for a procurement review pilot program, \$353,000 for the School Reform Office, \$2.4 million and 10.0 FTEs for SIGMA transition support, and \$100,000 for MDOT's MiTRIP system enhancement. Note: Additional \$7.5 million in one-time funding for the IT Investment Fund (ITIF) was accounted for above in item #8.	GF/GP	\$82,125,100	(\$82,125,100)
17. Information Technology Services and Projects	Gross	\$26,429,100	(\$200,000)
Reduces funding for IT services and projects which support department activities by \$200,000 GF/GP.	IDG	932,900	0
	Restricted	15,827,000	0
	GF/GP	\$9,669,200	(\$200,000)
18. Office of Retirement Services Actuarial Analyses	Gross	NA	\$10,000
Includes \$4,000 GF/GP one-time funding to conduct an actuarial analysis to determine the potential costs incurred by the state employees retirement system as a result of implementing the provisions included in House Bill No. 5411 of the 99 th Legislature and adds \$6,000 GF/GP one-time funding to conduct an additional actuarial analysis to determine the potential costs incurred by the state employees retirement system as a result of implementing the provisions included in Senate Bill No. 747 of the 99 th Legislature. Funding for each analysis would only become available upon enactment of each of the analyses' respective bills.	GF/GP	NA	\$10,000
19. Census Related Services Placeholder	Gross	NA	\$100
Includes a \$100 GF/GP one-time placeholder for funds to be awarded to the Michigan Nonprofit Association to support its efforts to achieve full and accurate counts in the 2020 census.	GF/GP	NA	\$100
20. Legislative Retirement	Gross	NA	\$12,400,000
Includes \$12.4 million GF/GP for required legislative retirement pension and OPEB annual required contributions.	GF/GP	NA	\$12,400,000
21. Economic Adjustments	Gross	NA	\$8,086,400
Provides increased costs of \$8.1 million Gross (\$1.8 million GF/GP) for negotiated salary and wage increases (2.0% ongoing), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	NA	4,763,000
	Federal	NA	48,400
	Local	NA	24,900
	Private	NA	1,700
	Restricted	NA	1,436,100
	GF/GP	NA	\$1,812,300

GENERAL GOVERNMENT: TECHNOLOGY, MANAGEMENT, AND BUDGET

Major Boilerplate Changes from FY 2017-18

Sec. 810a. Vendor Review Pilot Program – DELETED

Requires a pilot project be established using a third-party vendor that will provide comprehensive information on all vendors with which the State conducts business.

Sec. 822. Report on Unclassified Salaries – RETAINED

Requires a report on individual appointee and unclassified employee salaries by January 1.

Sec. 822f. Regional Prosperity Initiative – REVISED

Provides for the regional prosperity grant program, which offers economic and workforce development planning grants to eligible regional planning organizations working in collaboration with local governmental, non-profit, business, and educational community partners. Revises incentive-based funding grant amounts and creates one-time grants for integrated infrastructure asset management initiatives under the guidance of the Michigan Infrastructure Council; Permits 0.3 FTE at \$30,000 to manage grant evaluations.

Sec. 822i. School Reform Office – DELETED

Requires public schools placed in the reform district to comply with all state and federal laws concerning special education; Requires report on the number of students who have an individualized education program and the performance results after the change in school governance.

Sec. 822l. School Reform Office Hearings – DELETED

Requires the SRO to conduct one public hearing in the district that the SRO will intervene in; Requires the office to give advance notice of the hearing and provide an academic improvement plan outline and projected time frame of involvement.

Sec. 822m. Vendor Performance Tracking – REVISED

Requires DTMB to establish a vendor performance tracking system that collaborates with other departments to collect information to factor in to the determination of awarding future contracts in the procurement process; Requires the department to report a listing of all departments and agencies that have not complied with the requirements of this section.

Sec. 822n. Request for Proposals Website – RETAINED

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

Sec. 822o. School Reform Office Coordination – DELETED

Requires the SRO to make an effort to coordinate with the Department of Education to streamline state services and resources, reduce duplication, and increase efficiency.

Sec. 822o. Northern Satellite Psychiatric Facility – NEW

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

Sec. 827a. MPSCS Unpaid Invoices – NEW

States that from funds appropriated for the Michigan Public Safety Communications System, \$2.0 million shall be used to pay outstanding invoices for local agencies billed by MPSCS that are dated more than 3 years prior to the current fiscal year; States that unpaid invoices dated after 9/30/2015 are not eligible for debt forgiveness and must be paid in full by the local entity before becoming eligible for debt forgiveness under this section.

Sec. 828. IT Appropriations and Expenditures Report – RETAINED

Requires a report on the total appropriations and expenditures for IT related services and projects for all executive departments and agencies.

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

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

Sec. 830. IT Contract Change Orders – DELETED

Requires a report on IT change orders and contract extensions for contracts greater than \$50,000 entered into by DTMB.

Sec. 830. Enterprisewide IT Project Reporting – NEW

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

Major Boilerplate Changes from FY 2017-18

Sec. 831. ORS Actuarial Analyses – NEW

States that contingent on passage of House Bill 5411 and Senate Bill 747 of the 99th Legislature, funds appropriated in Part 1 for retirement services actuarial analyses shall be used to conduct two separate actuarial analyses to determine the costs incurred by the state employees retirement system as a result of implementing the provisions of House Bill 5411 and Senate Bill No. 747 of the 99th Legislature.

Sec. 832. Child Support Enforcement System – RETAINED

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

Sec. 835a. Nonprofit Census-Related Activity – NEW

Requires one-time funding for census-related activities to be awarded to Michigan Nonprofit Association to support its efforts to achieve full and accurate counts in the 2020 census; Specifies matching fund requirements for receiving funds; Designates funds as a work project so that funds may be carried forward.

Sec. 836a. Cyber Security Investment Projects – DELETED

Explains the purpose of cyber security improvements is to enhance network security, develop comprehensive security framework and additional goals; Requires an annual report on the outcomes of the stated goals.

Sec. 837. Citizen Centric Government IT Initiative – DELETED

Requires the development and use of metrics for activities related to MiLogin and other Citizen Centric initiatives; Requires an annual report to describe the measures developed and the results of these measures.

Sec. 840. EPMO Performance Measures – NEW

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

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

Provides information on the Drinking Water Declaration of Emergency Reserve Fund; requires a legislative appropriation or transfer for spending use; authorizes the end of year balance to be carried forward; Revises to specify that funds authorized to be carried forward under the Emergency Reserve Fund section 880(5) of Article VIII of 2017 PA 107 are deposited into the Emergency Reserve Fund created in this section for Fiscal Year 2018-19.

<u>FY 2017-18 Supplemental Appropriations (Article XX)</u>		FY 2017-18 YTD (as of 2/7/18)	FY 2017-18 Supplemental Change
1. SBA Rent	Gross	\$246,570,600	\$5,448,200
Includes \$5.4 million GF/GP for the calculated annual debt service payment associated with eight construction authorizations included in items #6 through #13 below.	GF/GP	\$246,570,600	\$5,448,200
2. Enterprise Special Maintenance	Gross	\$26,000,000	\$3,000,000
Includes \$3.0 million GF/GP to support demolitions of surplus state-owned facilities, to include structures at the Caro Center Psychiatric Hospital.	GF/GP	\$26,000,000	\$3,000,000
3. Gubernatorial Transition Costs	Gross	\$0	\$1,750,000
Provides \$1.8 million GF/GP to support costs of the upcoming gubernatorial transition. Costs include office space leasing, office equipment and supplies contracts, outgoing FTE accrued benefits, among other things.	GF/GP	\$0	\$1,750,000
4. Michigan Cyber Civilian Corps	Gross	\$150,000	\$420,000
Authorizes \$420,000 in state restricted funding from the Michigan Infrastructure Fund to support expansion of members in the expert volunteer cyber security force, as well as updated training. The Cyber Civilian Corps (MiC3) was established to provide emergency responses to cyber security threats upon the request of a municipal, educational, non-profit, or business organization.	Restricted	0	420,000
	GF/GP	\$150,000	\$0

GENERAL GOVERNMENT: TECHNOLOGY, MANAGEMENT, AND BUDGET

<u>FY 2017-18 Supplemental Appropriations (Article XX)</u>	<u>FY 2017-18 YTD (as of 2/7/18)</u>	<u>FY 2017-18 Supplemental Change</u>
<p>5. Military Retirement Plan Investment Authorizes \$11.0 million GF/GP to fund retirement benefits for select National Guard members as prescribed in Senate Bill 747. \$1.5 million will go towards the OPEB annual required contribution and \$9.5 million would be used to build plan assets and to secure a lower assumed rate of return.</p>	<p>Gross GF/GP</p>	<p>NA NA</p>
		<p>\$11,000,000 \$11,000,000</p>
<p>6. Lake Superior State University – Center for Freshwater Research and Education Total project cost is \$13.2 million; state share is \$8.8; university share is \$4.4 million. Project cost is \$1.4 million more than the estimate at the time planning was authorized. The entire increase will be paid for by the university. Project includes a 17,664 sq. ft. building along the St. Marys River in Sault Ste. Marie, MI. Center will include Great Lakes Discover and Visitor Center, Discovery Classroom for flexible outreach and educational space, Discovery Lab for hands-on educational opportunities for 4th through 12th grade students and undergraduate labs, and research facilities for visiting scientists, LSSU researchers, and undergraduates. Project was authorized for planning in 2016 PA 268.</p>	<p>Gross GF/GP</p>	<p>NA NA</p>
		<p>\$100 \$100</p>
<p>7. Michigan State University – STEM Teaching and Learning Facility Total project cost is \$72.5 million; state share is \$29.9; university share is \$42.6 million. Project includes a new 117,300 sq. ft. facility and renovation of an additional 42,000 sq. ft. of existing space. Project will involve construction of a new 120,000 sq. ft. facility that primarily will provide laboratory-based instruction associated with undergraduate courses in science, technology, engineering, and mathematics. Labs will be modular and flexible in design and include modern building systems and technology. In addition to the wet labs, the new building will contain computer labs, informal study areas, breakout spaces, and potentially a campus-wide computerized testing center. The new facility will centralize dispersed teaching labs and provide necessary space and technology for changing curriculum and teaching methods associated with STEM. Project was authorized for planning in 2017 PA 107.</p>	<p>Gross GF/GP</p>	<p>NA NA</p>
		<p>\$100 \$100</p>
<p>8. Wayne State University – STEM Innovation Learning Center Total project cost is \$40.0 million; state share is \$14.8 million; university share is \$25.3 million. Project cost is estimated to be \$10.0 million more than the estimate at the time planning was authorized. The entire increase will be paid for by the university. Project involves renovation of 109,270 sq. ft. to provide a centralized STEM-focused academic facility for interdisciplinary classrooms and labs. Planned uses of the space include general purpose classrooms and instructional laboratories, living room spaces for student congregation, maker hacker labs for interdisciplinary exposure not possible in most instructional settings, and dedicated classroom and office space to a specific department to oversee building maintenance and operation. Renovations will allow for advanced technology and new teaching capabilities, in addition to advancing STEM course offerings currently offered in old buildings lacking newer technology. Mechanical penthouse and sub-basement will be re-worked to accommodate new mechanical, electrical, and plumbing systems. Project was approved for planning authorization in 2017 PA 107.</p>	<p>Gross GF/GP</p>	<p>NA NA</p>
		<p>\$100 \$100</p>

GENERAL GOVERNMENT: TECHNOLOGY, MANAGEMENT, AND BUDGET

<u>FY 2017-18 Supplemental Appropriations (Article XX)</u>	<u>FY 2017-18 YTD (as of 2/7/18)</u>	<u>FY 2017-18 Supplemental Change</u>
<p>9. Alpena Community College – Center for Health Sciences and Student Success</p> <p>Total project cost is \$8.7 million; state share is \$3.4 million; community college share is \$5.3 million. Project cost is estimated to be \$2.0 million more than the estimate at the time planning was authorized. The entire increase will be paid for by the college. Project involves renovation of 24,709 sq. ft. and addition of 4,754 sq. ft. Entire building will receive mechanical, electrical, and technology upgrades, new windows, and exterior improvements, and restrooms will be upgraded to meet accessibility standards. Renovation of the east wing will include new classroom and lab space for the Nursing Department. Central wing upgrades include flexible classrooms with integrated technology, student collaboration spaces, and updated faculty space. Project includes the addition of a student center, technology updates throughout the building, heating, ventilation, and AC upgrades, restroom upgrades to meet ADA compliance, and improved building envelope. Project was approved for planning authorization in 2017 PA 107.</p>	<p>Gross GF/GP</p>	<p>NA NA</p>
	\$100	\$100
<p>10. Grand Rapids Community College – Applied Technology Center Renovation and Expansion</p> <p>Total project cost is \$12.7 million; state share is \$6.4 million; community college share is \$6.4 million. Project includes renovation of approximately 43,066 sq. ft. and a two-story expansion of approximately 18,416 sq. ft. Project is designed to provide a teaching/learning environment that will support and promote active learning and experiential problem-solving, while providing a higher degree of visibility for the workforce training and IT curriculums. Specifically, the scope of the project will improve flexibility of classrooms and labs; redevelop entry; add new Data Center; expand and update Machine Tool Lab; redevelop material testing and hydraulics/pneumatics labs; right-size existing classrooms and labs; provide small project rooms; and add common areas for student and faculty interaction. New space will include computer labs, workforce training labs, departmental suites, student collaboration space, study space, and faculty offices. Project was approved for planning authorization in 2017 PA 107.</p>	<p>Gross GF/GP</p>	<p>NA NA</p>
	\$100	\$100
<p>11. Mott Community College – Southern Lakes Branch Center Rehabilitation/Renovation</p> <p>Total project cost is \$8.1 million; state share is \$4.1 million; community college share is \$4.1 million. Project includes renovation of 31,300 sq. ft. of existing space. C Wing renovations will support the Law Enforcement Regional Training Academy (LERTA) by centrally locating operations in the newly renovated wing. Renovations include a new large classroom, space for fitness testing, relocated simulation lab, upgrades to toilets and lockers, new showering facilities, office suite for instructors, and the addition of a new lobby/muster room. B Wing renovations will support centrally locating the Occupational and Physical Therapy programs. Renovations will include a new office suite with visibility to the labs, occupational therapy lab, apartment for daily living demo lab, physical therapy lab for neurology/pediatrics, and a physical therapy lab for orthopedics/cardio. Project also will include upgrades to infrastructure, including replacement of fire suppression systems/controls, installation of new fire suppression water well, replacement of fire alarm system, replacement of emergency power generators, full HVAC replacement in C Wing, boiler and chiller replacement, and electrical circuit and lighting replacement. Project was approved for planning authorization in 2017 PA 107.</p>	<p>Gross GF/GP</p>	<p>NA NA</p>
	\$100	\$100

GENERAL GOVERNMENT: TECHNOLOGY, MANAGEMENT, AND BUDGET

<u>FY 2017-18 Supplemental Appropriations (Article XX)</u>	FY 2017-18 YTD (as of 2/7/18)	FY 2017-18 Supplemental Change
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12. North Central Michigan College – AD/CL Classroom Renovation and Expanded Learning Space	Gross	NA	\$100
	GF/GP	NA	\$100

Total project cost is \$6.8 million; state share is \$3.4 million; college share is \$3.4 million. Project will involve renovation and repurposing of 63,610 sq. ft. AD/CL Building with two additions totaling 4,920 sq. ft. and 1,740 sq. ft. Main renovation of the AD/CL building includes repurposing and resizing existing classrooms to offer modern, high-tech environments and collaborative instructional space, addition of three active learning classrooms, improved faculty to student interaction through reconfiguration of floor plan, flexible teaching environments, and additional student spaces for collaborative learning. One addition will add three flexible learning classrooms while the other will create a Student Services Center. All mechanical, electrical, and plumbing will be replaced with energy efficient systems. Project was approved for planning authorization in 2017 PA 107.

13. Washtenaw Community College – Advanced Transportation Center	Gross	NA	\$100
	GF/GP	NA	\$100

Total project cost is \$5.7 million; state share is \$2.0 million; community college share is \$3.7 million. Project cost is estimated to be \$1.7 million more than the estimate at the time planning was authorized. The entire increase will be paid for by the college. Project includes construction of a new 12,348 sq. ft. building for cyber security programming, data science, and related advanced transportation and advanced manufacturing technology courses in a laboratory setting. Facility will include a clean vehicle bay, large flexible multidiscipline clean vehicle laboratory, three large active-learning classrooms, a meeting/convening room and event space, interactive display and lobby space, and support and storage space. Project was approved for planning authorization in 2017 PA 107.

FY 2017-18 Supplemental Boilerplate Changes (Article XX)

Sec. 501. Public Purpose, Lease and Conveyance, and Annual Appropriation

States that the legislature determines the leases for SBA-financed facilities are for a public purpose, as authorized by the State Building Authority Act of 1964, and approves and authorizes the lease and conveyance of property to the SBA and from the SBA to state and educational institutions, as applicable, executed by the Governor and Secretary of State on behalf of the state; expresses intent of the legislature to annually appropriate sufficient amounts to pay rent obligations pursuant to the lease.

Sec. 1151. Gubernatorial Transition Costs Work Project

Authorizes unexpended funds appropriated for gubernatorial transition costs to be considered work project appropriations and carried forward. Funding supports executive transition costs which are estimated to be \$1.8 million with a tentative completion date of December 30, 2019.

Sec. 1152. Northern Satellite Psychiatric Facility Inspection

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

Sec. 1153. Budget Stabilization Fund Pay-In

Requires the deposit of \$115.0 million from general fund revenues into the countercyclical budget and economic stabilization fund.

DEPARTMENT OF TREASURY
Summary of FY 2018-19 Enacted Appropriations
Article VIII, 2018 Public Act 207 (Senate Bill 848)

Analyst: Ben Gielczyk

	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	Difference: Enacted From FY 2017-18 YTD	
						Amount	%
IDG/IDT	\$12,613,700	\$12,780,300	\$12,780,300	\$12,780,300	\$12,780,300	\$166,600	1.3
Federal	27,022,600	27,128,000	27,128,000	27,128,000	27,128,000	105,400	0.4
Local	14,516,000	13,135,700	13,135,700	13,135,700	13,135,700	(1,380,300)	(9.5)
Private	27,500	27,500	27,500	27,500	27,500	0	0.0
Restricted	1,631,217,500	1,669,678,700	1,675,478,700	1,696,130,700	1,721,881,000	90,663,500	5.6
GF/GP	214,327,600	208,793,300	212,493,300	218,843,000	209,461,300	(4,866,300)	(2.3)
Gross	\$1,899,724,900	\$1,931,543,500	\$1,941,043,500	\$1,968,045,200	\$1,984,413,800	\$84,688,900	4.5
FTEs	1,862.5	1,870.5	1,870.5	1,870.5	1,872.5	10.0	0.5

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (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 of Treasury.

Major Budget Changes from FY 2017-18 YTD Appropriations	FY 2017-18 YTD (as of 2/7/18)	Enacted Change From YTD
1. Constitutional Revenue Sharing	Gross \$798,087,800	\$37,246,000
Increases by \$37.2 million in sales tax revenue (May CREC) relative to the FY 2017-18 budget act appropriated amount. When compared to updated May CREC estimates for FY 2017-18, it reflects a \$21.5 million (2.6%) increase.	Restricted 798,087,800	37,246,000
	GF/GP \$0	\$0
2. City, Village, and Township Revenue Sharing	Gross \$248,850,000	\$116,000
Includes additional \$116,000 in sales tax revenues to include 50 new eligible units by lowering eligibility threshold to those CVTs that received a payment of at least \$1,000 in FY 2009-10, down from \$4,500. Of total, \$5.9 million is considered one-time.	Restricted 248,850,000	116,000
	GF/GP \$0	\$0
3. Supplemental CVT Revenue Sharing	Gross \$6,200,000	\$0
Maintains current year funding but substitutes sales tax revenue for GF/GP. Requires funds to be used for debt, pension, or other post-employment benefits (OPEB) obligations, if applicable. Funding is considered one-time.	Restricted 0	6,200,000
	GF/GP \$6,200,000	(\$6,200,000)
4. County Revenue Sharing/County Incentive Program	Gross \$220,087,200	\$328,300
Increases funding from 101.986% of full funding to 102% of full funding for all eligible county state payments. Includes funding to accommodate 3 additional counties that are expected to exhaust their revenue sharing reserve funds in FY 2018-19. County Revenue Sharing accounts for approximately 80.2% of total county appropriation and County Incentive Program accounts for approximately 19.8%.	Restricted 217,908,100	2,507,400
	GF/GP \$2,179,100	(\$2,179,100)

GENERAL GOVERNMENT: TREASURY

<u>Major Budget Changes from FY 2017-18 YTD Appropriations</u>		<u>FY 2017-18 YTD</u>	<u>Enacted Change</u>
		<u>(as of 2/7/18)</u>	<u>From YTD</u>
5. Supplemental County Revenue Sharing		Gross	NA
Includes \$1.0 million in sales tax revenue for new County Supplemental Revenue Sharing program. Funds would be distributed to each county at a rate of 0.4627% of statutory full funding under the Glen Steil State Revenue Sharing Act. Funds are required to be used for debt, pension, and OPEB obligations, as applicable.		Restricted	NA
			\$1,000,000
			\$1,000,000
6. Financially Distressed CVTs		Gross	\$5,000,000
Reduces program by \$2.5 million in sales tax revenue. Program supports competitive grants to local units of government experiencing one or more conditions of financial distress.		Restricted	5,000,000
		GF/GP	\$0
			(\$2,500,000)
			(2,500,000)
			\$0
			\$0
7. Medical Marihuana Regulatory and Licensing Framework		FTE	4.0
Increases by \$7.2 million Gross (\$0 GF/GP) to account for full-year costs associated with administrative personnel and grants to municipalities, counties, and county sheriffs to offset the costs associated with medical marihuana regulatory activities.		Gross	\$4,635,000
		Restricted	4,635,000
		GF/GP	\$0
			\$7,157,100
			7,157,100
			\$0
			\$0
8. Information Technology System Enhancements		Gross	\$30,909,800
Includes \$5.0 million GF/GP to accommodate costs associated with increased staffing for DTMB IT personnel working on necessary IT service requirements, continued mainframe legacy upgrades associated with Unisys, and cloud hosting services to enhance data security on mandated projects.		IDG	400,000
		Federal	627,800
		Local	1,217,500
		Restricted	18,318,800
		GF/GP	\$10,345,700
			\$5,000,000
			0
9. MI Thrive Program Administration		FTE	0.0
Includes \$214,300 from the Brownfield Redevelopment Fund and 1.0 FTE for costs associated with administering the MI Thrive Brownfield Redevelopment Program (Transformational Brownfields). The position would calculate income tax generated from the development and determine required payment to the developer.		Gross	\$0
		Restricted	0
		GF/GP	\$0
			\$214,300
			214,300
			\$0
			\$0
10. Local Pension and Health Benefit Oversight		FTE	0.0
Includes \$464,000 GF/GP for costs associated with reviewing the status, reports, and corrective action plans of local unit retirement health systems and retirement pension systems as required under the provisions of 2017 PA 202.		Gross	\$0
		GF/GP	\$0
			\$464,000
			\$464,000
11. TIFA Reporting Administration		FTE	0.0
Includes \$267,000 GF/GP and 2.0 FTEs for oversight, monitoring, and administration of new standardized TIFA reporting requirements under 2018 PA 57.		Gross	\$0
		GF/GP	\$0
			\$267,000
			\$267,000
12. Bureau of Investments Memorandum of Understanding		FTE	81.0
Includes \$200,000 in restricted defined contribution administrative fee revenue to accommodate recently signed memorandum of understanding with Office of Retirement Services regarding fee charges related to administration of defined contribution retirement funds.		Gross	\$20,713,700
		Restricted	20,713,700
		GF/GP	\$0
			\$200,000
			200,000
			\$0
			\$0
13. Bureau of State Lottery Staffing Increases		FTE	191.0
Includes \$637,200 State Lottery Fund and 5.0 FTEs to accommodate the increased administrative costs associated with the continued expansion in lottery gaming.		Gross	\$25,619,700
		Restricted	25,619,700
		GF/GP	\$0
			\$637,200
			637,200
			\$0
			\$0
14. Restricted Fund Authorization Removal		Gross	\$158,700
Eliminates \$158,700 in Emergency 911 Fund authorization due to funding no longer being available. Fund source supported Tax and Economic Policy line item.		Restricted	158,700
		GF/GP	\$0
			(\$158,700)
			(158,700)
			\$0
			\$0

GENERAL GOVERNMENT: TREASURY

<u>Major Budget Changes from FY 2017-18 YTD Appropriations</u>	FY 2017-18 YTD	Enacted Change
	(as of 2/7/18)	From YTD
15. Other General Fund Reductions	Gross	NA
Reduces multiple line items by a total of \$750,000 GF/GP to provide additional GF/GP savings. Reductions include Tax Compliance (\$350,000 GF/GP), Supervision of the General Property Tax Law (\$150,000 GF/GP), and Department Services (\$250,000 GF/GP).	GF/GP	(\$750,000)
16. Accounting Services User Charges	FTE	24.0
Includes additional \$30,000 IDG authorization to authorize receipt of additional accounting user charges from Lottery and Casino Gaming. Current authorization level would not allow for collection of additional user charges.	Gross	\$2,786,400
	IDG	30,000
	Restricted	0
	GF/GP	\$0
17. Supervision of General Property Tax Law	FTE	72.0
Reduces by \$100 GF/GP and shifts funding to support \$100 GF/GP placeholder for a Michigan Forensic Science Commission (see Item #23).	Gross	\$13,878,700
	Local	0
	Restricted	0
	GF/GP	(\$100)
18. Senior Citizen Cooperative Housing Tax Exemption Program	Gross	\$10,720,000
Reduces by \$199,000 GF/GP to accommodate additional GF/GP savings to align with current projection for FY 2018-19.	GF/GP	(\$199,000)
19. Debt Service – Clean Michigan Initiative	Gross	\$62,751,000
Reduces by \$500,000 GF/GP to reflect actual debt service payments.	GF/GP	(\$500,000)
20. Convention Facility Development Fund	Gross	\$90,950,000
Includes additional \$14.4 million in restricted Convention Facility Development Fund appropriation authorization to adjust appropriation to reflect anticipated FY 2018-19 revenues and statutory expenditures. All revenues to the fund are distributed via a statutory formula.	Restricted	14,406,300
	GF/GP	\$0
21. Emergency 911 Payments	Gross	\$27,000,000
Increases by \$21.8 million in restricted Emergency 911 Fund to account for projected increases in revenue and distributions due to the passage of 2018 PA 51.	Restricted	21,800,000
	GF/GP	\$0
22. One-Time Appropriations and Grants	Gross	\$6,000,000
Removes \$5.0 million Gross (\$2.0 million GF/GP) in other FY 2017-18 one-time appropriations. Appropriations include city income tax administration costs associated with implementation of Detroit sales and flow through withholding collections (\$1.5 million in local funds), Information Technology implementation costs associated with SAP (\$2.0 million GF/GP), and the Michigan Infrastructure Council (\$1.5 million from Michigan Infrastructure Fund). Retains Urban Search and Rescue (\$900,000 GF/GP) and Beat the Streets (\$100,000 GF/GP) in FY 2018-19.	Local	(1,500,000)
	Restricted	(1,500,000)
	GF/GP	(\$2,000,000)
23. Courageous Cadets	Gross	\$0
Includes \$50,000 GF/GP for new grant for Courageous Cadets program.	GF/GP	\$50,000
24. Forensic Science Commission	Gross	NA
Includes \$100 GF/GP placeholder for a Michigan Forensic Science Commission. Funds are transferred from Supervision of the General Property Tax Law (see Item #17).	GF/GP	\$100
25. Economic Adjustments	Gross	NA
Reflects increased costs of \$4.9 million Gross (\$1.2 million GF/GP) for negotiated salary and wage increases (2.0% ongoing), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	136,600
	Federal	105,400
	Local	119,700
	Restricted	3,337,900
	GF/GP	\$1,180,800

GENERAL GOVERNMENT: TREASURY

Major Boilerplate Changes from FY 2017-18

Sec. 902b. Department of Treasury Fund Report – NEW

Requires department report on funds controlled or administered by the department that are not appropriated in part 1. Requires report to be posted to department website and legislature to be notified.

Sec. 903. Tax Collection Contracts – REVISED

Authorizes Treasury to contract with private collection agencies and law firms to collect taxes, accounts due the state, defaulted student loans, and accounts due to Michigan guaranty agencies; provides funds for collection costs and fees; requires report of agencies used, amounts collected, cost of collection, and other information. Requires amounts appropriated for defaulted student loan collections from exceeding 24.34% of the collection or a lesser amount prescribed in the contract. Requires department to issue an RFP for a secondary placement collections program. Allows for a multiple contract approach for a bidder to bid on a part or the entirety of the contract for primary and secondary collections. Modifies to remove the requirement that the department issue an RFP. New language would require the department to issue an RFP for secondary placement collections only when issuing primary collection contracts.

Sec. 927. Personal Property Tax Audit Report – REVISED

Requires the department to submit annual progress reports regarding personal property tax audits. Revises to require annual progress report on personal property tax audits and essential service assessment audits.

Sec. 936. Financial Data Analytical Tool Guidance – REVISED

Requires funds appropriated in part 1 to be for reimbursement to counties, cities, villages, and townships for the cost of a data analytical tool that provides financial data analysis and early warning analysis. Requires DTMB to provide between 2 and 4 approved vendors by October 15, 2017. Modifies to authorize regional councils of government to receive reimbursement, remove the RFP requirement, authorize vendors to carry out the reimbursement requests for the local unit, update dates; and put any remaining funds into a work project.

Sec. 940. Principal Residence Exemption Administration Feasibility Study – NEW

Requires the Department of Treasury to study the feasibility of requiring homeowners to file principal residence exemption documents directly with the Department of Treasury.

Sec. 949k. Transformational Brownfield Plan Payments – NEW

Appropriates an amount sufficient to recognize and pay an amount equal to the captured tax revenues due under approved Transformational Brownfield Plans, as provided by law.

Sec. 949l. Program Request for Proposals for OPEB Oversight and Transformational Brownfield – NEW

Requires the department to issue an RFP by December 15 for data analytics for the entire department, which would include both the local other post-employment benefits oversight legislation (2017 PA 202) and the recodified tax increment financing act (2018 PA 57). Vendor would be required to specialize in data analytics. Processing of program information would remain with the department.

TREASURY – REVENUE SHARING

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

Specifies distribution of \$248.8 million to all CVTs with a population of 7,500 or more by providing an eligible payment equal to 100% of the FY 2016-17 payment to all CVTs that were eligible for a payment in FY 2016-17. 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. Retains \$5.8 million for 101 CVTs. Additionally, includes \$116,000 GF/GP to increase the number of local units eligible for a CVT Revenue Sharing payment to include those that received a payment of at least \$1,000 in FY 2009-10. Current law specifies that a local unit must have received \$4,500 in FY 2009-10 to be eligible for a CVT Revenue Sharing payment.

Sec. 955. County Revenue Sharing Distribution – 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 101.986% of the amount determined pursuant to the Glen Steil State Revenue Sharing Act of 1971. Revised to include payment equal to 102% of full funding.

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

Specifies distribution of \$5.0 million in grants to CVTs that have one or more conditions of probably financial distress. CVTs must work with Treasury to develop a plan for grant funding. Grants are capped at \$2.0 million. Funds are designated as work project and requires report. Revised to authorize funds to be used “to administer other projects that move the city, village, or township toward financial stability”; lowers amount available for program to align with line item appropriation of \$2.5 million.

Major Boilerplate Changes from FY 2017-18

Sec. 957. Supplemental City, Village, and Township Revenue Sharing – REVISED

Specifies distribution of \$6.2 million GF/GP appropriated in part 1 to support supplemental revenue sharing payments. Payments would be provided to CVTs on a per capita basis equal to \$0.81198 per person. Retains program at current year funding level; per capita amount is revised to \$0.807929 to accommodate 50 new local units; revises language to require funds to be used to pay debt, pension, or OPEB obligations, applicable for the local unit.

Sec. 958. Supplemental County Revenue Sharing – NEW

Requires \$1.0 million appropriated for Supplemental County Revenue Sharing to be distributed to each eligible county in an amount equal to 0.4627% of full funding for each county under the Glenn Steil State Revenue Sharing Act. Requires funds to be used to pay debt, pension, and OPEB obligations, as applicable.

TREASURY – BUREAU OF STATE LOTTERY

Sec. 964. Promotion and Advertising Appropriation – REVISED

Appropriates 1% of the Bureau of State Lottery's prior fiscal year's gross sales or \$30.0 million, whichever is less, for promotion and advertising. Revises to authorize the Bureau of State Lottery to spend 1% of the prior fiscal year's gross sales for promotion and advertising.

<u>FY 2017-18 Supplemental Appropriations (Article XX)</u>	<u>FY 2017-18 YTD (as of 2/7/18)</u>	<u>FY 2017-18 Supplemental Change</u>
<i>1. Protecting Local Government Retirement Benefits Act</i>	Gross	\$0
Includes \$250,000 GF/GP to provide necessary administrative and processing requirements associated with the Protecting Local Government Retirement and Benefits Act, 2017 PA 202. Specifically, funding will be used to monitor, evaluate, and report on pension and retirement health benefit plans offered by approximately 1,400 local units of government. Funding will assist with development and implementation of the program.	GF/GP	\$250,000
<i>2. Trial Court Funding Commission</i>	Gross	\$0
Includes \$200,000 GF/GP to support efforts of the Trial Court Funding Commission established in 2017 PA 65. Duties of the commission include reviewing and recommending changes to the trial court funding system after determining how courts impose and allocate fees and costs. Members of the commission serve without pay, but are eligible for reimbursement for actual and necessary expenses incurred in the performance of their duties.	GF/GP	\$200,000
<i>3. Driver Responsibility Fees Program Phase-Out</i>	Gross	\$0
Includes \$250,000 in driver responsibility fee revenue for implementation and administration of the phase-out of the driver responsibility fee program. The program ends at the close of FY 2017-18, under 2018 PA 50.	Restricted	0
	GF/GP	\$0
<i>4. Review of Tax Increment Financing Authority (TIFA) Report Data</i>	Gross	\$0
Includes \$1.1 million GF/GP to implement requirements of 2018 PA 57, which requires the Department of Treasury to collect data and TIFA reports and provide the legislature with analytical reviews of the data submitted. The act requires local TIFAs to submit standardized reports, subject to revenue collection penalties, and for the Department of Treasury to combine TIFA submissions into an annual report submitted to the legislature. The Department of Treasury is also required to monitor TIFA reporting and notify a TIFA that fails to comply with the requirements of the act.	GF/GP	\$1,148,500
<i>5. Genesee County Register of Deeds</i>	Gross	\$0
Includes \$50,000 from the Drinking Water Declaration of Emergency Reserve Fund to fund improved recording of service lines improvements in the City of Flint by the Genesee County Register of Deeds.	Restricted	0
	GF/GP	\$0

GENERAL GOVERNMENT: TREASURY

<u>FY 2017-18 Supplemental Appropriations (Article XX)</u>	<u>FY 2017-18 YTD (as of 2/7/18)</u>		<u>FY 2017-18 Supplemental Change</u>
6. Financial Data Analytic Tool Reimbursement Program	Gross	\$500,000	\$0
Includes a net \$0 re-appropriation of state restricted revenue in order to revise boilerplate. New language will authorize regional councils of government to receive reimbursement, remove the RFP requirement, authorize vendors to carry out reimbursement requests for the local unit, and designate any remaining funds as work project appropriations (Sec. 1302).	GF/GP	\$500,000	\$0

FY 2017-18 Supplemental Boilerplate Changes (Article XX)

Sec. 1302. Financial Data Analytic Tool Reimbursement Program

Current year language requires funds appropriated in part 1 to be used for reimbursement to counties, cities, villages, and townships for the cost of a data analytical tool that provides financial data analysis and early warning analysis, and requires DTMB to provide between 2 and 4 approved vendors by October 15, 2017. New language modifies current fiscal year language to authorize regional councils of government to receive reimbursement, remove the RFP requirement, authorize vendors to carry out reimbursement requests for the local unit, extend date for application, and designate any remaining funds as work project appropriations.

DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT
Summary of FY 2018-19 Enacted Appropriations
Article VIII, 2018 Public Act 207 (Senate Bill 848)

Analyst: Ben Gielczyk

IDG/IDT	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	Difference: Enacted From FY 2017-18 YTD	
						Amount	%
	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	762,144,800	762,645,800	762,645,800	762,645,800	762,645,800	501,000	0.1
Local	500,000	500,000	500,000	500,000	500,000	0	0.0
Private	5,620,900	5,621,700	5,621,700	5,621,700	5,621,700	800	0.0
Restricted	206,056,700	183,432,300	205,332,300	208,432,300	205,432,300	(624,400)	(0.3)
GF/GP	205,099,400	166,745,800	133,465,900	138,865,900	141,095,800	(64,003,600)	(31.2)
Gross	\$1,179,421,800	\$1,118,945,600	\$1,107,565,700	\$1,116,065,700	\$1,115,295,600	(\$64,126,200)	(5.4)
FTEs	1,453.0	1,456.0	1,456.0	1,456.0	1,456.0	3.0	0.2

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Department of Talent and Economic Development (DTED) includes the Michigan Strategic Fund, Talent investment Agency, Workforce Development Agency, Unemployment Insurance Agency, Land Bank Fast Track Authority, and Michigan State Housing Development Authority. Collectively, DTED includes programs and resources designed to increase job creation, job preparedness, job training, economic development, and create and preserve safe and affordable housing in the State of Michigan.

Major Budget Changes from FY 2017-18 YTD Appropriations

		FY 2017-18 YTD (as of 2/7/18)	Enacted Change From YTD
1. Business Attraction and Community Revitalization	Gross	\$115,500,000	(\$10,120,100)
Reduces by \$10.1 million Gross (\$12.1 million GF/GP). The GF/GP reduction of \$12.1 million is partially offset by shifting \$2.0 million in 21 st Century Jobs Trust Fund from Entrepreneurship Eco-System.	Restricted	21,600,000	2,000,000
	GF/GP	\$93,900,000	(\$12,120,100)
2. Entrepreneurship Eco-System	Gross	\$19,400,000	(\$500,000)
Includes a net reduction of \$500,000 Gross and an increase of \$1.5 million GF/GP. Adjustment includes a reduction of \$2.0 million 21 st Century Jobs Trust Fund which is moved to Business Attraction and Community Revitalization to partially offset GF/GP reduction in that line item and a reduction of \$1.0 million GF/GP in ongoing appropriations. Gross total accounts for \$2.5 million GF/GP in FY 2018-19 one-time funds to support business accelerators.	Restricted	18,400,000	(2,000,000)
	GF/GP	\$1,000,000	\$1,500,000
3. Going Pro	Gross	\$41,908,300	(\$4,000,000)
Reduces by \$15.0 million Contingent Fund, Penalty and Interest and increases by \$11.0 million GF/GP for a net reduction of \$4.0 million Gross. \$3.0 million of the reduction is the result of moving the Jobs for Michigan Grads program to a separate standalone line item titled At-Risk Youth Grant Program (See Item #4). Note: Section 1070 was retained and allocates \$1.5 million of total to a dropout support and career training grant program for individuals 23 and over.	Restricted	40,908,300	(15,000,000)
	GF/GP	\$1,000,000	\$11,000,000

GENERAL GOVERNMENT: TALENT AND ECONOMIC DEVELOPMENT

<u>Major Budget Changes from FY 2017-18 YTD Appropriations</u>		<u>FY 2017-18 YTD</u> <u>(as of 2/7/18)</u>	<u>Enacted Change</u> <u>From YTD</u>
4. At-Risk Youth Grant Program (Jobs for Michigan Graduates)	Gross	NA	\$3,000,000
Includes \$3.0 million in Contingent Fund, Penalty and Interest funds transferred from Going Pro line item (see Item #3) to standalone At-Risk Youth Grant Program line item to support Jobs for Michigan Grads program. FY 2017-18 funding for program was supported with \$3.0 million GF/GP included in Going Pro line item (See Item #11).	Restricted	NA	3,000,000
	GF/GP	NA	\$0
5. Pure Michigan	Gross	\$35,000,000	\$1,000,000
Increases by \$1.0 million GF/GP to support enhanced Pure Michigan marketing.	Restricted	35,000,000	0
	GF/GP	\$0	\$1,000,000
6. Project Rising Tide	Gross	\$2,000,000	(\$1,000,000)
Reduces program by \$1.0 million GF/GP.	GF/GP	\$2,000,000	(\$1,000,000)
7. Community Ventures	FTE	7.0	0.0
Reduces by \$4.3 million Gross (\$306,700 GF/GP). FY 2018-19 line item is funded at \$5.0 million in Contingent Fund, Penalty and Interest Account funds. Note: \$1.5 million Contingent Fund, Penalty and Interest Account and 7.0 FTEs are shifted to Workforce Program Administration to consolidate Talent Investment Agency (TIA) employees into one appropriation line item.	Gross	\$9,806,700	(\$4,300,000)
	Restricted	9,500,000	(3,993,300)
	GF/GP	\$306,700	(\$306,700)
8. Community College Skilled Trades Training Program Debt Service	Gross	\$4,600,000	\$0
Replaces \$4.6 million GF/GP with an equal amount of Contingent Fund, Penalty and Interest (\$3.0 million of total shifted from Community Ventures) for a net change of \$0 Gross.	Restricted	0	4,600,000
	GF/GP	\$4,600,000	(\$4,600,000)
	FTE	6.0	3.0
9. Land Bank Fast Track Fund Operations	Gross	\$5,259,100	(\$1,000,000)
Reduces by \$1.0 million GF/GP to reflect reduced costs associated with Land Bank Fast Track Authority operations. Includes 3.0 FTE positions to align FTE totals with the number of funded positions.	Federal	1,000,000	0
	Restricted	298,400	0
	GF/GP	\$3,960,700	(\$1,000,000)
10. Other One-Time Appropriations	Gross	\$14,200,000	(\$14,199,900)
Removes a total of \$14.2 million GF/GP in one-time appropriations. Appropriations include DTED – grants (\$2.7 million GF/GP), Protect and Grow (\$1.0 million GF/GP), Talent Marketing (\$5.0 million GF/GP), Dropout Support and Career Training Grants included in the Going Pro line item (\$1.5 million GF/GP), Jobs for Michigan Grads program included in the Going Pro line item (\$3.0 million GF/GP), and a Van Andel Institute grant included in the Entrepreneurship Eco-System line item (\$1.0 million GF/GP). Includes new \$100 restricted for Drinking Water Declaration of Emergency placeholder to accommodate future transfer needs. GF/GP funding used to support Dropout Support and Career Training Grants in FY 2017-18 was removed but \$1.5 million of total Going Pro line item was earmarked in boilerplate Section 1070 for program (See Item #3). GF/GP used to support Jobs for Michigan Grads in FY 2017-18 was removed but \$3.0 million Contingent Fund, Penalty and Interest was used to support program (See Item #5 and Section 1071).	Restricted	0	100
	GF/GP	\$14,200,000	(\$14,200,000)
11. Michigan Enhancement Grants	Gross	\$35,897,000	(\$35,897,000)
Removes funding for one-time Michigan Enhancement Grants. (See also Item #12).	GF/GP	\$35,897,000	(\$35,897,000)
12. Michigan Strategic Fund – Grants	Gross	NA	\$1,350,000
Includes \$1.4 million GF/GP to fund the following grants: \$1.0 million for Van Andel Institute and \$350,000 for Rural Blight Elimination Program. Note: Van Andel Institute grant was included in Entrepreneurship Eco-System line item in FY 2018-19 (see Item #10).	GF/GP	NA	\$1,350,000

GENERAL GOVERNMENT: TALENT AND ECONOMIC DEVELOPMENT

<u>Major Budget Changes from FY 2017-18 YTD Appropriations</u>		<u>FY 2017-18 YTD (as of 2/7/18)</u>	<u>Enacted Change From YTD</u>
13. Technical Fund Source Adjustments to Align with Available Revenues	Gross	NA	(\$1,653,900)
	Federal	NA	(1,622,100)
Removes \$1.7 million Gross (\$0 GF/GP) in federal and state restricted appropriation authorization to align fund sources with actual revenues.	Restricted	NA	(31,800)
	GF/GP	NA	\$0
14. Workforce Development Programs	Gross	\$3,499,400	\$501,000
Includes \$501,000 in Federal Department of Agriculture, Employment and Training funds to accommodate the receipt of a new federal award for the existing Food Assistance, Employment and Training workforce development program.	Federal	3,499,400	501,000
	GF/GP	\$0	\$0
15. Workforce Development GF/GP Replacement	Gross	\$385,822,900	\$0
Includes \$10.0 million Contingent Fund, Penalty and Interest to offset corresponding amount of GF/GP in Workforce Development Programs. Net change equates to \$0.	Federal	370,124,500	0
	Local	500,000	0
	Restricted	3,796,400	10,000,000
	GF/GP	\$11,402,000	(\$10,000,000)
16. Economic Adjustments	Gross	NA	\$2,693,700
Reflects increased costs of \$2.7 million Gross (\$270,200 GF/GP) for negotiated salary and wage increases (2.0% ongoing), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	Federal	NA	1,622,100
	Private	NA	800
	Restricted	NA	800,600
	GF/GP	NA	\$270,200

Major Boilerplate Changes from FY 2017-18

Sec. 983. Broadband Bonding Prohibition – NEW

Prohibits the Michigan Strategic Fund (MSF) and Michigan State House Development Authority (MSHDA) from issuing or refinancing bonds for broadband construction, expansion, repairs, or upgrades. *Note: Governor indicated Section 983 is considered unenforceable in his signing letter for enacted FY 2018-19 budget.*

Sec. 1004. Statutory Reporting Requirements Update – NEW

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

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

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. 1007. Program Reporting Requirements – DELETED

Requires report on grants, investments, and activities of each program administered by MSF or MEDC, including spending and FTEs; requires report on tourism promotion and business marketing expenditures and revenues by source. Additionally requires report to include the budget for the MSF and MEDC for the prior fiscal year including all corporate revenue by source, all expenditures by core focus, number of positions at the MEDC, the corporate fund balance remaining at the end of the fiscal year, the total amount of work project funding spent during the previous fiscal year, all work project funding that is being carried forward, and the difference between the enacted budget and final expenditures for the previous fiscal year. Requires performance metrics report on the Michigan Business Development Program and the Community Revitalization program. Deletes section, but revises reporting requirements into 3 new sections (Sections 1004, 1006, and 1007).

Sec. 1007. Corporate Funding Reporting – NEW

Requires MEDC/MSF to provide an activities report on programs and activities administered by the MEDC board and supported with corporate or investment revenues by March 15.

Sec. 1011. Disposition of Unexpended Funds – REVISED

Requires unexpended and unencumbered funds at the end of the fiscal year to be disposed of in accordance with the Management and Budget Act unless carry forward authorization has otherwise been provided. Revises to include subsection that authorizes any carry forward authorization through a work project shall be preserved until a cash or accrued expenditure has been executed or the allowable work project time period has expired.

GENERAL GOVERNMENT: TALENT AND ECONOMIC DEVELOPMENT

Major Boilerplate Changes from FY 2017-18

Sec. 1038. Facility for Rare Isotope Beams Progress Report – DELETED

Requires a status report on the construction of the Facility for Rare Isotope Beams at Michigan State University. Executive revises date of report to April 10. House retains current law. Senate and Conference delete section.

Sec. 1040. MAIN System Reporting – REVISED

Requires MSF to use MAIN or a DTMB-administered successor program to report encumbrances and expenditures. Retains and updates to reflect SIGMA; moves boilerplate section to DTED (Section 984).

Sec. 1047. Michigan Enhancement Grants – DELETED

Specifies individual grants included in the Michigan Enhancement Grant line item totaling \$35.9 million GF/GP: playground project in Commerce Township (\$100,000); Sanilac FFA “miracle of life” barn (\$35,000); St. Clair River seawall (\$500,000); St. Clair highway bridge (\$2,700,000); Oakland Hope (\$100,000); Michigan Works! retirement shortfall (\$800,000); Sault Sainte Marie Carbide Docks (\$1,000,000); Hillsdale Veteran Affairs Scholarship Program (\$12,000); Plymouth Township intersection upgrade (\$1,000,000); Albion Water Tower Upgrade (\$500,000); Holy Cross Services (\$1,500,000); Gianna House (\$100,000); Livonia Rotary Park accessible playground (\$300,000); Botsford Park upgrade to outdoor pool (\$70,000); Child Restraint Safety Program Awareness Campaign (\$300,000); Former Detroit House of Corrections demolition and cleanup (\$1,500,000); No Wrong Door Program – Wayne County (\$250,000); South Michigan Center for Science and Industry (\$800,000); Voss Park – baseball diamonds upgrades (\$300,000); Salem Township Urban Services District (\$10.0 million); Harvey Street woonerf project (\$1,000,000); Grand Rapids Civic Theatre (\$1,000,000); Lowell Showboat Replacement (\$1,000,000); Dixie Highway Federal Match (\$1,000,000); KVCC Healthy Living Campus (\$2,000,000); White Lake Township Road Infrastructure Improvement (\$750,000); Muskegon County/Coopersville Wastewater Treatment Improvement (\$2,500,000); Monroe County ISD Career Tech Equipment (\$40,000); Ida School District CAD equipment (\$70,000); Whites Bridge Rebuild – Ionia County (\$350,000); Village of Lexington Master Plan Study (\$120,000); Grand Rapids Dam Removal (\$1,500,000); Mackinaw Cutter Repainting (\$300,000); LSSU power grid improvements (\$300,000); Zeeland Interchange Upgrade (\$2,000,000); National Sportsman Caucus National Meeting – Traverse City (\$100,000). Deletes section (replaces with new Section 1047 reflecting MSF-Grants).

Sec. 1047. MSF - Grants – NEW

Includes allocation of MSF-Grants line item to the following recipients: \$1.0 million (Van Andel Institute) and \$350,000 (Rural Blight Removal).

Sec. 1048. Van Andel Institute Grant – DELETED

Allocates \$1.0 million of Entrepreneurship Eco-System line item in part 1 to the Van Andel Institute. Deletes section; includes funding in Section 1047.

Sec. 1051. Talent Marketing Performance Measures – DELETED

Requires department to identify specific performance measures for the Talent Marketing appropriations; provides two performance measures.

Sec. 1053. Arts and Cultural Grants Performance Measures – REVISED

Requires department to identify specific performance measures for the Arts and Cultural Grants appropriations; provides three performance measures. Revises by updating dates; includes section as new subsection (3) in Arts and Cultural Grants boilerplate section (Section 1035).

Sec. 1054. Protect and Grow Performance Measures – DELETED

Requires department to identify specific performance measures for the Protect and Grow appropriations; provides two performance measures; includes reporting requirement.

Sec. 1055. City Park Development Project – DELETED

Requires \$500,000 GF/GP appropriated in part 1 for DTED – grants to be awarded as a matching grant to a park development project at Riverbend Park in Rochester Hills.

DTED – TALENT INVESTMENT AGENCY

Sec. 1064. Going Pro Expenditure Report – NEW

Requires the Talent Investment Agency (TIA) to provide a report of Going Pro expenditures by program/grant type for the prior fiscal year and a projected expenditure report by program/grant type for the current fiscal year.

Major Boilerplate Changes from FY 2017-18

Sec. 1065. Going Pro Program – REVISED

Requires TIA to publish data and reports on March 15 and September 30 on the Going Pro Program. Requires the Department of Talent and Economic Development to expand workforce training and re-employment services to better connect workers to in-demand jobs and identify specific outcomes with performance metrics for this initiative. Revises by removing reference to individuals enrolled in skilled trades training program and includes number of individuals enrolled in classroom training, on the job training, and new USDOL registered apprentices. Aligns metric measurements with those required for Going Pro in FY 2017-18 Section 1084.

Sec. 1067. Helmets to Hardhats Program Grant – DELETED

Requires \$200,000 GF/GP appropriated in part 1 for DTED - grants to be awarded to a national, nonprofit organization that connects National Guard, Reserve, retired, and transitioning active-duty military service members with skilled training and quality career opportunities in the construction industry. Funds must be used to recruit and assist military veterans' transition into apprenticeship programs in the state of Michigan.

Sec. 1069. Focus: Hope Grant – DELETED

Requires \$2.0 million GF/GP appropriated in part 1 for DTED - grants to be awarded to Focus: Hope for programming needs.

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

Requires \$3.0 million from the funds appropriated for Going Pro to be awarded to an existing dropout prevention and recover program for Michigan youth. Revises to allocate funds from new At-Risk Youth Grants line item.

<u>FY 2017-18 Supplemental Appropriations (Article XX)</u>		<u>FY 2017-18 YTD (as of 2/7/18)</u>	<u>FY 2017-18 Supplemental Change</u>
1. Michigan Enhancement Grants	Gross	\$35,897,000	\$21,975,000
Includes \$22.0 million GF/GP to fund grants, which are specified in section 1101.	GF/GP	\$35,897,000	\$21,975,000
2. Michigan Law Enforcement Officers Memorial Monument	Gross	\$0	\$1,181,100
Includes \$1.2 million GF/GP for the Michigan Law Enforcement Officers Memorial Monument project. Funding will support construction of a monument to honor the state's law enforcement officers who have died in the line of duty. Funding was appropriated in the FY 2014-15 Michigan Strategic Fund appropriation act and remaining funds have since lapsed. This would reappropriate the lapsed funds and remove the required match for state expenditures included in the original appropriation (\$2 state funds for every \$1 privately raised).	GF/GP	\$0	\$1,181,100

GENERAL GOVERNMENT: TALENT AND ECONOMIC DEVELOPMENT

FY 2017-18 Supplemental Boilerplate Changes (Article XX)

Sec. 1101. Michigan Enhancement Grants

Specifies direction of part 1 funding to the following recipients: (1) Grand Haven State Park (\$1.9 million); (2) Oceana County Trail (\$1.4 million); (3) Grand River Environment Testing/Dredging (\$1,150,000); (4) Grand Rapids Civic Theatre (\$1.0 million); (5) North Grand River Riverfront Park (\$750,000); (6) Sloan Museum Expansion (\$500,000); (7) Kids Food Basket (\$500,000); (8) Henry Ford Museum (\$500,000); (9) Branch County Road Project (\$500,000); (10) Arab American National Museum (\$500,000); (11) Charles H. Wright Museum of African American History (\$500,000); (12) Holocaust Memorial Center (\$500,000); (13) Tuscola County Trail Project (\$300,000); (14) White Lake Township environmental clean-up (\$250,000); (15) Lake Superior State community center (\$150,000); (16) North Rosedale Park Community Center (\$150,000); (17) Au Gres Boat Launch (\$100,000); (18) Saginaw River deepening project (\$100,000); (19) Kalamazoo community engagement grant (\$100,000); (20) Cristo Rey Community Center (\$100,000); (21) Lenawee County Conservation District (\$45,000); (22) Sault Ste. Marie 350th Anniversary (\$25,000); (23) Gladwin WWI Monument (\$5,000); (24) Albion water and sewer project (\$500,000); (25) Albion Oaklawn Behavioral and Physical Health Clinic (\$200,000); (26) Oscoda Township Water Pipeline Hookup (\$325,000); (27) Presque Isle Rural Broadband (\$100,000); (28) Arthur Leslow Community Center renovation (\$100,000); (29) Monroe Women's addiction center renovation (\$100,000); (30) River Raisin Center for the Arts (\$73,000); (31) Great Lakes Center for the Arts (\$1.0 million); (32) Bay Mills Indian Community Hospital (\$1.5 million); (33) Holy Cross Services (\$1.0 million); (34) Utica Downtown Development Authority Property Redevelopment (\$500,000); (35) Utica Veterans Memorial Park (\$25,000); (36) Chesterfield Township Veterans Park sidewalk repair (\$50,000); (37) Seita Scholars Program, Western Michigan University (\$500,000); (38) Chaldean Community Foundation (\$500,000); (39) Jefferson Barns Community Vitality Center (\$100,000); (40) Delta County Upper Peninsula Veterans Hall of Fame (\$500,000); (41) Macomb County Community Mental Health (\$1.0 million); (42) Glen Oaks Community College Local Match Funding (\$1.5 million); (43) City of Plymouth and Plymouth Township VIPER 911 System and Dispatch Computers (\$200,000); (44) New Fire Engine – Plymouth Township (\$400,000); (45) Northville Library Upgrades (\$81,000); (46) Plymouth Library Upgrades (\$96,000); (47) Camp Grayling Veteran Land Improvement/Camp Grayling Law Enforcement Building (\$75,000); (48) Grayling Airport Tree Cutting (\$125,000); (49) MICorps – Cooperative Lakes Monitoring Program (\$150,000); and (50) Michigan Research Institute (\$250,000).

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Summary of FY 2018-19 Enacted Appropriations
Article X, 2018 Public Act 207 (Senate Bill 848)

Analysts: Susan Frey, Kevin Koorstra, and Viola Wild

	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Revised Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	Difference: Enacted From FY 2017-18 YTD	
						Amount	%
IDG/IDT	\$13,640,900	\$13,813,700	\$13,813,700	\$13,813,700	\$13,813,700	\$172,800	1.3
Federal	18,406,770,700	17,955,593,700	17,881,537,800	17,854,238,700	17,635,395,600	(771,375,100)	(4.2)
Local	116,545,300	123,112,900	123,112,900	120,871,100	121,612,600	5,067,300	4.3
Private	149,875,700	148,409,900	148,409,900	148,989,500	150,409,900	534,200	0.4
Restricted	2,441,939,800	2,456,898,500	2,461,848,200	2,461,898,500	2,498,846,500	56,906,700	2.3
GF/GP	4,380,531,400	4,558,549,600	4,508,901,800	4,518,090,900	4,460,087,300	79,555,900	1.8
Gross	\$25,509,303,800	\$25,256,378,300	\$25,137,624,300	\$25,117,902,400	\$24,880,165,600	(\$629,138,200)	(2.5)
FTEs	15,626.5	15,621.7	15,618.7	15,616.7	15,627.7	1.2	0.0

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Department of Health and Human Services (DHHS) includes programs and services to assist Michigan's most vulnerable families, including public assistance programs, protecting children and assisting families by administering foster care, adoption, and family preservation programs, and by enforcing child support laws. Includes funding for behavioral health (mental health and substance use disorder), population health, aging, crime victim, and medical services programs, including Medicaid and the Healthy Michigan Plan. Federal funding shown above includes both federal Temporary Aid for Needy Families (TANF) funding and other federal funding sources (identified in aggregate as Federal above).

Major Budget Changes from FY 2017-18 YTD Appropriations	FY 2017-18 YTD (as of 2/7/18)	Enacted Change From YTD
MEDICAID AND BEHAVIORAL HEALTH – GENERAL		
1. Traditional Medicaid Cost Adjustments	Gross \$13,352,197,800	(\$201,921,100)
Provides reduction of \$201.9 million Gross (\$12.6 million GF/GP) for traditional Medicaid program caseload, utilization, inflation, and financing adjustments. Total includes \$37.1 million GF/GP to offset decline in federal match rate from 64.78% to 64.45% due to relative growth in state's personal income. Compared to FY 2016-17 expenditures, the May caseload consensus between the State Budget Office, Senate Fiscal Agency, and House Fiscal Agency forecasts an average annual increase of 3.0%.	Federal 8,659,726,100	(196,524,400)
	Local 47,247,100	491,700
	Private 2,100,000	0
	Restricted 2,100,350,400	6,711,500
	GF/GP \$2,542,774,200	(\$12,599,900)
2. Healthy Michigan Plan Cost Adjustments	Gross \$4,173,374,700	(\$368,396,000)
Provides reduction of \$368.4 million Gross (increase of \$7.1 million GF/GP) for Healthy Michigan Plan caseload, utilization, inflation, and financing adjustments. Total includes \$33.0 million GF/GP to offset decline in federal match rate from 94.25% to 93.25%. Compared to FY 2016-17 expenditures, the May caseload consensus between the State Budget Office, Senate Fiscal Agency, and House Fiscal Agency forecasts an average annual increase of 4.2%.	Federal 3,930,920,900	(384,444,600)
	Local 651,100	328,600
	Restricted 50,955,200	8,634,400
	GF/GP \$190,847,500	\$7,085,600
3. Actuarial Soundness Adjustments	Gross NA	\$140,080,000
Includes \$140.1 million Gross (\$39.0 million GF/GP) to support an estimated 2% actuarial soundness adjustment for prepaid inpatient health plans (PIHPs) and an estimated 1.5% actuarial soundness adjustment for Medicaid health plans and Healthy Kids Dental.	Federal NA	101,086,800
	GF/GP NA	\$38,993,200

HEALTH AND HUMAN SERVICES

<u>Major Budget Changes from FY 2017-18 YTD Appropriations</u>	<u>FY 2017-18 YTD (as of 2/7/18)</u>	<u>Enacted Change From YTD</u>
DEPARTMENTAL ADMINISTRATION		
4. Economic Adjustments	Gross	NA
Includes increased costs of \$32.8 million Gross (\$16.7 million GF/GP) for negotiated salary and wage increases (2.0% ongoing), actuarially required retirement contributions, worker's compensation, building occupancy charges for state-owned buildings, and other economic adjustments.	IDG	NA
	TANF	NA
	Federal	NA
	Local	NA
	Private	NA
	Restricted	NA
	GF/GP	NA
		\$32,774,900
5. Property Management	Gross	\$64,339,500
Provides increase of \$859,300 Gross (\$455,100 GF/GP), about 2%, for non-state-owned building lease costs for the Department. Current year non-state-owned building lease costs are \$44.5 million, and \$19.8 million for state-owned building lease costs (increase for state-owned building costs of \$767,300 is included in Economic Adjustments item).	IDG	593,500
	TANF	10,314,200
	Federal	24,648,600
	Private	36,400
	Restricted	166,500
	GF/GP	\$28,580,300
		\$859,300
6. Worker's Compensation Program Savings	Gross	\$7,502,800
Includes savings of \$1.0 million GF/GP in the Worker's Compensation program line item.	TANF	395,100
	Federal	1,858,300
	GF/GP	\$5,249,400
		(\$1,000,000)
7. Information Technology Financing	Gross	\$159,088,200
Increases information technology funding by \$4.1 million GF/GP to address an IT financing shortfall. This concern was reported for FY 2017-18 in the June 1, 2018 letter to the Legislature under Public Act 2 of 2007, as a \$15 million shortfall, reduced to \$8.1 million by an offset of surpluses in other areas of the budget.	IDG	1,067,000
	TANF	23,935,900
	Federal	77,472,200
	Restricted	1,985,800
	GF/GP	\$54,627,300
		\$4,108,600
8. Census Related Services – One-Time Funding	Gross	\$0
Includes \$2,500,000 Gross (\$500,000 GF/GP) to support outreach and preparation for citizen participation in the upcoming 2020 federal census to ensure an accurate citizen count, which will affect the state's share of federal funds having a population basis formula. \$4.00 of private match funding is required for every \$1.00 in state GF/GP to be spent. Sec. 1921 is related boilerplate.	Private	0
	GF/GP	\$0
		\$2,500,000
HUMAN SERVICES		
9. Food Assistance Program (FAP) Caseload Adjustments	Gross	\$2,348,117,400
Reduces the federally funded FAP by \$415.1 million Gross (\$0 GF/GP) for caseload adjustments. Reduction based on caseload estimates decreasing from 854,072 cases at \$229.11 per month to 683,950 at \$235.52 per month.	Federal	2,342,117,400
	Restricted	6,000,000
	GF/GP	\$0
		(\$415,110,400)

HEALTH AND HUMAN SERVICES

Major Budget Changes from FY 2017-18 YTD Appropriations

FY 2017-18 YTD **Enacted Change**
(as of 2/7/18) **From YTD**

10. Other Public Assistance Caseload Adjustments

Reduces funding for other public assistance programs based on the May caseload consensus between the State Budget Office, Senate Fiscal Agency, and House Fiscal Agency by \$8.3 million Gross (\$12.2 million GF/GP) as follows:

Gross	\$152,200,000	(\$8,338,000)
TANF	54,040,700	3,799,100
Restricted	15,411,700	102,900
GF/GP	\$82,747,600	(\$12,240,000)

- Family Independence Program (FIP) is reduced \$6.6 million Gross (\$10.5 million GF/GP) adjusting the monthly caseload estimate from 18,200 cases at \$349.50 per month to 16,912 cases at \$343.40 per month.
- State Disability Assistance (SDA) is reduced by \$1.3 million GF/GP adjusting the monthly caseload estimate from 3,600 cases at \$216.67 per month to 3,119 cases at \$214.86 per month.
- State Supplementation is reduced by \$379,900 GF/GP adjusting the monthly caseload estimate from 268,268 cases at \$18.79 per month to 267,152 cases at \$18.75 per month.

11. Child Welfare Caseload Adjustments

Increases funding for child welfare programs based on the May caseload consensus between the State Budget Office, Senate Fiscal Agency, and House Fiscal Agency by \$19.5 million Gross (\$16.5 million GF/GP) as follows:

Gross	\$622,467,300	\$19,471,200
Federal	196,452,100	2,272,900
TANF	103,537,500	(1,060,100)
Local	14,244,900	2,938,600
Private	2,929,800	(1,159,100)
GF/GP	\$305,303,000	\$16,478,900

- Foster care payments are increased by \$19.9 million Gross (\$11.4 million GF/GP) from 5,800 cases at \$31,643 per year to 6,327 cases at \$32,000 per year.
- Adoption subsidies are reduced by \$5.5 million Gross (\$2.2 million GF/GP) from 23,406 cases at \$732.07 per month to 22,920 cases at \$728.95 per month.
- The Child Care Fund is increased by \$7.2 million GF/GP.
- Guardianship assistance payments are reduced by \$387,800 Gross (\$10,200 GF/GP) from 1,200 cases at \$778.15 per month to 1,271 cases at \$709.26 per month.
- Family Support Subsidies (FSS) are reduced by \$1.7 million Gross (\$0 GF/GP) from 6,360 cases at \$222.11 per month to 5,716 cases at the same monthly rate.

12. Foster Care Administrative Rate – County Hold-Harmless Provision

Retains current year hold-harmless payment structure that requires DHHS to pay 100% of the foster care administrative rates to private agencies for all new cases beginning October 1, 2013 and 100% of the recent rate increases.

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

13. Crime Victim Advocates Funding Increase

Includes \$2.0 million restricted funding from the Crime Victim's Rights Fund to increase grant funding in the Crime Victim Rights Services Grants line item to fund, train, and support additional crime victim advocates in the criminal justice system. New related boilerplate in Sec. 458.

Gross	NA	\$2,000,000
Restricted	NA	2,000,000
GF/GP	NA	\$0

14. Foster Care Relative Caregiver Licensure Payments

Eliminates \$1.5 million GF/GP for increased payments to child placing agencies for the completed licensure of relative caregivers based on historic spending. Funding for these payments was increased by \$1.0 million GF/GP in FY 2017-18.

Gross	\$3,500,000	(\$1,500,000)
GF/GP	\$3,500,000	(\$1,500,000)

15. Runaway and Homeless Youth Services Contracts

Includes \$500,000 GF/GP to increase funding to contracted providers that provide services and housing to runaway and homeless youth.

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

HEALTH AND HUMAN SERVICES

<u>Major Budget Changes from FY 2017-18 YTD Appropriations</u>		<u>FY 2017-18 YTD (as of 2/7/18)</u>	<u>Enacted Change From YTD</u>
16. Children's Trust Fund (CTF)	Gross	\$3,327,700	\$1,000,000
Includes \$1.0 million Gross (\$200,000 GF/GP) to provide additional funding for CTF grants. The increased spending authorization will enable the CTF Board to spend \$800,000 cash reserve balance for grants over the next 3 years. Half of the \$1.0 million increase shall be used for programs that help address substance use disorders. New related boilerplate in Sec. 508(3).	Federal	1,053,300	0
	Restricted	2,091,900	800,000
	GF/GP	\$182,500	\$200,000
17. Adoptive Support Services Administration Rates	Gross	\$27,283,500	\$1,750,000
Provides additional \$1.8 million Gross (\$950,000 GF/GP) to fund a 10% rate increase to private agencies for adoption services.	TANF	1,368,000	0
	Federal	11,864,600	800,000
	GF/GP	\$14,050,900	\$950,000
18. Actuarial Study on Adoption Incentive Rates	Gross	\$0	\$50,000
Provides \$50,000 GF/GP to fund an actuarial study on the rates paid to private child placing agencies for adoption incentive payments. Related boilerplate in Sec. 503(2).	GF/GP	\$0	\$50,000
19. Payments to Unlicensed Relative Foster Care Providers – Glisson Federal Court Decision	FTEs	NA	3.0
Includes \$16.0 million GF/GP to fund 3.0 additional FTE positions, administrative costs, and additional foster care maintenance payments. The <i>D.O. v. Glisson</i> decision requires that the state must pay the foster care maintenance rate to unlicensed relative foster care caregivers. In addition to staffing costs, the increase will fund \$9.9 million GF/GP to reimburse counties for 50% of the maintenance payments, \$5.5 million GF/GP for administrative rate payments to private child placing agencies, and \$210,500 GF/GP for IT expenses.	Gross	NA	\$16,024,000
	GF/GP	NA	\$16,024,000
20. Child Welfare Staff Training Increase	FTEs	NA	6.0
Provides \$918,000 Gross (\$376,600 GF/GP) to fund 6.0 FTEs for additional department training staff to train private foster care child placing agency employees.	Gross	NA	\$918,000
	TANF	NA	350,000
	Federal	NA	191,400
	GF/GP	NA	\$376,600
21. Family Independence Program (FIP) Children's Clothing Allowance	Gross	\$82,350,800	\$960,000
Provides \$960,000 TANF funding to increase the FIP children's clothing allowance from the current annual allowance of \$156 per child to approximately \$180 per child.	TANF	54,040,700	960,000
	Restricted	11,259,000	0
	GF/GP	\$17,051,100	\$0
22. Heat and Eat Program Continuance	Gross	NA	(\$2,500,000)
Eliminates the GF/GP portion of the funding of the Heat and Eat program; \$2.5 million GF/GP is eliminated. The number of eligible cases not already receiving the enhanced FAP benefits is less than estimated and federal funding is available to fund the program without GF/GP support. Program provides energy assistance payments of \$20.01 to certain FAP cases making them potentially eligible for additional FAP benefits.	Federal	NA	0
	GF/GP	NA	(\$2,500,000)
23. Multicultural Integration Funding Increase – One-Time Funding	Gross	\$15,303,800	\$1,381,100
Includes \$1.4 million GF/GP one-time funding for various multicultural organizations that provide social services programs to specific populations. YTD amount is current ongoing amount.	TANF	421,000	0
	Federal	694,500	0
	GF/GP	\$14,188,300	\$1,381,100
24. Family Support Subsidy (FSS)	Gross	\$16,951,400	\$494,200
Includes additional \$494,200 TANF funding for the FSS program which provides monthly support payments to income-eligible families with severely disabled children. Funding would increase support payments by \$7.20 per month.	TANF	16,951,400	494,200
	GF/GP	\$0	\$0

HEALTH AND HUMAN SERVICES

Major Budget Changes from FY 2017-18 YTD Appropriations

FY 2017-18 YTD **Enacted Change**
(as of 2/7/18) **From YTD**

25. Donated Funds Positions Reduction

Eliminates 50.0 FTE authorizations from the Donated Funds Positions line item to better align FTE authorizations with the amount of currently filled positions and funding available to support those FTEs. Reduces funding by \$5.7 million Gross (\$0 GF/GP).

FTE	288.0	(50.0)
Gross	\$32,702,700	(\$5,675,900)
IDG	266,200	0
TANF	1,661,300	0
Federal	15,391,200	(3,540,000)
Private	9,600,500	(379,000)
Local	5,783,500	(1,756,900)
GF/GP	\$0	\$0

26. Centers for Independent Living

Provides additional \$2.0 million GF/GP for the Centers for Independent Living program.

Gross	\$12,031,600	\$2,000,000
Federal	8,451,600	0
Private	10,000	0
GF/GP	\$3,570,000	\$2,000,000

27. Adult Protective Services (APS) Court Appointed Guardians and Conservators

Includes additional \$210,000 GF/GP to support an increase in the rate paid to APS guardianship providers. The increase would raise the current monthly rate from \$60 to \$83. Combined with similar revisions in Medicaid and Behavioral Health, the total increase is \$290,400 Gross (\$1.2 million GF/GP).

Gross	\$350,000	\$210,000
Federal	224,000	0
GF/GP	\$126,000	\$210,000

28. TANF Offset of GF/GP Funding

Appropriates \$5.0 million TANF to both the Family Independence Program line item and the Public Assistance Field Staff line item to offset \$10.0 million GF/GP.

Gross	NA	\$0
TANF	NA	10,000,000
GF/GP	NA	(\$10,000,000)

BEHAVIORAL HEALTH

29. Mental Health and Wellness Commission

Reduces \$9.5 million Gross (\$6.3 million GF/GP) for Mental Health and Wellness Commission Recommendations. Includes \$9.4 million Gross (\$2.8 million GF/GP) in available ongoing funding for the psychiatric transitional unit and children's behavioral action team and other programming, in addition to available work project authorization. Reduction includes \$500,000 GF/GP transferred to Department of Education.

Gross	\$18,895,000	(\$9,500,000)
Federal	9,861,100	(3,241,500)
GF/GP	\$9,033,900	(\$6,258,500)

30. Psychiatric Bed Registry

Includes \$150,000 to establish and administer an electronic inpatient psychiatric bed registry consistent with House Bill 5439.

Gross	\$0	\$150,000
GF/GP	\$0	\$150,000

31. Medicaid Autism Services

Reduces \$34.6 million Gross (\$12.3 million GF/GP) by establishing a fee schedule for autism services reimbursement to be used as a cost ceiling when determining actuarially sound rates paid to PIHPs and by reducing the behavioral technician reimbursement rate by 10% of the 2017 autism fee schedule (i.e. to \$50 per hour). Sec. 924 is related boilerplate.

Gross	\$105,097,300	(\$34,597,400)
Federal	69,687,600	(22,308,000)
GF/GP	\$35,409,700	(\$12,289,400)

32. Conference of Western Wayne Substance Use Disorder Pilot

Provides \$500,000 GF/GP to Conference of Western Wayne for a 10-bed substance use disorder detoxification pilot project at St. Mary's that utilizes specialized trauma therapists, peer support specialists, and medication assisted treatments.

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

HEALTH AND HUMAN SERVICES

<u>Major Budget Changes from FY 2017-18 YTD Appropriations</u>		FY 2017-18 YTD (as of 2/7/18)	Enacted Change From YTD
33. Non-Medicaid Mental Health Services	Gross	\$120,050,400	\$5,527,800
Includes \$5.5 million GF/GP for non-Medicaid mental health services to ensure the revised FY 2018-19 funding distribution formula that utilizes population and poverty data also includes a hold harmless provision so that no local Community Mental Health Services Program's (CMHSP) allocation is reduced. Sec. 925 is related boilerplate.	GF/GP	\$120,050,400	\$5,527,800
34. CMHSP Court-Appointed Guardians and Conservators	Gross	\$0	\$1,500,000
Adds \$1.5 million GF/GP to reimburse counties for 50% of the cost to provide up to \$83 per month to court-appointed guardians and conservators to individuals who receive CMHSP services. Combined with Medicaid and Field Operations, the total increase is \$290,400 Gross (\$1.2 million GF/GP).	GF/GP	\$0	\$1,500,000
35. State Psychiatrist Salary Increase	Gross	NA	\$1,394,800
Provides \$1.4 million Gross (\$1.3 million GF/GP) to support a civil service salary increase for psychiatrists at the state psychiatric hospitals. Increase supports a minimum increase, by pay level, of at least 11%. The vacancy rate of state psychiatrist positions is approximately 50%.	Federal	NA	136,200
	GF/GP	NA	\$1,258,600
36. Behavioral Health Program Eliminations	Gross	\$1,005,000	(\$1,005,000)
Eliminates behavioral health program funding for genomic opioid research in Kalamazoo (\$700,000 GF/GP) and pediatric and adult opioid abuse pilot project through Kids Kicking Cancer (\$305,000 GF/GP).	GF/GP	\$1,005,000	(\$1,005,000)
37. Behavioral Health – One-Time Funding	Gross	\$1,165,000	\$30,000
Increases one-time autism navigator funding by \$460,000 GF/GP, eliminates university autism funding of \$500,000 GF/GP, eliminates \$100,000 Special Olympics funding, adds \$115,000 GF/GP for an opioid outreach coordinator through Growth Works, and adds \$55,000 GF/GP for the Autism Train the Trainer pilot.	GF/GP	\$1,165,000	\$30,000
POPULATION HEALTH			
38. Flint Drinking Water and Lead Exposure Emergency	Gross	\$21,541,700	(\$16,920,600)
Reduces funding for assistance to residents exposed to lead in the City of Flint by \$16.9 million Gross (increase of \$2.6 million GF/GP) from YTD. One-time funding of \$4.6 million Gross (\$4.2 million GF/GP and \$376,700 Healthy Michigan Fund) is provided for food and nutrition services, health services at child and adolescent health centers and schools, lead abatement and investigation, lead poisoning prevention, and additional supports and services. YTD includes November 2017 \$7.5 million state restricted funds transfer. Sec. 1905 is related boilerplate.	TANF	3,500,000	(3,500,000)
	Restricted	16,361,700	(15,985,000)
	GF/GP	\$1,680,000	\$2,564,400

HEALTH AND HUMAN SERVICES

Major Budget Changes from FY 2017-18 YTD Appropriations

FY 2017-18 YTD (as of 2/7/18) Enacted Change From YTD

39. PFAS Contamination and Other Public Health Threats

Provides increase of \$4.4 million GF/GP and 17.0 FTEs from YTD to address environmental contamination from perfluoroalkyl and polyfluoroalkyl substances (PFAS), first funded in FY 2017-18 supplemental Act 201 of 2017, and to expand local grants to include other emerging issues:

- Laboratory capacity and services – increase by \$1.4 million and 11.0 FTEs (total \$5,525,300 and 11.0 FTEs)
- Environmental health toxicology and response – increase by \$750,000 and 4.0 FTEs (total \$2,500,000 and 12.0 FTEs)
- Local health department response grants – increase by \$2.0 million and expand to also support local health response to other emerging public health issues and threats (infectious and vector-borne disease outbreaks, vapor intrusion, lead exposure, drinking water contamination, etc.) as needed; and provide additional \$250,000 and 2.0 FTEs for state staff (total \$4,750,000 and 2.0 FTEs). Sec. 1231 is related boilerplate.

FTEs	8.0	17.0
Gross	\$8,394,000	\$4,381,300
GF/GP	\$8,394,000	\$4,381,300

40. Essential Local Public Health Services

Provides increase of \$4.5 million GF/GP for essential local public health services, governed by boilerplate Sec. 1222, and Part 24 of the Public Health Code. Funding is targeted to 9 state and local cost-shared services: immunizations, infectious disease control, sexually transmitted disease control and prevention, hearing screening, vision services, food protection, public water supply, private groundwater supply, and on-site sewage management. See also new Sec. 1234.

Gross	\$40,886,100	\$4,533,200
Local	5,150,000	0
GF/GP	\$35,736,100	\$4,533,200

41. Primary Care Clinics

Provides \$1.5 million GF/GP to continue support for primary care clinics and free health clinics at current year levels, replacing federal bonus funding that is no longer available and which will be fully expended as of FY 2017-18 year end. YTD amount shown is for Primary Care Services line item.

Gross	\$5,268,700	\$0
Federal	2,597,100	(1,504,500)
Private	10,000	0
GF/GP	\$2,661,600	\$1,504,500

42. Early Primary Care Pilot Program

Reduces GF/GP funding for early primary care physician placement and loan repayment program, new in FY 2017-18, from \$1.0 million to \$500,000. Sec. 1147 is related boilerplate.

Gross	\$1,000,000	(\$500,000)
GF/GP	\$1,000,000	(\$500,000)

43. Population Health – Healthy Michigan Fund Adjustment

Replaces \$4.2 million of Healthy Michigan Fund (HMF) with GF/GP for recent population health initiatives. Expanded programs for childhood lead, drinking water and toxicology were funded with HMF in FY 2017-18 only, using available HMF balance. Combined with a similar fund adjustment in Medicaid, the total HMF to GF/GP fund adjustment in the DHHS budget is \$0 Gross (\$14.2 million GF/GP).

Gross	\$4,178,500	\$0
Restricted	4,178,500	(4,178,500)
GF/GP	\$0	\$4,178,500

44. Laboratory Opioid Enhanced Testing

Provides new funding of \$1.0 million GF/GP to enhance state laboratory and local and county medical examiner testing of opioids to enable accurate identification of prescription and non-prescription substances in cases of drug overdose or drug poisoning death. Sec. 1170 is related boilerplate.

Gross	\$22,312,100	\$1,000,000
IDG	991,000	0
Federal	3,840,100	0
Restricted	10,633,400	0
GF/GP	\$6,847,600	\$1,000,000

45. Traumatic Brain Injury Treatment

Provides new funding of \$1.0 million to support use of traumatic brain injury assessment and treatment interactive decision support software in hospitals for pediatric cases. Sec. 1228 is related boilerplate. This project was previously funded in part in FY 2014-15, and in prior fiscal years.

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

HEALTH AND HUMAN SERVICES

<u>Major Budget Changes from FY 2017-18 YTD Appropriations</u>		<u>FY 2017-18 YTD (as of 2/7/18)</u>	<u>Enacted Change From YTD</u>
46. Alternative Pregnancy and Parenting Program	Gross	\$650,000	\$50,000
Increases funding for alternative pregnancy and parenting program, Real Alternatives, by \$50,000 GF/GP for total funding of \$700,000. Sec. 1307 is related boilerplate.	TANF	650,000	0
	GF/GP	\$0	\$50,000
47. Prenatal Home Visiting Programs	Gross	\$15,856,100	\$1,000,000
Increases funding by \$1.0 million GF/GP for prenatal, maternal, infant, and early childhood home visiting programs to support at-risk women and families during pregnancy, birth and infancy, in communities with high infant mortality rates, and revises Sec. 1311 to direct half of the funding increase to the rural home visit program, currently funded at \$2,250,000 GF/GP. The remaining half of the increase supports the general statewide home visit program. (YTD funding shown does not include alternative program listed above).	Federal	12,106,100	0
	GF/GP	\$3,750,000	\$1,000,000
48. Infant Mortality Project – One-Time Funding	Gross	\$0	\$100,000
Provides one-time funding of \$100,000 for an infant mortality program grant to Cradle Kalamazoo. Sec. 1912 is related boilerplate.	GF/GP	\$0	\$100,000
49. Population Health - Elimination of One-Time Grants	Gross	\$1,000,000	(\$1,000,000)
Eliminates one-time funding of \$150,000 GF/GP (Sec. 1908) for prenatal diagnosis clearinghouse website, and \$850,000 GF/GP (Sec. 1915) for Oaklawn primary care hospital grant.	GF/GP	\$1,000,000	(\$1,000,000)
50. Medical Resident Loan Repayment – One-Time Funding	Gross	\$0	\$5,000,000
Provides one-time funding of \$5.0 million GF/GP for a new 5-year program to provide medical education loan repayment for physicians in primary care and other general subspecialties who commit to practicing for 2 years in a medically underserved community following completion of residency. Sec. 1918 is related boilerplate. This program will precede the MiDocs program, described under Medical Services below.	GF/GP	\$0	\$5,000,000
51. Western Michigan University Clinics – One-Time Funding	Gross	\$0	\$1,500,000
Provides one-time funding of \$1.5 million GF/GP for the Western Michigan University Unified Clinics, an outpatient multi-specialty group practice providing WMU student clinical training and health care to the campus community and local area, established in 1995. Sec. 1909 is related boilerplate.	GF/GP	\$0	\$1,500,000
AGING AND ADULT SERVICES			
52. Senior Volunteer Programs	Gross	\$4,465,300	\$300,000
Increases funding for senior volunteer programs by \$300,000 GF/GP, including \$100,000 for each of the 3 senior volunteer programs: foster grandparents, senior companions, and retired and senior volunteers.	GF/GP	\$4,465,300	\$300,000
53. Senior Community Services Programs	Gross	\$43,567,300	\$2,500,000
Increases funding for senior community services programs, including in-home services, by \$2.5 million GF/GP.	Federal	22,280,400	0
	GF/GP	\$21,286,900	\$2,500,000
MEDICAL SERVICES			
54. Federal Medicaid Managed Care Final Rule Compliance	FTE	384.5	15.0
Includes \$1.7 million Gross (\$830,100 GF/GP) for 15.0 FTEs within Medical Services Administration for compliance and implementation of recent changes to the federal Medicaid managed care rules.	Gross	\$82,810,400	\$1,660,200
	Federal	52,938,400	830,100
	Local	107,300	0
	Private	101,300	0
	Restricted	336,300	0
	GF/GP	\$29,327,100	\$830,100

HEALTH AND HUMAN SERVICES

Major Budget Changes from FY 2017-18 YTD Appropriations

FY 2017-18 YTD **Enacted Change**
(as of 2/7/18) **From YTD**

55. Integrated Service Delivery	FTE	42.0	15.0
Provides \$13.8 million federal and 15.0 FTEs for Integrated Service Delivery information technology project costs. \$4.6 million GF/GP is allocated from the Information Technology Investment Fund within Department of Technology, Management, and Budget to draw down these federal funds.	Gross	\$51,397,800	\$13,783,400
	Federal	47,252,500	13,783,400
	GF/GP	\$4,145,300	\$0
56. Long-Term Care Study	Gross	\$0	\$100,000
Adds \$100,000 GF/GP for a feasibility study and actuarial model of public, private, and public-private hybrid options to help individuals access and afford long-term care services. Sec. 1510 is related boilerplate.	GF/GP	\$0	\$100,000
57. Special Hospital Payments	Gross	NA	\$194,177,600
Increases \$194.2 million Gross (reduces \$28.7 million GF/GP) in net special hospital payment adjustments based primarily on changes required to comply with recent changes to federal Medicaid managed care rules that phase out "pass through" payments. The Hospital Rate Adjustment (HRA) is increased by \$190.0 million Gross (which reduces \$21.2 million GF/GP) with distribution tied to direct claims. The Rural Access Payment and Obstetrical Stabilization "pass through" payments could not be restructured and instead the \$14.7 million GF/GP is provided to the hospitals without federal Medicaid reimbursement; the loss of \$26.6 million in federal Medicaid reimbursement is partially offset with \$10.0 million in additional GF/GP split \$6.0 million for the Rural Access Payment and \$4.0 million for Obstetrical Stabilization. The Medicaid Access to Care Initiative (MACI) is also adjusted based on projected allocations.	Federal	NA	139,270,200
	Restricted	NA	83,582,000
	GF/GP	NA	(\$28,674,600)
58. MiDocs	Gross	\$0	\$28,129,400
Includes \$28.1 million Gross (\$5.0 million GF/GP) to increase primary care physician and other select specialty physician residency training programs in rural and urban underserved communities through MiDocs. Residents would also receive student loan repayment assistance for committing to practice in an underserved community post-residency. Sec. 1870 is related boilerplate.	Federal	0	18,129,400
	Restricted	0	5,000,000
	GF/GP	\$0	\$5,000,000
59. Program of All-Inclusive Care for the Elderly (PACE) Expansion	Gross	\$106,289,100	\$41,359,700
Adds \$41.4 million Gross (\$14.7 million GF/GP) to support approximately 950 additional enrollments within existing programs for an estimated statewide enrollment of 3,600. Increase is offset with assumed long-term care savings. Funding supports an annual per member per month increase of 2.0%.	Federal	68,854,100	26,656,300
	GF/GP	\$37,435,000	\$14,703,400
60. Neonatology Rate Increase	Gross	NA	\$2,841,100
Provides \$2.8 million Gross (\$1.0 million GF/GP) to increase Medicaid neonatal rates from 64% to 75% of Medicare reimbursement rates.	Federal	NA	1,831,100
	GF/GP	NA	\$1,010,000
61. Personal Care Services Rate Increase	Gross	\$9,491,200	\$1,156,100
Adds \$1.2 million Gross (\$411,000 GF/GP) to provide a \$32 per month increase for personal care services for individuals residing in a licensed adult foster care or licensed home for the aged. Rate increase would align rates with historic inflation-adjusted amounts.	Federal	6,148,400	745,100
	GF/GP	\$3,342,800	\$411,000
62. Healthy Michigan Plan Healthy Behavior Incentives	Gross	NA	(\$1,745,000)
Removes \$1.7 million Gross (\$117,800 GF/GP) to discontinue providing \$50 gift cards to Healthy Michigan Plan recipients, with incomes below 100% of federal poverty, who complete Health Risk Assessments.	Federal	NA	(1,627,200)
	GF/GP	NA	(\$117,800)

HEALTH AND HUMAN SERVICES

<u>Major Budget Changes from FY 2017-18 YTD Appropriations</u>		<u>FY 2017-18 YTD (as of 2/7/18)</u>	<u>Enacted Change From YTD</u>
63. Insurance Provider Assessment MCO Rate Increase	Gross	NA	\$57,149,300
Includes \$57.1 million Gross (\$0 GF/GP) to reflect the \$14.0 million in restricted revenue from the new Insurance Provider Assessment (IPA) that is specifically set aside for actuarially sound capitation rates to Medicaid managed care organizations (MCOs). Pending federal CMS approval, the IPA will take effect October 1, 2018 and will replace the health insurance claims assessment (HICA). The IPA and related changes were enacted June 11, 2018 as Public Acts 173, 174, and 175 (SBs 992-994).	Federal	NA	43,149,300
	Restricted	NA	14,000,000
	GF/GP	NA	\$0
64. Adult Home Help Biometric Verification System	Gross	\$1,500,000	(\$1,500,000)
Removes \$1.5 million Gross (\$150,000 GF/GP) for DHHS to develop a mobile biometric verification system within the adult home help program. Funding was added in FY 2017-18.	Federal	1,350,000	(1,350,000)
	GF/GP	\$150,000	(\$150,000)
65. Ambulance Quality Assurance Assessment Program (QAAP)	Gross	\$54,438,000	(\$44,098,400)
Revises ambulance QAAP cost estimates down \$44.1 million Gross (increases \$2.7 million GF/GP) based on the May caseload consensus between the State Budget Office, Senate Fiscal Agency, and House Fiscal Agency.	Federal	38,297,400	(30,372,000)
	Restricted	21,126,100	(16,386,300)
	GF/GP	(\$4,985,500)	\$2,659,900
66. Medical Services Program Reductions and Eliminations	Gross	NA	(\$7,249,600)
Eliminates increased level of care determination funding (\$5.0 million Gross, \$2.5 million GF/GP), reduces Medicaid guardian and conservator rates to \$83 per month (\$1.4 million Gross, \$500,000 GF/GP), and removes Healthy Michigan Plan medical literacy demonstration program (\$830,000 Gross, \$415,000 GF/GP).	Federal	NA	(3,834,600)
	GF/GP	NA	(\$3,415,000)
67. Federal Money Follows the Person Demonstration Grant	Gross	NA	\$0
Recognizes end of \$10.3 million federal Money Follows the Person demonstration grant used to increase use of home- and community-based services and to reduce institutionally based services. Loss of grant funding is offset with state GF/GP and federal Medicaid matching funds. Over a 10-year period, Michigan received \$88.2 million.	Federal	NA	(2,459,600)
	GF/GP	NA	\$2,459,600
68. State Restricted Revenue Adjustments	Gross	NA	\$0
Revises restricted revenues based on projected available revenue for a net decrease of \$29.8 million, which is offset with a like amount of GF/GP. Revisions include:	Restricted	NA	(29,824,400)
<ul style="list-style-type: none"> Reducing Health Insurance Claims Assessment (HICA) fund balance utilization \$60.0 million. Increasing Medicaid Benefits Trust Fund \$38.3 million. Reducing Healthy Michigan Fund \$10.0 million (Combined with a similar fund adjustment in Population Health, the total HMF to GF/GP fund adjustment is \$14.2 million). Increasing Merit Award Trust Fund \$2.0 million. 	GF/GP	NA	\$29,824,400
69. Special Medicaid Reimbursements	Gross	NA	(\$2,602,600)
Reduces special Medicaid reimbursements by \$2.6 million Gross (\$540,600 GF/GP) for Specialty Network Access Fee (SNAF), physician adjustor payments, dental adjustor payments, Graduate Medical Education innovations pool, and university disproportionate share hospital (DSH) payments. GF/GP is infrequently used as state matching funds for these special Medicaid reimbursements.	Federal	NA	(6,727,100)
	Local	NA	(106,000)
	Restricted	NA	4,771,100
	GF/GP	NA	(\$540,600)
70. Direct Primary Care Pilot Program – One-Time Funding	Gross	\$5,724,000	(\$5,724,000)
Eliminates one-time medical services funding for direct primary care pilot program (\$5.7 million Gross, \$2.0 million GF/GP). Sec. 1913 is revised to require DHHS to continue the program through available work project authorization, and retains quarterly reporting requirement.	Federal	3,708,000	(3,708,000)
	GF/GP	\$2,016,000	(\$2,016,000)

Major Boilerplate Changes from FY 2017-18

GENERAL SECTIONS

Sec. 228. Interest Payable to DHHS on Late Payments – NEW

Allows DHHS to assess a penalty of 1% per month interest for late payments in cases of an overpayment owed to the Department, beginning 60 days after notification. If overpayment was caused by DHHS error, interest can be assessed beginning 6 months after initial notification. Limits total amount of penalty, and directs that state's share of funds collected be deposited to the state general fund.

Sec. 256. Revise Education Modules Regarding Sexual Abuse Prevention – NEW

Directs that if funds become available, DHHS shall collaboratively revise the curriculum for 2 education health modules to include age-appropriate information about the importance of consent, setting and respecting personal boundaries, and prevention of child sexual abuse.

Sec. 291. E-Verify – DELETED

Deletes requirement for DHHS to use the E-Verify system to confirm that new employees and new employees of contractors and subcontractors paid from the appropriations in Part 1 are legally present in the United States.

Sec. 296. Employee Legal Costs Related to Flint Water System – NEW

Requires DHHS to be responsible for legal costs of private attorneys defending current and former DHHS employees in any legal action or investigation related to the water system in the City of Flint or other community in which a declaration of emergency was issued because of drinking water contamination. (Similar boilerplate is current law in Department of Environmental Quality budget as Sec. 237).

Sec. 298. Behavioral Health Integration Pilot Projects – REVISED

Revises to require DHHS to continue to pursue pilot projects and a demonstration model to integrate behavioral health and physical health services, including use of a project facilitator, reinvestment of savings into behavioral health services in the pilot area, and contracting with a university to evaluate pilots and replicability. Clinical data sharing is added to list of performance metrics. Removes specific allocation of funds for implementation.

CHILDREN'S SERVICES – CHILD WELFARE

Sec. 503(2). Adoption Incentive Payments Rates Actuarial Study – NEW

Requires DHHS to conduct an actuarial study on the rates paid to private child placing agencies for finalizing adoptions; allocates \$50,000 for the study.

Sec. 516. County Child Care Fund (CCF) Indirect Cost Payments – NEW

Requires the administrative or indirect CCF 10% cost payment be distributed monthly to counties and prohibits a requirement to submit documentation to DHHS for any of the covered expenditures of the payment.

Sec. 522. Fostering Futures Scholarship Program – REVISED

Allocates \$750,000 to the Fostering Futures Scholarship Program for youth transitioning from foster care who are attending college. Revises language to include scholarships for foster care youth who are attending a career technical educational institution.

Sec. 528. Foster Care and Adoptive Parent Fingerprinting – NEW

Requires DHHS to provide the federal law, rule, rationale, or interpretation that requires an individual to be fingerprinted to become a foster parent or an adoptive parent.

Sec. 573(2). Foster Care Provider Administrative Rates Workgroup – NEW

Directs DHHS to hold a workgroup to determine methods to compensate private agencies for services to children for which they are not paid an administrative rate.

PUBLIC ASSISTANCE

Sec. 619. Family Independence Program (FIP) and Food Assistance Benefit Exemption – REVISED

Exempts individuals convicted of a drug felony after August 22, 1996 from the federal prohibition on receiving FIP and food assistance benefits; requires benefits be paid to a third-party for these cases; prohibits individuals convicted of 2 or more separate drug felonies from receiving assistance, subject to federal approval of this additional condition. Revises language to state that the exemption would be given if the act, not the conviction itself, occurred after August 22, 1996; also requires that if the grantee is the individual convicted, then FIP benefits must be paid as restricted payments - using a protective payee, if possible, or vendor payments for shelter to the extent possible.

HEALTH AND HUMAN SERVICES

Major Boilerplate Changes from FY 2017-18

Sec. 650. Food Assistance Program Able-Bodied Adults Without Dependents (ABAWD) Waiver – REVISED

Requires DHHS to apply the food assistance eligibility requirements as prescribed in 7 CFR 273.24(a)-(d) on a statewide basis beginning May 1, 2018. Revises language to require that ABAWD individuals must be subject to the federal time-limited food assistance and work requirement provisions regardless of county, redetermination date, or federal waiver status beginning on October 1, 2018. *(Governor's signing letter states section is considered unenforceable. In FY 2017-18, the Governor's signing letter stated this section was unenforceable as well.)*

FIELD OPERATIONS AND SUPPORT SERVICES

Sec. 809 (1). Pathways to Potential Programs – REVISED

States the purposes and expected outcomes of the Pathways to Potential Program, including reducing absenteeism, repeat grades, dropout rates, and increasing graduation rates. Revises language to require DHHS to establish performance objectives for each school and report on the percentage of schools that achieved improvement in each of the four outcomes.

DISABILITY DETERMINATION SERVICES

Sec. 890. Medical Consultant Rates – NEW

Requires DHHS to provide a 7% rate increase to medical consultants that perform disability determination services.

BEHAVIORAL HEALTH SERVICES

Sec. 959. Autism Services Provision and Cost Workgroup – NEW

Requires DHHS to establish a workgroup to make recommendations to ensure appropriate cost and service provision of Medicaid autism services; requires a report on the workgroup's recommendations.

Sec. 1008. PIHP Administrative Costs, Mental Health Care, Service Rates, and Direct Care Reimbursement – REVISED

Requires the PIHP to work to reduce administrative costs, take an active role in managing mental health care, ensure that direct care rate variances are related to the level of need or other quantifiable measures, and whenever possible promote fair and adequate direct care reimbursement. Adds Community Mental Health Services Programs (CMHSPs) so that CMHSPs also have to meet these requirements.

Sec. 1009. Direct Care Wage Increase – REVISED

Allocates \$45.0 million to provide a \$0.50 per hour increase for direct care workers and requires DHHS contractually mandate these funds be fully passed through to agencies for paying direct care workers' wages and includes PIHP reporting requirements; establishes provisions for receiving funds; requires a DHHS report. Replaces current language with requirement to maintain the \$0.50 per hour increase provided in FY 2017-18, for PIHPs to report range of wages paid to direct care workers, and for DHHS to report information to legislature.

POPULATION HEALTH

Sec. 1183. Luce County Allocation – NEW

Provides a one-time allocation of \$50,000 to Luce County local health department for purchase of water sampling laboratory equipment, from the existing PFAS and environmental contamination response line item appropriations.

Sec. 1232. Reimbursement for PFAS Environmental Contamination Response – RETAINED

Expresses intent of the Legislature that the United States Department of Defense shall reimburse the state for costs associated with PFAS and environmental contamination response at military training sites and support facilities. (First included in supplemental Act 201 of 2017).

Sec. 1233. Expenditure of Funding for PFAS Contamination Response – RETAINED

Prohibits expenditure of GF/GP and state restricted funding sources for PFAS and environmental contamination response when federal or private funding is available for the same purpose. (First included in supplemental Act 201 of 2017).

Sec. 1234. Essential Local Public Health Services Funding Formula Revision – NEW

Requires DHHS to develop and report to the legislature a revised distribution formula for the allocation of essential local public health services line item appropriations to local health departments, and states legislative intent that the new formula be implemented beginning October 1, 2019.

Sec. 1235. Prison Food Service Kitchen Inspections by Local Health Departments – NEW

States that if funds become available from the Department of Corrections, funds shall be allocated to local health departments to evaluate and inspect food service kitchens of state prisons.

Major Boilerplate Changes from FY 2017-18

Sec. 1305. Contract Restrictions and Priorities for Family Planning and Pregnancy Prevention – NEW

(1) Prohibits DHHS from contracting for family planning and pregnancy prevention services with an entity that engages in abortion activities under PA 360 of 2002, if another entity applies to provide those services that is not already engaged in abortion activities. (2) Requires DHHS to give a higher priority to a) contracting for services in counties where there are currently no contracts for services, before b) contracting for additional services by an entity that engages in abortion activities in a county where there are already services provided by an entity that does not engage in abortion activities. (*Governor's signing letter states section is considered unenforceable.*)

Sec. 1341. WIC Eligibility Guidance – NEW

Requires DHHS and county offices to utilize current federal income eligibility and verifications policy and guidelines in determining eligibility of individuals for the special supplemental nutrition program for women, infants, and children (WIC).

MEDICAL SERVICES

Sec. 1620. Pharmacy Dispensing Fee and Prescription Drug Co-payments – REVISED

Establishes the pharmacy dispensing fees according to federal rules and the state's long-term financial exposure; requires prescription co-payments for Medicaid recipients not enrolled in the Healthy Michigan Plan or with an income less than 100% of the federal poverty level of \$1 for generic drugs and \$3 for brand-name drugs; requires prescription co-payments for Healthy Michigan plan enrollees with an income of at least 100% of the federal poverty level of \$4 for generic drugs and \$8 for brand-name drugs. Revises to list the specific pharmacy dispensing fees as established by DHHS for preferred and non-preferred medications.

Sec. 1646. Nursing Facility Quality Measure Initiative Program – REVISED

Requires DHHS to implement a nursing facility quality measure initiative program financed through the nursing facility QAAP and establishes distribution criteria; states legislative intent that the program effectiveness on quality be evaluated beginning in FY 2018-19. Revises distribution criteria from 50% of the incentive payment for nursing facilities with a Medicaid participation rate less than 50% to an incentive payment proportionate to the nursing facility's Medicaid participation rate and revises statement of legislative intent to require a report on the program's effectiveness.

Sec. 1763. Actuarial Services Request for Proposal – NEW

Requires DHHS to issue a request for proposal for a 3-year contract for actuarial services related to rate setting for traditional Medicaid and Healthy Michigan Plan during the next contract renewal period and to notify the legislature.

Sec. 1792. Medicaid Health Plan Encounter Data Evaluation – NEW

Requires DHHS to evaluate Medicaid health plan encounter data through the end of the previous fiscal year and provide a report on the evaluation to the legislature and the Medicaid health plans.

Sec. 1803. Portable X-Ray and Ultrasound Provider Type – NEW

Requires DHHS to establish a Medicaid provider type for providers of portable x-rays and ultrasounds, to consider this service as a Medicaid-covered service, and to provide a report.

Sec. 1806. Common Formulary for Medicaid Health Plans – REVISED

Requires DHHS to monitor progress in implementing the common formulary; requires DHHS to develop policies to operate the common formulary to ensure fair and full public participation; requires a report. Revises to require Medicaid health plans to report on the implementation of the common formulary, for DHHS to report on any inconsistencies across the Medicaid health plans, and to maintain policies to ensure fair and full public participation.

Sec. 1810. Health Plan Encounter Data Reporting – REVISED

Requires DHHS to enhance encounter data reporting processes and develop rules to improve completeness and quality of data while minimizing health plan administrative expense and requires DHHS to notify a health plan of any encounter data that have not been accepted for the purposes of rate setting. Adds requirement that Medicaid health plans be given at least 60 days to dispute and correct any discarded encounter data before the rates are certified.

Sec. 1856. Hospice Room and Board Payments – REVISED

Requires DHHS to provide room and board payments to hospice residences that have been enrolled in Medicaid by October 1, 2014, requires a workgroup to determine how to streamline payment methodology; lists reporting requirements of the hospice residences, and states lapses go into general fund. Revises to require the funds be distributed through grants to hospice residences enrolled in Medicaid by October 1, 2017, requires grant to be paid out monthly, lists reporting requirements, and requires the hospice residence to return to DHHS any remaining grant funding.

HEALTH AND HUMAN SERVICES

Major Boilerplate Changes from FY 2017-18

Sec. 1875. Prior Authorization for Certain Drugs – REVISED

Applies prior authorization prohibition to DHHS and its contractual agents for psychotropic medications, drugs for the treatment of epilepsy/seizure disorder, or drugs for organ transplant therapy, if those drugs were either carved out or not subject to prior authorization procedures as of May 9, 2016; defines “prior authorization”. Adds HIV and AIDS medications to the list of drugs with a prior authorization prohibition.

<u>FY 2017-18 Supplemental Appropriations (Article XX)</u>	FY 2017-18 YTD (as of 2/7/18)	FY 2017-18 Supplemental Change
1. Traditional Medicaid Cost Adjustments	Gross \$13,352,197,800	(\$315,191,200)
Reduces funding by \$315.2 million Gross (\$95.3 million GF/GP) for traditional Medicaid program caseload, utilization, and inflation adjustments. Compared to FY 2016-17 expenditures, May caseload consensus forecasts an annual increase of 5.0%.	Federal 8,659,726,100	(219,876,700)
	Local 47,247,100	0
	Private 2,100,000	0
	Restricted 2,100,350,400	0
	GF/GP \$2,542,774,200	(\$95,314,500)
2. Healthy Michigan Plan Cost Adjustments	Gross \$4,173,374,700	(\$477,066,200)
Reduces funding by \$477.1 million Gross (\$26.5 million GF/GP) for Healthy Michigan Plan caseload, utilization, and inflation adjustments. Compared to FY 2016-17 expenditures, May caseload consensus forecasts an annual increase of 10.4%.	Federal 3,930,920,900	(450,586,300)
	Local 651,100	0
	Restricted 50,955,200	0
	GF/GP \$190,847,500	(\$26,479,900)
3. Affordable Care Act (ACA) Health Insurer Fee	Gross \$0	\$205,747,600
Includes \$205.7 million Gross (\$54.4 million GF/GP) to support actuarial soundness payments for the one-year reinstatement of federal Affordable Care Act (ACA) health insurer fee.	Federal 0	151,318,900
	GF/GP \$0	\$54,428,700
4. Federal Medicaid Managed Care Final Rule Compliance	FTE 384.5	15.0
Includes \$830,100 Gross (\$415,100 GF/GP) and authorization for 15.0 FTE positions within Medical Services Administration for compliance and implementation of recent federal Medicaid managed care rules. Funding will support FTE positions for half the fiscal year.	Gross \$82,810,400	\$830,100
	Federal 52,938,400	415,000
	Local 107,300	0
	Private 101,300	0
	Restricted 336,300	0
	GF/GP \$29,327,100	\$415,100
5. Special Hospital Payments	Gross NA	\$370,362,600
Increases Gross funding by \$370.4 million and reduces GF/GP funding by \$19.0 million to reflect net special hospital payment adjustments based on May caseload consensus forecasts and changes required to comply with recent changes to federal Medicaid managed care rules that phase out “pass through” payments. The Hospital Rate Adjustment (HRA) is increased by \$190.0 million Gross (reduced by \$21.5 million GF/GP) with distribution tied to direct claims. The Rural and Sole Community Hospital and Obstetrical Stabilization “pass through” payments could not be restructured and instead the \$14.7 million GF/GP is provided to hospitals without federal Medicaid reimbursement; the loss of \$27.0 million in federal Medicaid reimbursement is partially offset with \$7.0 million in additional GF/GP. The Medicaid Access to Care Initiative (MACI) is also adjusted based on projected allocations.	Federal NA	307,259,100
	Restricted NA	82,120,100
	GF/GP NA	(\$19,016,600)
6. Nursing Facility Quality Assurance Assessment Program (QAAP) Quality Pool	Gross \$73,000,000	(\$73,000,000)
Removes \$73.0 million Gross and increases GF/GP by \$8.2 million based on the federal Centers for Medicare & Medicaid Services (CMS) rejecting the proposed allocation of this QAAP-funded quality incentive pool. The formula for the FY 2018-19 quality incentive pool is revised in Sec. 1646 and assumes this quality incentive pool will be available during FY 2018-19.	Federal 47,289,400	(47,289,400)
	Restricted 33,954,300	(33,954,300)
	GF/GP (\$8,243,700)	\$8,243,700

HEALTH AND HUMAN SERVICES**FY 2017-18 Supplemental Appropriations (Article XX)**

		FY 2017-18 YTD (as of 2/7/18)	FY 2017-18 Supplemental Change
7. Ambulance Quality Assurance Assessment Program (QAAP) Implementation Delay			
Reduces QAAP-funded supplemental ambulance payments by \$51.9 million Gross (\$0 GF/GP) assuming the ambulance QAAP will be implemented by July 1, 2018 rather than at the start of FY 2017-18. The state retainer savings are also adjusted for partial year implementation, requiring an additional \$4.7 million GF/GP.	Gross	\$54,438,000	(\$51,853,200)
	Federal	38,297,400	(36,360,900)
	Restricted	21,126,100	(20,176,000)
	GF/GP	(\$4,985,500)	\$4,683,700
8. Federal Money Follows the Person Demonstration Grant			
Phases out federal Money Follows the Person demonstration grant funding used to increase use of home- and community-based services and to reduce institutionally based services. Grant funding is offset with state GF/GP and federal Medicaid matching funds. Over a 10-year period, Michigan received \$88.2 million.	Gross	NA	\$0
	Federal	NA	(563,500)
	GF/GP	NA	\$563,500
9. Special Medicaid Reimbursements			
Reduces special Medicaid reimbursements by \$13.8 million Gross (\$310,900 GF/GP) for Specialty Network Access Fee (SNAF), physician adjustor payments, dental adjustor payments, Graduate Medical Education innovations pool, and university disproportionate share hospital (DSH) payments. GF/GP is infrequently used as state matching funds for these special Medicaid reimbursements.	Gross	NA	(\$13,774,300)
	Federal	NA	(17,258,800)
	Local	NA	(119,700)
	Restricted	NA	3,915,100
	GF/GP	NA	(\$310,900)
10. Food Assistance Program Caseload Adjustments			
Reduces the federally funded Food Assistance Program by \$418.5 million Gross (\$0 GF/GP) for caseload adjustments. Food assistance caseloads have been steadily declining since 2014.	Gross	\$2,348,117,400	(\$418,506,300)
	Federal	2,342,117,400	(418,506,300)
	Restricted	6,000,000	0
	GF/GP	\$0	\$0
11. Other Public Assistance Caseload Adjustments			
Reduces other public assistance programs by \$2.3 million GF/GP for caseload adjustments.	Gross	\$152,200,000	(\$2,306,000)
	TANF	54,040,700	0
	Restricted	15,411,700	0
	GF/GP	\$82,747,600	(\$2,306,000)
12. Child Welfare Caseload Adjustments			
Increases child welfare programs by \$19.0 million Gross (\$14.2 million GF/GP) for caseload adjustments. Of this increase, \$16.3 million Gross (\$9.4 million GF/GP) is for the foster care program for which both caseloads and costs per case are increasing.	Gross	\$622,467,300	\$19,179,800
	Federal	196,452,100	3,021,300
	TANF	103,537,500	419,800
	Local	14,244,900	2,682,500
	Private	2,929,800	(1,159,100)
	GF/GP	\$305,303,000	\$14,215,300
13. Child Welfare Workgroup			
Provides \$25,000 GF/GP to fund a child welfare workgroup charged with updating child welfare training methods.	Gross	NA	\$25,000
	GF/GP	NA	\$25,000
14. Child Welfare Information Systems (MiSACWIS) Updates			
Adds \$150,000 GF/GP for MiSACWIS information technology changes to support new payment processes between the state and the counties. Sec. 702 is related boilerplate. YTD shown is Information Technology Services and Projects line item.	Gross	\$159,088,200	\$150,000
	IDG	1,067,000	0
	TANF	23,935,900	0
	Federal	77,472,200	0
	restricted	1,985,800	0
	GF/GP	\$54,627,300	\$150,000
15. PIHP Rate Adjustment			
Provides \$59.8 million Gross (\$17.1 million GF/GP) to support a one-time rate adjustment paid to the PIHPs based on a review of previous fiscal year data indicating the rate trends assumed for the cost of behavioral health services were too low. Increase reflects an approximate 2.25% increase to YTD appropriations.	Gross	\$2,656,672,500	\$59,800,000
	Federal	1,818,168,300	42,746,300
	Local	25,228,900	0
	Restricted	20,673,300	0
	GF/GP	\$792,602,000	\$17,053,700

HEALTH AND HUMAN SERVICES

<u>FY 2017-18 Supplemental Appropriations (Article XX)</u>		<u>FY 2017-18 YTD (as of 2/7/18)</u>	<u>FY 2017-18 Supplemental Change</u>
16. Statewide PIHP Reimbursement Audit Adds \$1.5 million GF/GP to perform a statewide reimbursement audit of the PIHPs to identify any cost reimbursement outliers.	Gross GF/GP	NA NA	\$1,500,000 \$1,500,000
17. Lakeshore Regional Entity PIHP Risk Sharing – One-Time Funding Provides \$7.0 million GF/GP to Lakeshore Regional Entity PIHP for the state’s share of the PIHP’s FY 2016-17 liability. PIHPs are shared-risk managed care organizations where the PIHP is responsible for the first 5% of any liability, the second 5% of any liability is shared 50%/50% with the state, and any liability greater than 10% is the responsibility of the state. In total, Lakeshore Regional Entity’s FY 2016-17 liability totaled 10.25%.	Gross GF/GP	NA NA	\$6,974,000 \$6,974,000
18. University of Detroit Mercy Dental Clinic Program – One-Time Funding Adds \$250,000 GF/GP for University of Detroit Mercy to increase provision of dental services in Hamtramck. YTD amount includes both ongoing and one-time funding for University of Detroit Mercy Dental Clinic.	Gross GF/GP	\$2,000,000 \$2,000,000	\$250,000 \$250,000
19. Medicaid Direct Primary Care Pilot Program – One-Time Funding Includes a net \$0 re-appropriation of federal revenue in order to include revised boilerplate for the Medicaid direct primary care pilot program (Sec. 705).	Gross Federal GF/GP	\$5,724,000 3,708,000 \$2,016,000	\$0 0 \$0
20. Legal Services – One-Time Funding Provides one-time funding of \$3.0 million GF/GP for additional DHHS legal services costs arising from the Flint drinking water emergency.	Gross GF/GP	NA NA	\$3,000,000 \$3,000,000
21. Public Health Projects – One-Time Funding Provides one-time funding of \$1.5 million GF/GP for public health monitoring and testing in highly populated areas that are at a higher risk of contamination exposure, including air quality issues.	Gross GF/GP	NA NA	\$1,500,000 \$1,500,000
22. Title IX Regional Consortium Pilot Project – One-Time Funding Provides \$1.0 million GF/GP to develop a framework model to pilot a network of regional investigation centers for the review and investigation of sexual misconduct on college and university campuses. The regional centers would be an independent network of trained professionals and investigators and would work with federal and/or state government, law enforcement, and higher education to independently review and resolve reports of misconduct.	Gross GF/GP	NA NA	\$1,000,000 \$1,000,000

FY 2017-18 Supplemental Boilerplate Changes (Article XX)

Sec. 701. Regional Consortium Pilot Program

Requires DHHS to oversee a pilot program for independent centers to review and investigate reports of campus sexual misconduct.

Sec. 702. Child Welfare Information System (MiSACWIS) Updates

Allocates \$150,000 GF/GP by September 1, 2018 for MiSACWIS information technology changes to support new payment processes between the state and the counties, and requires any unexpended funds to be considered work project appropriations and carried forward for one year.

FY 2017-18 Supplemental Boilerplate Changes (Article XX)

Sec. 703. Private Child Placing Agency Training Payments

Requires DHHS to maintain the \$6,000 payment to private child placing agencies upon completion of the child welfare caseworker training and requires DHHS to allocate noncaseload spending for these child welfare caseworker training payments.

Sec. 704. Child Welfare Training Workgroup

Allocates \$25,000 to support a child welfare workgroup charged with updating child welfare training methods.

Sec. 705. Medicaid Direct Primary Care Pilot Program

Modifies current direct primary care pilot program boilerplate to permit the pilot program to operate as a Medicaid alternative payments model, removes requirement that the direct primary care provider only prescribe pharmaceuticals authorized under the managed care organization's formulary management system, and requires DHHS to also implement the direct primary care pilot program for fee-for-service beneficiaries.

HIGHER EDUCATION

**HIGHER EDUCATION
Summary of FY 2018-19 Enacted Appropriations
Article III, 2018 Public Act 265 (House Bill 5579)**

Analyst: Perry Zielak

IDG/IDT	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	Difference: Enacted From FY 2017-18 YTD	
						Amount	%
	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	111,526,400	113,026,400	119,026,400	119,026,400	123,526,400	12,000,000	10.8
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	238,443,500	385,688,300	385,688,300	385,688,300	500,188,300	261,744,800	109.8
GF/GP	1,279,254,500	1,160,217,900	1,145,602,800	1,175,433,000	1,046,017,900	(233,236,600)	(18.2)
Gross	\$1,629,224,400	\$1,658,932,600	\$1,650,317,500	\$1,680,147,700	\$1,669,732,600	\$40,508,200	2.5

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Higher Education budget, contained in Article III of the compiled School Aid Act, provides funding for operational support of the state's 15 public universities, the AgBioResearch and Extension programs operated by Michigan State University, various financial aid programs for students attending public and independent colleges and universities in the state, and several other smaller higher education-related programs.

Major Budget Changes from FY 2017-18 YTD Appropriations	FY 2017-18 YTD (as of 2/7/18)	Enacted Change From YTD
1. University Operations Funding	Gross \$1,428,345,000	\$28,566,800
Increases university operations funding by \$28.6 million School Aid Fund (SAF), a 2.0% increase, and individual university increases range from 1.5% to 3.1%. The increase is distributed under the performance formula, where 50% is allocated based on each university's share of operational funding appropriated in the baseline year of FY 2010-11, while the remaining increase is distributed based on other formula components. Conditions receipt of performance funding for the next 3 fiscal years on complying with restraining resident undergraduate tuition and fee increases to 3.8% or \$490. Adds stipulation that operations funding shall be reduced by 10% for universities that fail to certify compliance with Sec. 274c, 274d and various Title IX and sexual assault stipulations found in Sec. 265b. Shifts \$234.5 million from GF/GP to SAF.	Restricted 231,219,500	263,066,800
	GF/GP \$1,197,125,500	(\$234,500,000)
2. MSU Extension and AgBioResearch Programs	Gross \$63,165,700	\$1,263,400
Increases funding for Michigan State's AgBioResearch program by \$678,300 GF/GP and Extension program by \$585,100 GF/GP, a 2.0% increase for both.	GF/GP \$63,165,700	\$1,263,400
3. Michigan Competitive Scholarship	Gross \$26,361,700	\$6,000,000
Increases funding for Michigan Competitive Scholarships by \$6.0 million in federal Temporary Assistance for Needy Families (TANF) funds. The scholarships are awarded to students with a qualifying ACT/SAT score and demonstrated financial need. Brings total funding for Michigan Competitive Scholarships to \$32.4 million.	Federal 18,361,700	6,000,000
	GF/GP \$8,000,000	\$0

<u>Major Budget Changes from FY 2017-18 YTD Appropriations</u>		FY 2017-18 YTD (as of 2/7/18)	Enacted Change From YTD
4. Tuition Incentive Program (TIP)			
	Gross	\$58,300,000	\$6,000,000
Increases funding for Tuition Incentive Program by \$6.0 million in federal TANF funds, a 10.3% increase, which pays for Medicaid-eligible students' tuition costs for associate's degrees, and removes institutional and credit hour tuition caps found in Sec. 256. Brings total funding for TIP to \$64.3 million.	Federal	58,300,000	6,000,000
	GF/GP	\$0	\$0
5. Michigan Public School Employee Retirement System (MPERS) Rate Cap Costs			
	Gross	\$6,705,000	(\$1,572,000)
Reduces funding by \$1.6 million SAF for the state's share of the universities' unfunded liability to MPERS. The state's share is the difference between the unfunded accrued liability to the system and the employer contribution cap of 25.73% of payroll for the seven universities with MPERS employees (Central, Eastern, Ferris, Lake Superior State, Michigan Tech, Northern, and Western). Brings total funding for the state share of MPERS to \$5.1 million SAF.	Restricted	6,705,000	(1,572,000)
	GF/GP	\$0	\$0
6. MPERS Normal Cost Offset			
	Gross	\$419,000	\$250,000
Increases funding by \$250,000 SAF to reimburse universities for the normal cost increase for the second year of a two-year phase-in to reduce the assumed rate of return for MPERS from 8% to 7.5%. Brings total funding for the offset to \$669,000 SAF.	Restricted	419,000	250,000
	GF/GP	\$0	\$0

Major Boilerplate Changes from FY 2017-18

Sec. 245. University Transparency – REVISED

Deletes campus security language subsection and transfers similar language to Sec. 245a.

Sec. 245a. Campus Safety Information and Resources – NEW

Adds language requiring universities to develop a “campus safety information and resources” webpage, which must be linked and displayed on their home webpage. The page must display various safety information and policies, and the schools must certify compliance to the State Budget Director or have monthly state payments withheld.

Sec. 252. Tuition Grant Program – REVISED

Revises program application deadline from July 1 to March 1 to be considered for a tuition grant award. Deletes language that a tuition grant may not be renewed for more than 10 semesters or its equivalent in trimesters or quarters, or if a student has not completed using the grant within 10 years of determined eligibility by the Department of Treasury. Increases maximum award amount from \$2,000 to \$2,400. Deletes expiration date of unexpended funds as a work project. Increases individual institution cap on awards from \$3.5 million to \$4.2 million. Adds language stating that the limits in this section for independent institutions do not apply to any other financial aid program or in combination with another aid program.

Sec. 256. Tuition Incentive Program (TIP) – REVISED

Deletes program award cap on individual institutions, which capped it at \$8.5 million. Deletes the reimbursement rate cap, which was equal to 3 times the average community college in-district per credit rate.

Sec. 265. Performance Funding Criteria: Tuition Restraint – REVISED

Revises tuition restraint cap for universities to 3.8% or \$490.00, whichever is greater. Adds language that withholds performance funding for Fiscal Years 2018-19, 2019-20 and 2020-21 for a university that violates the tuition restraint cap.

Sec. 265a. Performance Funding Criteria and Formula – REVISED

Adds language that withholds performance funding for Fiscal Years 2018-19, 2019-20 and 2020-21 for a university that violates the tuition restraint cap.

HIGHER EDUCATION

Major Boilerplate Changes from FY 2017-18

Sec. 265b. Operations Funding Criteria and Sexual Assault/Title IX Standards – NEW

Adds language penalizing universities with a 10% reduction in operations funding for schools that fail to submit certification of compliance to the State Budget Director on Title IX reporting requirements found in sections 274c and 274d and a number of other requirements, including:

- a) Prohibiting the use of medical experts with an actual or apparent conflict of interest in Title IX investigations.
- b) Prohibiting the issuance of divergent Title IX investigation reports.
- c) Informing the victims of sexual assault about their option to report the incident to law enforcement, the university, both or neither.
- d) Instituting an in-person sexual assault prevention course or presentation for all freshmen and incoming transfer students and an electronic course or presentation for all other students.
- e) Prohibiting compensation for medical procedures and related charges from medical professionals convicted of a felony.
- f) Having a third-party review the Title IX office and policies before the end of the 2018-19 academic year and providing it to the State Budget Office, the House and Senate Higher Education appropriations subcommittees and the fiscal agencies. A third-party review would take place every three years after the 2018-19 academic year.
- g) Requiring that the governing board and the president or chancellor shall receive not less than quarterly reports from the Title IX office on aggregated data on sexual misconduct. A governing body member may request a Title IX report against an employee. The universities must protect the anonymity of complainants in the reports.
- h) Requiring a school's Title IX office to notify the president or chancellor and the governing board about allegations against an employee where more than one Title IX complaint that resulted in a no-misconduct finding and to take steps to ensure the complaint is being investigated thoroughly.
- i) Certifying that the president or chancellor and one governing body board member have reviewed all Title IX reports involving university employees.

Sec. 265c. Articulation Agreements and Academic Partnerships Reporting – NEW

Adds language that requires that the Michigan Community College Association (MCCA), the Michigan Association of State Universities (MASU), and the Michigan Independent Colleges and Universities (MICU) report on the names and number of baccalaureate degree programs offered on community college campuses, the names of articulation agreements between universities and community colleges, and the number of students enrolled and degrees awarded through articulation agreements and on-campus baccalaureate programs.

Sec. 265d. Sexual Misconduct Memorandum of Understanding – NEW

Adds language encouraging public universities to enter into at least one memorandum of understanding (MOU) with a local law enforcement agency for communication and response coordination of sexual assault incidents.

Sec. 265e. Distribution of Sexual Assault Prevention, Safety, and Mental Health Funds – NEW

Adds language encouraging universities to use a portion of operations funding for sexual assault prevention, campus safety, and student mental health programs.

Sec. 274d. Sexual Assault Reports – REVISED

Adds language that requires universities to send the annual Title IX report to the Attorney General in addition to current report recipients. Adds a Title IX summary report requirement.

Sec. 289. Audit of Higher Education Institutional Data Inventory (HEIDI) Data – REVISED

Revises requirement that the Auditor General shall audit the HEIDI data and selected universities from periodically to not less than every four years.

HIGHER EDUCATION

FY 2017-18 Supplemental Appropriations

1. Michigan Competitive Scholarship

Increases funding for Michigan Competitive Scholarships by \$6.0 million in federal Temporary Assistance for Needy Families (TANF) funds. The scholarships are awarded to students with a qualifying ACT/SAT score and demonstrated financial need. The funding is taken from the Tuition Grant Program, due to higher than expected demand in Michigan Competitive Scholarships and lower participation in the Tuition Grant Program. Brings total funding for Michigan Competitive Scholarships to \$32.4 million.

	FY 2017-18 YTD (as of 2/7/18)	FY 2017-18 Supplemental Change
Gross	\$26,361,700	\$6,000,000
Federal	18,361,700	6,000,000
GF/GP	\$8,000,000	\$0

2. Tuition Grant Program

Decreases funding for the Tuition Grant Program by \$6.0 million in federal TANF funds. The program provides need-based tuition assistance to students at Michigan independent (i.e. private, non-profit) colleges and universities. The reduction of funds is placed in Michigan Competitive Scholarships, due to higher than expected demand in Michigan Competitive Scholarships and lower participation in the Tuition Grant Program. Brings total funding for the Tuition Grant Program to \$32.0 million.

Gross	\$38,021,500	(\$6,000,000)
Federal	31,664,700	(6,000,000)
GF/GP	\$6,356,800	\$0

Summary: FY 2018-19 University Performance Funding Increases

University	Proportional to FY 2010-11			Performance Funding Proportional to Share of Total				Performance Funding Scored vs. National Carnegie Peers										*Total Performance Funding Increase	Proposed FY 2018-19 Appropriation	Percent Change
	% of formula:	50.0%		11.1%		5.6%		33.3%												
	Funding per unit:	\$0.0101 per dollar		\$179.90 per completion		\$0.0011 per dollar		\$6.71 per weighted point												
FY 2017-18 Year-to-Date Appropriation	FY 2010-11 Appropriation	Funding	Critical Skills Undergrad Completions	Funding	Research & Development Expenditures	Funding	6-year Grad Rate	Total Degrees	Instl. Support as % of Expend.	% Students Receiving Pell Grants	Total Points	Total FY 2016 Undergrad FYES	FYES-Weighted Points	Funding						
Michigan State	\$281,239,100	\$283,685,200	\$2,852,821	3,232	\$581,357	\$349,725,075	\$369,240	2	3	0	0	5	36,703	183,515	\$1,231,666	\$5,035,100	\$286,274,200	1.8%		
UM-Ann Arbor	314,589,100	\$316,254,500	3,180,347	3,159	568,224	\$857,589,000	905,443	3	3	2	0	8	28,671	229,371	1,539,429	\$6,193,300	320,782,400	2.0%		
Wayne State	199,169,800	\$214,171,400	2,153,770	961	172,797	\$181,378,000	191,499	2	2	0	3	7	14,375	100,622	675,324	3,193,400	202,363,200	1.6%		
Central	85,654,400	\$80,132,000	805,831	822	147,790	\$14,889,698	15,721	2	3	0	2	7	16,842	117,894	791,249	1,760,600	87,415,000	2.1%		
Michigan Tech	49,052,200	\$47,924,200	481,940	921	165,646	\$59,326,199	62,637	3	0	2	0	5	5,577	27,884	187,141	897,400	49,949,600	1.8%		
Western	109,376,800	\$109,615,100	1,102,321	1,173	210,936	\$22,801,658	24,074	0	2	0	2	4	16,272	65,087	436,835	1,774,200	111,151,000	1.6%		
Eastern	75,169,900	\$76,026,200	764,542	938	168,749	\$4,847,557	5,118	2	3	2	2	9	14,419	129,775	870,986	1,809,400	76,979,300	2.4%		
Oakland	51,235,900	\$50,761,300	510,470	1,348	242,509	\$12,609,712	13,313	2	2	2	2	8	15,216	121,728	816,981	1,583,300	52,819,200	3.1%		
Grand Valley	70,100,100	\$61,976,400	623,253	1,389	249,885			3	3	2	0	8	20,178	161,420	1,083,375	1,956,500	72,056,600	2.8%		
Saginaw Valley	29,766,100	\$27,720,700	278,767	495	88,962			2	2	2	2	8	7,341	58,726	394,140	761,900	30,528,000	2.6%		
UM-Dearborn	25,421,900	\$24,726,200	248,654	481	86,569			2	2	2	2	8	5,861	46,885	314,672	649,900	26,071,800	2.6%		
UM-Flint	23,061,800	\$20,898,000	210,156	610	109,651			2	2	0	2	6	5,062	30,372	203,840	523,600	23,585,400	2.3%		
Ferris	53,595,500	\$48,619,200	488,929	1,381	248,412			2	3	2	2	9	10,229	92,061	617,870	1,355,200	54,950,700	2.5%		
Northern	47,137,400	\$45,140,300	453,944	556	100,049			2	3	2	0	7	6,534	45,738	306,972	861,000	47,998,400	1.8%		
Lake Superior	13,775,000	\$12,694,200	127,657	181	32,552			2	2	0	0	4	1,929	7,716	51,786	212,000	13,987,000	1.5%		
TOTAL:	\$1,428,345,000	\$1,420,344,900	\$14,283,400	17,643	\$3,174,089	\$1,503,166,899	\$1,587,044	31	35	18	19	103	205,208	1,418,792	\$9,522,267	\$28,566,800	\$1,456,911,800	2.0%		

Component	Source	Years	Notes
Critical skills undergrad completions	State HEIDI	FYs 2016-2017	STEM/health/etc.
Research & develop expends	Federal IPEDS	FY 2016	Carnegie research universities only
Six-year graduation rate	Federal IPEDS^	FYs 2012-2015	First-time, full-time degree seeking students
Total degree completions	Federal IPEDS^	FYs 2012-2015	Includes graduate degrees
Inst support as % of core expends	Federal IPEDS^	FYs 2012-2015	Measure of administrative costs
Pell grant students	Federal IPEDS^	FYs 2013-2015	Federal need-based aid for undergrads
Undergrad FYES	State HEIDI	FY 2017	Includes nonresident students

^ via Business Leaders for Michigan and Anderson Economic Group

Scoring Based on Carnegie Peers	
Top 20% nationally	3
Above national median	2
Improving over 3 years	2

- *Requirements to receive performance funding increase for next 3 fiscal years:
1. Restrain FY 2018-19 resident undergraduate tuition/fee rate increase to 3.8% or \$490 (whichever is greater)
 2. Participate in at least three reverse transfer agreements with community colleges
 3. Maintain a dual enrollment credit policy that does not consider whether credits were used toward high school graduation
 4. Actively participate in and submit timely updates to the Michigan Transfer Network

- Requirements to avoid a 10% reduction in operations funding:
1. Submit Sec. 274c & 274d Title IX reports
 2. Comply with various Title IX requirements listed in Sec. 265b

DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES
Summary of FY 2018-19 Enacted Appropriations
Article XI, 2018 Public Act 207 (Senate Bill 848)

Analyst: Marcus Coffin

	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	Difference: Enacted From FY 2017-18 YTD	
						Amount	%
IDG/IDT	\$707,600	\$713,800	\$713,800	\$713,800	\$713,800	\$6,200	0.9
Federal	2,014,700	2,017,300	2,017,300	2,017,300	2,017,300	2,600	0.1
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	63,869,100	64,690,800	65,090,800	65,090,800	64,690,800	821,700	1.3
GF/GP	150,000	150,000	150,000	150,000	550,000	400,000	266.7
Gross	\$66,741,400	\$67,571,900	\$67,971,900	\$67,971,900	\$67,971,900	\$1,230,500	1.8
FTEs	342.5	342.5	342.5	342.5	342.5	0.0	0.0

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Department of Insurance and Financial Services (DIFS) is responsible for regulating and promoting the insurance and financial services industries operating within this state, and for providing consumer protection through management of consumer information and inquiries and investigation of consumer complaints. DIFS administers and enforces state statutes pertaining to: state-chartered banks and credit unions; mortgage brokers, lenders, and servicers; consumer finance entities; insurance companies, agents, and products; and health maintenance organizations.

Major Budget Changes from FY 2017-18 YTD Appropriations

	FY 2017-18 YTD (as of 2/7/18)	Enacted Change From YTD
1. Insurance Evaluation Enhancement	Gross	NA
Includes \$400,000 in one-time GF/GP funding for an actuarial study capable of supporting this state's pursuit of a state innovation waiver, which is available under section 1332 of the Patient Protection and Affordable Care Act.	GF/GP	\$400,000
2. Economic Adjustments	Gross	NA
Reflects increased costs of \$830,500 Gross (\$0 GF/GP) for negotiated salary and wage increases (2.0% ongoing), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	6,200
	Federal	2,600
	Restricted	821,700
	GF/GP	\$0

Major Boilerplate Changes from FY 2017-18**Sec. 222. Use of Appropriation from Insurance Bureau Fund – NEW**

Stipulates appropriations from the Insurance Bureau Fund can be expended to support legislative participation in insurance activities coordinated by insurance and legislative associations, as is allowed under the Insurance Code of 1956.

Sec. 301. Health Insurance Rate Filings Report – REVISED

Requires DIFS to submit a report based on the annual rate filings from health insurers and delineates the information to be included. Revises to delete a requirement that the report contain an estimated percentage of uninsured within this state.

Sec. 401. Section 1332 State Innovation Waiver Study – NEW

Requires DIFS to use one-time GF/GP funding to have an actuarial firm complete a study capable of supporting this state's pursuit of a state innovation waiver, available under section 1332 the Patient Protection and Affordable Care Act.

INSURANCE AND FINANCIAL SERVICES

<u>FY 2017-18 Supplemental Appropriations (Article XX)</u>		<u>FY 2017-18 YTD (as of 2/7/18)</u>	<u>FY 2017-18 Supplemental Change</u>
<i>1. Insurance Bureau Fund Allocation</i>	Gross	\$3,752,200	\$0
Includes a net \$0 re-appropriation of state restricted line item funding in order to include boilerplate stipulating that Insurance Bureau Fund monies may be used to support legislative participation in insurance activities (Sec. 751).	Restricted	3,752,200	0
	GF/GP	\$0	\$0

FY 2017-18 Supplemental Boilerplate Changes (Article XX)

Sec. 751. Insurance Bureau Fund Allocation

Stipulates appropriations from the Insurance Bureau Fund can be expended to support legislative participation in insurance activities coordinated by insurance and legislative associations, as is allowed under the Insurance Code of 1956.

JUDICIARY

Summary of FY 2018-19 Enacted Appropriations

Article XII, 2018 Public Act 207 (Senate Bill 848)

Analyst: Robin R. Risko

	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Revised Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	Difference: Enacted From FY 2017-18 YTD	
						Amount	%
IDG/IDT	\$1,550,600	\$1,551,300	\$1,551,300	\$1,551,300	\$1,551,300	\$700	0.0
Federal	6,464,100	5,987,400	5,987,400	5,987,400	5,987,400	(476,700)	(7.4)
Local	5,955,300	6,599,800	6,499,800	6,599,800	6,499,800	544,500	9.1
Private	969,600	981,600	981,600	981,600	981,600	12,000	1.2
Restricted	92,529,000	92,879,500	92,979,500	92,879,500	92,979,500	450,500	0.5
GF/GP	192,574,400	194,483,700	195,983,700	195,483,700	196,079,500	3,505,100	1.8
Gross	\$300,043,000	\$302,483,300	\$303,983,300	\$303,483,300	\$304,079,100	\$4,036,100	1.3
FTEs	501.0	501.0	502.0	501.0	502.0	1.0	0.2

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

Article VI of the State Constitution of 1963 forms the basis for Michigan's judicial branch of government. The Judiciary budget provides operational funding for the Michigan Supreme Court, the Court of Appeals, and related judicial agencies. The budget funds the salaries of justices of the Supreme Court and judges of the appeals, circuit, probate, and district courts according to constitutional and statutory requirements. Funding assistance for local trial court operations is provided through a variety of grant programs. The largest of these, the Court Equity Fund Reimbursement program, reimburses counties for trial court operations based on a statutory formula that recognizes circuit and probate caseloads and the number of judgeships.

Major Budget Changes from FY 2017-18 YTD Appropriations

1. Judgeship Changes

Includes \$255,300 Gross (\$242,200 GF/GP) to fund two new circuit court judgeships. Public Act 56 of 2014 authorizes one additional circuit court judge in Oakland County, and Public Act 57 of 2014 authorizes one additional circuit court judge in Macomb County. The amount of funding is a result of the effective date of additional judgeships, January 1, 2019. Seventy-five percent of costs will be funded in FY 2018-19 and the remaining twenty-five percent will be recognized in FY 2019-20.

	FY 2017-18 YTD (as of 2/7/18)	Enacted Change From YTD
Gross	\$31,149,800	\$255,300
Restricted	1,829,700	13,100
GF/GP	\$29,320,100	\$242,200

2. Removal of One-Time Funding

Removes one-time appropriation of \$300,000 GF/GP that was included in the FY 2017-18 budget for development of a pretrial risk assessment tool.

Gross	\$300,000	(\$300,000)
GF/GP	\$300,000	(\$300,000)

3. Expansion of Problem Solving Courts

Retains one-time appropriation of \$219,300 GF/GP that was included in the FY 2017-18 budget for expansion of problem solving courts. Includes an additional \$530,700, for a total appropriation of \$750,000.

FTE	11.0	0.0
Gross	\$1,219,300	\$530,700
GF/GP	\$1,219,300	\$530,700

4. GF/GP Fund Source Shift and Technical Adjustment for BOC

Reduces GF/GP by \$600,000 for circuit and probate court judges' salary line items and replaces it with a like amount of Court Fee Fund revenue. Transfers \$100,000 GF/GP to the Branchwide Appropriations line item to correct FY 2018-19 building occupancy charges which were incorrectly fund sourced in the Executive recommendation.

Gross	NA	\$0
Local	NA	(100,000)
Restricted	NA	600,000
GF/GP	NA	(\$500,000)

JUDICIARY

Major Budget Changes from FY 2017-18 YTD Appropriations	FY 2017-18 YTD (as of 2/7/18)	Enacted Change From YTD
5. Fund Source Adjustments		
Reflects a net increase of \$900 Gross (\$191,800 GF/GP) from adjusting authorization for various federal, local, state restricted, and GF/GP fund sources in order to more accurately reflect available revenue:	Gross	NA
	Federal	(525,300)
	Local	544,700
	Restricted	(210,300)
	GF/GP	\$191,800
<ul style="list-style-type: none"> • Federal fund source authorization - HHS, Access and Visitation Grant for SCAO reduced by \$147,900; HHS, Court Improvement Project for SCAO reduced by \$420,600; HHS, Title IV-D Child Support Program for SCAO reduced by \$231,800; and U.S. Department of Justice federal revenue for SADO increased by \$275,000. • Local User Fee revenue for Direct Trial Court Automation Support increased by \$544,700. • State restricted fund source authorization - Court of Appeals Filing / Motion Fee revenue for Swift and Sure Sanctions Probation Program reduced by \$191,800; Law Exam Fee revenue for Supreme Court Administration increased by \$63,000; Miscellaneous Revenue for SCAO reduced by \$34,600; and Miscellaneous Revenue for SADO reduced by \$46,900. • \$191,800 GF/GP included to replace reduced Court of Appeals Filing/Motion Fee revenue used to support Swift and Sure Sanctions Probation Program. 		
6. Community Dispute Resolution		
Includes an additional \$425,000 GF/GP for community dispute resolution centers to provide community dispute resolution services to schools to help reduce suspensions and truancy, and improve school climates. Funding may also be used to develop or expand juvenile diversion services in cooperation with local prosecutors.	Gross	\$2,384,000
	Restricted	2,384,000
	GF/GP	\$0
		\$425,000
7. Youthful Sex Offender Treatment Pilot Program		
Includes one-time appropriation of \$75,000 GF/GP for establishing a diversionary treatment pilot program in Kent County for young sex offenders.	Gross	NA
	GF/GP	\$75,000
8. Juror Compensation Staff		
Includes authorization for 1.0 FTE position pursuant to Public Act 52 of 2017, which authorizes SCAO to have one position within the office that provides technical assistance to all state trial courts on jury management.	FTE	0.0
	Gross	\$6,600,000
	Restricted	6,600,000
	GF/GP	\$0
		\$0
9. Transfer Court of Claims Funding		
Transfers \$511,900 GF/GP from the State Court Administrative Office line item to the Court of Appeals line item. Funding is used by the Court of Appeals for cases handled by the Court of Claims, pursuant to Public Act 164 of 2013 that transferred jurisdiction for Court of Claims cases to the Court of Appeals.	Gross	\$511,900
	GF/GP	\$511,900
		\$0
10. Pretrial Risk Assessment		
Transfers \$305,700 of ongoing funding included in the SCAO line item for Pretrial Risk Assessment to the One-Time Appropriations unit.	Gross	\$305,700
	GF/GP	\$305,700
		\$0
11. Economic Adjustments		
Reflects increased costs of \$3.0 million Gross (\$2.8 million GF/GP) for negotiated salary and wage increases (2.0% ongoing), insurance rate increases, actuarially required retirement contributions, worker's compensation premium costs, building occupancy charges, and private rent costs.	Gross	NA
	IDG	700
	Federal	48,600
	Local	99,800
	Private	12,000
	Restricted	47,700
	GF/GP	\$2,840,400

Major Boilerplate Changes from FY 2017-18

Sec. 218. Linking Swift and Sure Sanctions Program to DHHS and DTED Programs – REVISED

Requires SCAO to evaluate programs within the Departments of Health and Human Services and Talent and Economic Development to establish programmatic connections with Swift and Sure Sanctions program participants for the purpose of leveraging collaborations and determining avenues of success for offenders who are eligible for state-provided programs; requires SCAO to provide guidance to courts participating in the Swift and Sure Sanctions program. Language is revised to require SCAO to “identify” programs instead of “evaluate” programs and adds the Department of Corrections.

Sec. 304. Judicial Data Warehouse – REVISED

Authorizes members of the legislature to request data or reports from data collected in the judicial data warehouse; requires data to be made available to the public, unless disclosure is prohibited; requires data provided to be public and non-identifying information. Language is revised to require reports to be made available to the public, instead of all data from the warehouse being made available to the public.

Sec. 305. Community Dispute Resolution Centers – NEW

Requires community dispute resolution centers to provide community dispute resolution services to schools to help reduce suspensions and truancy, and improve school climates; authorizes funding to be used by centers, in cooperation with local prosecutors, to develop or expand juvenile diversion services; specifies that participation in the dispute resolution process is voluntary for all parties.

Sec. 316. Pretrial Risk Assessment – REVISED

Requires SCAO to pilot a pretrial risk assessment tool in an effort to provide relevant information to judges so they can make evidence-based bond decisions; requires SCAO to report on their plans for piloting the tool, including an implementation timeline; requires SCAO to report on costs associated with piloting the tool. Language is revised to delete the requirement that SCAO report on their plans for piloting the tool, and add a new requirement that SCAO report on their progress made toward implementing the tool and the associated costs.

Sec. 401. Veterans Courts – DELETED

Requires \$68,000 of funding appropriated for veterans courts to be allocated to the veterans court in Kalamazoo to be used for increasing the number of participants and decreasing recidivism rates.

Sec. 403. Youthful Sex Offender Treatment Pilot Program – NEW

Requires funding to be allocated to Kent County for assessing sex offenders, between the ages of 17 and 24, for risk, and for providing treatment for eligible offenders for individual and group counseling sessions; specifies that the duration of treatment will be determined by and will depend on the assessment-based level of identified risk; requires victim approval of offenders’ enrollment in the program.

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
Summary of FY 2018-19 Enacted Appropriations
Article XIII, 2018 Public Act 207 (Senate Bill 848)

Analyst: Marcus Coffin

IDG/IDT	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Revised Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	Difference: Enacted From FY 2017-18 YTD	
						Amount	%
	\$47,835,100	\$48,414,300	\$48,414,300	\$48,414,300	\$48,414,300	\$579,200	1.2
Federal	65,020,900	65,744,400	65,744,400	65,744,400	65,744,400	723,500	1.1
Local	250,000	100,000	100,000	100,000	100,000	(150,000)	(60.0)
Private	111,800	111,800	111,800	111,800	111,800	0	0.0
Restricted	277,037,600	288,771,300	288,771,300	276,471,400	276,471,400	(566,200)	(0.2)
GF/GP	44,416,600	88,820,300	88,820,300	88,820,300	126,920,300	82,503,700	185.7
Gross	\$434,672,000	\$491,962,100	\$491,962,100	\$479,662,200	\$517,762,200	\$83,090,200	19.1
FTEs	2,379.8	2,379.8	2,379.8	2,379.8	2,379.8	0.0	0.0

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Department of Licensing and Regulatory Affairs (LARA) is this state's primary regulatory agency. LARA regulates in numerous sectors, including: commercial and occupational activities, construction and fire safety, energy and public utilities, health care and human services, liquor control, and medical marijuana. LARA agencies are also responsible for implementing and enforcing workers' compensation requirements, occupational safety and health standards, and labor and wage laws. LARA provides vocational rehabilitation services for the blind and coordinates employment services for immigrants. Agencies within LARA conduct and adjudicate administrative hearings, supervise administrative rulemaking, and evaluate regulatory requirements and administrative processes for departments and agencies throughout state government. Lastly, LARA houses three ethnic affairs commissions and the Michigan Indigent Defense Commission.

Major Budget Changes from FY 2017-18 YTD Appropriations		FY 2017-18 YTD (as of 2/7/18)	Enacted Change From YTD
1. Michigan Indigent Defense Commission Grants	Gross	NA	\$84,100,100
Includes \$84.1 million GF/GP to support grants made by the Michigan Indigent Defense Commission (MIDC) to local funding units of indigent defense systems. Grants will be used to support various provisions contained within approved compliance plans that will align indigent defense practices with four standards established by the MIDC.	Restricted	NA	100
	GF/GP	NA	\$84,100,000
2. First Responder Presumed Coverage Claims	Gross	\$1,780,000	\$3,465,000
Provides an additional \$3.5 million in restricted funding from the First Responder Presumed Coverage Fund to support payments of First Responder Presumed Coverage claims. The increase will bring the total amount of the authorization to \$5.2 million Gross (\$0 GF/GP). Funds are projected to be available for this purpose from revenues to the Medical Marijuana Excise Fund.	Restricted	1,780,000	3,465,000
	GF/GP	\$0	\$0
3. Liquor Law Enforcement Grants Enhancement	Gross	\$7,200,000	\$1,200,000
Includes \$1.2 million in additional restricted funding for grants made to local and county law enforcement offices. Funding for the grants comes from retailers' liquor license fees and license renewal fees. Per statute, 55% of revenues from these license fees are to be distributed to the jurisdiction that collected them for the enforcement of the Liquor Control Code and associated rules.	Restricted	7,200,000	1,200,000
	GF/GP	\$0	\$0

LICENSING AND REGULATORY AFFAIRS

<u>Major Budget Changes from FY 2017-18 YTD Appropriations</u>		FY 2017-18 YTD (as of 2/7/18)	Enacted Change From YTD
4. Removal of Fire Protection Grants Funding	Gross	\$9,273,900	(\$9,273,900)
Eliminates the \$9.3 million Gross (\$773,900 GF/GP) authorization for Fire Protection Grants. 2018 PA 248 earmarks \$13.6 million from Local Community Stabilization Authority (LCSA) Tier 3 payments for Fire Protection Grants.	Restricted	8,500,000	(8,500,000)
	GF/GP	\$773,900	(\$773,900)
5. Nurse Aide Training and Registration Program	Gross	NA	\$600,000
Includes \$600,000 in restricted funding from the Nurse Aide Registration Fund to implement the Nurse Aide Training and Registration Program, pursuant to 2017 PA 172. Under the act, LARA is now responsible for granting registrations to practice as a nurse aide and for granting permits to nurse aide trainers and nurse aide training programs.	Restricted	NA	600,000
	GF/GP	NA	\$0
6. Substance Use Disorder Programs	Gross	NA	\$500,000
Includes \$500,000 in restricted funding from the Marijuana Regulatory Fund to support costs associated with the licensing of substance use disorder programs. Pursuant to 2016 PA 281, \$500,000 must be distributed from collected regulatory assessments for licensing of substance use disorder programs.	Restricted	NA	500,000
	GF/GP	NA	\$0
7. Removal of Administrative Support for the Local Community Stabilization Authority	Gross	\$150,000	(\$150,000)
Eliminates \$150,000 in local revenues that supported staff and operations of the Local Community Stabilization Authority. Responsibilities previously supported by these funds are shifted to the Michigan Municipal Services Authority (MMSA).	Local	150,000	(150,000)
	GF/GP	\$0	\$0
8. Division on Deafness Fund Transfer	Gross	NA	\$93,400
Includes \$93,400 in restricted funding to reflect the transfer of program functions from the Department of Civil Rights to LARA, pursuant to Executive Order No. 2017-8. The Executive Order transferred responsibility for the testing and certification of interpreters for the deaf to LARA.	Restricted	NA	93,400
	GF/GP	NA	\$0
9. Removal of One-Time Appropriations	Gross	\$1,400,100	(\$1,400,100)
Eliminates \$1.4 million GF/GP in FY 2017-18 one-time appropriations. Appropriations included \$1.4 million GF/GP for Fire Protection Grants Enhancement and \$100 in restricted funding for the Drinking Water Declaration of Emergency.	Restricted	100	(100)
	GF/GP	\$1,400,000	(\$1,400,000)
10. Revenue Alignment and Reduction of Overstated Deducts	Gross	NA	(\$639,300)
Reduces restricted fund authorizations for a net decrease of \$639,300, in order to accurately reflect fund availability and to align with revenue estimates.	Restricted	NA	(639,300)
	GF/GP	NA	\$0
11. Economic Adjustments	Gross	NA	\$4,595,000
Reflects increased costs of \$4.6 million Gross (\$577,600 GF/GP) for negotiated salary and wage increases (2.0% ongoing), actuarially required retirement contributions, worker's compensation, building occupancy changes, and other economic adjustments.	IDG	NA	579,200
	Federal	NA	723,500
	Restricted	NA	2,714,700
	GF/GP	NA	\$577,600

Major Boilerplate Changes from FY 2017-18

Sec. 301. Low-Income Energy Assistance Grants – REVISED

Stipulates funds supporting the low-income energy assistance grant program are appropriated upon the awarding of grants and may be used for grant payments or administrative expenses related to the program. Revises to indicate that the Public Service Commission now administers the grants on behalf of DHHS.

LICENSING AND REGULATORY AFFAIRS

Major Boilerplate Changes from FY 2017-18

Sec. 302. Fast Charging Stations Study – NEW

Requires the Michigan Agency for Energy, in coordination with the Public Service Commission and the Michigan Department of Transportation, to prepare a study assessing aspects of fast charging stations.

Sec. 401. IT Upgrades to Mitigate Licensure Delays – DELETED

Deletes language stipulating that funds from the Liquor Purchase Revolving Fund be used to invest in upgrades to mitigate delays in issuing licenses; legislative intent is expressed that the upgrades should utilize free software if it is available.

Sec. 401. Investigation of Direct Shipments of Wine and Report – REVISED

Stipulates the Liquor Control Commission (LCC) shall use funds appropriated from the Direct Shipper Enforcement Fund – as required in the Michigan Liquor Control Code – to investigate illegal direct shipments of wine; requires the LCC to produce a report detailing activities to investigate the illegal shipping of wine. Revises to include a requirement that cases of out-of-state illegal shipping be referred to the Attorney General and that a notice be sent to entities shipping illegally.

Sec. 510. Michigan Automated Prescription System (MAPS) Report – REVISED

Requires LARA to submit a report detailing usage statistics for MAPS, department action resulting from information obtained from MAPS, and integrations between MAPS and electronic health record systems. Revises to include a more detailed reporting requirement for the types of entities that have integrated their electronic health records systems and to include a reporting requirement for the number of delegate users registered.

Sec. 803. Michigan Indigent Defense Commission Performance Metrics and Report – NEW

Requires MIDC to identify and implement a performance metrics system that compares indigent defense services in Michigan to national standards and to issue a report on the metrics.

Sec. 805. Ethnic Affairs Commissions Activities – NEW

Requires expenditures for commission events to directly relate to the commission’s mission statement.

Sec. 901. Fire Protection Grants – DELETED

Deletes language requiring LARA to award appropriated fire protection grant funds to local units of government for fire protection services provided to state-owned facilities located within their jurisdictions.

Sec. 901. Medical Marihuana Registry Cards Report and Grants to County Law Enforcement – REVISED

Revises to stipulate LARA is to award Medical Marihuana Operation and Oversight Grants to counties for education, communication, and outreach regarding the Michigan Medical Marihuana Act; require LARA to post a listing of available grant funds for counties; require reports be submitted by both counties and LARA pertaining to the amounts, recipients, and uses of the grants; and prohibit funding from being used for law enforcement purposes.

Sec. 904. Distribution of Michigan Indigent Defense Commission Grants – NEW

Specifies that an indigent defense system’s duty of compliance with its approved compliance plan is contingent upon the receipt of a grant in an amount sufficient to cover a standard or standards, as provided in the Michigan Indigent Defense Commission Act, 2013 PA 93.

<u>FY 2017-18 Supplemental Appropriations (Article XX)</u>	<u>FY 2017-18 YTD (as of 2/7/18)</u>	<u>FY 2017-18 Supplemental Change</u>
1. Nurse Aide Training and Registration Program	Gross	NA
Authorizes \$600,000 in restricted funding from the Nurse Aide Registration Fund for the Bureau of Community and Health Systems’ implementation of the Nurse Aide Training and Registration Program, pursuant to 2017 PA 172. Under the act, LARA is responsible for granting registrations to practice as a nurse aide and for granting permits to nurse aide trainers and nurse aide training programs.	Restricted	NA
	GF/GP	NA
		\$600,000
		600,000
		\$0

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
Summary of FY 2018-19 Enacted Appropriations
Article XIV, 2018 Public Act 207 (Senate Bill 848)

Analyst: Kent Dell

	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	Difference: Enacted From FY 2017-18 YTD	
						Amount	%
IDG/IDT	\$101,800	\$101,800	\$101,800	\$101,800	\$101,800	\$0	0.0
Federal	92,334,100	98,170,200	98,170,200	98,170,200	98,170,200	5,836,100	6.3
Local	1,528,400	1,545,400	1,545,400	1,545,400	1,545,400	17,000	1.1
Private	640,000	630,000	630,000	630,000	630,000	(10,000)	(1.6)
Restricted	22,332,600	23,279,500	23,279,500	23,279,500	23,279,500	946,900	4.2
GF/GP	62,567,500	65,362,400	66,250,700	67,439,200	68,837,400	6,269,900	10.0
Gross	\$179,504,400	\$189,089,300	\$189,977,600	\$191,166,100	\$192,564,300	\$13,059,900	7.3
FTEs	913.5	913.5	921.5	913.5	921.5	8.0	0.9

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Department of Military and Veterans Affairs provides for the operations of the Michigan National Guard in support of the military and security needs of the state and the federal government. The department, through the Michigan Veterans Affairs Agency, also oversees state programs for veterans, including the state's veterans' homes, grants to counties and veterans service organizations, and the Michigan Veterans Trust Fund.

Major Budget Changes from FY 2017-18 YTD Appropriations

		FY 2017-18 YTD (as of 2/7/18)	Enacted Change From YTD
1. National Guard Tuition Assistance Fund – Deposit	Gross	\$4,007,000	\$2,500,000
Includes \$2.5 million GF/GP increase to the National Guard Tuition Assistance Fund, which would total \$6.5 million restricted authorization. The department estimates that 1,332 service members will utilize the National Guard Tuition Assistance Program in FY 2018-19, up from 433 participants in FY 2014-15, the first fiscal year in which the program was implemented.	GF/GP	\$4,007,000	\$2,500,000
2. D.J. Jacobetti Home for Veterans – CMS Certification	Gross	\$22,275,500	\$1,111,700
Includes an increase of \$1.1 million GF/GP to support staffing, and operational changes to assist with obtaining Centers for Medicare and Medicaid Services certification, which will increase access to federal revenues for medical care for resident veterans.	Federal	8,396,100	0
	Restricted	5,064,700	0
	GF/GP	\$8,814,700	\$1,111,700
	FTE	195.0	8.0
3. Camp Grayling – Operation Northern Strike	Gross	\$33,956,100	\$750,000
Includes \$750,000 GF/GP and 8.0 FTEs to support the annual National Guard training operation, Northern Strike. Personnel support range control and operation, site maintenance, and logistics.	Federal	30,760,500	0
	Restricted	1,617,800	0
	GF/GP	\$1,577,800	\$750,000
	FTE	8.0	0.0
4. National Guard Armory Sustainment, Restoration, and Modernization	Gross	\$15,000,000	\$5,000,000
Includes \$5.0 million federal authorization in order to expend matching funds provided by the U.S. National Guard Bureau to support ongoing improvements to Michigan National Guard armories. State funds for National Guard armory maintenance are matched at a 50-50 ratio by the U.S. Department of Defense.	Federal	15,000,000	5,000,000
	GF/GP	\$0	\$0
	FTE	0.0	0.0

MILITARY AND VETERANS AFFAIRS

<u>Major Budget Changes from FY 2017-18 YTD Appropriations</u>		FY 2017-18 YTD	Enacted Change
		(as of 2/7/18)	From YTD
5. National Guard Land Purchases and Acquisitions		Gross	\$2,000,000
Includes \$900,000 restricted revenue authorization from the Michigan National Guard Construction Fund, to purchase, appraise, and survey land in support of continuing National Guard armory consolidation and improvement.		Restricted	900,000
		GF/GP	\$0
6. County Veteran Service Fund		Gross	NA
Includes \$2.1 million GF/GP to support grants to county veteran services offices, in accordance with 2018 PA 210.		GF/GP	\$2,100,000
7. Armory Maintenance (One-Time)		Gross	\$2,500,000
Reduces by \$1.5 million GF/GP, and retains a total of \$1.0 million one-time GF/GP for armory sustainment, restoration, and modernization.		GF/GP	(\$1,500,000)
8. Vietnam Veteran Outreach (One-Time)		Gross	NA
Includes \$600,000 one-time GF/GP to support an outreach program targeted at Vietnam Era veterans to assist them in obtaining U.S. Department of Veterans Affairs benefits.		GF/GP	\$600,000
9. Grand Rapids Home for Veterans – Video Monitoring Pilot		Gross	NA
Includes a \$275,000 one-time GF/GP for an in-room video monitoring pilot program at the Grand Rapids Home for Veterans.		GF/GP	\$275,000
10. Technical Adjustments		Gross	NA
Aligns authorizations with expected revenues available from state restricted and private sources, and provides for net-zero internal transfers.		Private	(10,000)
		Restricted	(135,000)
		GF/GP	\$0
11. Economic Adjustments		Gross	NA
Reflects increased costs of \$1.5 million Gross (\$433,200 GF/GP) for negotiated salary and wage increases (2.0% ongoing), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.		Federal	836,100
		Local	17,000
		Restricted	181,900
		GF/GP	\$433,200

Major Boilerplate Changes from FY 2017-18

Sec. 210. Contingency Fund Authorization – REVISED

Provides for federal, state restricted, local, and private contingency fund spending authorizations to be utilized via legislative transfer when available revenues exceed appropriated revenues. Revised to increase total federal contingency fund authorization from \$10.0 million to \$12.0 million.

Sec. 303. Michigan Youth ChalleNGe Academy – REVISED

Provides for the standards and requirements of the Michigan National Guard's military-style academy for at-risk youth, the Michigan Youth ChalleNGe Academy. Revised to 1) specify that the department shall maintain the staffing and resources necessary to graduate 228 cadets annually, through two classes of 114 cadets and 2) require the department to measure cadet success through the Tests of Adult Basic Education scores, and/or high school credit recovery or receipt of a high school, or equivalent, diploma.

Sec. 402. Grand Rapids and D.J. Jacobetti Home for Veterans – REVISED

Provides for the service and care requirements of the state veterans homes. Revised to include additional standards for contractual mental health care services; an in-room video monitoring pilot program at the Grand Rapids Home for Veterans; and require a feasibility study prior to implementing a video monitoring pilot program.

Sec. 403. D.J. Jacobetti Home for Veterans CMS Certification – REVISED

Requires increased funding for the D.J. Jacobetti Home for Veterans to be used toward achieving Centers for Medicare and Medicaid Services (CMS) certification standards. Revised to state that the purpose is to obtain CMS certification by October 1, 2018 and include additional reporting requirements if CMS certification is not obtained by the stated date.

Major Boilerplate Changes from FY 2017-18

Sec. 406. MVAA Outreach Services – REVISED

Requires the Michigan Veterans Affairs Agency to provide outreach and advisory services to Michigan veterans and to assist with filing for, and obtaining, military discharge papers (DD-214) and federal veterans benefits. Revised to remove a reporting requirement regarding the community assessment and regional service delivery model pilot program.

Sec. 407. Grants to Veterans Service Organizations – REVISED

Establishes the purpose and goals of grants issued by the Michigan Veterans Affairs Agency to veterans service organizations operating in the state to assist veterans receive U.S. Department of Veterans Affairs veterans' benefits. Revised to include additional oversight and reporting requirements for monitoring the use of grant funds provided to veterans service organizations and county veteran service offices, and adjust the hourly reimbursement rate cap by requiring that it not exceed \$34.00 per hour.

Sec. 602. Vietnam Era Veterans Outreach – NEW

Provides for an outreach campaign to Vietnam Era veterans, to include outreach and contact goals.

<u>FY 2017-18 Supplemental Appropriations (Article XX)</u>		<u>FY 2017-18 YTD (as of 2/7/18)</u>	<u>FY 2017-18 Supplemental Change</u>
1. National Guard Tuition Assistance Fund Deposit	Gross	\$4,007,000	\$2,500,000
Includes \$2.5 million GF/GP deposit into the National Guard Tuition Assistance Fund, which will total \$6.5 million in FY 2017-18. The department estimates that 1,332 service members will utilize the National Guard Tuition Assistance Program in FY 2017-18, up from 433 participants in FY 2014-15, when the program was first implemented.	GF/GP	\$4,007,000	\$2,500,000
2. CMS Certification for D.J. Jacobetti Home for Veterans	Gross	\$22,275,500	\$1,266,700
Includes an increase of \$1.3 million GF/GP to support staffing, resident safety, and security improvements to assist with obtaining Centers for Medicare and Medicaid Services certification at the D.J. Jacobetti Home for Veterans. Obtaining certification will increase access to federal revenues for medical care for resident veterans.	Federal	8,396,100	0
	Restricted	5,064,700	0
	GF/GP	\$8,814,700	\$1,266,700

NATURAL RESOURCES

**DEPARTMENT OF NATURAL RESOURCES
Summary of FY 2018-19 Enacted Appropriations
Article XV, 2018 Public Act 207 (Senate Bill 848)**

Analyst: Austin Scott

	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	Difference: Enacted From FY 2017-18 YTD	
						Amount	%
IDG/IDT	\$232,200	\$232,200	\$232,200	\$232,200	\$232,200	\$0	0.0
Federal	70,095,700	81,731,600	81,731,600	81,731,600	81,731,600	11,635,900	16.6
Local	0	0	0	0	0	0	--
Private	7,446,000	7,431,400	7,431,400	7,431,400	7,431,400	(14,600)	(0.2)
Restricted	274,248,500	299,965,800	299,965,800	300,965,800	299,965,800	25,717,300	9.4
GF/GP	57,971,100	47,344,300	46,744,300	47,714,400	49,081,800	(8,889,300)	(15.3)
Gross	\$409,993,500	\$436,705,300	\$436,105,300	\$438,075,400	\$438,442,800	\$28,449,300	6.9
FTEs	2,267.8	2,333.3	2,328.3	2,333.3	2,330.3	62.5	2.8

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Department of Natural Resources (DNR) manages Michigan's natural and cultural resources through conservation and protection. State parks, wildlife, fisheries, forests, and minerals management are all administered by the DNR.

Major Budget Changes from FY 2017-18 YTD Appropriations

1. Wildlife Management

Includes an additional 3.0 FTEs and \$1.6 million GF/GP for the wildlife management program. New funding will be used for lab technicians, testing costs and supplies, rapid response partnership with U.S. Department of Agriculture, and veterinary diagnostic services. This increase will also support the DNR's bovine tuberculosis and deer management operations, including chronic wasting disease response and sharpshooting efforts. A one-time appropriation of \$1.0 million GF/GP for FY 2017-18 has been moved to ongoing for FY 2018-19.

	FY 2017-18 YTD (as of 2/7/18)	Enacted Change From YTD
FTEs	218.5	3.0
Gross	\$42,932,700	\$1,600,000
Federal	24,954,900	0
Private	315,700	0
Restricted	14,836,900	0
GF/GP	\$2,825,200	\$1,600,000

2. General Law Enforcement – Conservation Officers

Provides 7.0 FTEs and \$1.1 million GF/GP to support a Conservation Officer (CO) school and the 7 newly commissioned COs. There are 232 COs currently serving; these officers enforce natural resources (game, fish, forestry), environmental pollution, and outdoor recreation (boating, hunting, ORV, snowmobile safety) laws.

FTEs	284.0	7.0
Gross	\$42,435,200	\$1,050,000
Federal	6,510,900	0
Restricted	24,758,000	0
GF/GP	\$11,166,300	\$1,050,000

3. Tribal Consent Decree Renegotiation and Implementation

Provides 1.0 FTE and \$277,500 GF/GP (including \$37,500 in one-time GF/GP) to cover costs associated with negotiating and implementing a new Great Lakes Consent Decree. A new agreement between signatory tribes, Michigan, and the United States is needed to replace the expiring agreement that has governed the allocation, management, and regulation of Great Lakes fisheries in Michigan since 2000.

FTEs	NA	1.0
Gross	NA	\$277,500
GF/GP	NA	\$277,500

4. Historical Facilities System – Mackinac Island State Park

Adds \$200,000 GF/GP to increase support for maintenance costs at Mackinac Island State Park facilities.

FTEs	13.0	0.0
Gross	\$1,583,700	\$200,000
Restricted	1,583,700	0
GF/GP	\$0	\$200,000

NATURAL RESOURCES

<u>Major Budget Changes from FY 2017-18 YTD Appropriations</u>	FY 2017-18 YTD	Enacted Change
	(as of 2/7/18)	From YTD
5. Long Lake Boat Launch (One-Time)	Gross	NA
Provides \$142,500 in one-time GF/GP for a grant to develop a boat launch at Long Lake in Alpena County.	GF/GP	\$142,500
		\$142,500
6. Grindstone Harbor Development Grant (One-Time)	Gross	NA
Adds \$120,000 in one-time GF/GP for a grant to cover planning costs at Grindstone Harbor in Huron County.	GF/GP	\$120,000
		\$120,000
7. Wildlife and Fisheries Health Study (One-Time)	Gross	NA
Provides \$115,000 in one-time GF/GP for a study to investigate the effect of PFAS contamination on Michigan's wildlife and fisheries populations.	GF/GP	\$115,000
		\$115,000
8. Dam Management Grant Program (One-Time)	Gross	\$350,000
Adds \$1.5 million in one-time GF/GP to the Dam Management Grant Program. These grants are used for the removal or maintenance of failing dams from private and state-owned land.	GF/GP	\$1,500,000
		\$1,500,000
9. Lake Level Assessments (One-Time)	Gross	NA
Appropriates \$35,000 in one-time GF/GP to reimburse local units of government for costs related to lake level assessments.	GF/GP	\$35,000
		\$35,000
10. Cooperative Resource Programs (One-Time)	Gross	\$1,567,900
Provides \$25,000 in one-time GF/GP to Cooperative Resource Programs. This addition is appropriated to fund a soil mapping program in Wayne County.	Federal	\$25,000
	Private	0
	Restricted	0
	GF/GP	0
		\$25,000
		\$25,000
11. Snowmobile Trail Groomer Pilot (One-Time)	Gross	NA
Adds \$200,000 from the snowmobile trail improvement fund to pilot a program aimed at developing a new snowmobile trail groomer to maintain state snowmobile trails.	Restricted	\$200,000
	GF/GP	NA
		\$0
12. Increased Camping Fee Revenue and Recreation Passport Sales	FTEs	NA
Provides 26.5 FTEs and \$4.1 million in additional restricted funding for departmental marketing and outreach, forest recreation and trails, recreational boating, state parks, and Recreation Passport local grants. Funding comes from increased camping fee revenue and Recreation Passport sales.	Gross	26.5
	Restricted	\$4,075,000
	GF/GP	NA
		4,075,000
		\$0
13. Increased Off-road Vehicle Fee Revenue	FTEs	NA
Increases 2.0 FTEs and \$1.3 million in additional off-road vehicle (ORV) trail improvement funding for departmental administration, law enforcement, and ORV trail improvement grants. Funding comes from increased ORV fee revenue.	Gross	2.0
	Restricted	\$1,300,000
	GF/GP	NA
		1,300,000
		\$0
14. Removal of FY 2017-18 One-Time Funding	Gross	\$16,426,200
Removes \$16.4 million Gross (\$15.4 GF/GP) for one-time projects included in the previous fiscal year's budget:	Restricted	(\$16,426,200)
	GF/GP	1,000,000
		(\$15,426,200)
State parks repair and maintenance		\$7,000,000
Trail development		5,000,000
Land ownership tracking system		2,900,000
Bay City state recreation area, playscape reconstruction		400,000
Onaway state park, pavilion reconstruction		400,000
Shooting range construction, repair, and maintenance		250,000
Snowmobile local grants program (one-time)		226,200
Invasive species (one-time)		200,000
Mineral extraction summit		50,000

NATURAL RESOURCES

<u>Major Budget Changes from FY 2017-18 YTD Appropriations</u>		FY 2017-18 YTD (as of 2/7/18)	Enacted Change From YTD
15. Capital Outlay Project Adjustments	Gross	\$20,575,000	\$17,643,000
Makes current services baseline adjustments to capital outlay projects by increasing federal and restricted funding for a net increase of \$17.6 million Gross. Adjustments include removing funding for East Tawas state harbor phase I as well as adding funding for forest development infrastructure, East Tawas state harbor phase III, Elmwood Township marina, Ottawa Brach marina, and Presque Isle marina.	Federal	1,075,000	643,000
	Restricted	18,000,000	17,000,000
	GF/GP	\$1,500,000	\$0
16. Technical Adjustments	FTEs	NA	23.0
Increases DNR budget by 23.0 FTEs and \$12.8 million Gross (\$929,600 GF/GP) to align authorization with available funds and comply with organizational changes. Adjustments include transferring the Office of the Great Lakes from the DEQ to the DNR (Executive Order 2017-9) and transferring the Historical Marker program from the Michigan History Foundation.	Gross	NA	\$12,814,700
	Federal	NA	10,556,000
	Private	NA	(15,000)
	Restricted	NA	1,344,100
	GF/GP	NA	\$929,600
17. Economic Adjustments	Gross	NA	\$3,777,800
Reflects increased costs of \$3.8 million Gross (\$542,300 GF/GP) for negotiated salary and wage increases (2.0% ongoing), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	Federal	NA	436,900
	Private	NA	400
	Restricted	NA	2,798,200
	GF/GP	NA	\$542,300

Major Boilerplate Changes from FY 2017-18

Sec. 218. Retention of Reports – DELETED

Requires DNR to retain copies of all reports funded from appropriations.

Sec. 404. Museum Store Revolving Fund – DELETED

States that contract expenditures for the museum store are exempt from the Management and Budget Act.

Sec. 405. Proceeds from Artifact Auctions, Sales, or Transfers – DELETED

Funds received through the excess of unneeded artifacts by the Historical Museum are appropriated to the DNR to obtain other desired items for the State Historical Museum; allows carryforward of funds.

Sec. 406. Historical Program Fees – DELETED

Allows DNR to charge fees for historical program services such as document production, conferences, workshops, facilities, and museum admissions.

Sec. 808. Forest Management and Timber Market Development – DELETED

Requires DNR to use increased funding available from the increased timber harvest for the purpose of expanding the forest products economy, includes a departmental requirement to develop corresponding metrics to assess performance.

Sec. 903. Conservation Officers – DELETED

Directs the use of the increased appropriation in part 1 for conservation officers to hire, train, and equip 10 detectives and two support staff.

Sec. 1002. Silver Lake Law Enforcement Reimbursement – NEW

Designates \$35,000 from the off-road vehicle trail improvement grants appropriation to reimburse local units of government for costs related to seasonal law enforcement at Silver Lake.

Sec. 1202. Lake Level Assessment Reimbursements – NEW

Designates \$35,000 from part 1 to reimburse qualifying costs related to lake level assessments.

Sec. 1203. Long Lake Boat Launch – NEW

Requires the DNR to use funds appropriated in part 1 to develop a boat launch at Long Lake in Alpena County.

Sec. 1204. Grindstone Harbor Development Grant – NEW

Requires the DNR to use funds appropriated in part 1 for planning and development costs at Grindstone Harbor in Huron County.

Major Boilerplate Changes from FY 2017-18

Sec. 1205. Dam Management Grant Program (One-Time) – NEW

Requires the DNR to use funds appropriated in part 1 for the Dam Management Grant Program (one-time) to remove a dam in the City of Grand Rapids and designates this appropriation as a work project.

Sec. 1206. Wildlife and Fisheries Health Study – NEW

Requires the DNR to use funds appropriated in part 1 to investigate the effect of PFAS contamination on Michigan's wildlife and fisheries populations.

Sec. 1207. Wayne County Soil Mapping Program – NEW

Designates the cooperative resource program (one-time) appropriation in part 1 to fund the Wayne County soil mapping program.

<u>FY 2017-18 Supplemental Appropriations (Article XX)</u>		<u>FY 2017-18 YTD (as of 2/7/18)</u>	<u>FY 2017-18 Supplemental Change</u>
1. Forestry Investment (One-Time)	Gross	NA	\$1,900,000
Authorizes \$1.9 million in restricted funding from the Forest Development Fund to be used to continue replacement of the old Timber Sale Management System with the new Vegetative Management System (VMS). Funding will support adjusting the VMS module to allow the system to function as a single application environment.	Restricted	NA	1,900,000
	GF/GP	NA	\$0
2. Wildlife Management (One-Time)	FTEs	218.5	0.0
Includes \$5.3 million GF/GP to address Chronic Wasting Disease (CWD) and Bovine Tuberculosis. Funding will be expended as follows: applied research to develop science-based CWD management plan (\$2.0 million); basic research to study CWD prion behavior and environmental persistence (\$1.5 million); extension and demonstration to develop new education materials relating to CWD (\$700,000); matching funds to seek federal, state, and private funds for CWD management (\$500,000); increased laboratory costs associated with increasing number of deer submitted for disease testing (\$300,000); and additional education, outreach, and public engagement regarding wildlife disease (\$300,000).	Gross	\$42,932,700	\$5,300,000
	Federal	24,954,900	0
	Private	315,700	0
	Restricted	14,836,900	0
	GF/GP	\$2,825,200	\$5,300,000
3. Nongame Fish and Wildlife Trust Fund (One-Time)	Gross	NA	\$1,000,000
Includes \$1.0 million GF/GP to be transferred to the Kirtland Warbler's account within the Nongame Fish and Wildlife Trust Fund. This constitutional fund is used to support research and management of nongame species, as well as endangered animals and plants.	GF/GP	NA	\$1,000,000
4. Invasive Species Prevention and Control (One-Time)	FTEs	16.0	0.0
Includes \$250,000 GF/GP for expansion of the invasive species program. This program serves to prevent, detect, eradicate, and control invasive species statewide.	Gross	\$5,031,700	\$250,000
	GF/GP	\$5,031,700	\$250,000

FY 2017-18 Supplemental Boilerplate Changes (Article XX)

Sec. 801. Wildlife Management Work Project

Authorizes unexpended funds appropriated for wildlife management to be considered work project appropriations and carried forward. Funding supports wildlife disease research estimated to cost \$5.3 million with a tentative completion date of September 30, 2022.

Sec. 802. Forestry Investment Work Project

Authorizes unexpended funds appropriated for forestry investment to be considered work project appropriations and carried forward. Funding supports enhancements to the vegetative management system estimated to cost \$1.9 million with a tentative completion date of September 30, 2022.

NATURAL RESOURCES

FY 2017-18 Supplemental Boilerplate Changes (Article XX)

Sec. 803. Nongame Fish and Wildlife Trust Fund

Transfers \$1.0 million from the state's general fund to the Kirtland's Warbler dedicated account within the Nongame Fish and Wildlife Trust Fund created under Section 42 of Article IX of the State Constitution of 1963.

SCHOOL AID

Summary of FY 2018-19 Enacted Appropriations

Article I, 2018 Public Act 265 (House Bill 5579)

Analysts: **Bethany Wicksall**
Samuel Christensen

IDG/IDT	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Revised Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	Difference: Enacted From FY 2017-18 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	1,726,943,500	1,724,743,500	1,724,743,500	1,724,743,500	1,724,743,500	(2,200,000)	(0.1)
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	12,642,370,400	12,951,225,300	13,053,045,600	12,860,106,800	12,980,725,300	338,354,900	2.7
GF/GP	215,000,000	60,000,000	47,400,000	150,500,000	60,000,000	(155,000,000)	(72.1)
Gross	\$14,584,313,900	\$14,735,968,800	\$14,825,189,100	\$14,735,350,300	\$14,765,468,800	\$181,154,900	1.2

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The School Aid budget makes appropriations to the state's 539 local school districts, 294 public school academies, and 56 intermediate school districts (ISDs) for operations and certain categorical programs. It also appropriates funds to the Michigan Department of Education (MDE), Center for Educational Performance and Information (CEPI), the Workforce Development Agency, and other entities to implement certain grants and other programs related to K-12 education.

<u>Major Budget Changes from FY 2017-18 YTD Appropriations</u>		<u>FY 2017-18 YTD (as of 2/7/18)</u>	<u>Enacted Change From YTD</u>
1. Foundation Allowances (Secs. 22a and 22b)	Gross	\$9,219,300,000	\$312,000,000
Increases foundation allowances ranging from \$120 to \$240 using the 2x formula at a cost of \$312.0 million. Increases the minimum foundation allowance from \$7,631 to \$7,871 (3.1%), and the state maximum guaranteed foundation allowance from \$8,289 to \$8,409 (1.4%).	Restricted	9,073,560,500	447,461,700
	GF/GP	\$145,739,500	(\$135,461,700)
2. Partnership District Discretionary Payment (Sec. 22p) – NEW	Gross	\$0	\$0
Requires partnership districts to comply with Sec. 22p in order to receive their discretionary foundation allowance payments under Sec. 22b. (See <i>Major Boilerplate Changes</i> for Sec. 22p below.)	Restricted	0	0
	GF/GP	\$0	\$0
3. Career and Technical Education (CTE) Equipment (Sec. 61c)	Gross	\$12,500,000	(\$10,000,000)
Reduces to \$2.5 million GF/GP and limits funding to CEPDs for which at least 50% of the area served is located in an ISD that did not levy a CTE millage in 2018 and requires that at least 50% of the funding allocated to each eligible CEPD must be used to update CTE equipment for current CTE programs in the highest 5 career cluster rankings.	Restricted	0	0
	GF/GP	\$12,500,000	(\$10,000,000)
4. CTE Per Pupil Incentive Payment (Sec. 61d) – NEW	Gross	\$0	\$5,000,000
Provides \$5.0 million SAF to provide \$25 per pupil for pupils in grades 9 to 12 enrolled in CTE programs and an additional \$25 per pupil for those in CTE programs identified as "critical skills" programs. (See <i>Major Boilerplate Changes</i> below.)	Restricted	0	5,000,000
	GF/GP	\$0	\$0
5. Special Ed Task Force: Early On (Sec. 54d) – NEW	Gross	\$0	\$5,000,000
Provides \$5.0 million SAF for ISDs to provide Early On services. Uses an ISD funding formula based on the existing federal Early On distribution.	Restricted	0	5,000,000
	GF/GP	\$0	\$0

SCHOOL AID

<u>Major Budget Changes from FY 2017-18 YTD Appropriations</u>		<u>FY 2017-18 YTD (as of 2/7/18)</u>	<u>Enacted Change From YTD</u>
6. Special Education Millage Equalization (Sec. 56)	Gross	\$37,758,100	\$2,500,000
Adds \$2.3 million, bringing to a total of \$40.0 million, by increasing the per pupil equalization amount from \$189,900 to \$193,700 and caps Wayne RESA at 2.5% more than its allocation in FY2017-18.	Restricted	37,758,100	2,500,000
	GF/GP	\$0	\$0
7. Benchmark Assessments (Sec. 104d)	Gross	\$4,000,000	\$5,200,000
Increases by \$5.2 million to a total of \$9.2 million SAF to expand funding for computer-adaptive tests, diagnostic tools, screening tools, or benchmark assessments.	Restricted	4,000,000	5,200,000
	GF/GP	\$0	\$0
8. Adult Education (Sec. 107)	Gross	\$27,000,000	\$3,500,000
Increases allocation for adult education programs by \$1.0 million and allows formula revision begun in FY 2014-15 to continue one more phase, such that 1/3 of a district's allocation is based on prior year share and 2/3 is based on revised formula. However, provides that no ISD shall receive less than it did in the prior year. Deletes the final intended phase in which 100% of funds would be allocated under revised formula. Adds \$500,000 to reimburse funding recipients for administrative costs of commingling of Adult Ed and CTE programs, providing each recipient a proportionate share of funds based on their formula funding. Increases funding for pilot Adult Ed/CTE collaboration programs from \$2.0 million to \$4.0 million to transform pilot projects into grants to ISDs that are fiscal agents for programs and reduces the cap from \$400,000 to \$350,000 per program.	Restricted	27,000,000	3,500,000
	GF/GP	\$0	\$0
9. ISD General Operations Support (Sec. 81)	Gross	\$67,108,000	\$1,345,000
Increases each ISD's allocation by 2% for a total increase of \$1.3 million.	Restricted	67,108,000	1,345,000
	GF/GP	\$0	\$0
10. Flint Declaration of Emergency (Sec. 11s)	Gross	\$8,730,100	(\$5,500,000)
Reduces by \$5.5 million to a total of \$3.2 million to continue to provide additional school nurses, school social workers, and, beginning in 2018-19, classroom aides in Flint Public Schools (\$2.6 million) and nutritional services to children in Flint (\$605,000). Reductions do not represent a reduction in services as unexpended funds from previous fiscal years are available in a work project for that purpose.	Restricted	0	0
	GF/GP	\$8,730,100	(\$5,500,000)
11. Competency-Based Education Pilots (Sec. 21j)	Gross	\$500,000	(\$500,000)
Eliminates competitive grants to districts that provide an education model that allows the use of multiple and innovative methods to determine pupils' achievement of grade-level competencies and Michigan merit curriculum credit. See Marshall Plan in SB 941.	Restricted	0	0
	GF/GP	\$500,000	(\$500,000)
12. Partnership Models (Sec. 21h)	Gross	\$6,000,000	\$1,000,000
Increases by \$1.0 million SAF to a total of \$7.0 million to provide funding for interventions in districts identified as needing additional academic supports. (See <i>Major Boilerplate Changes</i> below.)	Restricted	6,000,000	1,000,000
	GF/GP	\$0	\$0
13. Isolated District Funding (Sec. 22d)	Gross	\$5,000,000	\$1,000,000
Increases funding by \$1.0 million to \$6.0 million and increases qualifying pupil density from fewer than 7.3 to 7.7 pupils per sq. mile. Increases per pupil grant approximately from \$45 to \$50. Maintains \$1.0 million for small, isolated districts meeting certain requirements.	Restricted	5,000,000	1,000,000
	GF/GP	\$0	\$0
14. Court-Placed Pupils (Sec. 24)	Gross	\$8,000,000	(\$850,000)
Reduces funding by \$850,000 SAF for court-placed pupil reimbursements to reflect a strict discipline academy closure.	Restricted	8,000,000	(850,000)
	GF/GP	\$0	\$0
15. Youth ChalleNge (Sec. 24c)	Gross	\$1,528,400	\$97,000
Increases by \$97,000 to reflect economic increases (\$17,000) and participants that enrolled in the program but dropped out prior to count day (\$80,000).	Restricted	1,528,400	97,000
	GF/GP	\$0	\$0

SCHOOL AID

<u>Major Budget Changes from FY 2017-18 YTD Appropriations</u>		<u>FY 2017-18 YTD (as of 2/7/18)</u>	<u>Enacted Change From YTD</u>
16. Strict Discipline Academy (Sec. 25f)	Gross	\$750,000	\$850,000
Increases by \$850,000 SAF to a total of \$1.6 million for the added costs of educating strict discipline academy pupils. Revises to require that any unexpended funds remaining after the first distribution be distributed to SDAs on an equal per-pupil basis not to exceed an SDA's added cost.	Restricted	750,000	850,000
	GF/GP	\$0	\$0
17. Dropout Prevention Programs (Sec. 25h) – NEW	Gross	\$0	\$100,000
Adds \$100,000 SAF for a district working with a dropout prevention program.	Restricted	0	100,000
	GF/GP	\$0	\$0
18. At-Risk Program (Sec. 31a)	Gross	\$499,000,000	\$0
Maintains funding of \$499.0 million SAF but revises program requirements. (See Major Boilerplate Changes below.)	Restricted	499,000,000	0
	GF/GP	\$0	\$0
19. Year-round Instruction Grants (Sec. 31b)	Gross	\$1,500,000	(\$750,000)
Reduces by \$750,000 SAF to a total of \$750,000 SAF for year-round, balanced-calendar instruction grants that support districts with funds for building modifications or other nonrecurring costs related to the transition to a balanced-calendar.	Restricted	1,500,000	(750,000)
	GF/GP	\$0	\$0
20. Local Produce in School Meals (Sec. 31j)	Gross	\$375,000	\$200,000
Increases funding by \$200,000 GF/GP to a total of \$575,000 GF/GP to support districts in the purchase of locally grown fruits and vegetables for use in school lunches. Allocates \$125,000 to prosperity regions 2, 4, 6, and 9 and allocates \$75,000 to prosperity region 8.	Restricted	0	0
	GF/GP	\$375,000	\$200,000
21. Great Start Readiness Program (GSRP) (Sec. 32d)	Gross	\$243,900,000	\$0
Maintains funding of \$243.9 million for GSRP 4-year-old preschool programs for children in low-income families, but shifts \$1.0 million from funding for preschool slots to ISDs for professional development for educators implementing new curricula in 2019-2020. (See Major Boilerplate Changes for Sec. 32d below.)	Restricted	243,600,000	0
	GF/GP	\$300,000	\$0
22. Early Literacy Implementation (Sec. 35)	Gross	\$1,000,000	(\$1,000,000)
Reduces by \$1.0 million GF/GP to move to the MDE budget.	Restricted	0	0
	GF/GP	\$1,000,000	(\$1,000,000)
23. Early Literacy (Sec. 35a)	Gross	\$29,400,000	\$500,000
Shifts \$1.0 million from added instructional time, bringing it to \$19.9 million SAF, to teacher coaches, bringing it to \$7.0 million SAF. Revises the distribution of funding for added instructional time to divide total funding on an equal per-first-grade-pupil amount. Maintains current year appropriation for Michigan Education Corps but expands from Reading Corps to include PreK Reading Corps and Math Corps. Adds \$500,000 GF/GP for a summer reading program that is bilingual, in-home, individualized with self-selected, independent, reading level books provided to pupils in grades K to 4 each week during the summer addressing summer reading slide.	Restricted	26,900,000	0
	GF/GP	\$2,500,000	\$500,000
24. District – Dyslexia Center Collaboration Grant (Sec. 35b) – NEW	Gross	\$0	\$250,000
Provides \$250,000 SAF for a grant to a district that works with a dyslexia center to pilot the use of multisensory structured language education to improve reading proficiency rates.	Restricted	0	250,000
	GF/GP	\$0	\$0
25. Special Education Costs (Secs. 51a, 51c, 51d, 53a, 54)	Gross	\$1,349,988,000	\$24,550,000
Adds \$24.5 million to reflect revised consensus cost estimates for special education costs.	Federal	431,000,000	0
	Restricted	918,488,000	24,550,000
	GF/GP	\$500,000	\$0

SCHOOL AID

<u>Major Budget Changes from FY 2017-18 YTD Appropriations</u>		<u>FY 2017-18 YTD (as of 2/7/18)</u>	<u>Enacted Change From YTD</u>
26. Conductive Learning Study (Sec. 55)	Gross	\$150,000	\$100,000
Increases by \$100,000 to a total of \$250,000 for ongoing operations for the Conductive Learning Center at Aquinas College.	Restricted	150,000	(150,000)
	GF/GP	\$0	\$250,000
27. Career and Technical Education (CTE) Programs (Sec. 61a)	Gross	\$37,850,300	(\$139,000)
Maintains current funding for CTE program added costs at \$36.6 million. Increases funding from \$79,000 to \$100,000 GF/GP for CTE programs in restaurant management and culinary training. Maintains \$1.0 million for ISDs that received CTE counselor grants, but eliminates \$160,000 SAF for 2 school districts for CTE counselors.	Restricted	37,771,300	(160,000)
	GF/GP	\$79,000	\$21,000
28. Detroit PreCollege Engineering (Sec. 65)	Gross	\$340,000	\$60,000
Increases funding for the Detroit PreCollege Engineering program by \$60,000 to \$400,000 and funds with SAF.	Restricted	0	400,000
	GF/GP	\$340,000	(\$340,000)
29. Online Career Preparation (Sec. 67a)	Gross	\$1,000,000	(\$1,000,000)
Removes this section, which allocated \$1.0 million for an online career preparation tool (MI Bright Future). See Marshall Plan in SB 941.	Restricted	0	0
	GF/GP	\$1,000,000	(\$1,000,000)
30. AP/IB Incentive Program (Sec. 94)	Gross	\$750,000	\$250,000
Increases by \$250,000 to a total of \$1.0 million GF/GP to support reimbursements for Advanced Placement (AP) tests, International Baccalaureate (IB) program registration fees, and, beginning in 2018-19, College-Level Examination Program (CLEP) fees for low-income students. Strikes existing caps on per pupil reimbursements.	Restricted	0	0
	GF/GP	\$750,000	\$250,000
31. Center for Educational Performance and Information (Sec. 94a)	Gross	\$16,409,500	\$140,700
Increases by \$140,700 to \$16.4 million to reflect increased costs of negotiated salary and wage increase (2.0%), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	Federal	193,500	0
	Restricted	0	0
	GF/GP	\$16,216,000	\$140,700
32. FIRST Robotics (Sec. 99h)	Gross	\$2,800,000	\$500,000
Increases by \$500,000 to a total of \$3.3 million and expands to include ISD participation. Expands to include additional robotics programs.	Restricted	2,500,000	500,000
	GF/GP	\$300,000	\$0
33. MiSTEM Centers Reorganization (Secs. 99r and 99s)	Gross	\$12,784,300	(\$1,350,000)
Reduces MiSTEM programming by \$1.4 million bringing it to a total of \$11.4 million. Eliminates FY 2017-18 transition funding, Increases MiSTEM grants by \$200,000, and adds \$750,000 for professional development and curricula development. Eliminates Van Andel Education Institute grant (\$150,000). Rolls in Sec. 99r MiSTEM staff funding.	Federal	4,700,000	(1,200,000)
	Restricted	6,234,300	1,400,000
	GF/GP	\$1,850,000	(\$1,550,000)
34. Online Algebra Tool (Sec. 99t)	Gross	\$1,100,000	\$400,000
Increases by \$400,000 GF/GP for a total of \$1.5 million for the online algebra tool purchased in FY 2017-18, Algebra Nation.	Restricted	0	0
	GF/GP	\$1,100,000	\$400,000
35. Online Mathematics Tool (Sec. 99u)	Gross	\$1,000,000	\$1,000,000
Increases by \$1.0 million GF/GP to a total of \$2.0 million GF/GP. Allocates \$1.5 million for Imagine Math and adds \$500,000 for Imagine Español for Pre-K to 1 st grade.	Restricted	0	0
	GF/GP	\$1,000,000	\$1,000,000
36. Dana Center (Sec. 99v) – NEW	Gross	\$0	\$25,000
Adds \$25,000 GF/GP for a grant to a provider that develops and scales effective innovations to create seamless transitions through the K-14 system for all students, especially the underserved.	Restricted	0	0
	GF/GP	\$0	\$25,000

SCHOOL AID

<u>Major Budget Changes from FY 2017-18 YTD Appropriations</u>		<u>FY 2017-18 YTD (as of 2/7/18)</u>	<u>Enacted Change From YTD</u>
37. Education Assessments (Sec. 104)	Gross	\$40,959,400	(\$2,200,000)
Reduces funding for the online student assessment data reporting tool from \$3.2 million to \$500,000 to reflect the shift from development to maintenance. Increases funding for the Michigan kindergarten entry observation (KEO) tool pilot from \$1.0 million to \$1.5 million and expands to all districts in prosperity regions 2 to 9 by August 2019.	Federal	6,250,000	0
	Restricted	34,709,400	(2,200,000)
	GF/GP	\$0	\$0
38. Digital Literacy Preparation Tools (Sec. 104e)	Gross	\$250,000	(\$250,000)
Eliminates funding for the implementation of a pilot to assess pupil digital literacy skill levels.	Restricted	0	0
	GF/GP	\$250,000	(\$250,000)
39. MPSERS Payments (Secs. 147a, 147c, and 147e)	Gross	\$1,332,853,000	(\$74,414,000)
Decreases total state support for K-12 MPSERS costs by \$74.5 million to a total of \$1.3 billion with the following changes:	Restricted	1,332,170,000	(74,479,000)
<ul style="list-style-type: none">• Eliminates a one-time \$200.0 million additional deposit to accelerate the payoff of the 2010 early retirement incentive. (Sec.147c(2))• Increases state share of UAAL payments by \$71.9 million. (Sec. 147c(1))• Increases state support of higher employer normal costs resulting from the 2nd year of phasing in a reduced assumed rate of return from 8.0% to 7.5% by \$39.2 million. (Sec. 147a(2))• Increases state support of higher defined contribution and hybrid plan costs required under PA 92 of 201 by \$14.5 million. (Sec. 147e)	GF/GP	\$683,000	\$65,000
40. Nonpublic School Reimbursement (Sec. 152b)	Gross	\$2,500,000	(\$2,250,000)
Reduces by \$2.3 million to a total of \$250,000 to reimburse nonpublic schools for the costs of complying with state statutory or administrative rule requirements. Provides work project language.	Restricted	0	0
	GF/GP	\$2,500,000	(\$2,250,000)
41. Other Major Cost Adjustments	Gross	NA	\$17,648,900
Revises the following to reflect updated cost estimates:	Restricted	NA	17,648,900
<ul style="list-style-type: none">• Sec. 11m – Increases Cash Flow Borrowing by \$17.5 million to \$24.0 million.• Sec. 26a – Decreases Renaissance Zone Reimbursements by \$2.0 million to \$15.0 million.• Sec. 26c – Increases Promise Zone Funding by \$1.5 million to \$3.0 million.• Sec. 31d – Increases School Lunch costs by \$648,900 to \$23.1 million.	GF/GP	NA	\$0

Major Boilerplate Changes from FY 2017-18

Sec. 6(4)(h). Cyber School Pupil Membership – REVISED

Adds that under (h), which allows pupil participation to count for being in “regular daily attendance,” for a pupil that utilizes sequential learning, participation means that term as defined by the pupil accounting manual, section 5-o-d: requirements for counting in membership, subsection (10).

Sec. 6(4)(II). Pupil Membership – Shared Time Pupils – REVISED

Caps shared time at 10% growth if shared time exceeds 5% of district non-shared time membership. If shared time is less than 5% of district non-shared time membership, caps it at the greater of either 5% of non-shared time membership or 10% growth in shared time. Adjusts for consolidations/annexations.

Sec. 6(4)(mm). Tuition Charges for Out-of-State Pupils – NEW

Provides that if a district, ISD, or PSA charges tuition for a pupil that resided out-of-state in the immediately preceding school year, the pupil may not be counted in membership in the district, ISD, or PSA.

SCHOOL AID

Major Boilerplate Changes from FY 2017-18

Sec. 15. State Aid Allocation Adjustments – REVISED

Eliminates the option for state Superintendent to waive repayment for district payment deductions resulting from an audit. Revises to allow MDE to conduct audits related to School Aid programs for the prior year rather than the prior 3 years.

Sec. 17c. Grant Process Timeline – NEW

Requires that MDE open the grant application process for grants distributed by September 1; requires MDE to publish grant awards by December 1; and requires that information on grants be placed on the August State Board Agenda.

Sec. 18(12). Virtual Course Cost Report – REVISED

Expands current law requiring districts to report cost information for virtual courses provided through Sec. 21f to include cyber schools, whose courses are not offered through Sec. 21f.

Sec. 19. State and Federal Reporting Requirements – REVISED

In addition to the graduation report information, requires that districts submit data necessary for state and federal accountability reports, both in November and June. Revises the June 30 deadline to the last business day in June. Revises required district appeal process for accountability designations to require MDE to utilize data that was certified as accurate and complete after districts and ISDs have adhered to deadlines, data quality reviews, and correction processes leading to local certification of final student data. Changes to allow districts and ISDs to appeal “any calculation errors used in the preparation of accountability metrics” rather than a designation.

Sec. 21h. Partnership Model Districts – REVISED

Revises as follows: (1) Requires a district receiving funding to craft academic goals that put pupils on track to meet or exceed grade level proficiency; (2) Allows state superintendent to waive burdensome administrative rules for a partnership district while under agreement; and (3) Requires that the annual MDE report to the legislature be in person and, to the extent possible, districts receiving funds under this section must participate.

Sec. 22m. Technology Regional Data Hubs – REVISED

Revises to postpone the promotion of 100% district adoption of technology regional data hubs until September 30, 2020.

Sec. 22p. Partnership District Compliance Requirements – NEW

Adds that to receive the discretionary portion of a partnership district’s foundation allowance, the district must have a signed partnership agreement with measurable academic outcomes to be achieved within 18 and 36 months after the date on which the original agreement was signed and accountability measures to be imposed if the district fails to meet their outcomes and provides that accountability measures may include either school closure or reconstitution. Provides for school reconstitution requirements, which require the district to do all of the following: make significant changes to instruction and non-academic programming; replace at least 25% faculty and staff replacement; and replace the principal unless he or she has been in place less than 3 years (subject to board approval).

Sec. 25e(7). Pupil Transfer Process – Pupils Transferring In and Out of State – REVISED

Revises current requirement that would require CEPI to report on the number of pupils transferring in and out of the state between the count dates in 2018-2019 to instead require CEPI to report on the number of pupils transferring in and out of public schools. Deletes requirement that CEPI discuss the benefits and obstacles to developing a pupil enrollment process to count pupils moving in and out of state between count dates.

Major Boilerplate Changes from FY 2017-18

Sec. 31a. At-Risk Program – REVISED

Condenses MTSS components to the following: (a) Team-based leadership; (b) Tiered delivery system; (c) Selection and implementation of instruction, interventions, and supports; (d) Comprehensive screening and assessment system; and (e) Continuous data-based decision making.

Expands to require that districts comply with MCL 380.1280f and use resources to address early literacy for grades K-12 instead of K-3. Adds focus on numeracy for K-12. Requires a district to implement MTSS in grades K-12 instead of 4-8. Maintains current accountability measures for Grade 3 ELA and Career- and College-readiness and adds one for Grade 8 math to reflect its addition to the program purpose in FY 2017-18. Adds that 50% of at-risk students achieving at least one year's growth in the applicable subject and grade satisfies the requirement. Revises so that if one of three metrics is not met then 1/3 of funds would have to be redirected for each rather than 1/2 to recognize the inclusion of a third metric.

Increases amount that may be used on professional development to 5% and expands to include implementing a coaching model that supports the MTSS framework.

Requires that schoolwide reforms funded under this section must be guided by district's comprehensive needs assessment and must feature parent and community supports, activities, and services, which may include Pathways to Potential or Communities in Schools programs.

Sec. 32d. Great Start Readiness Program – REVISED

Requires MDE to implement a process to evaluate and approve age-appropriate educational curricula that are in compliance with the early childhood standards of quality for prekindergarten children adopted by the state board of education. Provides that MDE must reimburse a community-based provider for transportation costs (up to the existing \$300 per child cap) for parent- or guardian-accompanied transportation through private companies, buses, or other public transportation.

Sec. 32p. Early Childhood Block Grants – REVISED

Expands goals of Home Visit program to include improving positive parenting practices and improving family economic self-sufficiency while reducing the impact of high risk factors through community resources and referrals.

Sec. 35a. Early Literacy – REVISED

Requires the State Superintendent to designate people employed or contracted with funds from this section as critical shortage for the purposes of allowing retirees to work without reducing their pensions under the Public School Employees Retirement Act, MCL 38.1361. Additionally, adds that by November 1, 2018 a district that receives funding under this section shall report the following: school and grades that were served along with services provided and entity providing each service; pupil proficiency and growth data, both in the aggregate and by subgroup for school, grade, gender, race, ethnicity, economically disadvantaged status, disability, and identification as having reading deficiencies. Revises MTSS program components to mirror the revisions in Sec. 31a.

Sec. 39. GSRP Per-Pupil Allocation Formula – REVISED

Revises to prohibit the application for receiving GSRP funds from requiring an eligible applicant to amend its current accounting cycle or adopt the state fiscal year accounting cycle for financial transactions under Secs. 32d and 39.

Sec. 61d. Per-Pupil Incentive Payment – NEW

Defines a CTE program that qualifies for the additional \$25 payments for critical skills programs as one classified under any of the following CIP codes:

- (i) 01 – Agriculture
- (ii) 03 – Natural Resources and Conservation
- (iii) 10 through 11 – Communications Technologies and Computer and Information Sciences
- (iv) 14 through 15 – Engineering and Engineering technologies and related fields
- (v) 26 – Biological and Biomedical Sciences
- (vi) 46 through 48 – Construction Trades, Mechanic and Repair Technologies, and Precision Production
- (vii) 51 – Health Professions and related programs.

Sec. 104b. Michigan Merit Examination (MME) – REVISED

Revises to require MDE to include scores for the statewide assessment and graduation rates for consortium pupils with the scores for the school building in the participating district in which the consortium pupil is enrolled or would otherwise attend. A consortium pupil would be defined as a pupil who enrolled or participated in a district or program operated as a consortium or under a cooperative arrangement formed by two or more districts or ISDs, including but not limited to, a consortium or cooperative arrangement operated as a program, a shared educational entity, a specialized education entity, or a special education center program.

SCHOOL AID

Major Boilerplate Changes from FY 2017-18

Sec. 104c. State Assessments – REVISED

Moves state assessment for science from grades 4 and 7 to 5 and 8. Requires that MDE offer districts benchmark assessments for grades K to 2, but deletes requirement that MDE approve at least 3 benchmark assessments for district use for grades 3-7. Also requires the summative assessments for ELA and math for pupils in grades 8 to 10 to be aligned to the college entrance test portion of the Michigan Merit examination.

Sec. 104d. Computer Adaptive Tests – REVISED

Expands to require that by December 1, 2018 districts receiving funds report to MDE which tests, tools, and assessments were purchased; and requires that MDE compile that data and report to the Legislature by February 1, 2019. Adds that districts seeking reimbursement for a benchmark assessment shall commit to using the same benchmark assessment for no less than 3 years without switching to another benchmark assessment.

Sec. 163. Educator Certification Requirements – REVISED

Revises to replace references to noncertificated teachers with updated references to Revised School Code requirements for educator certification.

Sec. 164h. Collective Bargaining Agreement Penalty – REVISED

Revises to clarify that requiring compliance with the compensation method in MCL 380.1250 shall not be construed to affect the operation of either MCL 423.215(3)(o), which prohibits collective bargaining on compensation methods among other things, the operation of MCL 380.1231, which provides for a school board to approve teacher contracts with specified wages, or the requirement to confer in good faith with respect to wages under MCL 423.215(1).

Sec. 166b. Shared-Time Instruction for Nonpublic Pupils – REVISED

Requires that an applicable curricular offering include optional experiences associated with the curricular offering, and that the optional experience must also be available to the district’s full-time pupils in the same grade level or age group. Requires the following:

- (a) That a district ensure that all individuals that have student contact as part of a course offered under Sec. 166b have not been convicted of sexual misconduct and receive the same criminal history and criminal records checks as employees of the district as required by state statute.
- (b) That a district ensure that if a course offered under Sec. 166b has an associated optional experience, it must be offered on a schedule to make it fully available to the majority of pupils in the district in the same grade level or age groups as the pupils participating in the course under Sec. 166b.
- (c) That the district provide MDE information necessary to quantify the following:
 - (i) A complete listing of all courses in which students reported for membership in the district have been served.
 - (ii) Course enrollments by each participant using local coding and the school codes for the exchange of data (SCED).
 - (iii) Identification of the course teacher or mentor.

Sec. 169a. Michigan Schools for the Deaf and Blind (MSDB) – REVISED

Revises language that currently prohibits a district or ISD from interfering with MSDB’s right or ability to provide information to instead require that a district or ISD “shall provide any information received from MSDB” to parents and guardians of children who are deaf, deaf-blind, or hard of hearing to any residents of the district or ISD who request information. Adds that a district or ISD that violates this section shall forfeit 5% of its total state aid under this article.

<u>FY 2017-18 Supplemental Appropriations</u>		<u>FY 2017-18 YTD (as of 2/7/18)</u>	<u>FY 2017-18 Supplemental Change</u>
1. GF/GP and SAF Revenue Shift	Gross	NA	\$0
Shifts \$136.5 million from GF/GP to SAF.	Restricted	NA	136,500,000
	GF/GP	NA	(\$136,500,000)
2. Cash Flow Borrowing (Sec. 11m)	Gross	\$6,500,000	\$11,500,000
Increases by \$11.5 million SAF to a total of \$18.0 million to reflect updated cost estimates for the interest costs of inter-fund borrowing between the School Aid Fund and the General Fund to balance the timing of revenue collections and required state aid payments.	Restricted	6,500,000	11,500,000
	GF/GP	\$0	\$0
3. Foundation Allowances (Secs. 22a and 22b)	Gross	\$9,219,300,000	(\$14,300,000)
Reduces by \$14.3 million SAF to a total of \$9.2 billion to reflect May consensus cost estimates.	Restricted	9,073,560,500	(14,300,000)
	GF/GP	\$145,739,500	\$0

SCHOOL AID

FY 2017-18 Supplemental Appropriations		FY 2017-18 YTD (as of 2/7/18)	FY 2017-18 Supplemental Change
4. Consolidation Innovation Grants (Sec. 22g)	Gross	\$0	\$2,800,000
Re-appropriates \$2.8 million SAF for FY 2017-18 to FY 2016-17 grant recipients for whom the funds lapsed before funding was distributed.	Restricted	0	2,800,000
	GF/GP	\$0	\$0
5. Court-Placed Pupils (Sec. 24)	Gross	\$8,000,000	(\$850,000)
Reduces funding by \$850,000 SAF to a total of \$7,150,000 for reimbursements to districts or ISDs for pupils under court jurisdiction placed in or assigned to attend a juvenile detention facility or child caring institution.	Restricted	8,000,000	(850,000)
	GF/GP	\$0	\$0
6. Strict Discipline Academy (Sec. 25f)	Gross	\$750,000	\$850,000
Increases by \$850,000 SAF to a total of \$1.6 million for the added costs of educating strict discipline academy pupils. Revises to require that any unexpended funds remaining after the first distribution be distributed to SDAs on an equal per-pupil basis, not to exceed an SDA's added cost.	Restricted	750,000	850,000
	GF/GP	\$0	\$0
7. Renaissance Zone Reimbursements (Sec. 26a)	Gross	\$17,000,000	(\$2,000,000)
Reduces reimbursement payments by \$2.0 million SAF to a total of \$15.0 million. Estimated reimbursement payments required by statute have decreased due to recent Personal Property Tax reform.	Restricted	17,000,000	(2,000,000)
	GF/GP	\$0	\$0
8. Promise Zone Funding (Sec. 26c)	Gross	\$1,500,000	\$100,000
Increases by \$100,000 SAF to a total of \$1.6 million for required funds for districts and ISDs with approved Promise Zone development plans for the purposes of the local Promise Zone Authority.	Restricted	1,500,000	100,000
	GF/GP	\$0	\$0
9. School Lunch Programs (Sec. 31d)	Gross	\$22,495,100	\$306,900
Increases by \$306,900 SAF to ensure the state meets its obligation under <i>Durant v. State of Michigan</i> to fund 6.0127% of school lunch programs, bringing total to \$22.8 million SAF and \$532.2 million Federal.	Restricted	22,495,100	306,900
	GF/GP	\$0	\$0
10. Special Education (Secs. 51a, 51c, 51d, 53a, 54, and 56)	Gross	\$1,387,746,100	\$4,200,000
Increases by \$4.2 million SAF to reflect revised consensus cost estimates based on actual FY 2016-17 year-end special education costs data. Total estimated special education costs for FY 2017-18 are \$1.4 billion. Updates Sec. 56 special education millage equalization amounts per pupil.	Federal	431,000,000	0
	Restricted	956,246,100	4,200,000
	GF/GP	\$500,000	\$0
11. CTE Planning Grant (Sec. 61e)	Gross	\$0	\$250,000
Adds \$250,000 SAF to St. Joseph School District for regional CTE planning to deliver joint CTE programs to urban and rural youth.	Restricted	0	250,000
	GF/GP	\$0	\$0
12. Vocational Education Millage Equalization (Sec. 62)	Gross	\$9,190,000	\$0
Updates to reflect updated taxable value data.	Restricted	9,190,000	0
	GF/GP	\$0	\$0
13. Advanced Placement Incentives (Sec. 94)	Gross	\$750,000	\$0
Removes the cap on the amount the state may pay for Advanced Placement (AP) test fees (\$20) and International Baccalaureate (IB) registration fees (\$150) for low-income students.	Restricted	0	0
	GF/GP	\$750,000	\$0
14. FIRST Robotics (Sec. 99h)	Gross	\$2,800,000	\$500,000
Adds \$500,000 to the FIRST Robotics competition grants, bringing it to \$3.3 million. Adds work project language.	Restricted	2,500,000	500,000
	GF/GP	\$300,000	\$0
15. State Assessments (Sec. 104)	Gross	\$40,959,400	(\$5,000,000)
Reduces assessment funding by \$5.0 million due to available work project funding from FY 2016-17.	Federal	6,250,000	0
	Restricted	34,709,400	(5,000,000)
	GF/GP	\$0	\$0

SCHOOL AID

<u>FY 2017-18 Supplemental Appropriations</u>		FY 2017-18 YTD (as of 2/7/18)	FY 2017-18 Supplemental Change
16. Digital Learning Preparation (Sec. 104e)	Gross	\$250,000	\$0
Reduces the required number of districts with which the contract recipient participates from 220 to 50.	Restricted	0	0
	GF/GP	\$250,000	\$0
17. Nonpublic Schools Reimbursements (Sec. 152b)	Gross	\$2,500,000	\$0
Adds work project language for funds appropriated in FY 2017-18.	Restricted	0	0
	GF/GP	\$2,500,000	\$0

FY 2017-18 Supplemental Boilerplate Changes

Sec. 31m. School Mental Health and Support Services Fund – NEW

Creates the School Mental Health and Support Services Fund as a subaccount of the School Aid Fund. Money in the fund requires an appropriation to be expended. Provides that money in the fund at the end of a fiscal year does not lapse. Deposits \$30,000,000 SAF into the fund for FY 2017-18.

Sec. 167b. School Violence Tip Line Report – NEW

Adds that not later than August 1, a district or ISD that operates a tip line must report annually to the Attorney General including whether the tip line operates 24 hours a day, whether it is connected to local law enforcement, and the type and duration required for personnel that operate the tip line. Also requires that each district must designate at least 1 and not more than 2 staff and provide the Attorney General with their contact information at which they can be contacted 24 hours a day, 365 days a year.

SCHOOL AID LINE ITEM SUMMARY



Sec.		FY 2017-18			FY 2018-19	
		YTD PA 143 of 2017 Supplemental	Change from YTD	FY 18 PA 265 of 2018	Change from FY 18 YTD	FY 19 PA 265 of 2018
11j	School Bond Redemption Fund	\$125,500,000		\$125,500,000		\$125,500,000
11m	Cash Flow Borrowing Costs	\$6,500,000	\$11,500,000	\$18,000,000	\$17,500,000	\$24,000,000
11s	Flint Declaration of Emergency	\$8,730,100		\$8,730,100	(\$5,500,000)	\$3,230,100
20f	Categorical Offset Payments	\$18,000,000		\$18,000,000		\$18,000,000
21h	Partnership Model Districts	\$6,000,000		\$6,000,000	\$1,000,000	\$7,000,000
21j	Marshall Plan - Competency Programs (Sec. 303)	\$500,000		\$500,000	(\$500,000)	\$0
22a	Foundations: Proposal A Obligation Payment	\$5,181,800,000	(\$5,800,000)	\$5,176,000,000	(\$74,800,000)	\$5,107,000,000
22b	Foundations: Discretionary Payment	\$4,037,500,000	(\$8,500,000)	\$4,029,000,000	\$286,500,000	\$4,324,000,000
22d	Isolated District Funding	\$5,000,000		\$5,000,000	\$1,000,000	\$6,000,000
22g	Consolidation Innovation Grants	\$0	\$2,800,000	\$2,800,000		\$0
22m	Technology Regional Data Hubs	\$2,200,000		\$2,200,000		\$2,200,000
22n	High School Per-Pupil Bonus	\$11,000,000		\$11,000,000		\$11,000,000
24	Court-Placed Pupils	\$8,000,000	(\$850,000)	\$7,150,000	(\$850,000)	\$7,150,000
24a	Juvenile Detention Facility Programs	\$1,339,000		\$1,339,000	\$16,700	\$1,355,700
24c	Youth ChalleNge Program	\$1,528,400		\$1,528,400	\$97,000	\$1,625,400
25f	Strict Discipline Academy	\$750,000	\$850,000	\$1,600,000	\$850,000	\$1,600,000
25g	Dropout Recovery Programs	\$750,000		\$750,000		\$750,000
25h	Jobs for Michigan Grads - NEW	\$0		\$0	\$100,000	\$100,000
26a	Renaissance Zone Reimbursement	\$17,000,000	(\$2,000,000)	\$15,000,000	(\$2,000,000)	\$15,000,000
26b	PILT Reimbursement	\$4,405,100		\$4,405,100		\$4,405,100
26c	Promise Zone Funding	\$1,500,000	\$100,000	\$1,600,000	\$1,500,000	\$3,000,000
31a	At-Risk Pupil Support	\$499,000,000		\$499,000,000		\$499,000,000
31a(7)	School-Based Health Centers	\$6,057,300		\$6,057,300		\$6,057,300
31a(8)	Hearing and Vision Screening	\$5,150,000		\$5,150,000		\$5,150,000
31b	Year-round Instruction Grants	\$1,500,000		\$1,500,000	(\$750,000)	\$750,000
31d	State School Lunch Programs	\$22,495,100	\$306,900	\$22,802,000	\$648,900	\$23,144,000
31d	Federal School Lunch Programs	\$523,200,000		\$523,200,000		\$523,200,000
31f	School Breakfast Program	\$4,500,000		\$4,500,000		\$4,500,000
31j	Local Produce in School Meals	\$375,000		\$375,000	\$200,000	\$575,000
32d	Great Start Readiness Program	\$243,900,000		\$243,900,000		\$243,900,000
32p	Early Childhood Block Grants	\$13,400,000		\$13,400,000		\$13,400,000
32q	Early Learning Cooperative	\$175,000		\$175,000		\$175,000
35	Early Literacy Implementation	\$1,000,000		\$1,000,000	(\$1,000,000)	\$0
35a(4)	Early Literacy Teacher Coaches	\$6,000,000		\$6,000,000	\$1,000,000	\$7,000,000
35a(5)	Early Literacy Added Instructional Time	\$20,900,000		\$20,900,000	(\$1,000,000)	\$19,900,000
35a(6)	Early Literacy - Michigan Education Corps	\$2,500,000		\$2,500,000	\$0	\$2,500,000
35a(7)	Summer Reading Project - NEW	\$0		\$0	\$500,000	\$500,000
35b	District and Dyslexia Center Collaboration Grant - NEW	\$0		\$0	\$250,000	\$250,000
39a(1)	Federal NCLB/ESSA Grant Funds	\$731,600,000		\$731,600,000	(\$1,000,000)	\$730,600,000
39a(2)	Other Federal Funding	\$30,000,000		\$30,000,000		\$30,000,000
41	English Language Learner Grants	\$6,000,000		\$6,000,000		\$6,000,000
51a(1)	Special Education - Federal Reimbursement	\$370,000,000		\$370,000,000		\$370,000,000
51a(2)	Special Ed ISD Foundation and Costs	\$264,200,000	\$2,700,000	\$266,900,000	\$8,900,000	\$273,100,000
51a(3)	Special Ed ISD Hold Harmless Payment	\$1,000,000	\$300,000	\$1,300,000	\$300,000	\$1,300,000
51a(6)	Special Ed Admin Rules Changes	\$2,200,000		\$2,200,000		\$2,200,000
51a(11)	Special Ed Foundations for Non Sec. 52 to ISDs	\$3,600,000	(\$400,000)	\$3,200,000	(\$200,000)	\$3,400,000
51a(16)	Special Ed ISD Compliance Reimbursement	\$500,000		\$500,000		\$500,000
51c	Special Ed Headlee Obligation (Durant)	\$635,300,000	\$1,600,000	\$636,900,000	\$15,700,000	\$651,000,000
51d	Special Education - Other Federal Grants	\$61,000,000		\$61,000,000		\$61,000,000
53a	Special Ed for Court Placed Pupils	\$10,500,000		\$10,500,000		\$10,500,000
54	Special Ed Michigan School Blind/Deaf	\$1,688,000		\$1,688,000		\$1,688,000
54b	Special Education Task Force Reforms (MiBLSI)	\$1,600,000		\$1,600,000		\$1,600,000
54d	Spec. Ed. Task Force - Early On - NEW	\$0		\$0	\$5,000,000	\$5,000,000
55	Conductive Learning Study	\$150,000		\$150,000	\$100,000	\$250,000
56	Special Ed ISD Millage Equalization	\$37,758,100		\$37,758,100	\$2,250,000	\$40,008,100
61a	Career & Tech Ed Programs	\$37,850,300		\$37,850,300	(\$139,000)	\$37,711,300
61b	Career & Tech Ed Early/Middle College	\$8,000,000		\$8,000,000		\$8,000,000
61c	Marshall Plan - Career & Tech Ed Equipment (Sec. 305)	\$12,500,000		\$12,500,000	(\$10,000,000)	\$2,500,000
61d	CTE Incentive Payment - NEW	\$0		\$0	\$5,000,000	\$5,000,000
61e	CTE Planning Grant - NEW	\$0	\$250,000	\$250,000		\$0
62	ISD Career & Tech Ed Millage Equalization	\$9,190,000		\$9,190,000		\$9,190,000
64b	Dual Enrollment Incentive Payments	\$1,750,000		\$1,750,000		\$1,750,000
64d	Information Technology Certifications	\$2,300,000		\$2,300,000	\$0	\$2,300,000
65	Detroit PreCollege Engineering	\$340,000		\$340,000	\$60,000	\$400,000
67	Career and College Readiness Tools	\$3,000,000		\$3,000,000		\$3,000,000

SCHOOL AID LINE ITEM SUMMARY



Sec.		FY 2017-18			FY 2018-19	
		YTD PA 143 of 2017 Supplemental	Change from YTD	FY 18 PA 265 of 2018	Change from FY 18 YTD	FY 19 PA 265 of 2018
67a	Marshall Plan - Online Career Preparation (Sec. 311)	\$1,000,000		\$1,000,000	(\$1,000,000)	\$0
74	School Bus Driver Safety Instruction	\$2,025,000		\$2,025,000		\$2,025,000
74	School Bus Inspections	\$1,705,300		\$1,705,300	\$24,600	\$1,729,900
81	ISD General Operations Support	\$67,108,000		\$67,108,000	\$1,345,000	\$68,453,000
94	AP/IB Incentive Program	\$750,000		\$750,000	\$250,000	\$1,000,000
94a	Center for Educational Performance and Information	\$16,216,000		\$16,216,000	\$140,700	\$16,356,700
94a	Center for Educational Performance and Info - Federal	\$193,500		\$193,500		\$193,500
95b	Statewide Evaluation Tool	\$2,500,000		\$2,500,000		\$2,500,000
98	Michigan Virtual University	\$7,387,500		\$7,387,500		\$7,387,500
99h	FIRST Robotics	\$2,800,000	\$500,000	\$3,300,000	\$500,000	\$3,300,000
99k	Marshall Plan - Cyber Security (Sec. 308)	\$500,000		\$500,000	(\$500,000)	\$0
99r	MiSTEM Staff	\$250,000		\$250,000	\$50,000	\$300,000
99s(2)(3)	MiSTEM Council and Grants - Council	\$2,900,000		\$2,900,000	\$150,000	\$3,050,000
99s(4)	MiSTEM Grants - Math and Science Centers - State	\$3,299,300		\$3,299,300	(\$3,299,300)	\$0
99s(4)	MiSTEM Grants - Math and Science Centers - Federal	\$4,700,000		\$4,700,000	(\$1,200,000)	\$3,500,000
99s(5)(6)	MiSTEM Centers Transition	\$1,485,000		\$1,485,000	\$3,099,300	\$4,584,300
99s(13)	MiSTEM Grants - Van Andel Education Institute	\$150,000		\$150,000	(\$150,000)	\$0
99t	Online Algebra Tool	\$1,100,000		\$1,100,000	\$400,000	\$1,500,000
99u	Online Mathematics Tool/Spanish	\$1,000,000		\$1,000,000	\$1,000,000	\$2,000,000
99v	Dana Center - NEW	\$0		\$0	\$25,000	\$25,000
102d	Financial Data Analysis Tools	\$1,500,000		\$1,500,000		\$1,500,000
104	Education Assessments - State	\$34,709,400	(\$5,000,000)	\$29,709,400	(\$2,200,000)	\$32,509,400
104	Education Assessments - Federal	\$6,250,000		\$6,250,000		\$6,250,000
104d	Computer Adaptive Test	\$4,000,000		\$4,000,000	\$5,200,000	\$9,200,000
104e	Digital Learning Prep	\$250,000		\$250,000	(\$250,000)	\$0
107	Adult Education	\$27,000,000		\$27,000,000	\$3,500,000	\$30,500,000
147a	MPSERS Cost Offset	\$100,000,000		\$100,000,000		\$100,000,000
147a(2)	MPSERS Normal Cost Offset	\$48,969,000		\$48,969,000	\$39,170,000	\$88,139,000
147c(1)	MPSERS State Share of Unfunded Liability Payments	\$960,784,000		\$960,784,000	\$71,916,000	\$1,032,700,000
147c(2)	MPSERS One-time Unfunded Liability Payment	\$200,000,000		\$200,000,000	(\$200,000,000)	\$0
147e	MPSERS SB 401 Added Costs	\$23,100,000		\$23,100,000	\$14,500,000	\$37,600,000
152a	Adair - Database Payment	\$38,000,500		\$38,000,500		\$38,000,500
152b	Nonpublic School Reimbursement	\$2,500,000		\$2,500,000	(\$2,250,000)	\$250,000
TOTAL APPROPRIATIONS		\$14,584,313,900	(\$1,643,100)	\$14,582,670,800	\$181,154,900	\$14,765,468,800

REVENUE BY SOURCE						
Federal Aid	\$1,726,943,500	\$0	\$1,726,943,500	(\$2,200,000)	\$1,724,743,500	
School Aid Fund	\$12,547,270,300	\$134,856,900	\$12,682,127,200	\$329,554,900	\$12,876,825,200	
MPSERS retirement obligation reform Reserve Fund	\$23,100,000	\$0	\$23,100,000	\$8,800,000	\$31,900,000	
Community District Trust Fund/Other Restricted Fund	\$72,000,100	\$0	\$72,000,100	\$0	\$72,000,100	
Marshall Plan - Talent Investment Fund					\$0	
General Fund/General Purpose	\$215,000,000	(\$136,500,000)	\$78,500,000	(\$155,000,000)	\$60,000,000	
TOTAL REVENUE	\$14,584,313,900	(\$1,643,100)	\$14,582,670,800	\$181,154,900	\$14,765,468,800	

DEPARTMENT OF STATE POLICE
Summary of FY 2018-19 Enacted Appropriations
Article XVI, 2018 Public Act 207 (Senate Bill 848)

Analyst: Kent Dell

	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	Difference: Enacted From FY 2017-18 YTD	
						Amount	%
IDG/IDT	\$26,221,600	\$24,728,300	\$24,748,300	\$24,748,300	\$24,748,300	(\$1,473,300)	(5.6)
Federal	83,686,500	78,223,600	78,297,900	78,297,900	78,297,900	(5,388,600)	(6.4)
Local	5,835,200	5,146,800	5,146,800	5,146,800	5,146,800	(688,400)	(11.8)
Private	178,100	115,000	115,000	115,000	115,000	(63,100)	(35.4)
Restricted	143,423,700	148,698,200	174,103,700	149,103,700	149,103,700	5,680,000	4.0
GF/GP	439,601,700	454,902,800	480,302,800	459,972,900	459,047,800	19,446,100	4.4
Gross	\$698,946,800	\$711,814,700	\$762,714,500	\$717,384,600	\$716,459,500	\$17,512,700	2.5
FTEs	3,441.0	3,493.0	3,493.0	3,494.0	3,521.0	80.0	2.3

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Michigan Department of State Police (MSP) is the state's primary law enforcement and emergency response authority, responsible for criminal law enforcement and investigation, traffic and motor carrier safety, and homeland security; in addition to the administration and implementation of various state programs, technologies, and specialized services intended to enhance the capabilities and coordination of federal, state, and local law enforcement agencies, the criminal justice system, and the entire public safety community.

Major Budget Changes from FY 2017-18 YTD Appropriations

		FY 2017-18 YTD (as of 2/7/18)	Enacted Change From YTD
1. FY 2017-18 Trooper Recruit School – Administrative Annualization Costs	Gross	NA	\$3,511,200
	GF/GP	NA	\$3,511,200
Includes \$3.5 million GF/GP to support various department-wide expenses such as fleet leasing, equipment, and IT support costs related to the 150 new Troopers expected to graduate from the FY 2017-18 Trooper Recruit School, which is expected to begin in the summer of 2018.			
2. FY 2017-18 Trooper Recruit School – Salary and Benefits Annualization Costs	FTE	2,002.5	0.0
	Gross	\$295,480,300	\$16,755,900
	Federal	383,700	0
	Restricted	38,666,200	0
	GF/GP	\$256,430,400	\$16,755,900
Includes \$16.8 million GF/GP to support the full-year costs of salaries and benefits of the 150 new Troopers expected to graduate from the FY 2017-18 Trooper Recruit School, which is expected to begin in the summer of 2018.			
3. FY 2018-19 Trooper Recruit School (One-Time)	Gross	NA	\$4,751,300
	GF/GP	NA	\$4,751,300
Includes \$4.8 million GF/GP one-time funding to support the training costs of the FY 2018-19 Trooper Recruit School, which is expected to graduate 50 new Troopers and begin in January 2019.			
4. FY 2018-19 Trooper Recruit School – Administrative Costs	Gross	\$40,942,200	\$722,100
	IDG/IDT	211,800	0
	Federal	268,000	0
	Restricted	3,338,700	0
	GF/GP	\$37,123,700	\$722,100
Includes \$722,100 GF/GP to support the department-wide, fleet leasing, and other partial-year administrative costs of the FY 2018-19 Trooper Recruit School, which is expected to graduate 75 new Troopers and begin in January 2019.			

STATE POLICE

<u>Major Budget Changes from FY 2017-18 YTD Appropriations</u>		FY 2017-18 YTD (as of 2/7/18)	Enacted Change From YTD
5. FY 2018-19 Trooper Recruit School – Salaries, Benefits, and Administrative Costs		FTE	75.0
Includes \$3.4 million GF/GP to support the partial-year salaries and benefits of the 75 new Troopers expected to graduate from the FY 2018-19 Trooper Recruit School, which is expected to begin in January 2019.		Gross	\$295,480,300
		Federal	0
		Restricted	0
		GF/GP	\$3,396,600
6. FY 2018-19 Trooper Recruit School – Attrition School (One-Time)		Gross	NA
Includes \$3.0 million GF/GP one-time funding to support training and equipping 80 new Troopers that will replace personnel lost due to attrition. Ongoing salary, benefits, and administrative costs for the graduates will be supported by existing appropriations.		GF/GP	\$3,000,000
7. Medical Marihuana Regulation – Annualization Costs		Gross	NA
Includes \$2.9 million state restricted revenues from the Medical Marihuana Regulatory Fund to support the department-wide salary and benefits, fleet, and administrative costs of 51 medical marihuana regulation positions created in FY 2017-18.		Restricted	2,924,200
		GF/GP	\$0
8. Medical Marihuana – MCOLES Administration		FTE	0.0
Includes \$2.5 million state restricted from the Medical Marihuana Regulatory Fund to support the Michigan Commission on Law Enforcement Standards administrative costs, and reduce reliance on Michigan Justice Training Fund revenues, pursuant to 2016 PA 302.		Gross	\$9,889,100
		Federal	0
		Restricted	2,500,000
		GF/GP	\$0
9. Medical Marihuana – Standardized Field Sobriety Test		FTE	0.0
Includes \$900,000 state restricted from the Medical Marihuana Regulatory Fund to support State Police Investigative Services in the implementation and administration of a standardized field sobriety test to assess individuals for intoxication, in accordance with 2016 PA 281.		Gross	\$33,824,800
		IDG/IDT	0
		Federal	0
		Local	0
		Restricted	900,000
		GF/GP	\$0
10. Wage Increase – Lieutenants and Laboratory Managers		Gross	NA
Includes \$935,600 Gross (\$822,300 GF/GP) to support wage increases for State Police Lieutenants and Laboratory Managers to improve recruitment and retention of personnel in these positions. Wage increases for these positions were recommended by the Office of the State Employer and finalized by the Civil Service Commission in December 2017.		IDG/IDT	8,000
		Federal	33,400
		Restricted	71,900
		GF/GP	\$822,300
11. Sexual Assault Evidence Kit Tracking and Reporting System		FTE	1.0
Includes \$158,900 GF/GP and 1.0 FTE to annualize the department-wide development and implementation costs of the Sexual Assault Evidence Kit Tracking and Reporting System included in supplemental appropriations 2017 PA 158.		Gross	NA
		GF/GP	\$158,900
12. Cyber Crime Unit Expansion		FTE	5.0
Includes \$618,400 GF/GP and 5.0 FTEs to provide for administration and support for the operations of the Michigan Cyber Command Center.		Gross	\$24,804,000
		IDG/IDT	0
		Restricted	0
		GF/GP	\$618,400
13. Public Safety Officers Benefit Program		FTE	0.0
Includes \$150,000 GF/GP to support one-time \$25,000 payments to survivors of public safety officers killed or totally and permanently disabled in the line of duty.		Gross	\$151,100
		GF/GP	\$150,000

Major Budget Changes from FY 2017-18 YTD Appropriations		FY 2017-18 YTD (as of 2/7/18)	Enacted Change From YTD
14. Equipment Lifecycle Replacement	FTE	2,002.5	0.0
Includes \$1.3 million GF/GP to support the implementation of a six-year lifecycle replacement schedule for vehicle-mounted cameras.	Gross	\$295,480,300	\$1,252,500
	Federal	383,700	0
	Restricted	38,666,200	0
	GF/GP	\$256,430,400	\$1,252,500
15. Sexual Assault Prevention and Education Initiative (One-Time)	Gross	\$600,000	\$400,000
Includes \$400,000 GF/GP one-time funding to provide for grants to higher education institutions to support on-campus sexual assault prevention and education programs and projects. Increases total one-time grant funds to \$1.0 million.	GF/GP	\$600,000	\$400,000
16. Forensic Science – Equipment Maintenance, Lifecycle Replacement, and Investment in Emergent Technology	FTE	270.0	0.0
Includes \$500,000 GF/GP to support forensic science equipment maintenance and lifecycle replacement, as well as to allow for investment in new forensic testing equipment.	Gross	\$43,876,100	\$500,000
	Federal	4,192,400	0
	Restricted	10,177,100	0
	GF/GP	\$29,506,600	\$500,000
17. Forensic Science – Overtime Reduction Cost Savings	FTE	270.0	0.0
Realizes costs savings of \$274,400 GF/GP resulting from a reduction in overtime costs due to new forensic scientists finishing training and increasing staffing levels.	Gross	\$43,876,100	(\$274,400)
	Federal	4,192,400	0
	Restricted	10,177,100	0
	GF/GP	\$29,506,600	(\$274,400)
18. OK2SAY – Additional Support Personnel	FTE	NA	3.0
Includes \$500,000 GF/GP and 3.0 FTEs to support the OK2SAY call center (\$350,000 GF/GP and 2.0 FTEs) and program operations (\$150,000 GF/GP and 1.0 FTE).	Gross	NA	\$500,000
	GF/GP	NA	\$500,000
19. OK2SAY – Information Technology Upgrade Placeholder	Gross	NA	\$100
Includes a \$100 one-time GF/GP placeholder for future funding to upgrade OK2SAY program-related software.	GF/GP	NA	\$100
20. Impaired Driving Safety Commission Fund – Removal	Gross	\$250,000	(\$250,000)
Removes \$250,000 GF/GP and eliminates the funding for the Impaired Driving Safety Commission Fund. 2016 PA 350 includes a sunset provision, whereby the act is repealed upon the Impaired Driving Safety Commission's final report being issued or upon two years after the Act's effective date, which would occur on March 21, 2019.	GF/GP	\$250,000	(\$250,000)
21. Emergency Management and Homeland Security – FTE Reduction	FTE	67.0	(3.0)
Removes \$392,400 and 3.0 FTEs from the Emergency Management and Homeland Security Division. This adjustment approximately halves the FY 2017-18 increase in order to reprioritize GF/GP funding elsewhere.	Gross	\$16,021,800	(\$392,400)
	Federal	11,952,400	0
	GF/GP	\$4,069,400	(\$392,400)
22. Remove FY 2017-18 One-Time Appropriations	Gross	\$20,721,200	(\$19,396,200)
Removes the following FY 2017-18 one-time appropriations:	GF/GP	\$20,721,200	(\$19,396,200)
• Advanced 9-1-1 (\$2.2 million GF/GP)			
• Disaster and Emergency Contingence Fund deposit (\$5.0 million GF/GP)			
• Equipment Lifecycle Replacement (\$1.0 million GF/GP)			
• Fair and Impartial Policing Training Grants (\$980,000 GF/GP)			
• Forensic Science (\$730,000 GF/GP)			
• Law Enforcement Job Task Analysis (\$200,000 GF/GP)			
• FY 2017-18 Trooper Recruit School (\$9.3 million GF/GP)			

STATE POLICE

<u>Major Budget Changes from FY 2017-18 YTD Appropriations</u>	<u>FY 2017-18 YTD</u>	<u>Enacted Change</u>
	<u>(as of 2/7/18)</u>	<u>From YTD</u>
23. Technical Adjustments	FTE	NA (1.0)
Removes supplemental appropriations, and administrative transfers; aligns authorizations with expected revenues from IDG/IDT, federal, local, private, and state restricted sources; reclassifies 9-1-1 related revenue between IDG/IDT and state restricted sources; adjusts FY 2017-18 lump-sum payment removals; includes department requested technical adjustments to account for changes included in 2018 PA 51 and Legislative Transfer Request 2018-3; and provides for various internal transfers, including a net-zero consolidation of the commercial vehicle regulation and commercial vehicle enforcement programs into a single line item.	Gross	NA (\$9,937,900)
	IDG/IDT	NA (1,698,500)
	Federal	NA (5,699,700)
	Local	NA (716,000)
	Private	NA (63,100)
	Restricted	NA (1,601,600)
	GF/GP	NA (\$159,000)
24. Economic Adjustments	Gross	NA \$4,786,800
Reflects increased costs of \$4.8 million Gross (\$3.4 GF/GP) for negotiated salary and wage increases (2.0% ongoing), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG/IDT	NA 217,200
	Federal	NA 277,700
	Local	NA 27,600
	Restricted	NA 885,500
	GF/GP	NA \$3,378,800

Major Boilerplate Changes from FY 2017-18

Sec. 223. Training and Publication Fees – NEW

Allows MSP to establish and collect fees to defray the printing and mailing costs for the distribution of publications, videos and related materials; and the costs of workshops and conferences. Forbids MSP from collecting fees in excess of the costs of the activities provided in this section.

Sec. 407. School Safety Grants and Inspections – NEW

Includes annual reporting requirements for school safety grants and improvements, incidents of school violence, OK2SAY activities, and best practices for safety measures at schools.

Sec. 701. Special Operations – REVISED

Specifies the department's specialized service requirements. Revised to require MSP to increase the Michigan Cyber Command Center's casework by 25% above the activity level observed in FY 2017-18.

Sec. 901. Sexual Assault Prevention and Education Initiative – REVISED

Provides requirements for one-time appropriation grants to institutions of higher education to assist in preventing campus sexual assault through sexual assault education, awareness training, prevention, reporting, and bystander intervention programs. Revised to expand authorized uses of grant funds by institutions of higher education, to include supporting student-led peer advocacy groups that are dedicated to student outreach, survivor support, advocating for campus improvements such as additional lighting, as well as other methods of sexual assault prevention.

Sec. 902. Advanced 9-1-1 – DELETED

Provided requirements for one-time appropriation grants to public safety answering points to implement supplemental databases, which allow public safety answering points to view voluntarily disclosed supplemental health and safety information when receiving emergency calls. Deleted this section.

<u>FY 2017-18 Supplemental Appropriations (Article XX)</u>	<u>FY 2017-18 YTD</u>	<u>FY 2017-18</u>
	<u>(as of 2/7/18)</u>	<u>Supplemental</u>
		<u>Change</u>
1. OK2SAY Call Center and Grant Administration	Gross	NA \$500,000
Includes \$350,000 GF/GP to support the OK2SAY call center and \$150,000 GF/GP for grant program operations.	GF/GP	NA \$500,000

STATE POLICE

FY 2017-18 Supplemental Appropriations (Article XX)

	FY 2017-18 YTD (as of 2/7/18)	FY 2017-18 Supplemental Change
2. Disaster and Emergency Contingency Fund Deposit Includes \$2.5 million one-time GF/GP deposit into the Disaster and Emergency Contingency Fund. The fund balance as of June 2018 is approximately \$7.7 million. Funds may be withdrawn for support of disaster or emergency remediation and grants to local units of government, if approved by the State Budget Office.	Gross NA GF/GP NA	\$2,500,000 \$2,500,000
3. Training and Outreach Recruitment Includes \$1.0 million one-time GF/GP to support outreach, recruitment, and training towards increased diversity amongst State Police ranks.	Gross NA GF/GP NA	\$1,000,000 \$1,000,000
4. School Safety Grants Includes \$25.0 million one-time GF/GP to administer and provide competitive grants to public and non-public schools, school districts, and ISDs to be used for improving safety measures at K-12 school buildings.	Gross NA GF/GP NA	\$25,000,000 \$25,000,000
5. Information Technology – Combined Strategic Support Module Includes \$1.0 million one-time GF/GP to support in-vehicle automated vehicle location systems, real-time data feeds for digitally-fenced high crime and high traffic-crash areas, and augmented visualization technology to allow direct video streaming between department aircraft and Troopers on the ground.	Gross NA GF/GP NA	\$1,000,000 \$1,000,000

FY 2017-18 Supplemental Boilerplate Changes (Article XX)

Sec. 1001. School Safety Grants

Specifies requirements for grants to public and non-public schools, school districts, and ISDs under the School Safety Grants program; details authorized and unauthorized uses of grant funds, and maximum fund authorizations for schools, districts, and ISDs; stipulates that \$10.0 million of grant funds are to be made available without a matching fund requirement, and requires that \$15.0 million of grant funds be matched at 25% by local units of government; details the application and eligibility requirements of schools, school districts, and ISDs requesting grant funds; requires the department to issue grant guidance and application materials and to issue grants; stipulates that grant projects must be completed by September 2019; requires the department to report on grant activities; authorizes carry forward of unexpended and unencumbered funds at the end of the fiscal year.

TRANSPORTATION

**DEPARTMENT OF TRANSPORTATION
Summary of FY 2018-19 Enacted Appropriations
Article XVII, 2018 Public Act 207 (Senate Bill 848)**

Analyst: William E. Hamilton

	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Revised Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Enacted	Difference: Enacted From FY 2017-18 YTD	
						Amount	%
IDG/IDT	\$4,039,300	\$4,092,500	\$4,092,500	\$4,092,500	\$4,092,500	\$53,200	1.3
Federal	1,340,301,200	1,318,271,700	1,318,271,700	1,318,271,700	1,318,271,700	(22,029,500)	(1.6)
Local	50,532,000	50,532,000	50,532,000	50,532,000	50,532,000	0	0.0
Private	100,000	900,000	900,000	900,000	900,000	800,000	800.0
Restricted	2,954,470,500	3,156,293,700	3,169,293,700	3,166,293,700	3,169,293,700	214,823,200	7.3
GF/GP	0	0	0	0	300,000,000	300,000,000	--
Gross	\$4,349,443,000	\$4,530,089,900	\$4,543,089,900	\$4,540,089,900	\$4,843,089,900	\$493,646,900	11.3
FTEs	2,826.3	2,826.3	2,727.3	2,826.3	2,824.3	(2.0)	(0.1)

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. The Legislature subsequently passed PA 82 of 2018 (House Bill 4321) which appropriated \$175.0 million GF/GP. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The state transportation budget supports state and local highway programs, public transportation programs, aeronautics programs, and administration of the Michigan Department of Transportation (MDOT). Historically, approximately two-thirds of the revenue in this budget has come from state restricted revenue, with approximately one-third from federal sources. Most of the state restricted revenue in this budget is constitutionally restricted – from motor fuel taxes and vehicle registration taxes – and is first credited to the Michigan Transportation Fund (MTF) and then distributed in accordance with Public Act 51 of 1951 (Act 51) to other state transportation funds and programs, including the State Trunkline Fund (STF), the Comprehensive Transportation Fund (CTF), and local road agencies. Revenue from aviation fuel and registration taxes and from an earmark of the Airport Parking Tax is credited to the State Aeronautics Fund for aeronautics programs.

Major Budget Changes from FY 2017-18 YTD Appropriations

1. State Trunkline Road and Bridge Construction

Increase of \$81.4 million for the state trunkline capital road and bridge construction program reflects increases in anticipated federal and state restricted revenue sources. Of the \$56.2 million increase in estimated state restricted revenue, \$55.1 million represents the increase in estimated available STF revenue for capital road and bridge construction. Among other things, the increase in available STF revenue reflects anticipated increases in baseline MTF revenue from motor fuel and vehicle registration taxes, as well as the STF share of \$150.0 million in Income Tax revenue scheduled to be redirected to the MTF beginning in FY 2018-19 as a result of the November 2015 Road Funding Package.

	FY 2017-18 YTD (as of 2/7/18)	Enacted Change From YTD
Gross	\$1,140,756,800	\$81,432,700
Federal	783,367,300	25,240,400
Local	30,003,500	0
Restricted	327,386,000	56,192,300
GF/GP	\$0	\$0

The increase in state restricted revenue also reflects a \$1.1 million increase in appropriated Blue Water Bridge Fund revenue for Blue Water Bridge capital projects.

TRANSPORTATION

<u>Major Budget Changes from FY 2017-18 YTD Appropriations</u>	FY 2017-18 YTD (as of 2/7/18)	Enacted Change From YTD
2. MTF to Local Road Agencies	Gross \$1,372,100,700	\$121,331,100
Reflects an estimated \$121.3 million increase in the MTF distribution to county road commissions, and cities/villages as compared to the current year budget. This increase reflects both an anticipated increase in baseline MTF revenue from motor fuel and vehicle registration taxes, as well as the local road agency share of \$150.0 million in Income Tax revenue scheduled to be redirected to the MTF beginning in FY 2018-19 as a result of the November 2015 Road Funding Package.	Restricted 1,372,100,700	121,331,100
	GF/GP \$0	\$0
<p>Note: The appropriated amounts for county road commissions and cities and villages are based on estimated MTF revenue as distributed according to Act 51 formula. The actual distribution will be based on actual MTF revenue as distributed according to Act 51 formula.</p>		
3. GF/GP for Road Programs – One-Time	Gross \$0	\$300,000,000
Includes \$300.0 million GF/GP allocated as follows: State trunkline road and bridge construction, \$117.3 million; County road commissions, \$117.3 million; Cities and villages, \$65.4 million.	GF/GP \$0	\$300,000,000
<p>Note: The FY 2017-18 YTD column shows no GF/GP appropriation as of the date of the Governor's budget presentation (2/7/2018). The Legislature subsequently passed Public Act 82 of 2018 (House Bill 4321), effective 3/20/2018, which appropriated \$175.0 million GF/GP for state and local road programs.</p>		
4. Debt Service	Gross \$228,939,400	(\$9,502,300)
Includes \$219.9 million for debt service, a reduction of \$9.5 million from current year, reflecting anticipated debt service schedules. [State transportation debt balance at September 30, 2017 was \$1.4 billion.]	Federal 37,783,300	(1,919,900)
	Restricted 191,156,100	(7,582,400)
	GF/GP \$0	\$0
5. Services Provided by Other State Departments	Gross \$47,428,400	\$966,200
Provides \$48.4 million for Interdepartmental grants (IDGs) that authorize the reimbursement of other state departments from restricted transportation funds for services provided to those transportation funds. Specific IDGs include \$20.0 million MTF for Department of State vehicle registration tax collection program, \$2.7 million MTF for Department of Treasury motor fuel tax collection program, and \$11.8 million STF for Michigan State Police Commercial Vehicle Enforcement program and Criminal Justice Information Center. The net increase across all IDG line items reflects economic increases and cost allocation adjustments.	Restricted 47,428,400	966,200
	GF/GP \$0	\$0
6. Asset Management Council	Gross \$3,876,400	(\$2,000,000)
Includes \$1.9 million MTF for ongoing costs of Asset Management Council – primarily for pavement condition data collection and analysis, as well as training and education. Eliminates a \$2.0 million one-time appropriation for inspection and inventory of culverts on the local road system.	Restricted 3,876,400	(2,000,000)
	GF/GP \$0	\$0
7. Information Technology	Gross \$33,465,900	\$2,000,000
Increases STF support by \$2.0 million to provide for workstation replacement and application modernization.	Federal 520,500	0
	Restricted 32,945,400	2,000,000
	GF/GP \$0	\$0
8. Transportation Planning	Gross \$36,245,200	\$2,750,000
Provides \$2.7 million increase in federal authorization to reflect anticipated increase in Statewide Planning and Research (SPR) funds.	Federal 19,250,000	2,750,000
	Restricted 16,995,200	0
	GF/GP \$0	\$0

TRANSPORTATION

<u>Major Budget Changes from FY 2017-18 YTD Appropriations</u>		FY 2017-18 YTD (as of 2/7/18)	Enacted Change From YTD
9. Design and Engineering Services	Gross	\$161,253,100	\$2,000,000
Includes \$2.0 million STF increase as part of \$10.0 million program of priority maintenance of critical state trunkline bridges. An additional \$8.0 million is included in State trunkline maintenance.	Federal	23,529,800	0
	Restricted	137,723,300	2,000,000
	GF/GP	\$0	\$0
	FTE	793.7	0.0
10. State Trunkline Maintenance	Gross	\$317,593,400	\$20,337,600
Provides \$20.3 million increase in STF support for priority maintenance of critical state trunkline bridges, \$8.0 million; priority maintenance of culverts, including rehabilitation or replacement, \$8.0 million; increased maintenance material costs and added state trunkline mileage, \$4.3 million.	Restricted	317,593,400	20,337,600
	GF/GP	\$0	\$0
11. Local Agency Wetland Mitigation Fund Program	Gross	\$2,000,000	\$0
Maintains \$2.0 million MTF for this Act 51 earmark, no change from the current year.	Restricted	2,000,000	0
	GF/GP	\$0	\$0
12. Transportation Economic Development Fund (TEDF)	Gross	\$42,119,100	\$1,229,900
Creates a new \$3.0 million TEDF categorical program, Community service infrastructure fund, and reduces the Target Industries program (Category A) by a like amount. The new program, which is defined in boilerplate (Sec. 399), will also require a change to the TEDF governing statute, Public Act 231 of 1987.	Restricted	42,119,100	1,229,900
	GF/GP	\$0	\$0
The increase of \$1.2 million as compared to FY 2017-18 reflects an anticipated increase in fund balance interest earnings.			
13. Local Bus Transit	Gross	\$216,277,900	\$4,500,000
Provides \$190.7 million CTF, an increase of \$2.5 million from current year, for local bus operating formula distribution to 81 local public transit agencies. Also recognizes a \$2.0 million anticipated increase in federal transit grants to non-urban transit agencies.	Federal	26,027,900	2,000,000
	Local	2,000,000	0
	Restricted	188,250,000	2,500,000
	GF/GP	\$0	\$0
14. Transit Capital	Gross	\$59,403,500	\$7,209,100
Increases CTF support by \$7.2 million for program that provides matching funds on behalf of local transit agencies to access federal transit capital grants.	Federal	15,300,000	0
	Local	1,250,000	0
	Restricted	42,853,500	7,209,100
	GF/GP	\$0	\$0
15. Service Initiatives	Gross	\$3,389,200	\$1,200,000
Increases CTF support by \$1.2 million for program that funds transit-related research, training and development, and demonstration projects.	Federal	1,650,000	0
	Local	325,000	0
	Restricted	1,414,200	1,200,000
	GF/GP	\$0	\$0
16. Transportation to Work	Gross	\$3,700,000	\$175,000
Increases CTF support for Blue Water Transportation Commission's Job Access/Reverse Commute project.	Restricted	3,700,000	175,000
	GF/GP	\$0	\$0
17. Detroit Wayne County Port Authority	Gross	\$200,000	\$218,200
Includes \$418,200 CTF, a \$218,200 increase from FY 2017-18.	Restricted	200,000	218,200
	GF/GP	\$0	\$0
18. Rail Operations and Infrastructure/Rail Freight Economic Dev.	Gross	\$124,759,700	(\$44,001,700)
Rolls up two current lines, Rail operations and infrastructure, and Rail freight economic development, into a single line item. Among other things, this line item provides capital and operating support for rail passenger service in Michigan. Budget provides a net \$6.1 million increase in CTF support; also reduces federal authorization by \$50.1 million to better align with anticipated federal grants. The budget also includes a \$2.0 million boilerplate earmark from this line item (Sec. 751).	Federal	60,100,000	(50,100,000)
	Local	100,000	0
	Private	100,000	0
	Restricted	64,459,700	6,098,300
	GF/GP	\$0	\$0

<u>Major Budget Changes from FY 2017-18 YTD Appropriations</u>		<u>FY 2017-18 YTD (as of 2/7/18)</u>	<u>Enacted Change From YTD</u>
19. Intercity Services	Gross	\$8,060,000	(\$700,000)
Recognizes anticipated private funds made available for program that supports intercity bus service in Michigan. Reduces CTF support by \$1.5 million.	Federal	4,500,000	0
	Local	160,000	0
	Private	0	800,000
	Restricted	3,400,000	(1,500,000)
	GF/GP	\$0	\$0
20. Marine Passenger	Gross	\$400,000	\$0
Maintains funding at \$400,000 CTF for a program of capital assistance to eligible ferry service operators.	Restricted	400,000	0
	GF/GP	\$0	\$0
21. Aeronautics Services	FTE	48.0	(2.0)
Unrolls Office of Aeronautics operations into two line items: Aviation services, \$5.6 million and 38.0 FTE positions; and Airfleet operations and maintenance, \$1.8 million and 8.0 FTEs – a net decrease of \$300,000 in State Aeronautics Fund support and 2.0 FTE positions. Retains funding for Air service grant program at \$250,000.	Gross	\$7,846,100	(\$300,000)
	Restricted	7,846,100	(300,000)
	GF/GP	\$0	\$0
22. Airport Safety, Protection, and Improvement Program	Gross	\$93,943,000	\$870,200
Increases State Aeronautics Fund support by \$870,000 for program that provides capital assistance to state airports. State Aeronautics Fund revenue is used to provide matching funds for federal Airport Improvement Program grants.	Federal	79,000,000	0
	Local	12,508,500	0
	Restricted	2,434,500	870,200
	GF/GP	\$0	\$0
23. Detroit Metropolitan Wayne County Airport	Gross	\$6,500,000	(\$975,000)
Reduces Qualified Airport Fund support for Detroit Metro Airport by almost \$1.0 million to reflect revenue estimates. The Qualified Airport Fund was established through an amendment to the State Aeronautics Code made in the 2015 aviation funding package (Public Acts 258 through 262 of 2015).	Restricted	6,500,000	(975,000)
	GF/GP	\$0	\$0
24. Economic Adjustments	Gross	NA	\$5,926,400
Recognizes increased costs of \$5.9 million Gross (\$0 GF/GP) for negotiated salary and wage increases (2.0% ongoing), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	NA	53,200
	Federal	NA	936,000
	Restricted	NA	4,937,200
	GF/GP	NA	\$0

Major Boilerplate Changes from FY 2017-18

Sec. 386. Toll Credits – NEW

Requires the department to submit a report by May 1 of each year on its toll credit program including toll credits earned, toll credited used, year-end toll credit balance, and the department's strategies for using toll credits.

Sec. 387. Traffic Studies – NEW

Requires the department to post the results of formal traffic studies on the department website.

Sec. 389. Long-Term Obligations – NEW

Requires the department to notify Legislature within 30 days of entering into long-term agreements that obligate future payments of over \$5.0 million for five or more years.

Sec. 390. Report on Restricted Funds and Accounts – NEW

Requires the department to report on statutory authority for, revenue source and distribution, and ending balances of restricted funds and accounts, as well as unencumbered General Fund appropriations and unexpended federal earmarks.

Sec. 391. Prohibition on Motor Fuel Quality Testing – NEW

Prohibits the department from performing or assisting any other state agency in performing motor fuel quality testing.

Sec. 397. Report on Work Project Balances and Federal Earmarks – DELETED

Report requirements incorporated into Sec. 390 report.

TRANSPORTATION

Major Boilerplate Changes from FY 2017-18

Sec. 399. Community Service Infrastructure Fund – NEW

Establishes and defines new \$3.0 million TEDF program for cities and villages with a population of 10,000 or less.

Sec. 613. Report on Engineering Costs – MODIFIED

Requires report on engineering costs including breakout of department and consultant costs, engineering as a percentage of construction costs. Modified to include “design life” as report element.

Sec. 704. Rail Operations and Infrastructure Report – MODIFIED

Requires report on anticipated expenditures from the rail operations and infrastructure line item; modified to update fiscal year and report due dates.

Sec. 751. State Rail Segment Earmark – NEW

Earmarks \$2.0 million from the Rail operations and infrastructure line item for upgrades to a segment of state-owned rail line between Walton Junction and Traverse City.

Sec. 752. Notice of Rail Grant and Loan Programs – NEW

Requires the department to notify representatives of rail industry of rail grant and loan programs.

Sec. 803. MDOT-Owned Airplanes – DELETED

Deletes section that required the department to request proposals for management of the state airfleet and which also required the department to sell one of two state-owned planes.

Sec. 804. Airfleet Operations and Maintenance – Contingent Appropriation – NEW

Prohibits the department from spending funds appropriated for airfleet operations and maintenance if the department owns 5 or more aircraft; requires the department to notify the State Budget Director, the House and Senate appropriations subcommittees on transportation, and the House and Senate fiscal agencies when it owns four aircraft or fewer.

Sec. 1001. Use of One-Time GF/GP Appropriation for Local Road Agencies – NEW

Directs that the one-time GF/GP appropriations in part 1 for county road commissions, and for cities and villages, be distributed in accordance with Sections 12 and 13, respectively, of Act 51 for use in accordance with those Act 51 sections.

<u>FY 2017-18 Supplemental Appropriations (Article XX)</u>	<u>FY 2017-18 YTD (as of 2/7/18)</u>	<u>FY 2017-18 Supplemental Change</u>	
1. Community Infrastructure Investments	Gross	\$0	\$30,000,000
Includes \$30.0 million GF/GP to fund road improvement and other infrastructure projects, which are specified in Section 1201.	GF/GP	\$0	\$30,000,000

FY 2017-18 Supplemental Boilerplate Changes (Article XX)

Sec. 1201. Community Infrastructure Investments

Allocates the \$30.0 million appropriated for community infrastructure investments for the following road improvement and other infrastructure projects: (1) Dixie Highway, \$1,070,000; (2) Chaplin Road bridge, \$200,000; (3) Seymour Road, \$303,600; (4) Livernois Avenue, \$700,000; (5) South Boulevard, \$1,250,000; (6) Lamoreaux Road, \$1.0 million; (7) Portage Street, \$850,000; (8) Idaho Avenue, \$850,000; (9) Texas Drive, \$460,000; (10) Wellhouse Drive-Boulevard, \$55,000; (11) 8th Street Phase 2, \$300,000; (12) Beaverton Industrial Park Road, \$360,000; (13) Pleasant Lake Road bridge, \$800,000; (14) South Stony Creek Road, \$1.8 million; (15) Coleman Road, \$7.6 million; (16) Traverse Area Recreation and Transportation trails, \$2.4 million; (17) South Stony Creek Road, \$1,550,000; (18) flood damage levee and pump repair in Monroe County, \$200,000; (19) General Drive between Ann Arbor Road and Joy Road, \$500,000; (20) Ford Road Boulevard planning study, \$750,000; (21) US-223 access road to Adrian College, \$450,000; (22) Mound Road turnaround, \$297,200; (23) Van Dyke Avenue curb repairs, \$150,000; (24) Summers Street repaving, \$100,000; (25) Beal City infrastructure improvements, \$3,000,000; (26) Lincoln Road improvements, \$600,000; (27) Zylman Road improvements, \$1,800,000; and (28) Lover’s Lane realignment, \$600,000.



Mary Ann Cleary, Director
Bethany Wicksall, Deputy Director

Agriculture and Rural Development	William E. Hamilton
Capital Outlay	Benjamin Gielczyk
Community Colleges	Perry Zielak
Corrections	Robin R. Risko
Education (Department)	Samuel Christensen
Environmental Quality	Austin Scott
General Government:	
Attorney General/Civil Rights/State (Department)/	
Technology, Management, and Budget	Michael Crossen
Executive Office/Legislature/Legislative Auditor General/Lottery/	
Michigan Strategic Fund/Talent and Economic Development/Treasury	Benjamin Gielczyk
Health and Human Services:	
Human Services	Viola Bay Wild
Medicaid/Physical and Behavioral Health	Kevin Koorstra
Public Health/Aging/Departmentwide Administration	Susan Frey
Higher Education	Perry Zielak
Insurance and Financial Services	Marcus Coffin
Judiciary	Robin R. Risko
Licensing and Regulatory Affairs	Marcus Coffin
Military and Veterans Affairs	Kent Dell
Natural Resources	Austin Scott
Natural Resources Trust Fund	Benjamin Gielczyk; Austin Scott
School Aid	Bethany Wicksall; Samuel Christensen; Jacqueline Mullen
State Police	Kent Dell
Transportation	William E. Hamilton
Unemployment Insurance	Marcus Coffin
Economic/Revenue Forecasting	Jim Stansell
Local Finance; Revenue Sharing; Tax Analysis	Jim Stansell; Benjamin Gielczyk
Legislative Analysis	Rick Yuille
	Edith Best; Jennifer McInerney; Patrick Morris; Emily Smith; Sue Stutzky
Fiscal Oversight, Audit, and Litigation	Mary Ann Cleary
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