FY 2020-21 GENERAL OMNIBUS BUDGET
Summary: Conference Report
House Bill 5396 (S-1) CR-1

Mary Ann Cleary, Director

TOTAL APPROPRIATIONS BY BUDGET AREA

Budget Area (Bill Page) [Summary Page]	FY 2020-21	
	Gross	GF/GP
Agriculture and Rural Development [2]	$121,295,000	$63,616,800
Corrections [6]	2,060,788,400	1,809,258,400
Education [12]	451,695,700	90,067,100
Environment, Great Lakes, and Energy [16]	511,359,200	59,443,900
General Government [21]		
Attorney General [23]	*106,828,600*	*41,148,400*
Civil Rights [25]	*18,037,400*	*14,792,200*
Executive Office [27]	*7,114,300*	*7,114,300*
Legislature [28]	*175,739,900*	*170,702,600*
Legislative Auditor General [30]	*26,713,900*	*18,324,000*
State [31]	*254,297,500*	*12,597,500*
Technology, Management, and Budget [33]	*1,671,705,000*	*516,326,100*
Treasury [38]	*2,166,642,800*	*323,667,200*
Labor and Economic Opportunity [44]	*1,625,864,300*	*192,867,600*
Subtotal: General Government	6,052,943,700	1,297,539,900
Health and Human Services [49]	28,498,448,600	5,090,371,100
Insurance and Financial Services [65]	73,315,700	0
Judiciary [67]	313,641,200	201,934,300
Licensing and Regulatory Affairs [70]	484,389,600	149,605,600
Military and Veterans Affairs [75]	226,092,500	81,421,200
Natural Resources [80]	469,594,100	50,697,300
State Police [84]	738,085,500	439,376,600
Transportation [88]	5,107,470,600	0
TOTAL	**$45,109,119,800**	**$9,333,332,200**

Budget Area (Bill Page) [Summary Page]	FY 2019-20	
	Gross	GF/GP
Supplemental [94]	$214,984,500	($31,204,200)
TOTAL	**$214,984,500**	**($31,204,200)**

Note: Appropriation figures include all proposed appropriation amounts, including amounts designated as one-time.

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
Summary: Conference Report
Article 1, House Bill 5396 (S-1) CR-1

Analyst: William E. Hamilton

	FY 2019-20 YTD as of 2/6/20	FY 2020-21 Conference	*Difference: Conference From FY 2019-20 YTD* Amount	%
IDG/IDT	$1,315,700	$324,400	*($991,300)*	*(75.3)*
Federal	12,636,400	13,129,500	*493,100*	*3.9*
Local	0	0	*0*	*--*
Private	101,800	71,300	*(30,500)*	*(30.0)*
Restricted	41,383,700	44,153,000	*2,769,300*	*6.7*
GF/GP	55,979,900	63,616,800	*7,636,900*	*13.6*
Gross	**$111,417,500**	**$121,295,000**	***$9,877,500***	***8.9***
FTEs	514.0	525.0	*11.0*	*2.1*

Notes:
(1) FY 2019-20 year-to-date figures are as of release of the executive budget on February 6, 2020 and do not include mid-year budget adjustments.
(2) Appropriation figures include all proposed appropriation amounts and amounts designated as "one-time."
(3) Because of revenue uncertainty due to the COVID-19 pandemic, separate FY 2020-21 budget bills were not passed by the House or the Senate.

Overview

Michigan Department of Agriculture and Rural Development (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 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
1. Information Technology (Licensing and Inspection System)	FTE	0.0	1.0
Includes $225,000 Gross ($210,000 GF/GP) to support ongoing maintenance and hosting costs of recent licensing and inspection system upgrades (Phase I). These upgrades were funded through a $5.0 million GF/GP appropriation within both the FY 2018-19 and FY 2019-20 Department of Technology, Management, and Budget budgets.	**Gross**	**$1,812,800**	**$225,000**
	IDG	3,200	0
	Restricted	187,600	15,000
	GF/GP	$1,622,000	$210,000
The FTE position, which is included in the Executive Direction line item, is identified as a "data architect" position to assist in management of the data warehouse connected with the licensing and inspection system upgrade project.			
2. Food Safety and Quality Assurance	FTE	98.0	5.0
Includes $700,000 restricted revenue, and 5.0 FTE positions, for food safety inspection program related to production and sales of legal marihuana consumables. Includes an unspecified $205,000 GF/GP baseline increase.	**Gross**	**$17,124,500**	**$905,000**
	Federal	2,659,100	0
	Restricted	5,616,600	700,000
	GF/GP	$8,848,800	$205,000
3. Milk Safety and Quality Assurance	FTE	36.0	0.0
Includes an unspecified $144,300 GF/GP baseline increase.	**Gross**	**$5,510,700**	**$144,300**
	Federal	192,300	0
	Restricted	224,500	0
	GF/GP	$5,093,900	$144,300

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
3. Animal Disease Prevention and Response	FTE	61.0	1.0
Includes $76,900 GF/GP increase and authorizes 1.0 FTE position for increased cervid facility regulatory functions required under 2019 amendments (2019 PA 132) to the Animal Industry Act.	**Gross**	**$9,465,100**	**$76,900**
	Federal	619,000	0
	Private	30,500	0
	Restricted	220,300	0
	GF/GP	$8,595,300	$76,900
4. Indemnification – Livestock Depredation	**Gross**	**$25,000**	**($10,000)**
Reduces funding to $15,000 GF/GP for program that reimburses eligible livestock producers for animals lost to depredation by wildlife, a program authorized under the Wildlife Depredations Indemnification Act (Public Act 487 of 2012).	GF/GP	$25,000	($10,000)
5. Michigan Animal Agriculture Alliance	**Gross**	**$0**	**$3,000,000**
Includes $3.0 million GF/GP for a Michigan State University (MSU) animal industry research grant program.	GF/GP	$0	$3,000,000
6. Pesticide Plant Pest Management (PPPM)/Animal Feed Safety	FTE	88.0	0.0
Includes an unspecified $200,000 GF/GP baseline reduction to PPPM. [Program changes related to the Industrial Hemp program and the feed and fertilizer audit program are described separately, below.]	**Gross**	**$15,162,100**	**($200,000)**
	Federal	1,703,500	0
	Private	21,300	0
	Restricted	7,805,400	0
	GF/GP	$5,631,900	($200,000)
7. Industrial Hemp Licensing/Regulatory Program	FTE	4.5	1.0
Includes 5.5 FTE positions and $1.0 million Gross ($0 GF/GP) to support the department's industrial hemp licensing and regulatory functions under 2018 amendments (2018 PA 641) to Michigan's Industrial Hemp Research and Development Act. This represents a net increase of 1.0 FTE authorization, and $711,900 Gross over the current year budget. Ongoing funding and FTE authorization in Laboratory and Pesticide and Plant Pest Management divisions replace one-time support in the current year budget.	**Gross**	**$360,000**	**$711,900**
	Restricted	210,000	861,900
	GF/GP	$150,000	($150,000)
8. Feed and Fertilizer Audit Program	FTE	0.0	4.0
Includes $504,000 in restricted revenue, and authorizes 4.0 new FTE positions in the Pesticide and Plant Pest Management division. The positions and funding would establish an audit function for compliance with tonnage reporting requirements required under the Feed Law, as recodified under 2015 PA 83, and 2015 amendments (2015 PA 118) to fertilizer regulatory sections of the Natural Resources and Environmental Protection Act.	**Gross**	**$0**	**$504,000**
	Restricted	0	504,000
	GF/GP	$0	$0

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
9. Conservation Reserve Enhancement Program (CREP)	**Gross**	**$0**	**$5,000,000**
Includes $5.0 million GF/GP as the state's funding commitment for CREP under an agreement between the state and the U. S. Department of Agriculture.	GF/GP	$0	$5,000,000
CREP is a subset of the federal Conservation Reserve Program, authorized in the 2018 Farm Bill. CREP provides enhanced incentives to qualified producers and land owners in priority watershed areas to implement specific conservation practices designed to prevent soil erosion and improve water quality and wildlife habitat. Farmers and other landowners who agree to enroll eligible parcels in the program for 15 years receive cost-share assistance in establishing riparian buffers, field windbreaks, filter strips, wetland restoration, shallow-water wildlife areas, controlled livestock access, and other prescribed conservation practices. The federal program also provides annual rental payments to program participants for land enrolled in the program. [These federal funds are paid directly to program participants and are not reflected in the MDARD budget.]			
Of the $5.0 million in state funds, $4.4 million, identified as one-time, would be used to provide part of the 50% required non-federal cost-share for capital projects; $600,000 is identified as ongoing for education, outreach, and technical assistance.			
State support is necessary for program participants to access federal funds – an estimated $250.0 million in direct federal payments over a period of up to 15 years. The one-time funding would be established as a work project in boilerplate.			
10. Qualified Forest Program	FTE	9.0	0.0
Reduces GF/GP support by $150,000; recognizes $300,000 additional restricted Private Forestland Development Fund revenue; does not include $997,300 Interdepartmental Grant (IDG) from the Department of Natural Resources Forest Development Fund.	**Gross**	**$3,478,400**	**($847,300)**
	IDG	997,300	(997,300)
	Restricted	780,100	300,000
	GF/GP	$1,701,000	($150,000)
11. Laboratory Services	FTE	41.0	0.0
Includes an unspecified $90,000 GF/GP baseline reduction. [Program changes related to the Industrial Hemp program and the feed and fertilizer audit program are described separately, above.]	**Gross**	**$7,226,900**	**($90,000)**
	IDG	223,800	0
	Federal	1,119,600	0
	Restricted	1,228,400	0
	GF/GP	$4,655,100	($90,000)
12. Fair Food Network/Double Up Food Bucks	**Gross**	**$1,000,000**	**($100,000)**
Includes $900,000 for a program that increases purchasing power of Michigan residents who receive Supplemental Nutritional Assistance Program (SNAP) benefits by providing a dollar-for-dollar match of up to $20 per day to buy fresh fruits and vegetables at participating grocery stores and farmer's markets.	GF/GP	$1,000,000	($100,000)
13. Food and Agriculture Investment Program	**Gross**	**$4,000,000**	**($1,529,400)**
Includes $2.5 million for program that provides grants for agri-business development projects.	GF/GP	$4,000,000	($1,529,400)
14. Michigan Craft Beverage Council	FTE	3.0	0.0
Eliminates GF/GP support.	**Gross**	**$940,100**	**($3,700)**
	Restricted	936,400	0
	GF/GP	$3,700	($3,700)

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
15. County Fairs, Shows, and Expositions Grants	**Gross**	**$0**	**$500,000**
Includes $500,000 GF/GP for line item that provides grants to county fairs, shows, and expositions.	GF/GP	$0	$500,000
16. Farm Stress Program - Eliminate One-Time Program	**Gross**	**$500,000**	**($500,000)**
Removes $500,000 GF/GP one-time item that had been included in the current year budget through supplemental appropriation act (2019 PA 154).	GF/GP	$500,000	($500,000)
17. Economic Adjustments	**Gross**	**NA**	**$1,812,700**
Reflects increased costs of $1.8 million Gross ($1.3 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2020 and 1.0% on April 4, 2021), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	NA	6,000
	Private	NA	0
	Federal	NA	133,800
	Restricted	NA	418,500
	GF/GP	NA	$1,254,400

Boilerplate Changes From FY 2019-20

***Sec. 215. Communication with the Legislature* – REVISED**
Includes language that prohibits, under specific circumstances, the department from taking disciplinary action against an employee for communicating with a legislator or legislative staff.

***Sec. 216. Report on FTE Positions and Remote Work* – NEW**
Requires a quarterly report on staffing levels in relation to FTE authorization; employees authorized to work remotely; related cost savings.

***Sec. 217. Work Project Limits* – NEW**
Requires that work project balances be exhausted before expenditure from part 1 appropriations.

***Sec. 218. State Administrative Board Transfers* – NEW**
Provides for the legislature to intertransfer funds within this departmental budget if the State Administrative Board transfers funds from an appropriation within this departmental budget.

***Sec. 219. Record Retention* – NEW**
Requires department to retain reports funded from Part 1 appropriations; record retention guidelines.

***Sec. 220. Impact of New Legislation* – NEW**
Requires a report on specific policy changes made to implement new public acts enacted in prior calendar year.

***Sec. 901. Conservation Reserve Enhancement Program* – NEW**
Provides for statutory work project status for the $4.4 million one-time CREP appropriation.

DEPARTMENT OF CORRECTIONS
Summary: Conference Report
Article 2, House Bill 5396 (S-1) CR-1

Analyst: Robin R. Risko

	FY 2019-20 YTD as of 2/6/20	FY 2020-21 Conference	*Difference: Conference From FY 2019-20 YTD* *Amount*	*%*
IDG/IDT	$0	$0	*$0*	*--*
Federal	5,323,700	196,370,900	*191,047,200*	*3588.6*
Local	11,687,200	9,680,600	*(2,006,600)*	*(17.2)*
Private	0	0	*0*	*--*
Restricted	45,112,500	45,478,500	*366,000*	*0.8*
GF/GP	1,980,137,900	1,809,258,400	*(170,879,500)*	*(8.6)*
Gross	**$2,042,261,300**	**$2,060,788,400**	***$18,527,100***	***0.9***
FTEs	13,794.3	13,702.8	*(91.5)*	*(0.7)*

Notes:
(1) FY 2019-20 year-to-date figures are as of release of the executive budget on February 6, 2020 and do not include mid-year budget adjustments.
(2) Appropriation figures include all proposed appropriation amounts and amounts designated as "one-time."
(3) Because of revenue uncertainty due to the COVID-19 pandemic, separate FY 2020-21 budget bills were not passed by the House or the Senate.

Overview

The Michigan Department of Corrections (MDOC) is responsible for operation and maintenance of the state's 29 correctional facilities that house felony offenders sentenced to prison. This includes provision of physical and mental health care, education, food service, transportation, and reintegration programming. The department is also responsible for 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 September 1, 2020, the department was responsible for 85,120 Michigan offenders: 34,761 prisoners, 36,893 probationers, and 13,466 parolees. From 1 year ago, the total number of offenders dropped by 8,760, or by 9.3%. The number of prisoners dropped by 3,394, or 8.9%, the number of probationers dropped by 5,299, or 12.6%, and the number of parolees dropped by 67, or 0.5%.

Major Budget Changes From FY 2019-20 YTD Appropriations		**FY 2019-20 Year-to-Date (as of 2/6/20)**	**FY 2020-21 Conference Change**
1. John Does v Department of Corrections Settlement	**Gross**	**$25,000,000**	**$15,000,000**
Includes $15.0 million GF/GP for the second payment to be made on October 15, 2020 as agreed to in the *John Does v Department of Corrections* settlement. The case involved approximately 1,300 members that were incarcerated October 2010 through the date of the settlement. The lawsuits claimed a variety of injuries including sexual assault and harassment, inappropriate use of segregation, and deprivation of educational and rehabilitative experiences due to the young age of the members. The case settled for $80.0 million total inclusive of attorney fees and costs. The remaining payments will be made on October 15, 2021 ($25.0 million) and on October 15, 2022 ($15.0 million).	GF/GP	$25,000,000	$15,000,000
2. Coronavirus Relief Funds for Payroll	**Gross**	**NA**	**$0**
Includes $191.0 million of federal Coronavirus Relief Funds and reduces GF/GP by a like amount. Funding will be allocated to support payroll costs for frontline workers throughout the department, but primarily at the correctional facilities.	Federal	NA	191,000,000
	GF/GP	NA	($191,000,000)

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
3. Funding for Training New Custody Staff	**Gross**	**$9,491,100**	**$4,000,000**
Includes $4.0 million GF/GP to train additional corrections officers in an effort to meet projected attrition needs. 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. At least 50 custody staff are projected to retire each month in the next year. With the additional funding added to the FY 2019-20 base of $9.5 million, and with expenditure of carried forward work project account funding from prior years, the department will be able to train an estimated 700 new officers in FY 2020-21.	GF/GP	$9,491,100	$4,000,000
4. Corizon Health Care Contract Adjustment	**Gross**	**NA**	**$3,239,500**
Includes $3.2 million GF/GP to cover costs of required inflationary adjustments. The contract requires an annual increase in the base per prisoner per month cost for physical and mental health care services, including pharmaceuticals. FY 2020-21 will be the last year of the 5-year contract.	GF/GP	NA	$3,239,500
5. City of Jackson Water Rate Increase	**Gross**	**NA**	**$575,500**
Includes $575,500 GF/GP to cover costs of a water rate increase in the City of Jackson. The water rate increase is a result of changes in the state's lead and copper rules and will impact the four correctional facilities located in the Jackson area.	GF/GP	NA	$575,500
6. Employee Wellness Enhancements	**Gross**	**NA**	**$500,000**
Includes $500,000 GF/GP for additional employee wellness resources and support services for all department employees.	GF/GP	NA	$500,000
7. Green Oaks Training Facility	FTE	NA	1.0
Reflects the transfer of $109,200 GF/GP and 1.0 FTE position from DHHS to MDOC to provide continued maintenance services at the Green Oaks facility in Whitmore Lake. MDOC is taking over operations of the facility, which will be refurbished and utilized as the new Corrections Officer Training Academy.	**Gross**	**NA**	**$109,200**
	GF/GP	NA	$109,200
8. Removal of Current Year One-Time Funding	**Gross**	**$15,033,900**	**($15,033,900)**
Reduces the budget by $15.0 million GF/GP to reflect removal of one-time funding included in the FY 2019-20 budget. Funding removed includes $10.5 million for new custody staff training and $4.6 million for electronic tether replacement.	GF/GP	$15,033,900	($15,033,900)
9. Closure of Detroit Reentry Center	**Gross**	**$30,561,100**	**($12,300,000)**
Reduces the budget by $12.3 million GF/GP to reflect savings from the partial year closure of the Detroit Reentry Center. The Center will close in January 2021.	GF/GP	$30,561,100	($12,300,000)
10. Relocation of the Special Alternative Incarceration Program	FTE	120.0	(92.5)
Reflects full-year savings of $10.0 million GF/GP and a reduction of 92.5 FTE positions from relocation of the Special Alternative Incarceration program from Camp Cassidy Lake in Chelsea to the Cooper Street Correctional Facility in Jackson.	**Gross**	**$14,325,300**	**($10,046,700)**
	Restricted	102,100	0
	GF/GP	$14,223,200	($10,046,700)
11. PIHPs for Substance Use Services for Parolees	**Gross**	**NA**	**($7,000,000)**
Reflects a savings of $7.0 million GF/GP from elimination of the department's substance use disorder treatment network in communities and, instead, utilization of PIHPs to provide substance use disorder treatment to Medicaid-eligible parolees.	GF/GP	NA	($7,000,000)

CORRECTIONS

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
12. Lake County Residential Reentry Program	**Gross**	**NA**	**($4,000,000)**
Reflects a savings of $4.0 million GF/GP from closure of the Lake County Residential Reentry Program, which was a short-term reentry program for parolees providing specific programming aimed at reducing behaviors that might result in failure while on parole.	GF/GP	NA	($4,000,000)
13. Administrative Savings	**Gross**	**NA**	**($2,510,000)**
Reflects a savings of $2.5 million GF/GP to be achieved through administrative efficiencies in the following program areas: • Field Operations Administration ($800,000) • Clinical Complexes ($610,000) • Community Corrections ($300,000) • Offender Success Services ($300,000) • Goodwill Flip the Script ($250,000) • Residential Probation Diversions ($250,000)	GF/GP	NA	($2,510,000)
14. Detroit Detention Center Adjustment for New Contract	**Gross**	**$11,412,200**	**($2,287,700)**
Reflects a reduction of $2.3 million of local revenue received from the City of Detroit for operation of the Detroit Detention Center. MDOC operates the facility for the city and the city pays MDOC. The reduction from the current year base of $11.4 million reflects estimated costs for FY 2020-21 under the new contract agreement.	Local	11,412,200	(2,287,700)
	GF/GP	$0	$0
15. Hepatitis C	**Gross**	**$11,000,700**	**($2,190,000)**
Reduces funding for Hepatitis C treatment for prisoners by $2.2 million GF/GP.	GF/GP	$11,000,700	($2,190,000)
16. Criminal Justice Reinvestment	**Gross**	**$5,498,400**	**($2,000,000)**
Reduces funding for the Criminal Justice Reinvestment line item by $2.0 million GF/GP.	GF/GP	$5,498,400	($2,000,000)
17. Chance for Life Programming	**Gross**	**NA**	**$0**
Transfers $250,000 GF/GP from the Enhanced Food Technology Program line item to the Criminal Justice Reinvestment line item to be used for the department to select a vendor to provide evidence-based mentoring, employment soft skills training, and job placement assistance for offenders released from prison.	GF/GP	NA	$0
18. 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 to more accurately reflect employee counts and where expenditures occur.	GF/GP	NA	$0
19. Economic Adjustments	**Gross**	**NA**	**$52,471,200**
Reflects a net increase in costs of $52.5 million Gross ($51.8 million GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2020 and 1.0% on April 4, 2021), actuarially required retirement contributions, worker's compensation premium costs, building occupancy charges, and food, fuel, and utility costs. ***Note: $5.6 million of the increase will cover employee-related costs resulting from pre-shift staff line-up meetings, which will be reinstated starting October 1, 2020, according to a new agreement between the state and the Michigan Corrections Organization.***	Federal	NA	47,200
	Local	NA	281,100
	Restricted	NA	366,000
	GF/GP	NA	$51,776,900

Boilerplate Changes From FY 2019-20

GENERAL SECTIONS

***Sec. 206. Disciplinary Action Against State Employees and Prisoners* – REVISED**
Prohibits MDOC from taking disciplinary action against employees or prisoners for communicating with legislators or their staff. Revised to stipulate prohibition against taking disciplinary action unless the communication is prohibited by law and MDOC is exercising its authority as provided by law.

***Sec. 215. Businesses in Deprived and Depressed Communities Compete for Contracts* – NEW**
Requires MDOC director, to the extent possible, to take all reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts; requires MDOC director to strongly encourage firms with which the department contracts to subcontract with certified businesses in deprived and depressed communities.

***Sec. 216. FTE Positions, Long-Term Vacancies, and Remote Work* – REVISED**
Requires MDOC to report on the number of FTE positions in pay status by civil service classification, including an accounting of all vacant positions, all vacant and filled corrections officer positions by facility, all vacant healthcare-related positions, and all positions that are being held open for temporarily non-active employees. Revised to add to reporting requirement all of the following: comparison of number of full-time positions authorized compared to actual number employed by line item, number of employees authorized to work remotely and number of employees working remotely, estimated cost savings achieved by remote work, and reduced use of office space associated with remote work.

***Sec. 217. Coronavirus Relief Fund Appropriations* – NEW**
Unappropriates any Coronavirus Relief Fund appropriations for which expenditures have not been incurred as of December 30 and reappropriates them for deposit into the Unemployment Compensation Fund to support costs incurred due to the COVID-19 pandemic.

***Sec. 218. State Administrative Board Transfers* – NEW**
Authorizes the legislature, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, to inter-transfer funds if the State Administrative Board transfers funds.

***Sec. 221. Receipt and Retention of Reports* – NEW**
Requires MDOC to follow federal and state guidelines for short-term and long-term retention of records; authorizes MDOC to electronically retain copies of reports unless otherwise required by federal and state guidelines.

***Sec. 222. Report on Policy Changes Made to Implement Public Acts* – NEW**
Requires MDOC to report on each specific policy change made by the department to implement a public act affecting the department.

DEPARTMENTAL ADMINISTRATION AND SUPPORT

***Sec. 302. Staff Retention Strategies* – REVISED**
Requires MDOC to report on staff retention strategies, including how to improve employee engagement, how to improve employee wellness, how to offer additional training and professional development, metrics used by MDOC to measure success of employee wellness programming, mechanisms by which MDOC receives employee feedback, how to consider suggestions made by employees, and steps taken and future plans for retention and improving employee wellness. Revised to include requirement that MDOC establish a Staff Recruitment and Retention Advisory Board to assist MDOC with shaping and enhancing effectiveness of staff recruiting and retention strategies; requires a status report on establishing the board and on the board's initial plans.

***Sec. 303. Staff Departures* – REVISED**
Requires MDOC to report on employee departures, including number of corrections officers and number of years they worked for the department. Revised reporting requirement to include a chart showing the distribution of employee departures based on specified ranges of years of service; a summary of the primary reasons for departures by ranges of years of service; and a distinction between employee departures by recruits in-training at the academy, recruits in-training at a facility, and employees who have been on the job.

***Sec. 310. Strategic Plan Reporting* – REVISED**
Requires MDOC to report on strategies to decrease recidivism rates, strategies to increase rehabilitative function of correctional facilities, metrics to track and ensure prisoner readiness to reenter society, and constructive actions for providing prisoners with life skills development. Revised to require a report that details progress being made toward achieving strategic plan, updates on relevant strategic plan objectives, and key stats on efforts to decrease overall recidivism rate.

CORRECTIONS

Boilerplate Changes From FY 2019-20

***Sec. 312. PTSD Outreach and Employee Wellness* – REVISED**
Requires $50,000 from the Budget and Operations Administration line item to be used for PTSD outreach and employee wellness programming; requires MDOC to work with the Michigan Corrections Organization and department employees to determine strategies for treating mental health issues and implementing mental health programming for employees; requires a report on strategies and goals, programs, prevalence of PTSD and other psychological issues among corrections officers that are exacerbated by the environment, and expenditures. Revised to require $50,000 to be spent on conducting a comprehensive follow-up study to the initial study that was conducted in FY 2018-19; requires MDOC to report on results of the study and on programs, level of employee involvement, and expenditures for employee wellness programming.

***Sec. 315. 12-Hour Shifts for Corrections Officers* – REVISED**
Expresses intent of the legislature that once staffing vacancy rates improve to a sufficient level, corrections officers will be allowed the option of working 12-hour shifts. Revised to require MDOC to conduct a survey of all corrections officers at all facilities on whether the officers want to have 12-hour shifts implemented; requires MDOC to report results of the survey.

***Sec. 316. Handgun Requalification* – DELETED**
Requires $200,000 from the New Custody Staff Training line item to be used for handgun requalification for corrections officers wanting to be requalified.

***Sec. 316. New Custody Staff Training* – NEW**
Requires MDOC to target training at hiring a minimum of 700 corrections officers to address higher than normal attrition.

***Sec. 317. Study on Location for Corrections Officer Training Academy* – DELETED**
Requires MDOC, in cooperation with DTMB, to conduct a study to find a suitable location for a corrections officer training academy; requires a minimum of four locations to be studied, including the former Riverside and Ojibway Correctional Facilities; requires the new academy to have classrooms, offices, a gymnasium, a cafeteria, lodging, an outdoor training area, and a firearm range; requires a report on results of the study, including projected costs.

***Sec. 317. New Corrections Officer Training Academy* – NEW**
Requires MDOC to report on the status of the new training academy including a list of all the structures and amenities and expenditure data associated with the structures and amenities; lists amenities the legislature intends for the new academy to have and requires a report on the amount of money associated with an amenity not included on the site; requires MDOC to name the facility and to solicit ideas from staff.

***Sec. 318. Professional Development and Training for Staff* – NEW**
Requires MDOC to report on programs that offer professional development and training opportunities for all levels of custody supervision and first line managers, including an overview of existing programs, and a review of similar programs in other organizations and in other states.

OFFENDER SUCCESS ADMINISTRATION

***Sec. 410. Community Corrections Comprehensive Plans and Services* – REVISED**
Specifies purpose of and requirements for community corrections comprehensive plans (e.g., reduce admissions to prisons, improve utilization of jail facilities, contribute to offender success); lists award criteria for community corrections planning and residential services funds (e.g., trends in prison commitment rates, jail utilization, community corrections program capacity and utilization; impact and outcome of policies and procedures of programs on offender success); limits residential probation diversions per diem reimbursement rate to $52.50. Revised to consolidate this section with current language section 416 and to change reimbursement rate from $52.50 to $55.50.

FIELD OPERATIONS ADMINISTRATION

***Sec. 603. Curfew Monitoring Program Costs* – REVISED**
Requires tether participants to reimburse MDOC for program costs; authorizes MDOC to require community service work as a means of payment; provides for a community tether program for counties to be used to reduce prison admissions and improve local jail utilization; authorizes MDOC to provide counties with tether equipment for a fee; prohibits access to the program for counties with outstanding charges over 60 days. Revised to delete requirement that tether participants reimburse MDOC for program costs, and delete authorization for MDOC to require community service work as a means of payment. (Deletions are made in order for language to be consistent with recently enacted legislation.)

Boilerplate Changes From FY 2019-20

***Sec. 605. Chance for Life* – NEW**
Requires MDOC to allocate $250,000 to issue a request for proposal for a vendor to provide evidence-based mentoring, employment soft skills training, and job placement assistance for offenders released from prison.

***Sec. 611. Annual Program Reports* – DELETED**
Specifies content to be included in reports by MDOC on residential reentry, electronic monitoring, and special alternative incarceration programs (e.g., successful and unsuccessful terminations, end of month populations, length of placements, returns to prison, cost effectiveness of programs).

HEALTH CARE

***Sec. 802. Health Care Timeliness and Expenditures* – REVISED**
Requires MDOC to report on expenditures, allocations, status of payments, and projected expenditures from accounts for prisoner health care, mental health care, pharmaceutical services, and durable medical equipment. Revised to consolidate this section with current language section 816.

CORRECTIONAL FACILITIES ADMINISTRATION

***Sec. 902. Notification of Elimination of Prisoner Programming* – NEW**
Requires MDOC to provide notice of plans to eliminate programming for prisoners at least 1 month prior to program elimination and defines "programming for prisoners".

***Sec. 908. Online High School Diploma and Career Certificate Program* – NEW**
Authorizes MDOC to establish a pilot online high school diploma and career certificate program to serve up to 400 inmates through a provider that offers career-based online high school diplomas designed to prepare adult inmates for transition into the workplace.

***Sec. 945. Notification of Facility Closures, Consolidations, or Relocations* – NEW**
Requires MDOC to provide notice of plans to close, consolidate, or relocate any correctional facility in the state at least 1 month prior to the effective date of the closure, consolidation, or relocation.

***Sec. 945. Investment in Communities After Facility Closure* – NEW**
Expresses intent of the legislature that MDOC consult with the legislature and other appropriate state agencies to develop a framework to provide investment in communities that have formerly operational state correctional facilities that have been closed; requires framework to include plans to ensure that vacant state correctional facilities do not become a nuisance or danger to the community.

DEPARTMENT OF EDUCATION
Summary: Conference Report
Article 3, House Bill 5396 (S-1) CR-1

Analyst: Samuel Christensen

	FY 2019-20 YTD as of 2/6/20	FY 2020-21 Conference	*Difference: Conference From FY 2019-20 YTD* *Amount*	*%*
IDG/IDT	$0	$0	*$0*	*--*
Federal	315,342,100	343,701,700	*28,359,600*	*9.0*
Local	5,893,400	5,872,100	*(21,300)*	*(0.4)*
Private	2,036,200	2,239,300	*203,100*	*10.0*
Restricted	9,300,000	9,815,500	*515,500*	*5.5*
GF/GP	87,212,000	90,067,100	*2,855,100*	*3.3*
Gross	**$419,783,700**	**$451,695,700**	***$31,912,000***	***7.6***
FTEs	620.5	620.5	*0.0*	*0.0*

Notes:
(1) FY 2019-20 year-to-date figures are as of release of the executive budget on February 6, 2020 and do not include mid-year budget adjustments.
(2) Appropriation figures include all proposed appropriation amounts and amounts designated as "one-time."
(3) Because of revenue uncertainty due to the COVID-19 pandemic, separate FY 2020-21 budget bills were not passed by the House or the Senate.

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 day care support for low-income and other qualifying families.

Major Budget Changes From FY 2019-20 YTD Appropriations		**FY 2019-20 Year-to-Date (as of 2/6/20)**	**FY 2020-21 Conference Change**
1. Child Development and Care (CDC) – Entrance Eligibility Threshold Increase	**Gross**	**$217,000,000**	**$27,622,000**
	Federal	176,970,900	27,622,000
Provides $27.6 million in federal funding to increase the entrance eligibility threshold from 130% of the federal poverty guidelines ($34,060 for a family size of four in FY 2020-21) to 150% of the federal poverty guidelines ($39,300 for a family size of four) beginning January 1, 2021. This represents three quarters of the estimated annual cost of $36.8 million.	GF/GP	$40,029,100	$0
2. CDC – Background Checks (Licensing and Regulatory Affairs (LARA))	**Gross**	**$29,072,800**	**$1,300,000**
	Federal	29,072,800	1,300,000
Provides $1.3 million federal Child Care Development Fund (CCDF) for LARA to continue to provide federally required background checks for any employee working at a child care facility.	GF/GP	$0	$0
3. CDC – FY 2020-21 Caseload Consensus	**Gross**	**$217,000,000**	**($3,000,000)**
	Federal	176,970,900	(3,000,000)
Reduces appropriation by $3.0 million federal to align with May 2020 consensus caseload estimates and consensus cost per case estimates	GF/GP	$40,029,100	$0

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
4. CDC–Unroll a portion of funding for T.E.A.C.H Early Childhood Michigan Scholarship from CDC Contracted Services	**Gross**	**$1,250,000**	**$0**
Transfers $3.8 million of federal funding from the Child Development and Care Contracted Services line item to the T.E.A.C.H. Early Childhood Michigan Scholarship Program line item. $3.8 million of the T.E.A.C.H. line item had been previously transferred to the Contracted through the administrative transfer process during the FY 20 budget.	Federal	1,250,000	0
	GF/GP	$0	$0
5. CDC – State Matching Fund Decrease	**Gross**	**$217,000,000**	**$0**
Replaces $597,800 GF/GP with a corresponding amount of federal funds for the CDC program's matching funds in order to align GF/GP with the estimated amount needed to draw down the full federal CCDF award. This represents an estimate because the final federal allocation for Michigan has not been appropriated at the federal level.	Federal	176,970,900	597,800
	GF/GP	$40,029,100	($597,800)
6. Special Education Remote Learning Library	**Gross**	**$9,153,000**	**$1,500,000**
Provides $1.5 million GF/GP in the Special Education Operations line item to an association for administrators of special education services to develop and make available content for special education students, teachers, and others. Other eligible uses of funds include the following: development of assessment tools, in collaboration with MDE, to measure the needs of students with special education needs in remote learning environments and the effectiveness of various education methods and tools; and the identification of any available federal funds for research related to special education in remote learning.	Federal	8,561,200	0
	Private	11,100	0
	Restricted	45,900	0
	GF/GP	$435,800	$1,500,000
7. State Aid to Libraries	**Gross**	**$12,067,700**	**$1,000,000**
Increases state aid to libraries by $1.0 million GF/GP to a total of $13.1 million.	GF/GP	$12,067,700	$1,000,000
8. Educare – One-Time	**Gross**	NA	**$1,000,000**
Provides $1.0 million GF/GP for MDE to award to an early childhood collaborative that serves students in Genesee county to continue the expansion of early childhood services because of a drinking water declaration of emergency.	GF/GP	NA	$1,000,000
9. Camp Tuhsmeheta Maintenance and Upkeep	**Gross**	**$298,000**	**$202,000**
Increases by $202,000 private funds for maintenance and upkeep of facilities. MDE has indicated that the camp would need to replace buildings at a higher cost without additional maintenance funding.	Private	298,000	202,000
	GF/GP	$0	$0
10. Michigan Online Educator Certification System (MOECS) IT System Maintenance and Support	**Gross**	**$4,651,000**	**$200,000**
Increases by $200,000 Certification Fees in the Information Technology Services and Projects line item to fund contracted staff at the Department of Technology Management, and Budget (DTMB) for ongoing support and enhancements of MDE's MOECS, which allows teachers to access their certification data, apply for certificates and endorsements, and renew their certificates.	Federal	2,533,400	0
	Restricted	712,500	200,000
	GF/GP	$1,405,100	$0
11. Michigan School for the Deaf and Blind	**Gross**	**$13,515,900**	**$112,800**
Increases Student Insurance Revenue authorization by $112,800 to be able to fully draw down federal Medicaid reimbursement for the Michigan School for the Deaf and Blind.	Federal	7,529,200	0
	Local	5,893,400	0
	Restricted	93,300	112,800
	GF/GP	$0	$0

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
12. Teacher Recruitment Program	**Gross**	**$0**	**$100**
Provides a $100 placeholder in the Educator Excellence Operations line item for boilerplate Sec. 233 to require MDE to implement a training program for pupils in grades 9 to 12 who are interested in teaching and are members of groups underrepresented in the teaching profession.	Restricted	0	100
	GF/GP	$0	$0
13. Departmentwide GF/GP Reductions	**Gross**	**NA**	**($800,000)**
Reflects $800,000 GF/GP reduction of departmentwide operations by between 2% to 4% but excludes reductions for certain required payments (i.e. Worker's Compensation, Renaissance Zone payments) or matching funds (i.e. CDC public assistance).	GF/GP	NA	($800,000)
14. Economic Adjustments	**Gross**	**NA**	**$2,775,400**
Reflects increased costs of $2.8 million Gross ($752,900 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2020 and 1.0% on April 4, 2021), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	Federal	NA	1,840,100
	Local	NA	(21,300)
	Private	NA	1,100
	Restricted	NA	202,600
	GF/GP	NA	$752,900

Boilerplate Changes From FY 2019-20

***Sec. 216. FTE Vacancies and Remote Work Report* – NEW**
Requires MDE to report quarterly on the following: number of full-time equated (FTE) positions in pay status by civil service classification; comparison by line item of the number FTE positions authorized from funds in part 1 to the actual number of FTE positions employed by MDE at the end of the reporting period. Additionally, by April 1 of the current fiscal year and semiannually thereafter, MDE shall report the following information: number of employees that were engaged in remote work in 2020; number of employees authorized to work remotely and the actual number of those working remotely in the current reporting period; estimated net cost savings achieved by remote work; and reduced use of office space associated with remote work.

***Sec. 218. State Administrative Board Transfers* – NEW**
Permits the legislature, through a concurrent resolution adopted by a majority of the members elected in each house, to intertransfer funds within this article for MDE, board, commission, officer, or institution, if the state administrative board, acting under section 3 of the 1921 PA 2, MCL 17.3, transfers funds from an amount appropriated under this act.

***Sec. 221 Report on Policy Changes Made to Implement Public Acts Affecting Department* – NEW**
Requires MDE to report by April 1 on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year.

***Sec. 218. Expending Available Work Project Authorization* – NEW**
Designates that appropriations in part 1 shall, to the extent possibly by MDE, not be expended until all existing work project authorization available for the same purposes is exhausted.

***Sec. 225. Grant Application Penalty* – DELETED**
Deletes a requirement that MDE comply with the grant application penalty in section 17c of the State School Aid Act 1979, 1979 PA 94, MCL 388.1617c. Reduces state funding for state board/superintendent operations, unclassified positions, and grant and contract operations by 2.5% if the MDE fails to comply.

***Sec. 227. Timely Data* – DELETED**
Deletes a requirement that MDE provide data requested by the legislature, staff, and fiscal agencies in a timely manner; subjects the State Board/Superintendent Operations line item to a penalty of 1% of state funds if reasonably requested data is not received within 30 days or if reports required by boilerplate or statute are not submitted within 30 days after it is due.

Boilerplate Changes From FY 2019-20

***Sec. 229. Contract Notifications* – REVISED**
Requires MDE to notify the House and Senate appropriations committees and the State Budget Director before entering into a contract that exceeds $1.0 million or seeking a federal waiver form, or amending the federal waiver form. Revises to remove the requirement that MDE notify the above entities before entering into a contract that exceeds $1.0 million.

***Sec. 235. Association Report* – DELETED**
Deletes a requirement that MDE compile a report by December 1, 2019, that includes an itemized list of allocations paid by the department to any association or consortium consisting of associations in the immediately preceding fiscal year. The report must include the recipient or recipients, the amount allocated, and the purpose for which the money was distributed.

***Secs. 236, 237 & 238. Department Administrative Reserve Fund 1, 2, & 3* – DELETED**
Deletes the Department Administrative Reserve Funds in MDE that required that funds in the reserve fund cannot be expended unless a legislative transfer request is issued by the SBO.

***Sec. 325. Federal and Private Grants* – DELETED**
Deletes a requirement that MDE notify the legislature within 10 days of receiving a federal or private grant appropriated in part 1 under federal and private grants line.

***Sec. 502. Student Teaching Credits* – DELETED**
Deletes a requirement that MDE authorize teacher preparation institutions to provide alternative programs in which one-quarter of all student teaching credits can be earned through substitute teaching and requires the substitute teaching to occur in a single classroom setting for at least 15 consecutive school days to count toward this requirement.

***Sec. 1003. Early Childhood Investment Corporation Annual Report* – REVISED**
Requires MDE to submit an annual report on all funding appropriated to the Early Childhood Investment Corporation (ECIC) for FY 2019-20 by February 15. Report must detail the amounts of grants awarded, grant recipients, activities funded by each grant, and an analysis of the work of each grantee. Also requires contracts for early childhood comprehensive systems planning to be bid through a statewide RFP process. Revises that the MDE shall instead provide the report on all contracts for the early childhood comprehensive systems planning rather than on only one of the entities, ECIC, that receives funding for these contracts.

***Sec. 1009. CDC Increase to Eligibility Entrance Threshold* – REVISED**
Requires MDE to set the entrance income threshold for the CDC program at 130% of the federal poverty guidelines. Revises to maintain the current entrance income threshold at 130% of the federal poverty guidelines for the CDC program from October 1 to December 1, and to increase the entrance income threshold to 150% of the federal poverty guidelines from January 1 to September 30.

DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY
Summary: Conference Report
Article 4, House Bill 5396 (S-1) CR-1

Analyst: Austin Scott

	FY 2019-20 YTD as of 2/6/20	FY 2020-21 Conference	*Difference: Conference From FY 2019-20 YTD* Amount	%
IDG/IDT	$3,176,600	$3,337,700	*$161,100*	*5.1*
Federal	175,269,900	171,973,000	*(3,296,900)*	*(1.9)*
Local	0	0	*0*	*--*
Private	1,201,800	1,412,800	*211,000*	*17.6*
Restricted	266,440,100	275,191,800	*8,751,700*	*3.3*
GF/GP	168,577,400	59,443,900	*(109,133,500)*	*(64.7)*
Gross	**$614,665,800**	**$511,359,200**	***($103,306,600)***	***(16.8)***
FTEs	1,422.0	1,424.0	*2.0*	*0.1*

Notes:
(1) FY 2019-20 year-to-date figures are as of release of the executive budget on February 6, 2020 and do not include mid-year budget adjustments.
(2) Appropriation figures include all proposed appropriation amounts and amounts designated as "one-time."
(3) Because of revenue uncertainty due to the COVID-19 pandemic, separate FY 2020-21 budget bills were not passed by the House or the Senate.

Overview

The Department of Environment, Great Lakes, and Energy (EGLE) is responsible for managing Michigan's air, land, water, and energy resources. Departmental functions include improving resource quality, reducing waste, and mitigating threats to Michigan's environment.

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
1. Oil, Gas, and Mineral Services	FTE	57.0	0.0
Replaces $3.9 million of restricted funding with $4.0 million GF/GP for a Gross increase of $100,000 for oil, gas, and mineral services. This program regulates oil and natural gas exploration, mineral mining, and orphan well closure.	**Gross**	**$11,011,900**	**$100,000**
	Restricted	10,863,000	(3,900,000)
	GF/GP	$148,900	$4,000,000
2. Lead and Copper Rule Support – Clare and Burton	**Gross**	**NA**	**$2,750,000**
Adds $2.5 million GF/GP for water line replacement in the City of Clare and $250,000 for water line replacement in the City of Burton.	GF/GP	NA	$2,750,000
3. Environmental Cleanup Project (One-time) – Madison Heights	**Gross**	**NA**	**$600,000**
Includes $600,000 GF/GP to support the demolition costs of an electroplating services building in Madison Heights.	GF/GP	NA	$600,000
4. Watershed Council Grants	**Gross**	**NA**	**$600,000**
Adds $600,000 GF/GP for grants to watershed councils for education, administration, and conservation efforts.	GF/GP	NA	$600,000
5. Michigan Geological Survey	**Gross**	**NA**	**$500,000**
Appropriates $500,000 GF/GP for the Michigan Geological Survey at Western Michigan University.	GF/GP	NA	$500,000
6. Multistate Aquifer Study	**Gross**	**NA**	**$500,000**
Includes $500,000 GF/GP for a study of the Michindoh Aquifer in Michigan, Indiana, and Ohio.	GF/GP	NA	$500,000

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
7. Water Treatment Plant Project – Parchment	**Gross**	**NA**	**$450,000**
Adds $450,000 GF/GP for contamination remediation at a water treatment plant in Parchment.	GF/GP	NA	$450,000
8. Land and Water Interface Permit Programs	FTE	82.0	2.0
Appropriates an additional $350,000 GF/GP and 2.0 FTE positions to the Dam Safety Program. The goal of the program is to reduce and prevent unplanned or uncontrolled releases of water from dams.	**Gross**	**$12,037,700**	**$350,000**
	IDG	1,296,900	0
	Federal	2,098,700	0
	Restricted	2,359,400	0
	GF/GP	$6,282,700	$350,000
9. Cooperative Lakes Monitoring Program	**Gross**	**NA**	**$150,000**
Includes $150,000 GF/GP to continue department's contract for the cooperative lakes monitoring program. The purpose of the program is to help volunteers monitor local lake water quality and document changes over time.	GF/GP	NA	$150,000
10. Environmental Permit Review Committee – Administrative Hearings Officers	**Gross**	**$396,000**	**$500,000**
Adds $500,000 Gross ($129,000 GF/GP) to Administrative Hearings Officers for increased environmental permit reviews.	IDG	0	3,900
	Private	0	1,000
	Restricted	396,000	366,100
	GF/GP	$0	$129,000
11. Blanchard Dam Bond Inspection and Repair Needs Study	**Gross**	**NA**	**$10,000**
Appropriates $10,000 GF/GP for a study to inspect and assess repair needs of Blanchard Dam in Isabella County.	GF/GP	NA	$10,000
12. Mapping and Other Support	**Gross**	**$4,300,000**	**($300,000)**
Reduces funding for GIS mapping of contaminated sites and groundwater flow, including PFAS sites by $300,000 GF/GP.	GF/GP	$4,300,000	($300,000)
13. Information Technology Services and Projects	**Gross**	**$9,679,200**	**($225,000)**
Decreases funding for computer operations, systems development, and design projects by $225,000 GF/GP.	IDG	111,900	0
	Federal	1,838,700	0
	Restricted	7,250,500	0
	GF/GP	$478,100	($225,000)
14. Office of the Great Lakes	FTE	12.0	0.0
Reduces funding for the Office of the Great Lakes by $75,000 GF/GP. The Office coordinates Great Lakes protection programs and serves as Michigan's primary information source on Great Lakes issues.	**Gross**	**$2,263,100**	**($75,000)**
	Federal	815,600	0
	Restricted	506,600	0
	GF/GP	$940,900	($75,000)
15. Scrap Tire Grants – Alpena	**Gross**	**$3,500,000**	**$3,000,000**
Authorizes $3.0 million from the Scrap Tire Regulatory Fund to expand the Scrap Tire Market Development Grant Program, targeted to Alpena.	Restricted	3,500,000	3,000,000
	GF/GP	$0	$0
16. Renew Michigan Program	**Gross**	**$68,500,000**	**$500,000**
Restores $500,000 of restricted funding for the Renew Michigan Program to return funding to $69.0 million. In FY 2019-20, the governor vetoed a $500,000 earmark for the Michigan Geological Survey which reduced program funding to $68.5 million. The program supports environmental remediation at non-petroleum contaminated sites, recycling, and solid waste management; it is funded by an income tax earmark.	Restricted	68,500,000	500,000
	GF/GP	$0	$0

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
17. Environmental Workshops and Conferences – Environmental Support	FTE	31.0	0.0
	Gross	**$4,659,000**	**$335,900**
Adds $335,900 of private funding to the Environmental Support appropriation for environmental outreach through EGLE-sponsored workshops and conferences. This appropriation is named Communications and Community Outreach in FY 2019-20 and provides funding for departmental communications and public affairs.	Federal	2,200	0
	Private	364,100	335,900
	Restricted	1,457,800	0
	GF/GP	$2,834,900	$0
18. Efficiency and Renewable Energy Revolving Loan Fund – Environmental Sustainability and Stewardship	**Gross**	**NA**	**$250,000**
	Restricted	NA	250,000
Recognizes the transfer of $250,000 from the Efficiency and Renewable Energy Revolving Loan Fund from LARA to EGLE in accordance with Executive Order 2019-6 which transitioned the department from DEQ to EGLE.	GF/GP	NA	$0
19. Removal of FY 2019-20 One-Time Funding	**Gross**	**$120,000,100**	**($120,000,100)**
	Restricted	100	(100)
Removes $120.0 million GF/GP for drinking water initiatives included in the FY 2019-20 budget. Initiatives included Drinking Water Revolving Fund loan forgiveness, lead and copper rule implementation, PFAS and emerging contaminant remediation, and grants for the development of asset management plans.	GF/GP	$120,000,000	($120,000,000)
20. Technical Adjustments	**Gross**	**NA**	**$243,900**
	IDG	NA	69,300
Increases EGLE budget by $243,900 Gross ($8,000 GF/GP) to align appropriations with available restricted and federal funding and further align appropriations with departmental transition from DEQ to EGLE.	Federal	NA	(4,323,900)
	Private	NA	(127,500)
	Restricted	NA	4,618,000
	GF/GP	NA	$8,000
21. Economic Adjustments	**Gross**	**NA**	**$6,453,700**
	IDG	NA	87,900
Reflects increased costs of $6.5 million Gross ($1.4 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2020 and 1.0% on April 4, 2021), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	Federal	NA	1,027,000
	Private	NA	1,600
	Restricted	NA	3,917,700
	GF/GP	NA	$1,419,500

Boilerplate Changes From FY 2019-20

***Sec. 216. FTE Vacancies and Remote Work Report* – NEW**
Requires the department to report quarterly on the number of FTE positions filled, FTE vacancies, the number of employees working remotely, the number of employees authorized to work remotely, estimated cost savings from remote work, and reduction in office space due to working remotely.

***Sec. 217. Expending Available Work Project Authorization* – NEW**
Advises the department not to expend appropriations in part 1 until existing work project authorization for the same purpose has been expended.

***Sec. 218. State Administrative Board Transfers* – NEW**
Allows the legislature to adopt a concurrent resolution to intertransfer funds within the department's budget if the State Administrative Board transfers fund appropriated in part 1.

***Sec. 219. Receipt and Retention of Reports* – NEW**
Requires the department to receive and retain copies of all reports funded in part 1.

***Sec. 220. Report on Policy Changes Made to Implement Public Acts Affecting Department* – NEW**
Requires the department to report on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year by April 1.

Boilerplate Changes From FY 2019-20

***Sec. 238. Fee and Fund Source Report* – DELETED**
Requires department to report on its public website information detailing activities related to fees and fund sources.

***Sec. 308. Work Projects – Refined Petroleum Product Cleanup Program* – REVISED**
Authorizes unexpended funds appropriated for Emergency Cleanup Actions, Environmental Cleanup and Redevelopment Program, and Refined Petroleum Product Cleanup Program to be considered work project appropriations and carried forward into succeeding fiscal year; program will perform contaminated site cleanups with a tentative completion date of September 30, 2022. Revised to exclude the Environmental Cleanup and Redevelopment Program.

***Sec. 401. Land and Water Interface Permit Programs Dam Safety Earmark* – NEW**
Earmarks $350,000 and 2 FTE positions from Land and Water Interface Permit Programs in part 1 for Dam Safety Programs.

***Sec. 410. Lake Erie Report* – REVISED**
Requires department to compile report on status of implementation plan for western Lake Erie basin collaborative agreement; requires report to include estimated cost of removal of total phosphorus per pound at four major wastewater treatment plants, description of grants awarded, description of work that has commenced on issue of dissolved reactive phosphorus, expected objectives and outcomes of that work, list of parties involved in that effort, and description of efforts and outcomes aimed at total phosphorus reduction for River Raisin watershed. Revised to add November 1 report due date.

***Sec. 601. Public Service Commission Memorandum of Understanding* – DELETED**
Requires department to enter into a memorandum of understanding with the Public Service Commission to outline responsibilities of Office of Climate and Energy.

***Sec. 901. Volkswagen Settlement Receive and Expend* – NEW**
Allows expenditure of expenditure of funds from the Volkswagen Environmental Mitigation Trust upon receipt as outlined within State's Mitigation Plan. Requires report on trust's preceding fiscal year's expenditures by February 1.

***Sec. 902. Scrap Tire Grants Earmark* – NEW**
Earmarks $3,000,000 from Scrap Tire Grants in part 1 for a project in Alpena.

***Sec. 1001. Lead and Copper Rule Implementation* – DELETED**
Directs expenditure of funding for grants for asset management plan creation, water distribution system materials inventories, and public education awareness campaigns related to drinking water contaminants including lead; requires report on expenditures.

***Sec. 1002. PFAS and Emerging Contaminants* – DELETED**
Directs expenditure of funding for grants to municipal airports and drinking water systems for PFAS contaminant remediation or alternate water system connection costs; requires report on expenditures.

***Sec. 1003. Drinking Water Revolving Fund Loan Forgiveness* – DELETED**
Directs expenditure of funding for grants for drinking water infrastructure upgrades included in community asset management plans; requires report on expenditures.

***Sec. 1004. Affordability and Planning* – DELETED**
Directs expenditure of funding for affordability and planning to communities to enhance their respective asset management plans, develop sustainable water rate plans, or develop watershed plans; requires report on expenditures.

***Sec. 1005. Private Well Testing* – REVISED**
Directs expenditure of funding for private well testing to local health departments to provide water testing to private well owners; requires report on expenditures. Revised to make section dependent upon "if funds become available."

***Sec. 1006. Blanchard Dam Bond Inspection and Repair Needs Study* – NEW**
Directs expenditure of funding for Blanchard Dam bond inspection and repair needs study in part 1 to conduct a study of repair needs and for inspection at Blanchard Dam in Isabella County.

***Sec. 1007. Cooperative Lakes Monitoring Program* – NEW**
Directs expenditure of funding for Cooperative Lakes Monitoring Program in part 1 to continue the program which helps volunteers monitor local lake water quality and document changes over time.

ENVIRONMENT, GREAT LAKES, AND ENERGY

Boilerplate Changes From FY 2019-20

***Sec. 1008. Environmental Cleanup Project (One-Time)* – NEW**
Directs expenditure of funding for environmental cleanup project (one-time) in part 1 to support the demolition costs of an electroplating services building in Madison Heights.

***Sec. 1009. Lead and Copper Rule Support* – NEW**
Directs expenditure of funding for lead and copper rule support in part 1 for water line replacement in the City of Clare ($2.5 million) and the City of Burton ($250,000).

***Sec. 1010. Michigan Geological Survey* – NEW**
Directs expenditure of funding for Michigan Geological Survey in part 1 to support basic and applied geological research at Western Michigan University and designates the funding as a work project.

***Sec. 1011. Multistate Aquifer Study* – NEW**
Directs expenditure of funding for multistate aquifer study in part 1 for a study of the Michindoh Aquifer in Michigan, Indiana, and Ohio and designates the funding as a work project.

***Sec. 1012. Water Treatment Plant Project* – NEW**
Directs expenditure of funding for water treatment plant project in part 1 for contamination remediation at a water treatment plant in Parchment.

***Sec. 1013. Watershed Council Grants* – NEW**
Directs expenditure of funding for watershed council grants in part 1 for grants to watershed councils for education, administration, and conservation efforts; caps individual grants at $40,000; requires a report of grant recipients and grant amounts by April 1.

GENERAL GOVERNMENT TOTALS
Summary: Conference Report
Article 5, House Bill 5396 (S-1) CR-1

Analysts: Ben Gielczyk and Michael Cnossen

	FY 2019-20 YTD as of 2/6/20	FY 2020-21 Conference	*Difference: Conference From FY 2019-20 YTD* *Amount*	*%*
IDG/IDT	$1,024,134,300	$1,099,669,700	*$75,535,400*	*7.4*
Federal	1,002,960,800	1,185,185,200	*182,224,400*	*18.2*
Local	21,437,000	26,297,200	*4,860,200*	*22.7*
Private	6,943,100	11,950,100	*5,007,000*	*72.1*
Restricted	2,342,240,100	2,432,301,600	*90,061,500*	*3.8*
GF/GP	1,110,223,100	1,297,539,900	*187,316,800*	*16.9*
Gross	**$5,507,938,400**	**$6,052,943,700**	***$545,005,300***	***9.9***
FTEs	9,922.0	9,994.0	*72.0*	*0.7*

Notes:
(1) FY 2019-20 year-to-date figures are as of release of the executive budget on February 6, 2020 and do not include mid-year budget adjustments.
(2) Appropriation figures include all proposed appropriation amounts and amounts designated as "one-time."
(3) Because of revenue uncertainty due to the COVID-19 pandemic, separate FY 2020-21 budget bills were not passed by the House or the Senate.

Overview

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

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

Boilerplate Changes From FY 2019-20

***Sec. 210. Countercyclical Budget and Economic Stabilization Fund* – REVISED**

Provides budget stabilization fund calculations for pay-in and pay-out as required by Section 352 of the Management and Budget Act. States that no funds are deposited in the Countercyclical Budget and Economic Stabilization Fund in FY 2019-20. Revises calculation tables; includes a deposit of $35.0 million GF/GP and an amount equal to 100% of the FY 2019-20 GF/GP lapses.

***Sec. 216. FTE Vacancies and Remote Work Report* – NEW**

Requires departments and agencies to provide a quarterly report that provides FTE counts by classification and actual FTE position counts compared to authorized FTE position counts. Requires a report by April 1 and semiannually thereafter, that specifies the number of employees engaged in remote work in 2020, number of employees authorized to work remotely and the actual number working remotely, estimated net cost savings from remote work, and the reduced use of office space associated with remote work.

***Sec. 217. State Administrative Board Transfers* – NEW**

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

GENERAL GOVERNMENT TOTALS

Boilerplate Changes From FY 2019-20

***Sec. 222. Work Plan Changes for Coronavirus Relief Fund* – NEW**
Requires the state budget director to provide written notification on any changes I work planned spending categories for work projects containing Coronavirus Relief Funds for FY 2019-20 prior to expenditures occurring from new or increased spending categories.

***Sec. 223. Coronavirus Relief Fund Transfer to Unemployment Trust Fund* – NEW**
Requires any Coronavirus Relief Fund appropriations in part 1 for which expenditures have not been incurred as of December 30, 2020 to be deposited into the Unemployment Insurance Trust Fund.

***Sec. 237. Information Technology Project Guidance* – NEW**
Requires information technology projects funded by appropriations in part 1 to utilize information technology project management best practices and services as defined or recommended by the Enterprise Portfolio Management Office of MDTMB and comply with the requirements of the state unified information technology environment methodology as it applies to all information technology project management processes.

DEPARTMENT OF ATTORNEY GENERAL
Summary: Conference Report
Article 5, House Bill 5396 (S-1) CR-1

Analyst: Michael Cnossen

	FY 2019-20 YTD as of 2/6/20	FY 2020-21 Conference	Difference: Conference From FY 2019-20 YTD Amount	%
IDG/IDT	$34,373,000	$35,285,800	*$912,800*	*2.7*
Federal	9,713,700	9,906,100	*192,400*	*2.0*
Local	0	0	*0*	*--*
Private	0	0	*0*	*--*
Restricted	20,159,800	20,488,300	*328,500*	*1.6*
GF/GP	41,736,300	41,148,400	*(587,900)*	*(1.4)*
Gross	**$105,982,800**	**$106,828,600**	***$845,800***	***0.8***
FTEs	542.4	543.4	*1.0*	*0.2*

Notes:
(1) FY 2019-20 year-to-date figures are as of release of the executive budget on February 6, 2020 and do not include mid-year budget adjustments.
(2) Appropriation figures include all proposed appropriation amounts and amounts designated as "one-time."
(3) Because of revenue uncertainty due to the COVID-19 pandemic, separate FY 2020-21 budget bills were not passed by the House or the Senate.

Overview

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

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
1. Elder Abuse Task Force	FTE	NA	3.0
Authorizes $387,500 GF/GP to support three investigators to serve the Elder Abuse Task Force, a joint initiative between the department, Michigan Supreme Court, legislature, and other organizations, to implement changes recommended by previous elder abuse task forces to prevent elder abuse, neglect, and exploitation and to support abuse victims. Previous Task Forces are the 1998 Supreme Court Task Force on Guardianships and Conservatorships and the 2007 Governor's Task Force on Elder Abuse.	**Gross**	**NA**	**$387,500**
	GF/GP	NA	$387,500
2. Ok2Say Transfer to State Police	FTE	2.0	(2.0)
Reduces $1.5 million Gross ($1.0 million GF/GP), and 2.0 FTE positions to reflect the transfer of administrative and promotional functions of the Ok2Say multimedia student safety reporting hotline to the Michigan State Police (MSP). MSP currently staffs and operates the hotline call center.	**Gross**	**$1,472,300**	**($1,481,000)**
	Restricted	472,300	(469,600)
	GF/GP	$1,000,000	($1,011,400)
3. Public Safety Initiative	FTE	1.0	0.0
Reduces $21,100 GF/GP for additional prosecutorial services to reduce the backlog of outstanding warrants in Saginaw, Flint, Pontiac, and Wayne County due to more than sufficient funding being available for the number of outstanding warrants and cases.	**Gross**	**$906,200**	**($21,100)**
	GF/GP	$906,200	($21,100)

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
4. Technical Adjustment from Ad Board Transfer	**Gross**	**$4,300**	**($4,300)**
Removes $4,300 Gross ($500 GF/GP) by eliminating 43 $100 line item placeholders remaining after Administrative Board Resolution 2019-12 consolidated unrolled line items.	IDG	2,300	(2,300)
	Federal	200	(200)
	Restricted	1,300	(1,300)
	GF/GP	$500	($500)
5. Discretionary Spending Reductions	**Gross**	**NA**	**($648,000)**
Reduces $648,000 GF/GP to reflected department-wide savings in costs towards discretionary personnel contracts, travel expenses, and alignment with expenses. Reductions are as follows: $305,900 to department the department operations line, $269,800 for sexual assault law enforcement due to the availability prior year funding to support the program, $40,700 for Prosecuting Attorneys Coordinating Council, and $31,600 to child support enforcement.	GF/GP	NA	($648,000)
6. GF Fund Shift – Attorney General's Operations Fund	**Gross**	**$1,472,300**	**$0**
Appropriates available state restricted Attorney General's Operations Fund revenue to offset a General Fund reduction. The Attorney General Operations Fund receives a portion of fees collected by the Friend of the Court state disbursement unit. Fee revenue is authorized to be used to support department operation costs.	Restricted	472,300	352,000
	GF/GP	$1,000,000	($352,000)
7. Economic Adjustments	**Gross**	**NA**	**$2,612,700**
Reflects increased costs of $2.6 million Gross ($1.1 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2020 and 1.0% on April 1, 2021), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	NA	915,100
	Federal	NA	192,600
	Restricted	NA	447,400
	GF/GP	NA	$1,057,600

Boilerplate Changes From FY 2019-20

***Sec. 308. Appropriation of Litigation Expense Reimbursements* – NEW**
Appropriates up to $500,000 from litigation expense reimbursements for court fees and legal costs assessed against the Governor, the office of the Governor, the Attorney General, and the office of the Attorney General when acting as the named party in litigation against the state; authorizes unexpended funding, up to $250,000, to be carried forward.

***Sec. 320. Lawsuit Settlement Notification and Adherence to State Laws* – REVISED**
Requires department to notify of lawsuit settlements with a fiscal impact for the state of $5.0 million or more; prohibits department from entering into a lawsuit that is contrary to state laws; requires department to enforce state laws. Revises dollar amount of settlement size requiring notification to $2.0 million.

***Sec. 321. Attorney General Presentation on Federal Lawsuits* – REVISED**
Requires department to submit notification upon entering lawsuit against federal government and estimated costs for participating in the lawsuit; requires Attorney General to appear before House and Senate subcommittees on General Government within 30 days from a request of the chairperson of either subcommittee. Revises by eliminating requirement for Attorney General to appear before the subcommittees.

***Sec. 322. Department Initiatives Quarterly Expenditure Report* – NEW**
Requires department to submit quarterly expenditure reports by line item and fund source for the following initiatives and activities: Catholic Church Investigation, Elder Abuse Task Force, Conviction Integrity Unit, Opioid Litigation, Hate Crimes Unit, Michigan State University Investigation, PFAS contamination, Human Trafficking, and Robocall Enforcement.

DEPARTMENT OF CIVIL RIGHTS
Summary: Conference Report
Article 5, House Bill 5396 (S-1) CR-1

Analyst: Michael Cnossen

	FY 2019-20 YTD as of 2/6/20	FY 2020-21 Conference	Difference: Conference From FY 2019-20 YTD Amount	%
IDG/IDT	$298,500	$299,800	*$1,300*	*0.4*
Federal	2,816,900	2,868,200	*51,300*	*1.8*
Local	0	0	*0*	*--*
Private	18,700	18,700	*0*	*0.0*
Restricted	58,500	58,500	*0*	*0.0*
GF/GP	13,195,700	14,792,200	*1,596,500*	*12.1*
Gross	**$16,388,300**	**$18,037,400**	***$1,649,100***	***10.4***
FTEs	116.0	116.0	*0.0*	*0.0*

Notes:
(1) FY 2019-20 year-to-date figures are as of release of the executive budget on February 6, 2020 and do not include mid-year budget adjustments.
(2) Appropriation figures include all proposed appropriation amounts and amounts designated as "one-time."
(3) Because of revenue uncertainty due to the COVID-19 pandemic, separate FY 2020-21 budget bills were not passed by the House or the Senate.

Overview

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

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
1. Museums Support	**Gross**	**$0**	**$1,500,000**
Directs $1.5 million GF/GP to support the Arab American National Museum in Dearborn, the Charles H. Wright Museum of African American History in Detroit, and the Holocaust Memorial Center in Farmington Hills with $500,000 each.	Restricted	$0	$1,500,000
2. Discretionary Reductions	**Gross**	**$0**	**($250,000)**
Reduces $250,000 GF/GP to reflect cost savings from two vacant positions and decreased travel expenses.	Restricted	$0	($250,000)
3. Economic Adjustments	**Gross**	**NA**	**$399,100**
Reflects increased costs of $399,100 Gross ($346,500 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2020 and 1.0% on April 1, 2021), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	NA	1,300
	Federal	NA	51,300
	GF/GP	NA	$346,500

Boilerplate Changes From FY 2019-20

***Sec. 402. Training and Information Dissemination* – REVISED**
Authorizes department to receive and expend local and private funds pertaining to employer training, publication and sale of informational material, copy and witness fees, mediation activities, workshops and seminars, and related staffing costs. Revises to cap authorized revenues between local and private sources to $85,000.

***Sec. 411. Museums Support* – NEW**
Allocates $500,000 each to the Arab American National Museum in Dearborn, the Charles H. Wright Museum of African American History in Detroit, and the Holocaust Memorial Center in Farmington Hills from $1.5 million appropriated for Museums Support.

EXECUTIVE OFFICE
Summary: Conference Report
Article 5, House Bill 5396 (S-1) CR-1

Analyst: Ben Gielczyk

	FY 2019-20 YTD as of 2/6/20	FY 2020-21 Conference	*Difference: Conference From FY 2019-20 YTD* *Amount*	*%*
IDG/IDT	$0	$0	*$0*	--
Federal	0	0	*0*	--
Local	0	0	*0*	--
Private	0	0	*0*	--
Restricted	0	0	*0*	--
GF/GP	7,114,300	7,114,300	*0*	*0.0*
Gross	**$7,114,300**	**$7,114,300**	***$0***	***0.0***
FTEs	89.2	89.2	*0.0*	*0.0*

Notes:
(1) FY 2019-20 year-to-date figures are as of release of the executive budget on February 6, 2020 and do not include mid-year budget adjustments.
(2) Appropriation figures include all proposed appropriation amounts and amounts designated as "one-time."
(3) Because of revenue uncertainty due to the COVID-19 pandemic, separate FY 2020-21 budget bills were not passed by the House or the Senate.

Overview

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

Major Budget Changes From FY 2019-20 YTD Appropriations		**FY 2019-20 Year-to-Date (as of 2/6/20)**	**FY 2020-21 Conference Change**
1. Operational Adjustments	**Gross**	**$7,114,300**	**$0**
There are no changes to the Executive Office for FY 2020-21.	GF/GP	$7,114,300	$0

Boilerplate Changes From FY 2019-20

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

LEGISLATURE
Summary: Conference Report
Article 5, House Bill 5396 (S-1) CR-1

Analyst: Ben Gielczyk

	FY 2019-20 YTD as of 2/6/20	FY 2020-21 Conference	*Difference: Conference From FY 2019-20 YTD* *Amount*	*%*
IDG/IDT	$0	$0	*$0*	*--*
Federal	0	0	*0*	*--*
Local	0	0	*0*	*--*
Private	400,000	400,000	*0*	*0.0*
Restricted	4,514,100	4,637,300	*123,200*	*2.7*
GF/GP	170,576,000	170,702,600	*126,600*	*0.1*
Gross	**$175,490,100**	**$175,739,900**	***$249,800***	***0.1***

Notes:
(1) FY 2019-20 year-to-date figures are as of release of the executive budget on February 6, 2020 and do not include mid-year budget adjustments.
(2) Appropriation figures include all proposed appropriation amounts and amounts designated as "one-time."
(3) Because of revenue uncertainty due to the COVID-19 pandemic, separate FY 2020-21 budget bills were not passed by the House or the Senate.

Overview

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

Major Budget Changes From FY 2019-20 YTD Appropriations		**FY 2019-20 Year-to-Date (as of 2/6/20)**	**FY 2020-21 Conference Change**
1. Legislative Operations Adjustment	**Gross**	**$172,127,300**	**$123,200**
Reflects increased costs of $123,200 million Gross ($0 GF/GP) related to legislative staff and other operations.	Private	400,000	0
	Restricted	4,514,100	123,200
	GF/GP	$167,213,200	$0
2. Independent Citizens Redistricting Commission	**Gross**	**$3,362,800**	**($213,400)**
Reduces by $213,400 GF/GP, for a total of $3.1 million GF/GP, for Independent Citizens Redistricting Commission operations. The Michigan Constitution requires an appropriation of not less than 25% of the GF/GP budget for the Secretary of State for Independent Citizens Redistricting Commission operations.	GF/GP	$3,362,800	($213,400)
3. Senate and House of Representatives Census Tracking/Reapportionment	**Gross**	**NA**	**$340,000**
Includes $340,000 GF/GP, split evenly between the Senate and House of Representatives, for costs associated with census tracking and reapportionment. Costs may include equipment, supplies, and services need for tracking and reporting census and reapportionment information for the state of Michigan.	GF/GP	NA	$340,000

Boilerplate Changes From FY 2019-20

***Sec. 613. Senate Census Tracking/Reapportionment Work Project* – NEW**
Provides that funds appropriated in part 1 are work project appropriations; the purpose of the funds is to purchase equipment supplies, and services needed for tracking and reporting census and reapportionment information for the state of Michigan; estimated cost of the project is $170,000; tentative completion date is September 30, 2025.

***Sec. 614. House of Representatives Census Tracking/Reapportionment Work Project* – NEW**
Provides that funds appropriated in part 1 are work project appropriations; the purpose of the funds is to purchase equipment supplies, and services needed for tracking and reporting census and reapportionment information for the state of Michigan; estimated cost of the project is $170,000; tentative completion date is September 30, 2025.

***Sec. 616. Independent Citizens Redistricting Commission* – NEW**
Requires council administrator to assist in administering compensation, benefits, and other personnel support for the members, employees, staff, and consultants of the independent citizens redistricting commission.

LEGISLATIVE AUDITOR GENERAL
Summary: Conference Report
Article 5, House Bill 5396 (S-1) CR-1

Analyst: Ben Gielczyk

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

Notes:
(1) FY 2019-20 year-to-date figures are as of release of the executive budget on February 6, 2020 and do not include mid-year budget adjustments.
(2) Appropriation figures include all proposed appropriation amounts and amounts designated as "one-time."
(3) Because of revenue uncertainty due to the COVID-19 pandemic, separate FY 2020-21 budget bills were not passed by the House or the Senate.

Overview

The Legislative Auditor General is responsible for conducting post financial and performance audits of state government operations. Audit reports provide a continuing flow of information to assist the Legislature in its oversight of approximately 100 individual state funds. Audit reports provide citizens with a measure of accountability and assist state departments and agencies in improving financial management of their operations. The goal of the Legislative Auditor General is to improve accounting and financial reporting practices and promote effectiveness, efficiency, and economy in state government. The mission is to improve the accountability of public funds and to improve the operations of state government for the benefit of the citizens of the state.

Major Budget Changes From FY 2019-20 YTD Appropriations		**FY 2019-20 Year-to-Date (as of 2/6/20)**	**FY 2020-21 Conference Change**
1. Auditor General Operations Adjustments	**Gross**	**$25,935,800**	**$778,100**
Reflects increased costs of $778,100 Gross ($533,700 GF/GP) related to Auditor General staff and other operations.	IDG	6,068,400	182,000
	Restricted	2,077,100	62,400
	GF/GP	$17,790,300	$533,700

Boilerplate Changes From FY 2019-20

***Sec. 626. Michigan Department of Transportation Contract Consultant Performance Audit* – DELETED**
Requires Auditor General to conduct a performance audit of MDOT use and procurement of contract consultants for evaluating construction material specifications and availability.

***Sec. 627. Operations Work Project Language* – NEW**
Provides work project authorization for unexpended funds related to Field Operations. The purpose of the work project is to conduct the state of Michigan Comprehensive Annual Financial Report. The total estimated cost is $3.0 million and the tentative completion date is September 30, 2025.

DEPARTMENT OF STATE
Summary: Conference Report
Article 5, House Bill 5396 (S-1) CR-1

Analyst: Michael Cnossen

	FY 2019-20 YTD as of 2/6/20	FY 2020-21 Conference	Difference: Conference From FY 2019-20 YTD Amount	%
IDG/IDT	$20,000,000	$20,000,000	*$0*	*0.0*
Federal	1,460,000	1,460,000	*0*	*0.0*
Local	0	0	*0*	*--*
Private	50,100	50,100	*0*	*0.0*
Restricted	215,431,700	220,189,900	*4,758,200*	*2.2*
GF/GP	13,451,200	12,597,500	*(853,700)*	*(6.3)*
Gross	**$250,393,000**	**$254,297,500**	***$3,904,500***	***1.6***
FTEs	1,592.0	1,592.0	*0.0*	*0.0*

Notes:
(1) FY 2019-20 year-to-date figures are as of release of the executive budget on February 6, 2020 and do not include mid-year budget adjustments.
(2) Appropriation figures include all proposed appropriation amounts and amounts designated as "one-time."
(3) Because of revenue uncertainty due to the COVID-19 pandemic, separate FY 2020-21 budget bills were not passed by the House or the Senate.

Overview

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

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
1. Enhanced Driver License Fee Fund Shift	**Gross**	**NA**	**$0**
Replaces $663,200 GF/GP with a corresponding amount of state restricted funding from the Enhanced Driver License Fees for GF/GP savings and a net change of $0 Gross to achieve GF/GP savings.	Restricted	NA	**663,200**
	GF/GP	NA	($663,200)
2. Branch Office Savings	**Gross**	**$91,450,900**	**($870,000)**
Reduces $870,000 GF/GP to reflect cost savings from fewer in-person customer transactions at Secretary of State branch offices as a result of the availability of online services and appointments.	IDG	20,000,000	($870,000)
	Restricted	69,086,900	
	GF/GP	$2,796,900	
3. Information Technology Savings	**Gross**	**$38,625,700**	**($130,000)**
Reduces $130,000 GF/GP to reflect information technology efficiencies and cost savings gained through the implementation of the Customer Automotive Records System (CARS), the department's modernized computer system.	Restricted	37,026,000	0
	GF/GP	$1,599,700	($130,000)
4. Economic Adjustments	**Gross**	**NA**	**$4,904,500**
Reflects increased costs of $4.9 million Gross ($809,500 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2020 and 1.0% on April 1, 2021), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	Restricted	NA	4,095,000
	GF/GP	NA	$809,500

Boilerplate Changes From FY 2019-20

***Sec. 701. Contingency Funding* – REVISED**
Appropriates up to $2.0 million in federal, $2.5 million in state restricted, $25,000 in local, and $50,000 in private contingency funds; authorizes expenditure of funds after legislative transfer to specific line items. Revises to appropriate up to $500,000 in federal, and $500,000 in state restricted contingency funds.

DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET
Summary: Conference Report
Article 5, House Bill 5396 (S-1) CR-1

Analyst: Michael Cnossen

	FY 2019-20 YTD as of 2/6/20	FY 2020-21 Conference	*Difference: Conference From FY 2019-20 YTD* *Amount*	*%*
IDG/IDT	$950,488,800	$1,024,720,900	*$74,232,100*	*7.8*
Federal	4,968,400	5,139,300	*170,900*	*3.4*
Local	2,321,200	2,337,700	*16,500*	*0.7*
Private	131,100	134,600	*3,500*	*2.7*
Restricted	117,916,800	123,046,400	*5,129,600*	*4.4*
GF/GP	493,574,200	516,326,100	*22,751,900*	*4.6*
Gross	**$1,569,400,500**	**$1,671,705,000**	***$102,304,500***	***6.5***
FTEs	3,132.0	3,139.0	*7.0*	*0.2*

Notes:
(1) FY 2019-20 year-to-date figures are as of release of the executive budget on February 6, 2020 and do not include mid-year budget adjustments.
(2) Appropriation figures include all proposed appropriation amounts and amounts designated as "one-time."
(3) Because of revenue uncertainty due to the COVID-19 pandemic, separate FY 2020-21 budget bills were not passed by the House or the Senate.

Overview

The Department of Technology, Management, and Budget (DTMB) has legal authority under the Management and Budget Act, 1984 PA 431, 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 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
1. Venture Michigan Fund II Voucher Purchase	**Gross**	**NA**	**$37,200,000**
Provides $56.3 million GF/GP to purchase tax vouchers issued by the state to Venture Michigan Fund (VMF) and collateralized to generate investment capital from lenders under the Michigan Early Stage Venture Investment Act of 2003. Authorizing the purchase of vouchers is projected to result in GF/GP savings of $7.5 million in FY 2020-21 through avoidance of both interest that would accrue on vouchers between their use as payment and their redemption and necessity of issuing additional vouchers as payment because out-of-state lenders sold the vouchers at a discount.	GF/GP	NA	$37,200,000

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
2. State Psychiatric Facilities Special Maintenance	**Gross**	**NA**	**$15,000,000**
Authorizes $15.0 million of one-time GF/GP to the Enterprisewide Special Maintenance program to support deferred maintenance projects at each of the state's five inpatient psychiatric hospitals and centers. Funds would be distributed to the following facilities: Walter Reuther Psychiatric Hospital in Westland, Kalamazoo Psychiatric Hospital in Kalamazoo, Caro Center in Caro, Center for Forensic Psychiatry in Ann Arbor, and Hawthorn Center in Northville.	GF/GP	NA	$15,000,000
3. Retirement Services Customer Relationship Management	**Gross**	**NA**	**$2,500,000**
Authorizes $2.5 million of state restricted pension trust funds to support the replacement of the existing Customer Relationship Management System used by the Office of Retirement Services (ORS) and its ongoing maintenance. Of the $2.5 million, $2.1 million is recommended as one-time funding to develop and implement the system and $400,000 is recommended as ongoing funding to maintain the system.	Restricted	NA	2,500,000
	GF/GP	NA	$0
4. Retirement Services Financial Reporting Compliance	**Gross**	**NA**	**$400,000**
Authorizes $400,000 of state restricted from pension trust funds to allow ORS to comply with updated Government Accounting and Standards Board (GASB) auditing and actuarial requirements and to administer increased reporting standards related to the Military Retirement System becoming a prefunded system under a qualified trust.	Restricted	NA	400,000
	GF/GP	NA	$0
5. State Police Retirement System Supplemental Payments	**Gross**	**$10,000**	**($5,000)**
Reduces $5,000 of GF/GP that was used for supplemental payments as required by 2015 PA 168 to produce an annual retirement allowance of $16,000 to each retiree or beneficiary. The estimated payout in FY 2020-21 is $77,000 for 20 beneficiaries, a decrease of $5,000 GF/GP from FY 2019-20.	GF/GP	$10,000	($5,000)
6. FY 2020-21 IT IDG Baseline Adjustment	FTE	1,460.5	2.0
Authorizes $59.4 million of IDG funding to reflect projects and service adjustments in other executive department and agency budgets, administrative cost allocation changes, and IT budgetary requests made by departments and agencies. Authorizes 2.0 FTE positions to reflect ongoing IT support for the Lawful Sports Betting Act, 2019 PA 149. Technology service appropriation lines are prorated by department based on their total IT budget.	**Gross**	**$770,504,200**	**$59,425,400**
	IDG	770,504,200	59,425,400
	GF/GP	$0	$0
7. DTMB Rate Changes for Vehicle Services	**Gross**	**NA**	**$962,600**
Authorizes $962,600 of IDG funding to reflect increased rate agreements for vehicle travel services agreed upon by the rate committee based on projected miles driven and discontinuation of certain models of state-owned vehicles.	IDG	NA	962,600
	GF/GP	NA	$0
8. SWCAP Adjustment	**Gross**	**NA**	**$0**
Reallocates fund sourcing associated with Statewide Cost Allocation Plan (SWCAP) for a net change of $0 Gross and an increase of $196,500 GF/GP.	IDG	NA	481,500
	Restricted	NA	(678,000)
	GF/GP	NA	$196,500
9. Supplier Relationship Management and MiDeal	**Gross**	**NA**	**$585,000**
Authorizes $585,000 of state restricted funds for three procurement-related recommendations: $110,000 for a comprehensive supplier risk and information subscription used for the Pre-contract Risk Assessment program appropriated in 2017 PA 107; $75,000 to offset costs of Michigan small business suppliers attending the Michigan Supplier Summit; and $400,000 to continue support of MiDeal, which allows local units of government use of state-negotiated contracts.	Restricted	NA	585,000
	GF/GP	NA	$0

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
10. D.J. Jacobetti Home for Veterans Accounting Center	FTE	NA	5.0
Authorizes receipt of $710,000 of IDG funding and 5.0 FTE positions from the Department of Military and Veterans Affairs to reflect the transfer of Accounting Service Center staff members serving the D.J. Jacobetti Home for Veterans to DTMB. Accounting staff members would still serve the veterans' home.	**Gross**	**NA**	**$710,000**
	IDG	NA	710,000
	GF/GP	NA	$0
11. Administrative Services Reduction	**Gross**	**$24,357,700**	**($500,000)**
Reduces $500,000 GF/GP from Administrative Services from identification of administrative efficiencies.	IDG	13,255,500	0
	Restricted	5,224,300	0
	GF/GP	$5,877,900	($500,000)
12. Business Support Services GF Reduction Fund Shift	**Gross**	**$12,911,300**	**$0**
Replaces $1,500,000 GF/GP with a corresponding amount of state restricted Special Revenue, Internal Service, and Pension Trust Funds from the availability of funds from contract revenue.	IDG	457,000	0
	Federal	100	0
	Restricted	6,601,900	1,500,000
	GF/GP	$5,852,300	($1,500,000)
13. Michigan Cyber Command Center Transfer to MSP	**Gross**	**$14,755,000**	**($665,100)**
Transfers $665,100 GF/GP and the Michigan Cyber Command Center expenses to the Michigan State Police (MSP), which are currently administered by MSP.	GF/GP	$14,755,000	($665,100)
14. Public-Private Partnership	**Gross**	**$1,500,000**	**($1,500,000)**
Eliminates $1.5 million of state restricted authorization for the Public-Private Partnership program authorized under 2013 PA 59. Revenue for the program was never realized.	Restricted	1,500,000	(1,500,000)
	GF/GP	$0	$0
15. Technical Adjustment from Ad Board Transfer	**Gross**	**$500**	**($500)**
Eliminates five $100 placeholder line items, for a total reduction of $500 GF/GP. Administrative Board Resolution 2019-12 consolidated unrolled line items.	GF/GP	$500	($500)
16. Professional Development Funds Transfer	**Gross**	**$1,100,000**	**$0**
Transfers $50,000 of IDG funding from Professional Development Fund - MPE, SEIU, Scientific and Engineering Unit to Professional Development Fund - MPE, SEIU, Technical Unit to reflect collective bargaining agreements identified by the Office of the State Employer. The net change is $0 Gross.	IDG	1,100,000	0
	GF/GP	$0	$0
17. SBA Rent Adjustment	**Gross**	**$246,570,600**	**($15,000,000)**
Reduces $15.0 million GF/GP for funds appropriated for debt obligations to finance major capital outlay construction projects from savings achieved through restructured bond agreements and funding alignment with projected debt obligations.	GF/GP	$246,570,600	($15,000,000)
18. Information Technology Investment Fund (ITIF)	**Gross**	**$35,000,000**	**($2,500,000)**
Transfers $20.0 million GF/GP from the General Services line to the Information Technology Investment Fund line after being unrolled and consolidated in the FY 2019-20 budget and reduces $2.5 million through deferred projects for GF/GP savings.	GF/GP	$35,000,000	($2,500,000)
19. Federal Funding Alignment Transfer	**Gross**	**$18,695,700**	**$0**
Transfers $100 of federal funding from the Business Support Services line to the Bureau of Labor Market Information and Strategies line to align with available federal funding.	IDG	457,000	0
	Federal	4,855,700	0
	Local	35,000	0
	Restricted	6,601,900	0
	GF/GP	$6,746,100	$0

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
20. Removal of Current Year One-Time Funding	**Gross**	**$21,948,200**	**($21,948,200)**
Eliminates $21.9 million Gross ($21.9 million GF/GP) of one-time funding appropriated in FY 2019-20: $10.0 million for 2020 census-related activities; $5.0 million for Enterprisewide Special Maintenance for State Facilities; $4.9 million for the Michigan Public Safety Communication System; $2.0 million for Proposal 2 implementation; and $100 of state restricted funding for a Flint drinking water emergency placeholder.	Restricted	100	(100)
	GF/GP	$21,948,100	($21,948,100)
21. Discretionary Spending Reductions	**Gross**	**NA**	**($1,025,000)**
Reduces $1,025,000 GF/GP from savings from discretionary spending reductions and through continuation of hiring freeze. Reductions include the following savings from vacant positions and reduced non-essential travel, conference attendance, and supplies.	GF/GP	NA	($1,025,000)
22. Training Class Materials Reduction	**Gross**	**NA**	**($725,000)**
Reduces $725,000 GF/GP from foregoing the purchase of civil service employee training class materials for FY 2020-21.	GF/GP	NA	($725,000)
23. Enterprisewide Special Maintenance	**Gross**	**NA**	**($3,000,000)**
Reduces $3.0 million GF/GP for various general maintenance and demolition projects of state-owned facilities across the state. Funding is used for maintenance, demolition, and upkeep of state facilities.	GF/GP	NA	($3,000,000)
24. Executive Budget Revision Motor Vehicle Fleet	**Gross**	**$75,949,700**	**$5,000,000**
Provides $5.0 million in IDG funding authorization to support the state's centralized motor vehicle fleet and travel operations for FY 2020-21 and FY 2021-22 for additional motor vehicle leases and expected vehicle maintenance costs, existing information technology software.	IDG	75,949,700	5,000,000
	GF/GP	$0	$0
25. Broadband Expansion	**Gross**	**NA**	**$14,305,000**
Provides $14.3 million GF/GP to fund the Connecting Michigan Communities (CMIC) grant program to expand broadband internet connectivity to underserved communities throughout Michigan using a competitive application process.	GF/GP	NA	$14,305,000
26. Economic Adjustments	**Gross**	**NA**	**$13,085,300**
Reflects increased costs of $13.1 million Gross ($2.9 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2020 and 1.0% on April 4, 2021), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	NA	7,652,600
	Federal	NA	170,900
	Local	NA	16,500
	Private	NA	3,500
	Restricted	NA	2,322,700
	GF/GP	NA	$2,919,100

Boilerplate Changes From FY 2019-20

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

Requires DTMB to report revisions that increase or decrease current contracts for computer software development, hardware acquisition, or quality assurance by more than $500,000, individually or in aggregate. Revised by lowering contract value changes amount from $500,000 to $250,000.

***Sec. 822b. Public Private Partnership Investments* – DELETED**

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

Boilerplate Changes From FY 2019-20

***Sec. 822d. Report on Fee Rate Schedules* – DELETED**
Requires a report on fee and rate schedules used by state departments and agencies for services to include changes in fees and rates and an explanation of the factors used to justify increased changes.

***Sec. 822n. Request for Proposals Website* – DELETED**
Requires DTMB to establish a request for proposals (RFP) website that is searchable by department and agency.

***Sec. 822o. Northern Satellite Psychiatric Facility* – DELETED**
Requires DTMB to work with the Department of Health and Human Services to identify a location for the new Northern Satellite Psychiatric Facility; the capital outlay project was approved for planning authorization under Article II of 2017 PA 107.

***Sec. 831. Information Technology Services Billing* – REVISED**
Requires DTMB to submit information technology services-related invoices to departments and agencies no later than 45 days after the end of the month in which services were provided. Revises the start of the 45 day from after the end of the month in which services were provided to the day which DTMB received approval from departments to pay vendor invoices.

***Sec. 838. Clawback Provisions in State Procurement Contracts* – REVISED**
Requires department to develop policies and procedures that will require all new procurement contracts to include clawback repayment provisions in event of a breach of contract by vendor. Revises language from requiring clawback repayment provisions to require performance-related liquidated damages or performance targets with incentives.

***Sec. 840. EPMO Performance Measures* – DELETED**
Requires development and use of metrics for activities related to funds appropriated to Enterprise Portfolio Management Office.

***Sec. 841. Connecting Michigan Communities Broadband Expansion Grants* – NEW**
Requires funds to be awarded as grants to areas underserved by broadband Internet providers; prohibits awarding of grants for use in areas that have received funding assistance for broadband; prohibits awarding of grants to public entities for establishing a broadband network; prohibits awarding more than $5.0 million to any one project or applicant; requires a competitive selection process for awarding of grants; provides criteria and priorities for determining award selection; lists information required on grant applications; requires DTMB to post award notifications with information on each grant on its website; establishes criteria for delineation of unserved areas within census blocks; requires grant recipients to submit reports including details on expenditures, service benchmarks, and project progress.

***Sec. 867. Farnum Building* – DELETED**
Allocates proceeds from sale of the Farnum Building to DTMB; requires shortfall to be appropriated by legislature if net proceeds are less than $7.0 million.

***Sec. 880. Drinking Water Declaration of Emergency Reserve Fund* – DELETED**
Provides information on Drinking Water Declaration of Emergency Reserve Fund; requires legislative appropriation or transfer for spending use; authorizes end of year balance to be carried forward.

***Sec. 882. Department of Health and Human Services – Caro Center Replacement* – DELETED**
Provides for a revised scope for DHHS – Caro Center Replacement project that was approved for construction authorization in 2017 PA 107 at a total estimated cost of $115.0 million entirely funded by the state; requires department to build a new 100-bed facility at current location of Caro Regional Mental Health Center.

DEPARTMENT OF TREASURY
Summary: Conference Report
Article 5, House Bill 5396 (S-1) CR-1

Analyst: Ben Gielczyk

	FY 2019-20 YTD as of 2/6/20	FY 2020-21 Conference	*Difference: Conference From FY 2019-20 YTD* Amount	%
IDG/IDT	$12,905,600	$13,112,800	*$207,200*	*1.6*
Federal	27,242,500	27,421,800	*179,300*	*0.7*
Local	13,215,800	13,059,500	*(156,300)*	*(1.2)*
Private	27,500	28,900	*1,400*	*5.1*
Restricted	1,786,008,300	1,789,352,600	*3,344,300*	*0.2*
GF/GP	210,476,800	323,667,200	*113,190,400*	*53.8*
Gross	**$2,049,876,500**	**$2,166,642,800**	***$116,766,300***	***5.7***
FTEs	1,884.5	1,934.5	*50.0*	*2.7*

Notes:
(1) FY 2019-20 year-to-date figures are as of release of the executive budget on February 6, 2020 and do not include mid-year budget adjustments.
(2) Appropriation figures include all proposed appropriation amounts and amounts designated as "one-time."
(3) Because of revenue uncertainty due to the COVID-19 pandemic, separate FY 2020-21 budget bills were not passed by the House or the Senate.

Overview

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

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
1. Constitutional Revenue Sharing	**Gross**	**$865,441,900**	**($13,571,600)**
Decreases by $13.6 million of restricted sales tax revenue relative to the FY 2019-20 budget act appropriated amount. Appropriation reflects August 2020 CREC estimate for FY 2020-21.	Restricted	865,441,900	(13,571,600)
	GF/GP	$0	$0
2. City, Village, and Township (CVT) Revenue Sharing	**Gross**	**$261,024,600**	**$0**
Retains current year funding levels for CVT Revenue Sharing.	Restricted	261,024,600	0
	GF/GP	$0	$0
3. County Revenue Sharing/County Incentive Program	**Gross**	**$226,508,100**	**$21,300**
Retains FY 2019-20 revenue sharing levels for eligible counties and includes $21,300 to accommodate the return of Leelanau County to state revenue sharing payments after it exhausts its revenue sharing reserve fund in 2021.	Restricted	226,508,100	21,300
	GF/GP	$0	$0
4. Michigan Infrastructure Council	FTE	NA	3.0
Includes $850,000 Gross ($600,000 GF/GP) and authorizes 3.0 FTE positions to support ongoing activities of the Michigan Infrastructure Council created under 2018 PA 323. Activities of the council have been supported with $1.5 million in work project appropriations from FY 2017-18.	**Gross**	**NA**	**$850,000**
	IDG	NA	250,000
	GF/GP	NA	$600,000

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
5. General Obligation Bond Debt Service	**Gross**	**$104,335,000**	**$9,400,000**
Increases by $9.4 million GF/GP to accommodate increased debt service requirements from new bond issuances for Clean Michigan Initiative, Quality of Life, and Great Lakes Water Quality.	GF/GP	$104,335,000	$9,400,000
6. Adult-Use (Recreational) Marihuana Grants to Locals	**Gross**	**$20,250,000**	**$3,150,000**
Includes $3.2 million Marihuana Regulation Fund to adjust the level of payments to locals based on revenues to the fund. Payments to locals are estimated to total $23.4 million in FY 2020-21. These payments comprise 30% of the Marihuana Regulation Fund allocations and are split evenly between counties and other municipalities and distributed proportionately based on the number of marihuana retail stores and microbusinesses within the county or municipality.	Restricted	20,250,000	3,150,000
	GF/GP	$0	$0
7. Adult-Use (Recreational) Marihuana Administration	FTE	2.0	5.0
Increases Tax Administration Services Bureau by $725,800 Marihuana Regulation Fund and authorizes 5.0 FTE positions to accommodate full year costs for adult-use (recreational) marihuana administration.	**Gross**	**$200,100**	**$725,800**
	Restricted	200,100	725,800
	GF/GP	$0	$0
8. Wrongful Imprisonment Compensation Fund	**Gross**	**$10,000,000**	**($7,000,000)**
Includes $3.0 million GF/GP for deposit into the Wrongful Imprisonment Compensation Fund to provide payments to individuals who were wrongly convicted of crimes and imprisoned pursuant to the provisions of the Wrongful Imprisonment Compensation Act, 2016 PA 343. This represents a $5.0 million Lawsuit Settlement Proceeds Fund reduction from FY 2019-20. Funds were considered one-time appropriations in FY 2019-20 and would be designated ongoing in FY 2020-21.	Restricted	5,000,000	(5,000,000)
	GF/GP	$5,000,000	($2,000,000)
9. Historic Preservation	**Gross**	**NA**	**$5,000,000**
Includes $5.0 million GF/GP, considered one-time appropriations, for the implementation of SB 54 only if the bill is enacted into law.	GF/GP	NA	$5,000,000
10. School District Debt Relief Support	**Gross**	**NA**	**$2,000,000**
Includes $2.0 million GF/GP, considered one-time appropriations, for grants to school districts to be used for the prepayment of long-term debt payments owed to the state of Michigan.	GF/GP	NA	$2,000,000
11. Blight Removal Grants	**Gross**	**NA**	**$800,000**
Includes $800,000 GF/GP, considered one-time appropriations, for blight removal projects located in redevelopment ready communities. Individuals grants would be capped at $200,000.	GF/GP	NA	$800,000
12. Disaster Relief	**Gross**	**NA**	**$24,000,000**
Provides $24.0 million GF/GP, considered one-time appropriations, for grants to support support disaster relief efforts. Specific grants are described in Section 949o.	GF/GP	NA	$24,000,000
13. Teacher COVID-19 Grants	**Gross**	**NA**	**$53,000,000**
Includes $53.0 million GF/GP, considered one-time appropriations, to provide hazard pay to K-12 school teachers. Funding would support equal one-time payments to classroom teachers who teach in a public school or nonprofit nonpublic school. Payments would be capped at $500 per full-time equated teacher. The Department of Treasury would be authorized to retain up to 0.5% for administration. *Note: Funding was originally included in 2020 PA 144 and was funded with Coronvirus Relief Fund. That funding would be eliminated as part of a FY 2019-20 supplemental and replaced with this GF/GP appropriation.*	GF/GP	NA	$53,000,000

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
14. School Support Staff COVID-19 Grants	**Gross**	**NA**	**$20,000,000**
Includes $20.0 million GF/GP, considered one-time appropriations, to provide payments to school support staff to recognize the additional time spend outside of normal working hours, and hazardous conditions, and additional costs staff have incurred. Payments would be capped at $250 per full-time equated school support staff employee.	GF/GP	NA	$20,000,000
15. Supervision of the General Property Tax Law	**Gross**	**$16,366,100**	**$1,150,000**
Increases by $1.2 million GF/GP to provide assistance to financially distressed communities and other local governments services.	Local	140,000	0
	Restricted	3,600,300	0
	GF/GP	$12,625,800	$1,150,000
16. General Fund Target Reductions	**Gross**	**NA**	**($1,500,000)**
Reduces by $1.5 million GF/GP. Reductions are made to the following line items:	GF/GP	NA	($1,500,000)
• Executive Direction and Operations: ($275,000)			
• Department Services: ($150,000)			
• Collections Services Bureau: ($100,000)			
• Office of Accounting Services: ($10,000)			
• Office of Financial Services: ($25,000)			
• Property Management: ($20,000)			
• Tax Compliance: ($350,000)			
• Tax and Economic Policy: ($75,000)			
• Office of Revenue and Tax Analysis: ($25,000)			
• Tax Processing: ($350,000)			
• Tobacco Tax Enforcement: ($50,000)			
• State and Authority Finance: ($10,000)			
• Student Financial Assistance Program: ($15,000)			
• Treasury Information Technology: ($45,000)			
17. Municipal Cost Sharing Grants and Ad Board Placeholders	**Gross**	**$1,250,500**	**($1,250,500)**
Eliminates $1.3 million GF/GP (designated as one-time appropriations in FY 2019-20) for Municipal Cost Sharing Grants for Dearborn 911 consolidation. Removes $400 GF/GP that remained in line items after State Administrative Board Resolution 2019-4.	Restricted	100	(100)
	GF/GP	$1,250,400	($1,250,400)
18. Dual Enrollment Payments	**Gross**	**$2,007,600**	**$325,000**
Includes $325,000 GF/GP to align appropriation to August Consensus Revenue Estimating Conference estimate for dual enrollment payments. Dual enrollment appropriation pays tuition costs of eligible nonpublic school students enrolled in postsecondary institutions.	GF/GP	$2,007,600	$325,000
19. Payments in Lieu of Taxes	**Gross**	**$27,351,600**	**$640,600**
Includes adjustment of $640,600 Gross ($165,900 GF/GP) to reflect current estimate of payments based on taxable values and millage rates. Pursuant to statute payments are required to be made in full.	Private	27,500	1,400
	Restricted	5,332,900	473,300
	GF/GP	$21,991,200	$165,900
20. Convention Facility Development Fund	**Gross**	**$105,356,300**	**$2,531,600**
Increases by $2.5 million Convention Facility Development Fund to accommodate anticipated increased revenue to the fund. Funds are distributed pursuant to statute to the Detroit Regional Convention Facility Authority (DRCFA) for debt service on the Cobo bonds, to DRCFA for operations shortfalls, to counties equal to 101% of their prior year amount, and any remainder to DRCFA to retire Cobo bonds early. Statute annually distributes 100% of the funds.	Restricted	105,356,300	2,531,600
	GF/GP	$0	$0

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
21. Implementation of Internet Gaming and Sports Betting	FTE	NA	23.0
Includes $5.5 million of restricted gaming revenues and authorizes 23.0 FTE positions to implement and enforce the new internet gaming and sports betting legislation. Funding would allow department to hire new technicians, financial analysts, regulation officers, and auditors. The $5.5 million appropriation would be allocated as follows: $4.6 million for administration and $850,000 for IT.	**Gross**	**NA**	**$5,450,000**
	Restricted	NA	5,450,000
	GF/GP	NA	$0
22. Gaming Control Board IT Legacy System Upgrade	**Gross**	**NA**	**$4,025,000**
Includes $4.1 million of restricted gaming revenues (designated one-time appropriations) for the completion of the Case Handling and Information Processing System (CHIPS).	Restricted	NA	4,025,000
	GF/GP	NA	$0
23. Bureau of State Lottery Staffing	FTE	196.0	4.0
Includes $508,700 State Lottery Fund and authorizes 4.0 FTE positions to increase administration and oversight capabilities necessary due to the increased points of sale and iLottery operations.	**Gross**	**$26,937,600**	**$508,700**
	Restricted	26,937,600	508,700
	GF/GP	$0	$0
24. Other Fund Sourcing and FTE Position Adjustments	FTE	NA	15.0
Includes the following adjustments to funding sourcing and FTE positions:	**Gross**	**NA**	**($391,500)**
	IDG	NA	(150,300)
• Reduces IDG from Account Services Center User Charges by $150,300 to reflect retirement of MGCB-assigned employee.	Federal	NA	(5,800)
	Local	NA	(241,200)
• Reduces Local – Audit Charges revenue by $241,200 to more accurately reflect anticipated revenues.	Restricted	NA	5,800
	GF/GP	NA	$0
• Authorizes 15.0 FTE positions Casino Gaming Control Operations to offset a portion of the 20.0 FTE positions that were moved to a new Millionaire Party Regulation line item in FY 2019-20.			
• Shifts $5,800 economic increase from capped federal fund to delinquent tax collection revenue.			
25. Economic Adjustments	**Gross**	**NA**	**$6,901,900**
Reflects increased costs of $6.9 million Gross ($1.5 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2020 and 1.0% on April 4, 2021), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	NA	107,500
	Federal	NA	185,100
	Local	NA	84,900
	Restricted	NA	5,024,500
	GF/GP	NA	$1,499,900

Boilerplate Changes From FY 2019-20

***Sec. 911. Refundable Tax Credit, Tax Refund, and Interest Payments* – REVISED**
Appropriates an amount sufficient to recognize and pay refundable tax credits, tax refunds, and interest; requires appropriations to be funded by restricting tax revenue. Revises to reflect accounting processes for the State of Michigan Comprehensive Annual Financial Report.

***Sec. 921. Revenue Bulletins, Notices, and Administrative Rules Notices* – NEW**
Requires the department to notify the legislature on any revenue bulletins, administrative rules involving tax administration or collection, or notices interpreting changes in law.

***Sec. 927. Personal Property Tax Audits* – REVISED**
Requires the department to submit annual progress reports regarding personal property tax and essential service assessment audits. Revises by eliminating personal property tax audits from the annual progress reports because the department no longer conducts personal property tax audits.

Boilerplate Changes From FY 2019-20

***Sec. 936. Financial Data Analytical Tool Guidance* – DELETED**
Requires department to maintain the financial data analytic tool reimbursement work project for counties, cities, villages, townships, and regional councils of governments that reimburses participating local units for the cost of a data analytical tool that provides financial data analysis and early warning analysis from a vendor approved by Department of Technology, Management, and Budget (DTMB) in FY 2017-18. Allows for proration of available funds. Requires department to continue work project authorization for any unexpended funds.

***Sec. 942. Maintenance of Existing Contracts* – DELETED**
Requires department to prioritize maintaining existing contracts associated with the property services division as a condition of receiving funds for Supervision of the General Property Tax Law.

***Sec. 949. Fraud Prevention Appropriation* – REVISED**
Specifies that the department may contract with private agencies from the funds appropriated in part 1 to prevent the disbursement of fraudulent tax refunds. Appropriates a total amount not to exceed $1.2 million from the fund or account to which the revenues being collected are recorded or dedicated to pay contract costs or fund operations designed to reduce fraudulent income tax refund payments. Requires report. Revises appropriation maximum to $1.5 million.

***Sec. 949a. City Income Tax Expansion* – REVISED**
Requires funds appropriated for the city income tax administration to be used for expansion of individual income tax returns to one additional city. Revises to authorize, not require, department to expand services to additional cities.

***Sec. 949l. Historic Preservation* – NEW**
Prohibits funds appropriated in part 1 from being expended unless Senate Bill 54 is enacted into law. Requires funds appropriated to be used for implementation of the bill.

***Sec. 949m. Municipal Cost Sharing Grants* – DELETED**
Allocates $500,000 for security camera installation around the Capitol Complex, $500,000 for police department services during large events at the Capitol Building, and $1.3 million for a grant to a consolidated police and EMS dispatch center in Dearborn. Governor vetoed the security camera installation grant and the large events policy services grant, both dedicated to the City of Lansing.

***Sec. 949n. Student Loan Refinancing Program Study* – DELETED**
Requires the department to conduct a feasibility study concerning the implementation of a student loan refinancing program. *Note: Ad Board transferred all but $100 in associated line item in FY 2019-20.*

***Sec. 949m. Blight Removal Grants* – NEW**
Requires funds appropriated in part 1 for Blight Removal Grants to be awarded to projects in redevelopment ready communities certified by MEDC. Individual grants would be capped at $200,000 with priority given to projects that pose an immediate public safety or health risk.

***Sec. 949n. School District Debt Relief Support* – NEW**
Provides that funding appropriated in part 1 for School District Debt Relief Support must be awarded at the discretion of the state treasurer to eligible school districts; defines eligible school districts; caps awards at $1.0 million.

***Sec. 949o. Disaster Relief* – NEW**
Provides that funds appropriated in part 1 be provided to the following: Midland/Gladwin Flooding ($15.0 million); Arenac County Flooding ($500,000); Houghton/Baraga Flooding ($4.0 million); Newaygo County Flooding ($400,000); Ionia County Flooding ($164,000); and Ecorse River Watershed Flooding ($3.0 million).

***Sec. 949p. Teacher COVID-19 Grants* – NEW**
Requires $53.0 million appropriation to be distributed as equal payments to eligible K-12 classroom teachers who teach in a public school or nonprofit nonpublic school; caps payments at $500 per FTE teacher; authorizes the department to retain up to 0.5% for administration.

***Sec. 949q. School Support Staff COVID-19 Grants* – NEW**
Requires $20.0 million appropriation to be distributed as equal payments to eligible school support staff; caps payments at $250 per FTE school support staff; authorizes the department to retain up to 0.5% for administration.

Boilerplate Changes From FY 2019-20

REVENUE SHARING

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

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

***Sec. 955. County Revenue Sharing* – RETAINED**

Requires the county revenue sharing appropriation to be distributed so that each eligible county receives a payment (when coupled with the County Incentive Program payment) equal to 104.5619% of the amount determined pursuant to the Glen Steil State Revenue Sharing Act of 1971. Requires counties receiving a payment to allocate their FY 2019-20 payment increase to their unfunded pension liabilities if they have a pension that is in unfunded status pursuant to the Protecting Local Government Retirement and Benefits Act. (Counties are exempt if they have issued a municipal security to pay down their unfunded liability.) Retains payments for counties at FY 2019-20 payments.

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
Summary: Conference Report
Article 5, House Bill 5396 (S-1) CR-1

Analyst: Ben Gielczyk

	FY 2019-20 YTD as of 2/6/20	FY 2020-21 Conference	*Difference: Conference From FY 2019-20 YTD* *Amount*	*%*
IDG/IDT	$0	$0	*$0*	*--*
Federal	956,759,300	1,138,389,800	*181,630,500*	*19.0*
Local	5,900,000	10,900,000	*5,000,000*	*84.7*
Private	6,315,700	11,317,800	*5,002,100*	*79.2*
Restricted	196,073,800	272,389,100	*76,315,300*	*38.9*
GF/GP	142,308,300	192,867,600	*50,559,300*	*35.5*
Gross	**$1,307,357,100**	**$1,625,864,300**	***$318,507,200***	***24.4***
FTEs	2,565.9	2,579.9	*14.0*	*0.5*

Notes:
(1) FY 2019-20 year-to-date figures are as of release of the executive budget on February 6, 2020 and do not include mid-year budget adjustments.
(2) Appropriation figures include all proposed appropriation amounts and amounts designated as "one-time."
(3) Because of revenue uncertainty due to the COVID-19 pandemic, separate FY 2020-21 budget bills were not passed by the House or the Senate.

Overview

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

Major Budget Changes From FY 2019-20 YTD Appropriations		**FY 2019-20 Year-to-Date (as of 2/6/20)**	**FY 2020-21 Conference Change**
1. Business Attraction and Community Revitalization	**Gross**	**$79,379,900**	**$20,620,100**
Provides a net increase of $20.6 million Gross, for a total appropriation of $100.0 million Gross ($40.7 million GF/GP), by increasing 21st Century Jobs Fund appropriations $31.8 million and reducing GF/GP appropriations $11.1 million.	Restricted	27,600,000	31,750,000
	GF/GP	$51,779,900	($11,129,900)
2. Entrepreneurship Eco-System Target Reduction	**Gross**	**$16,400,000**	**($750,000)**
Reduces by $750,000 of restricted 21st Century Jobs Trust Fund. Funds are transferred to Business Attraction and Community Revitalization (Item #1) to realize GF/GP savings.	Restricted	16,400,000	(750,000)
	GF/GP	$0	$0
3. Arts and Cultural Grants Target Reduction	**Gross**	**$10,150,000**	**($650,000)**
Reduces by $650,000 GF/GP.	Federal	1,050,000	0
	Private	100,000	0
	GF/GP	$9,000,000	($650,000)
4. Community Development Block Grants	**Gross**	**$47,000,000**	**$15,000,000**
Increases federal authorization by $15.0 million to recognize higher Community Development Block Grant funding from the CARES Act.	Federal	47,000,000	15,000,000
	GF/GP	$0	$0

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
5. Pure Michigan	**Gross**	**$0**	**$25,000,000**
Includes $15.0 million GF/GP for Pure Michigan program and authorizes the receipt of matching contributions from the tourism industry to augment state appropriations. *Note: Program funding was vetoed in FY 2019-20.*	Local	0	5,000,000
	Private	0	5,000,000
	GF/GP	$0	$15,000,000
6. Job Creation Services Target Reduction	FTE	120.0	0.0
Reduces by $432,000 GF/GP.	**Gross**	**$22,293,000**	**($432,000)**
	Federal	2,773,300	0
	Private	250,000	0
	Restricted	4,616,600	0
	GF/GP	$14,653,100	($432,000)
7. Michigan Enhancement Grants	**Gross**	**NA**	**$31,288,800**
Includes $31.3 million GF/GP, considered one-time appropriations, for 33 Michigan enhancement grants. Specific grant awards are included in Section 1047.	GF/GP	NA	$31,288,800
8. Michigan Reconnect Grant Program	FTE	0.0	12.0
Includes $30.0 million in one-time restricted funding and authorization for 12.0 FTE positions for the Michigan Reconnect Grant program, which would provide last-dollar financial aid funding for Michigan residents who are at least 25 years old, do not currently have a college degree, and are seeking an associate degree or certificate at a community college or eligible institution. *Note: $35.0 million for this program was vetoed in SB 151.*	**Gross**	**$0**	**$30,000,000**
	Restricted	0	30,000,000
	GF/GP	$0	$0
9. Coronavirus Relief Fund Grants	**Gross**	**NA**	**$10,000,000**
Includes $10.0 million Coronavirus Relief Fund to support 8 grant awards. Specific grant awards are included in Section 1052.	Federal	NA	10,000,000
	GF/GP	NA	$0
10. Going Pro	**Gross**	**$0**	**$28,670,700**
Includes $28.7 million GF/GP for Going Pro. Program primarily provides employer-based training grants. Of total, $1.5 million is specifically allocated to Graduation Alliance Program (Sec. 1070). *Note: Program funding was vetoed in FY 2019-20.*	Restricted	0	9,540,800
	GF/GP	$0	$19,129,900
11. First Responder Presumed Coverage Claims	**Gross**	**$250,000**	**$3,750,000**
Includes $4.0 million First Responder Presumed Coverage Fund to pay benefit claims authorized Section 405 of the Worker's Disability Compensation Act, 1969 PA 317. The recently enacted internet gaming (2019 PA 152) and sports wagering (2019 PA 149) legislation annually deposits $4.0 million into the fund. This represents a net increase of $3.8 million Gross compared to FY 2019-20.	Restricted	0	4,000,000
	GF/GP	$250,000	($250,000)
12. Centers for Independent Living	**Gross**	**$12,031,700**	**$3,500,000**
Increases by $3.5 million GF/GP for a total appropriation of $15.5 million Gross ($7.1 million GF/GP). Grants assist persons with disabilities to increase their ability to perform everyday activities; to coordinate independent living services with other federal, state, and local agencies; and to provide outreach services.	Federal	8,451,600	0
	Private	10,000	0
	GF/GP	$3,570,100	$3,500,000
13. Workforce Development Program Target Reduction	**Gross**	**$388,773,400**	**($3,168,000)**
Reduces by $3.2 million GF/GP.	Federal	364,026,500	0
	Local	500,000	0
	Private	3,796,400	0
	Restricted	10,999,900	0
	GF/GP	$9,450,600	($3,168,000)

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
14. Compensation Supplement Fund Target Reduction	**Gross**	**$1,820,000**	**($1,000,000)**
Reduces by $1.0 million GF/GP.	Restricted	820,000	0
	GF/GP	$1,000,000	($1,000,000)
15. Unemployment Insurance Agency Federal Fund Authorization	FTE	736.0	0.0
Increases federal funds authorization by $159.9 million to accommodate increased federal fund award due to high unemployment rates in the state of Michigan.	**Gross**	**$134,452,500**	**$159,883,800**
	Federal	113,203,000	159,883,800
	Restricted	21,249,500	0
	GF/GP	$0	$0
16. Removal of One-Time Appropriations	**Gross**	**$2,000,600**	**($2,000,600)**
Removes $1.0 million Gross ($1.0 million GF/GP) appropriated for one-time grants in FY 2019-20:	Federal	100	(100)
• Alpena Community College: $500,000	Restricted	300	(300)
• Belleville seawall repair: $250,000	GF/GP	$2,000,200	($2,000,200)
• Saginaw County Community Corrections: $250,000			
• Focus:HOPE: $1.0 million			
• Removal of $600 Gross ($400 GF/GP) that remained in 6 line items after State Administrative Board Resolution 2019-14 transferred funds			
17. Blight Elimination Grants	**Gross**	**$250,000**	**($250,000)**
Removes $250,000 GF/GP for rural blight elimination grants.	GF/GP	$250,000	($250,000)
18. Revenue Adjustments to Align with Fund Sourcing and FTE Adjustment	**FTE**	NA	2.0
	Gross	**NA**	**($7,753,900)**
Reduces by $7.8 million Gross and increases by $176,900 GF/GP to accommodate fund sourcing adjustments necessary to align with actual revenues:	Federal	NA	(7,868,700)
	Restricted	NA	(62,100)
	GF/GP	NA	$176,900
• Reduces federal funds to reflect actual revenues: ($7.7 million)			
• Reduces federal and restricted funds that cannot support economics increases: ($70,600)			
• Replaces $176,900 of federal funds in Michigan Rehabilitation Services line item with corresponding amount of GF/GP			
• Authorizes an additional 2.0 FTE positions for the Office of Global Michigan (includes no accompanying appropriations)			
19. Economic Adjustments	**Gross**	**NA**	**$6,798,300**
Reflects increased costs of $6.8 million Gross ($343,800 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2020 and 1.0% on April 4, 2021), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	Federal	NA	4,615,500
	Private	NA	2,100
	Restricted	NA	1,836,900
	GF/GP	NA	$343,800

Boilerplate Changes From FY 2019-20

***Sec. 984. SIGMA System Reporting* – DELETED**
Requires LEO to use SIGMA to report encumbrances and expenditures.

***Sec. 989. Workers' Compensation Agency Health Care Services Rules Update* – NEW**
Expresses legislative intent that the Workers' Compensation Agency annually update its health care services rules as required under statute.

Boilerplate Changes From FY 2019-20

STATE LAND BANK AUTHORITY

***Sec. 998. Blight Removal Grants* – DELETED**

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

MICHIGAN STRATEGIC FUND

***Sec. 1005a. Pure Michigan Appropriations* – NEW**

Requires GF/GP appropriated in part 1 for Pure Michigan to be appropriated for certain specified purposes. Authorizes fund to contract any of the authorized activities. Authorizes fund to work with local units of government, non-profit entities, and private entities on Pure Michigan promotion campaigns.

***Sec. 1005b. Local Promotion Fund* – NEW**

Creates a local promotion fund whereby the fund could receive funds from local units of government and non-profit entities. Specifies that funds received are available for expenditure. Authorizes funds to be used for media production and placements, national and international marketing campaigns, and for other activities that promote Michigan.

***Sec. 1005c. Private Promotion Fund* – NEW**

Creates a private promotion fund whereby the fund could receive funds from private entities. Specifies that funds received are available for expenditure. Authorizes funds to be used for media production and placements, national and international marketing campaigns, and for other activities that promote Michigan.

***Sec. 1047. Michigan Enhancement Grants* – DELETED**

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

***Sec. 1047. Michigan Enhancement Grants* – NEW**

Specifies one-time appropriation in part 1 for Michigan Enhancement Grants shall be awarded to the following: (1) E-Recording Commission ($600,000), (2) Western Upper Peninsula Workforce Development Retirement Shortfall ($1.1 million), (3) Holy Cross Services ($1.0 million), (4) Rural Jobs Investment Fund ($1.5 million), (5) McClaren – Cheboygan ($3.0 million), (6) McClaren – Greenlawn ($5.0 million), (7) Michigan Center for Civic Education ($220,000), (8) Naval Museum Infrastructure Grant ($200,000), (9) Governor Warner Historic Mansion Renovation ($85,000), (10) Sloan Museum ($1.0 million), (11) Langley Covered Bridge ($750,000), (12) North Flint Food Market ($506,800), (13) Helmets to Hardhats ($250,000), (14) United Methodist Community House ($1.0 million), (15) Michigan Aerospace Manufacturers Association ($500,000), (16) Pershing High School Military Training ($300,000), (17) Detroit Public Schools Air Filters ($250,000), (18) Kent County Youth Sex Offender Diversion Program ($75,000), (19) Statewide Preapprenticeship Program ($3.0 million), (20) US 131 Interchange Kalamazoo County Planning and Design ($1.8 million); (21) UCAN Addiction Recovery ($200,000), (22) Amity Foundation ($750,000), (23) Grand Traverse County Railway Improvements ($500,000), (24) Chippewa County Railway Improvements ($200,000), (25) Alcona County Railway Improvements ($300,000), (26) Gaylord/Otsego County Railway Improvements ($154,000), (27) Arenac County Railway Improvements ($41,000), (28) Bay County Railway Improvements ($94,000), (29) Gratiot County Railway Improvements ($211,000), (30) Forest Road Roundabout ($1.7 million), (31) Child Care Pilot Project ($1.0 million), (32) Allegan County Bridge Repairs ($3.0 million), and (33) Van Andel Institute ($1.0 million).

***Sec. 1048. Michigan Enhancement Grants Grant Agreements* – NEW**

Requires MSF to execute a grant agreement with certain requirements for each Michigan Enhancement Grant awarded; requires quarterly updates on grant status; requires recipients to respond to reasonable requests.

***Sec. 1052. Coronavirus Relief Fund Grants* – NEW**

Specifies one-time appropriation in part 1 for Coronavirus Relief Fund Grants shall be awarded to the following for eligible expenses: (1) Wolverine Human Services ($2.4 million), Spectrum Human Services ($1.9 million), Orchard's Children Services ($81,900), Oakland Family Services ($77,100), Ennis Center ($85,800), Hospital UV Air Cleaner Grant Program ($2.0 million), Michigan Tech COVID Testing Facility ($400,000), and Rapid COVID Testing ($3.0 million).

Boilerplate Changes From FY 2019-20

WORKFORCE DEVELOPMENT AND UNEMPLOYMENT

***Sec. 1070. Dropout Support and Career Training Grant* – NEW**
Requires $1.5 million of the funds appropriated for Going Pro to support a pilot program to assist adults over the age of 23 in obtaining high school diplomas and placement in career training programs. Provides requirements to qualify as an eligible program provider. Provides detailed reimbursement rates for certain performance measures.

***Sec. 1071. Dropout Prevention and Recovery Program for Michigan Youth* – RETAINED**
Requires $3.8 million from the funds appropriated for At-Risk Youth Grants to be awarded to the Michigan franchise holder of the national Jobs for America's Graduates program.

***Sec. 1073. GED-to-School Work Project Authorization* – DELETED**
Requires unexpended funds appropriated in FY 2014-15 for the GED-to-School program in work project status to be reauthorized as a work project. This would authorize continued usage of funds for the High School Equivalency-to-School program.

***Sec. 1074. Michigan Reconnect Grant Program* – NEW**
Provides requirements for the Michigan Reconnect Grant program; requires the department to allocate 10.0 FTE positions for navigators who provide support services and 2.0 FTE positions for oversight and implementation of the program.

***Sec. 1075. Unemployment Insurance Agency Claimants and Trust Fund Reporting* – NEW**
Requires the department to provide a monthly report the provides 4-week average number of unique claimants, 4-week average number of eligible claimants with certification, 4-week average number of claims paid, total amount of standard unemployment insurance payments paid for the month, total amount of unemployment insurance tax generated for the quarter, and balance of the Michigan unemployment trust fund at the end of the quarter.

***Sec. 1080. Community Ventures Matching Funds* – DELETED**
Stipulates that up to $1.0 million funding in part 1 for the Community Ventures may be used for a matching program ($1 for $1) if private funds are raised. Note: Ad Board transferred all but $100 of associated line item in FY 2019-20 to Workforce Development Programs for Healthy Michigan work requirement assistance.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Summary: Conference Report
Article 6, House Bill 5396 (S-1) CR-1

Analysts: Kent Dell, Susan Frey, Kevin Koorstra, and Viola Wild

	FY 2019-20 YTD as of 2/6/20	FY 2020-21 Conference	*Difference: Conference From FY 2019-20 YTD* *Amount*	*%*
IDG/IDT	$13,819,300	$13,829,900	$10,600	0.1%
Federal	18,306,958,900	20,066,172,200	1,759,213,300	9.6%
Local	146,246,000	161,422,800	15,176,800	10.4%
Private	142,959,500	177,172,500	34,213,000	23.9%
Restricted	2,978,783,900	2,989,480,100	10,696,200	0.4%
GF/GP	4,769,278,700	5,090,371,100	321,092,400	6.7%
Gross	**$26,358,046,300**	**$28,498,448,600**	***$2,140,402,300***	**8.1%**
FTEs	15,438.0	15,487.0	*49.0*	0.3%

Notes:
(1) FY 2019-20 year-to-date figures are as of release of the executive budget on February 6, 2020 and do not include mid-year budget adjustments.
(2) Appropriation figures include all proposed appropriation amounts and amounts designated as "one-time."
(3) Because of revenue uncertainty due to the COVID-19 pandemic, separate FY 2020-21 budget bills were not passed by the House or the Senate.

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, and 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.

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
MEDICAID AND BEHAVIORAL HEALTH – GENERAL			
1. Traditional Medicaid Cost Adjustment	**Gross**	**$14,654,187,100**	**$895,928,200**
Increases $895.9 million Gross ($100.0 million GF/GP) for traditional Medicaid program caseload, utilization, inflation, and financing adjustments based on the August caseload consensus between the State Budget Office, Senate Fiscal Agency, and House Fiscal Agency. Amount includes GF/GP offsets from federal FMAP and SCHIP match rates adjustments from 64.06% to 64.08% and 86.34% to 74.86%, respectively, plus an additional 6.2 percentage point increase to the state FMAP provided under the federal Families First Coronavirus Response Act for 1 quarter. Primary source of cost increases is from additional caseloads as a result of the COVID-19 pandemic.	Federal	9,340,804,400	796,114,100
	Local	52,140,400	(70,900)
	Private	2,100,000	0
	Restricted	2,351,951,200	(79,100)
	GF/GP	$2,907,191,100	$99,964,100
2. Healthy Michigan Plan Cost Adjustment	**Gross**	**$4,116,287,200**	**$994,327,400**
Increases $994.3 million Gross ($121.9 million GF/GP) for Healthy Michigan Plan caseload, utilization, inflation, and financing adjustments based on the August caseload consensus. Primary source of cost increases is from additional caseloads as a result of the COVID-19 pandemic.	Federal	3,741,823,200	864,252,100
	Local	1,754,800	240,800
	Restricted	338,849,100	7,911,900
	GF/GP	$33,860,100	$121,922,600

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
3. Actuarial Soundness	**Gross**	**NA**	**$207,813,000**
Includes $207.8 million Gross ($61.6 million GF/GP) to support an estimated 2.0% actuarial soundness adjustment for prepaid inpatient health plans (PIHPs), Medicaid Health plans, home- and community-based services, and Healthy Kids Dental, and an estimated 6.0% increase for PIHP autism services.	Federal	NA	146,197,100
	GF/GP	NA	$61,615,900
DEPARTMENTAL ADMINISTRATION			
	FTE	0.0	6.0
4. MiSACWIS Replacement	**Gross**	**$0**	**$4,389,400**
Includes $4.4 million Gross ($2.6 million GF/GP) and authorizes 6.0 FTE positions to begin the replacement of MiSACWIS with a new Comprehensive Child Welfare Information System (CCWIS). Replacement will include the introduction of 9 cloud-based modules over the course of approximately 5 to 6 years.	Federal	0	1,789,400
	GF/GP	$0	$2,600,000
	FTE	207.0	(10.0)
5. Office of Inspector General – Vacant FTE Positions	**Gross**	**$25,961,600**	**($1,303,100)**
Includes a reduction of $1.3 million Gross ($671,900 GF/GP) and 10.0 FTE positions due to currently vacant positions. SBO has indicated that the department does not intend to fill these positions in the current fiscal year.	IDG/IDT	198,200	0
	TANF	874,800	0
	Federal	13,421,100	(631,200)
	GF/GP	$11,467,500	($671,900)
6. Lease Cancellations and Staff Relocation	**Gross**	**NA**	**($2,788,100)**
Includes a reduction of $2.8 million Gross ($1.5 million GF/GP) resulting from the transfer of the Victor building to the Department of Labor and Economic Opportunity and the cancellation of multiple leases.	Federal	NA	(1,296,800)
	GF/GP	NA	($1,491,300)
7. Information Technology Consolidation	FTE	43.0	(30.0)
Includes a net-zero transfer of $40.0 million Gross ($10.0 million GF/GP) from one-time appropriations, as well as $6.0 million GF/GP from various line items across the department budget to the Information Technology appropriation unit to ameliorate the identified information technology GF/GP funding shortfall. Also adjusts FTE positions and distributes appropriations from the Information Technology Contingency line item to the major IT programs.	**Gross**	**$504,698,900**	**$6,000,000**
	IDG/IDT	1,067,000	0
	TANF	24,854,500	0
	Federal	345,760,400	0
	Private	25,000,000	0
	Restricted	1,999,800	0
	GF/GP	$106,017,200	$6,000,000
8. Property Management – Non-State-Owned Building Leases	**Gross**	**$65,809,800**	**$866,300**
Includes $866,300 Gross ($671,400 GF/GP) to account for adjustments in lease costs for non-state-owned buildings utilized by the department.	IDG/IDT	593,500	0
	TANF	10,698,900	0
	Federal	23,921,000	194,900
	Private	36,400	0
	Restricted	494,900	0
	GF/GP	$30,065,100	$671,400
9. Economic Adjustments	**Gross**	**NA**	**$53,898,000**
Reflects increased costs of $53.9 million Gross ($34.7 million GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2020 and 1.0% on April 1, 2021), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG/IDT	NA	10,600
	TANF	NA	(13,400)
	Federal	NA	18,172,100
	Local	NA	101,300
	Private	NA	239,200
	Restricted	NA	699,900
	GF/GP	NA	$34,688,300

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
CHILD SUPPORT ENFORCEMENT			
10. Child Support Operations Reduction	FTE	179.7	0.0
Includes a $3.9 million Gross ($1.3 million GF/GP) reduction for the Office of Child Support based on costs and administrative efficiencies.	**Gross**	**$23,464,900**	**($3,900,000)**
	Federal	14,810,400	(2,574,000)
	GF/GP	$8,654,500	($1,326,000)
COMMUNITY SERVICES AND OUTREACH			
11. Homeless Programs			
Includes $649,800 GF/GP to increase funding for homeless programs that provide emergency shelter and services to homeless individuals. Increase is to provide additional funding to current providers for additional services at current per diem rates.	**Gross**	**$22,632,700**	**$649,800**
	Federal	3,613,900	0
	TANF	6,162,600	0
	GF/GP	$12,856,200	$649,800
12. Runaway and Homeless Youth Grants	**Gross**	**$7,384,000**	**$400,000**
Includes an increase of $400,000 GF/GP for Runaway and Homeless Youth programs.	Federal	3,103,000	0
	TANF	3,424,800	0
	GF/GP	$856,200	$400,000
13. School Success Partnership Program	**Gross**	**$0**	**$525,000**
Includes $525,000 federal funding for state grant to Northeast Michigan Community Service Agency for School Success Partnership Program.	TANF	0	525,000
	GF/GP	$0	$0
14. Child Advocacy Centers	FTE	0.5	0.0
Includes an increase of $999,900 GF/GP for child advocacy centers. Sec. 459 is related boilerplate.	**Gross**	**$1,407,100**	**$999,900**
	Restricted	1,407,000	0
	GF/GP	$100	$999,900
15. Unified Clinics Resiliency Center for Families and Children – One-Time Funding	**Gross**	**$100**	**$1,499,900**
	GF/GP	$100	$1,499,900
Includes $1.5 million GF/GP for the development and operation of a Resiliency Center for Families and Children to provide services to families and children experiencing trauma, toxic stress, chronic disability, neurodevelopmental disorders, or addictions. Sec. 1919 is related boilerplate.			
16. Washtenaw County Youth Programs- One-Time Funding	**Gross**	**NA**	**$250,000**
Includes $250,000 GF/GP for a grant to a provider network for services to youth in Washtenaw County during the COVID-19 crisis. Sec. 1914 is related boilerplate.	GF/GP	NA	$250,000
CHILDREN'S SERVICES AGENCY – CHILD WELFARE			
17. Child Welfare Caseload Adjustments	**Gross**	**$696,118,600**	**$27,799,500**
Increases funding for child welfare programs by $27.8 million Gross ($39.4 million GF/GP) as follows:	Federal	198,373,900	(1,889,400)
	TANF	94,280,100	(14,310,500)
• Foster care payments are increased by $9.1 million Gross ($9.0 million GF/GP) from 6,124 cases at $37,100 per year to 8,152 cases at $32,415 per year.	Local	40,914,500	5,166,900
	Private	1,770,700	(562,700)
	GF/GP	$360,779,400	$39,395,200
• Adoption subsidies are reduced by $1.1 million Gross ($178,700 GF/GP) from 22,062 cases at $730.41 per month to 22,061 cases at $728.48 per month.			
• The Child Care Fund is increased by $19.8 million Gross ($30.9 million GF/GP).			
• Guardianship assistance payments are decreased by $103,200 Gross ($250,900 GF/GP) from 1,188 cases at $709.26 per month to 1,201 cases at $694.42 per month.			
Caseload estimates based on August caseload consensus.			

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
18. Child Welfare FMAP Savings	**Gross**	**NA**	**$0**
Includes $3.6 million GF/GP savings from enhanced FMAP rates in the first quarter of FY 2020-21 during the COVID-19 crisis.	Federal	NA	3,600,000
	GF/GP	NA	($3,600,000)
19. Qualified Residential Treatment Program (QRTP) Child Assessments	**Gross**	**$259,974,400**	**$3,410,600**
	Federal	105,645,300	910,600
Includes an increase of $3.4 million Gross ($2.5 million GF/GP) for assessments of children in private foster care institutions. Third-party treatment assessments are mandated by the federal Family First Prevention Services Act (FFPSA) to be completed within 30 days of placement in a QRTP.	TANF	9,248,000	0
	Local	18,102,700	0
	Private	1,770,700	0
	GF/GP	$125,207,700	$2,500,000
20. Foster Care Prevention Programming	FTE	NA	5.0
Includes an increase of $716,300 Gross ($524,500 GF/GP) and authorization for 5.0 FTE positions for community analysts/liaisons to provide services to help families avoid entry into foster care and prevent children from being placed into residential care.	**Gross**	**NA**	**$716,300**
	Federal	NA	191,800
	GF/GP	NA	$524,500
21. Foster Care Congregate Care Pilot	**Gross**	**NA**	**$501,500**
Adds $501,500 GF/GP to fund the first year of a congregate care pilot that will use an evidence-based program with focused cognitive behavioral therapy for foster children.	GF/GP	NA	$501,500
22. Residential Foster Care Facility Rate Increase	**Gross**	**$259,974,400**	**$7,086,100**
Includes an increase of $7.1 million Gross ($4.6 million GF/GP) to fund a residential rate increase for private agencies to meet new residential treatment requirements, such as additional staffing, programming, and accreditation, under the federal FFPSA.	Federal	105,645,300	2,486,100
	TANF	9,248,000	0
	Local	18,102,700	0
	Private	1,770,700	0
	GF/GP	$125,207,700	$4,600,000
23. Family Preservation Program Private Agency Rate Increase	FTE	15.0	0.0
Adds $1.8 million GF/GP to fund an increase to private agency rates for family preservation program services. Sec. 523(3) is related boilerplate and states any eligible federal matching funds may be allocated as well.	**Gross**	**$46,820,900**	**$1,750,000**
	Federal	609,100	0
	GF/GP	43,235,600	0
		$2,976,200	$1,750,000
24. Adoption Provider Rate Increase	**Gross**	**NA**	**$1,500,000**
Includes $1.5 million Gross ($1.0 million GF/GP) to fund an increase to private agency rates for adoption support services. Sec. 509 is related boilerplate.	Federal	NA	500,000
	GF/GP	NA	$1,000,000
25. West Michigan Partnership for Children Rate Increase	**Gross**	**$29,320,700**	**$8,777,700**
Includes $8.8 million Gross ($4.7 million GF/GP) to fund a prospective case rate increase based on updated program costs, transition to a global capitated payment model, and the establishment of a risk reserve fund. Sec. 504 is related boilerplate.	Federal	8,773,800	4,037,700
	TANF	3,690,100	0
	Local	4,500,000	0
	GF/GP	$12,356,800	$4,740,000
26. Relative Licensure Incentive Payments	**Gross**	**$2,250,000**	**($2,250,000)**
Eliminates $2.3 million Gross ($800,000 GF/GP) for incentive payments concerning the licensure of relative caregivers as foster parents, including $2.0 million Gross ($550,000 GF/GP) to child placing agencies and $250,000 GF/GP to relative caregivers.	Federal	1,450,000	(1,450,000)
	GF/GP	$800,000	($800,000)
27. Court-Appointed Special Advocates	**Gross**	**$100**	**$499,900**
Adds $499,900 GF/GP for court-appointed special advocates that advocate in the legal system for children who have been abused or neglected. Sec. 526 is related boilerplate.	GF/GP	$100	$499,900

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
28. Kinship Caregiver Advisory Council	**Gross**	**$0**	**$200,000**
Includes $200,000 GF/GP to provide support and coordinated services to the Kinship Caregiver Advisory Council within DHHS. Sec. 575 is related boilerplate.	GF/GP	$0	$200,000
29. Parent-to Parent Mentoring Program	**Gross**	**$0**	**$250,000**
Includes $250,000 GF/GP to Adoptive Family Support Network for the Parent-to-Parent mentoring program. Sec. 559 is related boilerplate.	GF/GP	$0	$250,000
30. Children Protective Services Legal Representation Program	**Gross**	**$0**	**$4,263,300**
Includes $4.3 million federal grant funding for a new program to provide children and parents legal representation in child protective hearings.	Federal	0	4,263,300
	GF/GP	$0	$0
PUBLIC ASSISTANCE			
31. Public Assistance Caseload Adjustments	**Gross**	**NA**	**$43,171,300**
Recognizes a $43.2 million Gross ($40.4 million GF/GP) increase resulting from adjustments in expected public assistance caseloads in accordance with the August 2020 Consensus Revenue Estimating Conference. Increased caseloads are correlated with the COVID-19 pandemic and resulting emergency response.	TANF	NA	5,213,600
	Federal	NA	0
	Restricted	NA	(2,452,300)
	GF/GP	NA	$40,410,000
• Family Independence Program: increase of $39.4 million Gross ($35.2 million GF/GP) • Food Assistance Program: no change from YTD • State Supplementation: increase of $1.7 million GF/GP • State Disability Assistance: increase of $2.1 million Gross ($3.6 million GF/GP)			
32. Food Assistance Program Reinvestment	FTE	0.0	6.0
Includes $11.0 million GF/GP and authorizes 6.0 FTE positions to support both penalty payments to the federal government and a federally-required corrective action plan. Penalties are related to multi-year higher than national average error rates in food assistance over/under payments.	**Gross**	**$0**	**$10,991,200**
	GF/GP	$0	$10,991,200
33. Field Operations – Administrative Reductions	**Gross**	**NA**	**($850,000)**
Includes $850,000 GF/GP in administrative reductions across multiple line items. Reductions include $500,000 GF/GP from Pathways to Potential; $150,000 from Volunteer Services and Reimbursements; $100,000 GF/GP from Public Assistance Field Staff; and $100,000 from Contractual Services, Supplies, and Materials.	GF/GP	NA	($850,000)
34 Public Assistance Fund Source Transfers	**Gross**	**NA**	**$0**
Shifts $2.0 million TANF to offset $2.0 million GF/GP from the Family Independence Program and includes $700,000 GF/GP to replace a shortfall in restricted Supplemental Security Income recoveries revenue.	TANF	NA	2,000,000
	Restricted	NA	(700,000)
	GF/GP	NA	($1,300,000)
35. Kids' Food Basket – One-Time Funding	**Gross**	**NA**	**$250,000**
Includes $250,000 GF/GP in one-time funding for a grant to a West Michigan non-profit that provides free meals to children of low-income families.	GF/GP	NA	$250,000
36. Legal Assistance – One-Time Funding	**Gross**	**NA**	**$60,000**
Includes $60,000 GF/GP in one-time funding for a grant to the Allegan County Legal Assistance Center, which provides free civil-law legal assistance to low-income individuals.	GF/GP	NA	$60,000

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
BEHAVIORAL HEALTH SERVICES			
37. K.B. v. Lyon	FTE	NA	9.0
Includes $19.1 million Gross ($2.7 million GF/GP) and authorization for 9.0 FTE positions for behavioral health services and supports monitoring, system improvement, and performance monitoring for children related to the legal settlement K.B. v. Lyon. Amount includes $17.7 million Gross ($1.8 million GF/GP) for IT system upgrades.	**Gross**	**NA**	**$19,102,000**
	Federal	NA	16,435,300
	GF/GP	NA	$2,666,700
38. Nursing Home Pre-Admission Screening (PAS)/ Annual Resident Reviews (ARR) Cost Increase	FTE	7.0	0.0
Adds $1.6 million Gross ($407,700 GF/GP) for increased clinical evaluations for individuals with mental illnesses for developmental disabilities who are requesting to or are residing in a nursing home.	**Gross**	**$12,291,300**	**$1,631,100**
	Federal	9,218,600	1,223,400
	GF/GP	$3,072,700	$407,700
39. Behavioral Health Homes	**Gross**	**$3,369,000**	**$23,400,700**
Includes $23.4 million Gross ($2.5 million GF/GP) to expand the number of behavioral health homes, including opioid health homes, by a prospective 9,245 enrollees.	Federal	3,032,100	20,934,400
	Local	246,900	0
	GF/GP	$90,000	$2,466,300
40. State Psychiatric Hospital Direct Care Staffing	FTE	1,838.3	60.0
Includes $5.0 million GF/GP and authorization for 60.0 FTE positions to increase direct care staffing levels at 4 of the state's psychiatric hospitals and centers: Kalamazoo, Walter P. Reuther, Hawthorn, and the Center for Forensic Psychiatry.	**Gross**	**$239,384,600**	**$5,000,000**
	Federal	35,551,100	0
	Local	19,288,000	0
	Restricted	10,275,000	0
	GF/GP	$174,270,500	$5,000,000
41. State Psychiatric Hospital Coronavirus Relief Funds	FTE	1,838.3	0.0
Replaces $22.5 million GF/GP with a like amount of federal Coronavirus Relief Funds (CRF), which can be used to cover certain personnel costs through December 30, 2020.	**Gross**	**$239,384,600**	**$0**
	Federal	35,551,100	22,500,000
	Local	19,288,000	0
	Restricted	10,275,000	0
	GF/GP	$174,270,500	($22,500,000)
42. Behavioral Health Facility Contingency Transfer	**Gross**	**$20,000,000**	**$0**
Transfers $20.0 million GF/GP from the new Behavioral Health Facility Contingency line item into the state hospitals and centers line items. Sec. 1053 is related deleted boilerplate.	GF/GP	$20,000,000	$0
43. Behavioral Health Program Reductions	**Gross**	**NA**	**($3,299,600)**
Includes reductions totaling $3.3 million GF/GP for various behavioral health programs including in-sourcing Children's Transition Support Team, court-ordered assisted treatment, jail diversion, applied behavioral treatment, and psychiatric bed database.	GF/GP	NA	($3,299,600)
44. Direct Care Worker Wage Increase – One-Time Funding	**Gross**	**$0**	**$150,000,000**
Adds $150.0 million Gross ($40.0 million GF/GP) to provide a temporary $2.00 per hour wage increase for direct care workers for 3 months. Funding would be available for the same direct care workers that were eligible for COVID-19 direct care worker hazard pay included in 2020 PA 123, including Medicaid-eligible behavioral health direct care workers, skilled nursing facility employees, and area agency on aging direct care employees.	Federal	0	110,000,000
	GF/GP	$0	$40,000,000

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
45. Other Behavioral Health Funding – One-Time Funding	**Gross**	**$1,125,000**	**$4,394,800**
Adds $4.4 million GF/GP in one-time funding for the following behavioral health programs: $2.5 million for first responder post-traumatic stress syndrome and other mental health conditions, $1.0 million for Special Olympics, $250,000 for Great Lakes Recovery Center, $200,000 for nonprofit mental health clinics, $200,000 for The Children's Center, $100,000 for Safe Substance Abuse Coalition, and maintains the $1.0 million GF/GP for autism navigators and adds $144,800 GF/GP to Autism Train-the-Trainer, which was both funded in FY 2019-20.	GF/GP	$1,125,000	$4,394,800
POPULATION HEALTH			
46. Expand Programs for Healthy Moms and Healthy Babies	**Gross**	**NA**	**$23,531,900**
Increases funding by $23.5 million Gross ($12.6 million GF/GP) for expansion of maternal and infant health and support programs, including lengthening Medicaid coverage for new mothers and infants to 12 months from 2 months, enhancing access to behavioral health care, and expanding and other home visiting programs for pregnant women, new mothers, and at-risk families.	Federal	NA	10,900,400
	GF/GP	NA	$12,631,500
47. State Innovation Model Grant Completion	**Gross**	**$10,002,700**	**($10,002,700)**
Removes $10.0 million excess federal authorization for the completed federal State Innovation Model (SIM) grant, first funded in FY 2014-15, and revises related boilerplate Sec. 1144 to provide certain reporting.	Federal	10,002,700	(10,002,700)
	GF/GP	$0	$0
48. Michigan Essential Health Provider	**Gross**	**$4,519,600**	**($1,000,000)**
Reduces Michigan Essential Health Provider program by $1.0 million GF/GP, the amount of a FY 2019-20 program increase, and eliminates related boilerplate Sec. 1141.	Federal	1,236,300	0
	Private	855,000	0
	GF/GP	$2,428,300	($1,000,000)
49. Laboratory Equipment for Newborn Screening Testing	**Gross**	**$23,774,500**	**$1,500,000**
Provides $1.5 million of state restricted newborn screening fee revenue for laboratory information technology and testing instruments for new approved newborn screening tests.	IDG	1,004,600	0
	Federal	4,338,600	0
	Restricted	12,147,200	1,500,000
	GF/GP	$6,284,100	$0
50. Lead Abatement Grant SCHIP Adjustment	**Gross**	**$33,768,000**	**$0**
Includes a net $0 Gross ($2.8 million GF/GP) federal to GF/GP fund shift to recognize reduction of the federal share for lead abatement grant from 86.34% to 74.86%. YTD includes $20.9 million of federal Children's Health Insurance Program (SCHIP) funds approved for use for lead abatement in Flint and other high-risk communities for up to five years, since FY 2016-17. Revises related Sec. 1182 boilerplate.	Federal	22,349,600	(2,785,500)
	Private	77,800	0
	Restricted	723,700	0
	GF/GP	$10,616,900	$2,785,500
51. Lead Poisoning Prevention Fund – One-Time Funding	**Gross**	**$0**	**$2,000,000**
Includes new one-time funding of $2.0 million GF/GP to establish a Lead Poisoning Prevention Fund to be administered by an independent third-party as a public-private loan loss reserve fund for private lenders; fund would support low-cost loans to homeowners and landlords for lead remediation projects. Sec. 1913 is related boilerplate.	GF/GP	$0	$2,000,000
52. Flint Drinking Water and Lead Exposure	**Gross**	**$4,621,100**	**($100)**
Continues funding of $4.6 million GF/GP for assistance to residents exposed to lead in the City of Flint but moves appropriation from one-time to ongoing. Related Sec. 1910 boilerplate is moved to Sec. 1306.	GF/GP	$4,621,100	($100)

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
53. Bone Marrow Donor and Blood Bank Programs	**Gross**	**$0**	**$750,000**
Includes $250,000 GF/GP for Be the Match marrow donor registry program and $500,000 GF/GP for cord blood bank programs, both through the Versiti Blood Center. Sections 1146 and 1147 are related boilerplate.	GF/GP	$0	$750,000
54. Family Readiness Events	**Gross**	**$0**	**$25,000**
Includes $25,000 GF/GP for free family emergency readiness public events. Sec. 1185 is related boilerplate.	GF/GP	$0	**$25,000**
55. Rare Disease Review Committee	**Gross**	**$0**	**$70,000**
Includes $70,000 GF/GP to support the establishment of a rare disease review committee within DHHS. Sec. 1240 is related boilerplate. HB 5465 is similar proposed legislation.	GF/GP	$0	$70,000
56. School Children's Healthy Exercise Program	**Gross**	**$1,000,000**	**($500,000)**
Reduces funding by $500,000 GF/GP for an ongoing school children's healthy exercise program first funded in FY 2012-13 to address childhood obesity. Sec. 1226 related boilerplate is revised to direct remaining funding only to before- and after-school programming.	GF/GP	$1,000,000	($500,000)
57. Population Health Reductions for GF/GP Savings	**Gross**	**NA**	**($2,621,800)**
Includes additional reductions for GF/GP savings including:	Private	NA	136,500
• PFAS $500,000 as an offset to $1.0 million new federal funds	Restricted	NA	45,500
• PFAS $581,800 drinking well laboratory test cost savings	GF/GP	NA	($2,803,800)
• Revised lead and copper rule local support $1.0 million			
• HIV program shift $182,000 cost for 3 positions to non-GF/GP			
• Prenatal care home visit program $40,000 contract savings			
• $500,000 savings for various projects contracted with the Michigan Public Health Institute			
58. Population Health Non-GF/GP Funds Adjustments	**Gross**	**NA**	**$52,104,000**
Recognizes a net increase of $52.1 million Gross for federal, local, private, and state restricted funding, including:	Federal	NA	13,445,100
	Local	NA	8,442,700
• $13.4 million net federal grant funds increase for opioid overdose data to action, biomonitoring assessments, lead poisoning prevention, PFAS health studies, epidemiology and laboratory capacity, family planning Title X, and completion of oral health workforce grant;	Private	NA	30,200,000
	Restricted	NA	16,200
	GF/GP	NA	$0
• $32.8 million federal and private funds to AIDS program primarily reflecting increased drug assistance program rebates;			
• $200,000 private funds from Amanda's Fund for Breast Cancer Prevention and Treatment;			
• $16,200 increase for annual inflationary fee adjustment for screening of newborns for genetic conditions; and			
• $8.4 million local funds for expanded child and adolescent health center care and emotional health services in schools, originating from the state School Aid Fund and included as a new line item.			
59. Healthy Communities Grant – One-Time Funding	**Gross**	**$300,100**	**($100)**
Continues one-time funding of $300,000 GF/GP for healthy living, obesity prevention, and substance abuse prevention programs of Leaders Advancing and Helping Communities. Sec. 1915 is related boilerplate.	GF/GP	$300,100	($100)
60. Infant Genome Testing for Treatment – One-Time Funding	**Gross**	**$0**	**$1,000,000**
Includes $1.0 million Gross ($250,000 GF/GP) for rapid whole genome sequencing testing for critically ill infants and children, through Project Baby Deer with Spectrum Children's Hospital. Sec. 1917 is related boilerplate.	Federal	0	650,000
	Private	0	100,000
	GF/GP	$0	$250,000

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
61. Vision Clinic – One-Time Funding	**Gross**	**$0**	**$100,000**
Includes $100,000 GF/GP for vision services to special needs individuals through a nonprofit vision clinic. Sec. 1927 is related boilerplate.	GF/GP	$0	$100,000
AGING AND ADULT SERVICES			
62. Senior Programs - Non-GF/GP Funds Adjustments	**Gross**	**$111,781,900**	**$2,000,000**
Recognizes $2.0 million increase of federal and private funds for senior programs including $700,000 for community supportive services, $800,000 for congregate and home-delivered meals, and $500,000 to improve health of individuals receiving public long-term care support services.	Federal	59,343,900	1,500,000
	Private	520,000	500,000
	Restricted	6,068,700	0
	GF/GP	$45,849,300	$0
63. Senior Call Check Pilot Program	**Gross**	**$0**	**$40,000**
Includes $40,000 GF/GP for a senior call check pilot program for voluntary regular contact with participating seniors. Sec. 1426 is related boilerplate. HB 6236 is similar proposed legislation.	GF/GP	$0	$40,000
64. Senior Citizen Center Grants – One-Time Funding	**Gross**	**$500,000**	**($350,000)**
Continues one-time funding for a small grants program for health-related senior programs at multipurpose senior citizen centers at a reduced appropriation of $150,000 GF/GP. Sec. 1923 is related boilerplate.	GF/GP	$500,000	($350,000)
MEDICAL SERVICES			
65. Healthy Michigan Plan Administration	FTE	36.0	0.0
Removes $20.7 million Gross ($15.2 million GF/GP) in Healthy Michigan Plan administration related to a federal judge ruling the new workforce engagement requirements were unlawful and the resulting delay in implementing the new workforce engagement requirements.	**Gross**	**$55,629,700**	**($20,721,400)**
	GF/GP	26,549,200	(5,541,300)
		$29,080,500	($15,180,100)
66. Claimsure	**Gross**	**NA**	**$1,200,000**
Adds $1.2 million Gross ($300,000 GF/GP) for a predictive modeling tool for provider billing accuracy by identifying outlier claims.	Federal	NA	900,000
	GF/GP	NA	$300,000
67. Healthy Kids Dental Risk Corridor	**Gross**	**NA**	**($33,686,000)**
Assumes $33.7 million Gross ($12.1 million GF/GP) in savings from a 2-way risk corridor for the Healthy Kids Dental managed care program.	Federal	NA	(21,586,000)
	GF/GP	NA	($12,100,000)
68. Medicaid Managed Care Organization Risk Corridor	**Gross**	**NA**	**($141,360,000)**
Assumes $141.4 million Gross ($36.0 million GF/GP) in savings from cost settling the FY 2019-20 2-way risk corridor for Medicaid Managed Care Organizations. Sec. 1881 is related boilerplate and states legislative intent that a 2-way risk corridor is not included in the managed care capitation rates in the next fiscal year.	Federal	NA	(105,360,000)
	GF/GP	NA	($36,000,000)
69. Medicaid Managed Care Organization Single Preferred Drug List	**Gross**	**NA**	**($190,762,800)**
Assumes $190.8 million Gross ($47.7 million GF/GP) in net savings from establishing a single preferred drug list to be utilized by all Medicaid managed care organizations and increasing Medicaid managed care independent pharmacy dispensing fees. Amount includes $322.3 million Gross ($80.7 million GF/GP) in additional pharmaceutical rebate savings, $86.2 million Gross ($21.6 million GF/GP) in additional pharmaceutical ingredient costs, and $45.3 million Gross ($11.3 million GF/GP) in dispensing fee increases. Sections 1625, 1879, and 1880 are related boilerplate.	Federal	NA	(143,020,200)
	GF/GP	NA	($47,742,600)

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
70. Medicaid Managed Care Organization Rate Reduction – Third Party Liabilities	**Gross**	**$5,384,831,800**	**($30,623,600)**
	Federal	3,532,282,900	(19,623,600)
Assumes a savings of $30.6 million Gross ($11.0 million GF/GP) from Medicaid health plans recouping a greater amount of third-party liability collections.	Local	25,140,900	0
	Restricted	1,625,099,700	0
	GF/GP	$202,308,300	($11,000,000)
71. Medicaid Hospital Outpatient Rate Increase	**Gross**	**NA**	**$352,646,000**
	Federal	NA	253,480,300
Includes $352.6 million Gross ($0 GF/GP) to provide a 21.37% rate increase in Medicaid outpatient hospital reimbursements utilizing provider tax revenue. The corresponding HRA increase and MACI decrease would result in assumed GF/GP savings of $15.7 million.	Restricted	NA	114,881,800
	GF/GP	NA	($15,716,100)
72. MiDocs	**Gross**	**$17,500,000**	**$5,400,000**
	Federal	8,750,000	2,700,000
Includes $5.4 million Gross ($1.4 million GF/GP) to support the new MiDocs class during the current fiscal year over the course of 5 years.	Restricted	5,000,000	1,350,000
	GF/GP	$3,750,000	$1,350,000
73. Private Duty Nursing	**Gross**	**NA**	**$3,780,600**
	Federal	NA	2,481,200
Includes $8.7 million Gross ($3.1 million GF/GP) to provide a 10% rate increase for private duty nursing services for Medicaid recipients under the age of 21.	GF/GP	NA	$1,299,400
74. Tribal Pharmacy Reimbursement Increase	**Gross**	**NA**	**$17,000,000**
	Federal	NA	17,000,000
Includes $17.0 million federal to provide tribal health centers with a pharmacy reimbursement rate increase. The intent is to reimburse Native Americans' drug costs at the federal all-inclusive rate.	GF/GP	NA	$0
75. Nonemergency Medical Transportation (NEMT)	**Gross**	**$18,686,800**	**($1,165,800)**
	Federal	10,458,800	(765,100)
Reflects a $1.2 million Gross ($400,700 GF/GP) reduction in NEMT contract costs. Contract with LogistiCare – which provides NEMT services to Macomb, Oakland, and Wayne Counties – was re-bid at a lower cost.	GF/GP	$8,228,000	($400,700)
76. Skilled Nursing Facility PPE Grants – One-Time Funding	**Gross**	**$0**	**$20,000,000**
	Federal	0	20,000,000
Includes $20.0 million of federal Coronavirus Relief Funds (CRF) for personal protection equipment (PPE) grants to be allocated to skilled nursing facilities on a per licensed bed basis. Sec. 1928 is related boilerplate.	GF/GP	$0	$0
77. Michigan Health Information Network (MiHIN) – One-Time Funding	**Gross**	**$0**	**$2,750,000**
	GF/GP	$0	$2,750,000
Includes $2.8 million GF/GP to MiHIN for health information technology strategies for data management, data clean-up, and data governance.			
78. Access Health Actuarial Study – One-Time Funding	**Gross**	**$0**	**$275,000**
	GF/GP	$0	$275,000
Includes $275,000 GF/GP to complete a federal section 1332 state innovation waiver actuarial analysis for community-based coverage entities to provide health coverage and educational and occupational training to individuals who qualify.			
79. State Restricted Revenue Adjustments	**Gross**	**NA**	**$0**
	Restricted	NA	(53,445,300)
Revises restricted revenues based on projected available revenue for a net reduction of $53.4 million, which is offset by a like amount of GF/GP. Revisions include:	GF/GP	NA	$53,445,300

- Reducing Medicaid Benefits Trust Fund $33.0 million.
- Reducing Merit Award Trust Fund $8.5 million.
- Reducing Healthy Michigan Fund $4.7 million.
- Removing Health Insurance Claims Assessment (HICA) fund balance $7.2 million.

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
ONE-TIME APPROPRIATIONS			
80. Remove FY 2019-20 One-Time Appropriations	FTE	10.0	(10.0)
Removes one-time appropriations included in FY 2019-20. Any funding retained into FY 2020-21 is noted elsewhere.	**Gross**	**$253,882,900**	**($253,882,900)**
	Federal	166,790,800	(166,790,800)
	Restricted	100	(100)
	GF/GP	$87,092,000	($87,092,000)

Boilerplate Changes From FY 2019-20

GENERAL SECTIONS

***Sec. 208. Legal Services of Attorney General* – NEW**
Prohibits the use of funds to hire a person to provide legal services that are the responsibility of the Attorney General, except for bonding activities and outside services authorized by the Attorney General.

***Sec. 210. Contingency Fund Appropriations* – REVISED**
Appropriates federal, state restricted, local, and private contingency funds of up to $132 million total, available for expenditure when transferred to a line item through the legislative transfer process. Revises to reduce maximum amounts for federal and state restricted contingency appropriations for a total amount of up to $47 million.

***Sec. 222. Notification and Report of Policy Changes* – REVISED**
Requires policy manual to be available on the DHHS website; and requires a report by April 1 on policy changes made to implement new acts. Revises to also require written notification to the legislature of any major policy changes at least 30 days before implementation.

***Sec. 234. Receipt and Retention of Reports* – NEW**
Requires DHHS to receive and retain copies of all reports funded from the appropriations in part 1 and to follow federal and state guidelines for short-term and long-term retention of records.

***Sec. 235. Reappropriation of Unexpended Federal Coronavirus Relief Funds* – NEW**
Requires that as of December 30, 2020 any unexpended coronavirus relief funds appropriated in part 1 be unappropriated and immediately reappropriated to the unemployment compensation fund to support 2020 costs.

***Sec. 240. Use of Existing Work Project Authorization* – REVISED**
Prohibits expenditure of appropriations in cases where existing work project authorization is available for the same expenditures. Revises to add "to the extent possible by the department".

***Sec. 253. Information Technology Investment Management and Board/Agile Software Development Plan* – REVISED**
Requires establishment of an information technology investment board within DHHS, provides guidance and policy for establishing management practices, and requires reports. Revises to require DHHS to implement an agile software development plan funded with a time and materials contract, and to establish the state or the public domain as the software owner. Software design shall be user centered. Requires report at commencement of project, and updates to the legislature upon request. Includes definitions of terms.

***Sec. 257. Revise Education Modules Regarding Suicide and Depression Prevention* – DELETED**
Directs DHHS, if funds are available, to collaboratively revise education health modules to include age-appropriate and medically accurate information about depression and suicide and protective factors to prevent suicide.

***Sec. 258. Education Initiatives Regarding Trauma, Human Trafficking, and Sexual Abuse Prevention* – NEW**
Directs DHHS to collaboratively promote and support school and education initiatives including training regarding use of trauma-informed practices and age-appropriate information about human trafficking and sexual abuse prevention.

***Sec. 281. Certification of Destruction of Information from Canceled Contract* – NEW**
Requires DHHS by November 1 to provide certifications and affidavits of destruction of data related to an April 2020 contract with Great Lakes Community Engagement for coronavirus pandemic contact tracing, now canceled. Establishes that all Sec. 102 departmental administration appropriations are contingent on compliance with this section.

HEALTH AND HUMAN SERVICES

Boilerplate Changes From FY 2019-20

***Sec. 293. Savings from Behavioral Health Integration Pilot Projects* – DELETED**
Requires that any savings from pilots to integrate Medicaid behavioral health and Medicaid physical health services systems shall only be used for reinvestment in the pilot sites where savings occurred; authorizes shared savings between a PIHP or CMHSP and a Medicaid health plan shall be carried forward for expenditures in future years.

DEPARTMENTAL ADMINISTRATION AND MANAGEMENT

***Sec. 309. Health Literacy Pilot* – NEW**
Requires department to design and implement a web-based intensive information therapy within Medicaid managed care in order to mitigate deficiencies in health literacy through connections between health care providers, beneficiaries and health plans.

COMMUNITY SERVICES AND OUTREACH

***Sec. 462. Trauma Recovery Center Pilots* – NEW**
Requires that if federal funding from Crime Victim Justice Assistance Grants becomes available, four trauma recovery center program pilot projects shall be funded; requires report.

CHILDREN'S SERVICES - CHILD WELFARE

***Sec. 506. Juvenile Justice Data Report* – NEW**
Requires a report on containing juvenile justice data from Wayne County, including the number of youth referred for care or supervision and type of setting for referred youth.

***Sec. 514. Child Protective Services (CPS) Report* – REVISED**
Requires report on CPS; lists specific information and statistics to be included in the report. Revised by including new subsection (d) requiring report to include statistical information on effectiveness of the category lll open/close policy.

***Sec. 532. Licensing and Contract Compliance Review* – DELETED**
Requires collaboration between DHHS and representatives of private child and family agencies to revise and improve contract compliance and licensing review processes; requires report.

***Sec. 592. Child Protective Services Data* – NEW**
Requires DHHS to provide quarterly reports that include certain CPS data from the most recent 30-day period.

***Sec. 593. County Child Abuse and Child Neglect Investigation and Interview Protocols* – NEW**
Requires DHHS to conduct an annual review in each county of whether the standard child abuse and child neglect investigation and interview protocols required by the Child Protection Law have been adopted; requires report.

JUVENILE JUSTICE

***Sec. 710. Juvenile Justice Diversion Programs* – NEW**
Requires DHHS to create a workgroup on the use of juvenile justice diversion programs; requires report.

PUBLIC ASSISTANCE

***Sec. 613. Indigent Burial Grants* – REVISED**
Provides for state emergency relief grants for indigent burials and the schedule of grant amounts. Revised to increase each payment classification by $40.00.

***Sec. 619. Title IV-A and Food Assistance Exemption* – REVISED**
Exempts individuals convicted of a single drug felony after August 22, 1996 from the federal prohibition on receiving TANF and food assistance benefits; requires FIP benefits to be paid in restricted payments, or through a protective payee if possible, if the individual is the head of household; prohibits individuals convicted of 2 or more separate drug felonies from receiving assistance, subject to federal approval of this additional condition; and requires that FIP benefits be paid to the grantee if the grantee was not the individual with the conviction. Revises to remove the prohibition on individuals convicted of 2 or more separate drug felonies from receiving assistance.

Boilerplate Changes From FY 2019-20

FIELD OPERATIONS AND SUPPORT SERVICES

***Sec. 801. Food Assistance Program Error Rate* – NEW**
Requires the department to report monthly to the Legislature on the active case FAP payment error rate as provided to the U.S. Department of Agriculture – Food and Nutrition Services; requires the department to report to the Legislature by March 1 on the corrective actions taken to mitigate FAP payment error rates and prevent federal penalties.

***Sec. 825. Vehicle Repair Grants* – REVISED**
Prohibits the department from providing employment and training support services grants for vehicle repairs to not more than $500 to an individual in a 1-year period; allows to the department the discretion to provide grants of up to $900 in certain circumstances. Revises to require the department to report to the Legislature by November 30 on the total number of repairs; total repairs over $500; total repairs costing exactly $500; and total repairs costing exactly $900 in the previous fiscal year.

BEHAVIORAL HEALTH SERVICES

***Sec. 924. Autism Services Fee Schedule* – REVISED**
Requires DHHS to maintain a fee schedule for autism services by not allowing expenditures used for actuarially sound rate certification to exceed the identified fee schedule, also sets behavioral technician fee schedule at not more than $55.00 per hour. Revises to also prohibit behavioral technician fee schedule to not be less than $50.00 per hour.

***Sec. 927. Behavior Health Service Provider Audits* – REVISED**
Requires DHHS to determine the steps necessary to allow behavioral health service providers that operate in multiple counties to utilize a single audit rather than multiple audits, requires report. Revises to require DHHS to create a uniform community mental health services auditing process for CMHSPs and PIHPs, outlines auditing process requirements, and requires a report.

***Sec. 960. Autism Services Cost Containment* – REVISED**
Requires DHHS to continue to cover all autism services that were covered on January 1, 2019; to restrain costs required DHHS to develop written guidance for standardization; and permits DHHS to require 6-month consultation if costs are above a monthly threshold, limits practitioners who can perform a diagnostic evaluation; provide fidelity reviews and secondary approvals, and prohibit specific providers from providing both evaluation and treatment; requires a report. Revises to require 3-year reevaluations, unless a clinician recommended an earlier reevaluation, requires evaluations performed by a master's level practitioner to be reviewed by a second practitioner, and require maintenance of statewide provider trainings.

***Sec. 964. Behavioral Health Fee Schedule* – REVISED**
Requires DHHS to develop and implement a standardized fee schedule for Medicaid behavioral health services by January 1, and to develop and implement adequacy standards for all contracts with PIHPs and CMHSPs. Revises date to July 1 and requires development of fee schedule to prioritize and support essential service providers and to include a fee schedule for psychiatric intensive care (revenue code 0204).

***Sec. 972. Michigan Crisis and Access Line (MiCAL)* – REVISED**
Allocates $2.0 million for the development, operation, and maintenance of a hotline consistent with section 165 of the Mental Health Code, MCL 330.1165. Revises to allocate up to $1.5 million and requires the psychiatric bed registry to be integrated into MiCAL.

***Sec. 974. Intellectual or Developmental Disability Service Delivery* – REVISED**
Allows an individual with an intellectual or developmental disability who receives supports and services from a CMHSP to choose to instead receive supports and services from another provider. Revises to require instead of allow.

***Sec. 994. National Accreditation Review Criteria for Behavioral Health Services* – DELETED**
Requires DHHS to seek, if necessary, a federal waiver to allow a CMHSP, PIHP, or subcontracting provider agency that is reviewed and accredited by a national accrediting entity for behavioral health care services to be in compliance with state program review and audit requirements; requires a report that lists each CMHSP, PIHP, and subcontracting provider agency that is considered in compliance with state requirements; requires DHHS to continue to comply with state and federal law to not initiate an action by negatively impacts beneficiary safety; defines “national accrediting entity.”

***Sec. 1006. Intellectual or Developmental Disability Health Homes* – NEW**
Requires DHHS to explore implementing Medicaid health homes for individuals with intellectual or developmental disabilities, and requires a report.

Boilerplate Changes From FY 2019-20

***Sec. 1007. Standalone Intellectual or Developmental Disability Medicaid Delivery System* – NEW**
Requires DHHS to explore the feasibility of implementing a standalone Medicaid delivery system for individuals with intellectual or developmental disabilities, and requires a report.

***Sec. 1011. Out-of-State Crisis Resolution and Outpatient Services* – NEW**
Allows a CMHSP to reimburse out-of-state providers of crisis resolution and outpatient services if the out-of-state provider is enrolled as a state Medicaid provider and the out-of-state provider is located closer to the client's home than an in-state provider.

***Sec. 1013. Transportation to Preadmission Screening Units* – NEW**
Allows a CMHSP to permit a sheriff's office to use a qualified contracted entity to transport an individual for preadmission screening.

POPULATION HEALTH

***Sec. 1144. State Innovation Model Federal Grant and CHIR Reporting* – REVISED**
Guidance for allocation of federal state innovation model grant, outcomes, performance measures, aggregated claims data, and reports. Strikes current language and revises to require DHHS to report trended cost and utilization claims data by Medicaid health plan and by community health innovation region (CHIR) from FY 2014-15 to date.

***Sec. 1150. Opioid Fraud Collaboration* – DELETED**
Requires DHHS to coordinate with other state departments, law enforcement, and Medicaid health plans to reduce fraud related to opioid prescribing within Medicaid, and to address other drug and opioid abuse issues; requires a report.

***Sec. ~~1350~~. 1183. Emergency Medical Services Data Exemption* – REVISED**
Prohibits DHHS from requiring a life support agency that does not charge for services to submit data to the Michigan emergency medical services information system or any other quality improvement program. Revises to limit the exemption from data submittal to medical first response services located in counties with less than 85,000 population, and outlines written reporting required by medical first responders to others arriving at a site of emergency services in those counties.

***Sec. 1184. Emergency Medical Services - Process for Change in Guidance* – NEW**
Requires DHHS to review its process for consideration and implementation of changes proposed for EMS guidance or protocols; states improvements to be included; requires public website weekly updates of proposed changes including any proposed administrative rule changes, and requires a report.

***Sec. 1319. Oral Health Screening and Assessment for School Children* – NEW**
States legislative intent that DHHS develop an oral health screening and assessment program for children entering school, and pursue alternative funding sources to aid in financing the program.

***Sec. 1322. State Immunization Policy and Practices Report* – NEW**
Requires DHHS to report to the legislature on state immunization policy and practices including a list of recommended vaccinations, and basis, rationale, and improvement in human health documented for each listed vaccination.

***Sec. 1340. National Brand Food Options as Approved WIC Food Items* – DELETED**
Requires the Women, Infants, and Children Special Supplemental Food and Nutrition program (WIC) to include national brand options for all food categories on the list of approved food basket items for WIC participant purchase.

MEDICAL SERVICES

***Sec. 1501. Electronic Health Records Incentive Program* – REVISED**
Establishes unexpended funds for the electronic health records incentive program as a work project appropriation with the tentative completion date to be September 30, 2025. Revised to include intent that dental providers be included in the incentive program.

***Sec. 1502. Nursing Facility Cost Report Policies* – DELETED**
Requires DHHS to use prospective effective dates if DHHS issues new policies affecting nursing facility cost reports, and allows a retroactive date if required by state law, federal law, or judicial ruling. Deleted.

***Sec. 1512. Medicaid Utilization Report* – NEW**
Requires the department to update the Medicaid utilization and net cost report to separate nonclinical administrative costs from actual claims and encounters.

Boilerplate Changes From FY 2019-20

***Sec. 1513. Medicaid Inpatient Psychiatric Hospital Workgroup* – REVISED**
Requires DHHS to create a workgroup to determine an equitable and adequate reimbursement methodology for Medicaid inpatient psychiatric hospital care, list participating workgroup members, require a report from the workgroup. Revises to include workgroup recommendations being implemented as well as not implemented with identified implementation barriers.

***Sec. 1615. Encounter Claims Data Integrity* – NEW**
Requires the department to provide oversight of Medicaid claims encounter data to insure the integrity of actuarial rates; allows the department to request certain information from Medicaid health plans; and provides for the intent that the department conduct annual audits of Medicaid claims and provide for remedial actions to mitigate errors in actuarial rates.

***Sec. 1625. Medicaid Managed Care Pharmacy Benefits Managers* – REVISED**
Prohibits DHHS, beginning February 1, 2020, from entering into any contracts with a Medicaid managed care organization that relies on a pharmacy benefits manager that does not: 1) utilize a pharmacy reimbursement methodology of the National Average Drug Acquisition Cost plus a professional dispensing fee comparable to the Medicaid fee-for-service dispensing fees for pharmacies with not more than 7 retail outlets (and lists reimbursements when an ingredient does not have a National Average Drug Acquisition Cost listed); 2) reimburse for valid claims at the rate in effect at the time of original claim; 3) agree to transparent "pass-through" pricing, 4) agree to not create new fees or increase fees above inflation, and 5) agree to not terminate existing contracts for the sole reason of the additional professional dispensing fee. Revises to update beginning date to February 1, 2021.

***Sec. 1626. Pharmacy Benefits Manager Reimbursements Report* – NEW**
Requires all pharmacy benefits managers that receive reimbursements from Medicaid health plans to report to the department on total prescriptions dispensed; wholesale acquisition cost of each drug in the state formulary; aggregate rebates, discounts, and concessions; aggregate administrative fees; aggregate amounts that did not pass through Medicaid health plans; aggregate reimbursements paid to contracting pharmacies; requires the department to report the consolidated information to the Legislature by March 1; and requires non-aggregate information provided to the department to remain confidential.

***Sec. 1793. Medicaid Overpayment Standard of Promptness* – DELETED**
Prohibits DHHS from recovering an overpayment if DHHS notifies the provider more than 180 days after receipt of the overpayment. Deleted.

***Sec. 1803. Portable X-Ray and Ultrasound Provider Type* – REVISED**
Requires DHHS to establish Medicaid rules to allow for billing and reimbursement for transportation charges related to portable x-ray services and requires policies be effective October 1 of the current fiscal year. Revises to require the department to set payment rates for portable X-ray services by October 1.

***Sec. 1805. Graduate Medical Education Quality Data* – DELETED**
Requires hospitals receiving GME payments to submit quality data utilizing consensus-based nationally endorsed standards to be posted on a public website, lists specific quality reporting information, requires hospitals to also post quality data on the hospital's website, and requires DHHS to withhold 25% of a hospital's GME payment if data is not submitted by January 1. Deleted.

***Sec. 1870. MiDOCS Consortium* – REVISED**
Appropriates $3.75 million GF/GP and any restricted and any associated federal match to the MiDocs consortium to create new primary care residency slots in underserved communities, lists qualifying specialties; requires DHHS to seek any necessary federal CMS approvals; requires medical education loan repayments be contingent on 2-year commitment to practice in an underserved community post-residency; requires MiDocs to work with DHHS to, when possible, prioritize training opportunities in state psychiatric hospitals and CMHSPs; reserves at least 3 slots for the Michigan early primary care incentive program; reports report; creates an advisory council; establishes outcome and performance measures; and designates unexpended funds as work project appropriation. Revises to increase GF/GP appropriation from $3.75 million to $5.1 million; creates an exception for child and adolescent psychiatry fellowships; allow for local match from accredited organizations; allow for administration at the local-level for areas impacted by COVID-19 and a for a focus on psychiatric and child and maternal health disparities; and provide for the legislative intent of creating 5 additional slots for underserved areas.

HEALTH AND HUMAN SERVICES

Boilerplate Changes From FY 2019-20

***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 HIV or AIDS, 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". Revises to require the department to explore the inclusion of drugs to treat Duchenne Muscular Dystrophy.

***Sec. 1876. Common Formulary* – NEW**
Requires DHHS to include the corticosteroid deflazacort on the Medicaid health plan common formulary.

***Sec. 1879. Single Preferred Drug List* – NEW**
Requires DHHS to maintain a standard preferred drug list for Medicaid manage care, requires any changes in the preferred drug list to made in consultation with the Medicaid managed care organizations and the Pharmacy and Therapeutics Committee. Requires a report.

***Sec. 1880. Single Preferred Drug List Report and Rate Setting* – NEW**
Requires DHHS to submit a report on estimated and actual expenditures and savings incurred from the single preferred drug list, requires DHHS to make any relevant adjustments to the rates to Medicaid managed care organizations to occur outside of the May caseload consensus.

***Sec. 1881. Risk Corridor Financial Reconciliation* – NEW**
Identifies savings assumptions from the 2-way risk corridor for Medicaid managed care organizations, requires a report and requires DHHS to make any relevant adjustments to the rates to Medicaid managed care organizations to occur outside of the May caseload consensus, and states intent that a 2-way risk corridor will not be in effect next fiscal year.

INFORMATION TECHNOLOGY

***Sec. 1909. Information Technology Spending Restrictions* – REVISED**
Restricts the department from expending funds appropriated for major information technology programs on any other program or project and requires a legislative transfer of appropriations from the Information Technology Contingency and One-Time Information Technology Contingency line items to another line item before those funds may be expended. Revises to remove Information Technology Contingency restrictions; and provides for the requirements on replacing MiSACWIS with the new CCWIS information technology system, and requires the department to use the agile development methodology of IT development and comply with the Enterprise Portfolio Management Office process and quality assurance.

DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES
Summary: Conference Report
Article 7, House Bill 5396 (S-1) CR-1

Analyst: Marcus Coffin

	FY 2019-20 YTD as of 2/6/20	FY 2020-21 Conference	*Difference: Conference From FY 2019-20 YTD* Amount	%
IDG/IDT	$723,100	$728,600	*$5,500*	*0.8*
Federal	1,017,600	1,017,100	*(500)*	*0.0*
Local	0	0	*0*	--
Private	0	0	*0*	--
Restricted	70,172,100	71,570,000	*1,397,900*	*2.0*
GF/GP	150,000	0	*(150,000)*	*(100.0)*
Gross	**$72,062,800**	**$73,315,700**	***$1,252,900***	***1.7***
FTEs	368.5	378.5	*10.0*	*2.7*

Notes:
(1) FY 2019-20 year-to-date figures are as of release of the executive budget on February 6, 2020 and do not include mid-year budget adjustments.
(2) Appropriation figures include all proposed appropriation amounts and amounts designated as "one-time."
(3) Because of revenue uncertainty due to the COVID-19 pandemic, separate FY 2020-21 budget bills were not passed by the House or the Senate.

Overview

The Department of Insurance and Financial Services (DIFS) is responsible for regulating, licensing, examining, evaluating, and promoting the insurance and financial services industries operating within the state. The department also provides consumer protection by managing consumer information and inquiries and investigating 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 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
1. Department FTE Increase	FTE	NA	10.0
Includes authorization for 10.0 FTE positions, including 1 FTE position for the Department Services line, 5.0 FTE positions for the Consumer Services and Protection line, 2.0 FTE positions for the Financial Institutions Evaluation line, and 2.0 FTE positions for the Insurance Evaluation line. A final listing of the exact positions that will be filled by the department is currently unavailable.	**Gross**	**NA**	**$0**
	GF/GP	NA	$0
2. Executive Director Programs GF/GP Removal	**Gross**	**$1,091,900**	**($150,000)**
Removes $150,000 GF/GP that was included in the FY 2019-20 budget for the Executive Director Programs line item to support statutorily required reporting under the Healthy Michigan Plan. The GF/GP appropriation lapsed each year it was included, since DHHS completed the required reporting.	Restricted	941,400	0
	GF/GP	$150,000	($150,000)
3. Economic Adjustments	**Gross**	**NA**	**$1,402,900**
Reflects a net increase in costs of $1.4 million Gross for negotiated salary and wage increases (2.0% on October 1, 2020 and 1.0% on April 1, 2021), actuarially required retirement contributions, worker's compensation costs, building occupancy charges, and other economic adjustments.	IDG	NA	5,500
	Federal	NA	(500)
	Restricted	NA	1,397,900
	GF/GP	NA	$0

Boilerplate Changes From FY 2019-20

***Sec. 216. FTE Vacancies and Remote Work Report* – NEW**
Requires DIFS to report quarterly on the number of FTE positions filled, the number of employees engaged in remote work in FY 2019-20, the number of employees engaged in remote work in the quarter, and savings achieved by remote work.

***Sec. 217. Work Project Expenditures* – NEW**
Requires work project authorizations be exhausted before new appropriations are expended for the same purpose, to the extent possible in DIFS.

***Sec. 218. Healthy Michigan Plan Accounting Structure* – DELETED**
Requires DIFS, in conjunction with DHHS, to maintain an accounting structure within the state's accounting system allowing Healthy Michigan Plan expenditures to be identified.

***Sec. 218. Legislature Action on Administrative Board Transfers* – NEW**
Allows the legislature to intertransfer funds within the DIFS budget via concurrent resolution if the State Administrative Board transfers funds in the budget.

***Sec. 219. Appropriation for Healthy Michigan Plan Statutory Reporting Requirements* – DELETED**
Requires General Fund appropriation for the Executive Director Programs line item to be expended on reporting requirements pursuant to section 105d(9) of the Social Welfare Act, 1939 PA 280.

***Sec. 219. Reports Retention* – NEW**
Requires DIFS to receive and retain copies of all reports funded under part 1.

***Sec. 220. Policy Changes Report* – NEW**
Requires DIFS to report on each policy change made in the prior calendar year to implement public acts affecting the department.

***Sec. 222. Television and Radio Productions* – REVISED**
Prohibits DIFS from using appropriations to develop or produce television or radio productions through a third-party vendor. Revised to delete the prohibition and to require a report on any expenditure of funds to a third-party vendor for a television or radio production.

***Sec. 302. Conservatorship and Insurance Liquidation Funds* – REVISED**
Requires funds collected by DIFS in connection with a conservatorship pursuant to section 32 of 1987 PA 173 and from corporations being liquidated pursuant to 1956 PA 218 to be appropriated for expenses necessary to provide required services and not to lapse to General Fund. Revised to limit the total amount appropriated under this section and section 303 to $300,000.

***Sec. 303. Fees for Customized Listings* – REVISED**
Permits DIFS to provide customized lists of non-confidential information to interested parties and to charge reasonable fees; states that funds lapse to appropriate restricted fund accounts. Revised to limit the total amount appropriated under this section and section 302 to $300,000.

***Sec. 304. Out-of-Network Billing Complaints Report* – NEW**
Requires DIFS to report on out-of-network billing complaints received by the department.

***Sec. 305. Anti-Fraud Unit Report* – NEW**
Requires DIFS to provide a midyear update to the Anti-Fraud Unit report required under section 6303 of the Insurance Code of 1956, 1956 PA 218.

***Sec. 307. Marijuana Information in Examination Manuals and Letters of Guidance* – NEW**
Requires DIFS to update examination manuals and letters of guidance for state-chartered financial institutions to reflect how the department will evaluate institutions that offer services to the marijuana industry.

JUDICIARY
Summary: Conference Report
Article 8, House Bill 5396 (S-1) CR-1

Analyst: Robin R. Risko

	FY 2019-20 YTD as of 2/6/20	FY 2020-21 Conference	Difference: Conference From FY 2019-20 YTD Amount	%
IDG/IDT	$1,551,700	$1,552,800	*$1,100*	*0.1*
Federal	5,748,400	6,393,500	*645,100*	*11.2*
Local	6,579,500	7,654,500	*1,075,000*	*16.3*
Private	994,300	1,228,500	*234,200*	*23.6*
Restricted	94,796,000	94,877,600	*81,600*	*0.1*
GF/GP	201,443,600	201,934,300	*490,700*	*0.2*
Gross	**$311,113,500**	**$313,641,200**	***$2,527,700***	***0.8***
FTEs	509.0	513.0	*4.0*	*0.8*

Notes:
(1) FY 2019-20 year-to-date figures are as of release of the executive budget on February 6, 2020 and do not include mid-year budget adjustments.
(2) Appropriation figures include all proposed appropriation amounts and amounts designated as "one-time."
(3) Because of revenue uncertainty due to the COVID-19 pandemic, separate FY 2020-21 budget bills were not passed by the House or the Senate.

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 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
1. Direct Trial Court Automation Support	**Gross**	**$6,579,500**	**$920,500**
Includes authorization to receive $920,500 in additional state restricted user fee revenues, which support the Judiciary's Case Management System, making it available to more court users.	Local	6,579,500	920,500
	GF/GP	$0	$0
2. Compliance with U.S. Supreme Court Decision Regarding Juvenile Lifers	FTE	NA	8.0
	Gross	**NA**	**$881,100**
Includes $881,100 of one-time GF/GP and authorization for 7.0 FTE positions for the State Appellate Defender Office (SADO) to ensure compliance with the U.S. Supreme Court ruling on the *Montgomery v. Louisiana* case. SADO provides post-conviction representation of juvenile lifers. Of the clients remaining to be served, most of them are awaiting contested hearings, and a small number of them are in appellate courts. The additional 1.0 FTE position is authorized in the ongoing line item for SADO.	GF/GP	NA	$881,100

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
3. Receipt of Additional Federal and Private Grant Funding	**Gross**	**NA**	**$779,400**
Includes authorization to receive additional federal and private grant funding for the following:	Federal	NA	567,500
	Private	NA	211,900
• Community Dispute Resolution - $85,000 private	GF/GP	NA	$0
• Drug Treatment Courts - $250,000 federal			
• Judicial Institute - $100,000 federal			
• State Court Administrative Office - $126,900 private			
• Appellate Public Defender Program - $217,500 federal			
4. Expansion of Problem Solving Courts	**Gross**	**NA**	**$600,000**
Includes $600,000 of one-time GF/GP funding for expansion of problem solving courts. Of the $600,000, $100,000 will support a pilot program in a veterans treatment court or a mental health treatment court, or both, that investigates the effectiveness of oral fluid testing to determine compliance with required mental health medicine prescriptions or requirements.	GF/GP	NA	$600,000
5. Pretrial Risk Assessment	FTE	NA	1.0
Includes $325,700 of one-time GF/GP and authorization for 1.0 FTE position for continued improvement of the pretrial risk assessment tool, which provides relevant information to judges so they can make evidence-based bond decisions and reduce incarceration rates of low-risk offenders.	**Gross**	**NA**	**$325,700**
	GF/GP	NA	$325,700
6. Judicial Tenure Commission	**Gross**	**$1,276,000**	**$100,000**
Includes $100,000 GF/GP for costs of outside counsel, which is now required when arguing cases before the Supreme Court.	GF/GP	$1,276,000	$100,000
7. Statewide e-File System – Authorization for FTE Positions	FTE	5.0	7.0
Includes authorization for an additional 7.0 FTE positions. 2019 PA 56 authorized receipt of additional Electronic Filing Fee Fund revenue to support continued expansion of the e-file system. Authorization for the associated FTE positions should have been included in that bill but were not.	**Gross**	**$10,200,000**	**$0**
	Restricted	10,200,000	0
	GF/GP	$0	$0
8. Removal of Current Year One-Time Funding	FTE	12.0	(12.0)
Reduces the budget by $3.1 million GF/GP and 12.0 FTE positions to reflect removal of one-time funding and FTE positions that were included in the FY 2019-20 budget. Funding removed includes: $1.5 million for the Michigan Supreme Court public website upgrade; $841,900 and 11.0 FTE positions for SADO to ensure compliance with the U.S. Supreme Court ruling on *Montgomery v. Louisiana*; $400,000 for expansion of problem solving courts; $325,700 and 1.0 FTE position for development and implementation of the pretrial risk assessment tool; and $100,000 for the Judicial Tenure Commission to assist with the backlog of pending cases.	**Gross**	**$3,142,600**	**($3,142,600)**
	GF/GP	$3,142,600	($3,142,600)
9. Savings from Hiring Freeze and Non-Essential Travel	**Gross**	**NA**	**($2,000,000)**
Reflects a savings of $2.0 million GF/GP to be achieved primarily from extension of the hiring freeze and a reduction in non-essential travel. A small portion of the savings is to be achieved from cancellation of leases for office space. Savings will be realized in the following line items:	GF/GP	NA	($2,000,000)
• Judicial Information Systems ($220,300)			
• State Court Administrative Office ($241,700)			
• Supreme Court Administration ($543,900)			
• Court of Appeals Operations ($547,900)			
• Branchwide Appropriations ($85,500)			
• Appellate Public Defender Program ($360,700)			

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
10. Removal of Funding for Kalamazoo County Trauma Court	**Gross**	**$250,000**	**($250,000)**
Reduces the budget by $250,000 GF/GP to reflect removal of funding included in the FY 2019-20 budget for the Kalamazoo County Trauma Court. It is anticipated that unexpended funding from FY 2019-20 will be authorized as a work project account and carried forward for expenditure in the 2020-21 fiscal year.	GF/GP	$250,000	($250,000)
11. Reduce Funding for Swift and Sure Probation Program	**Gross**	**$3,600,000**	**($250,000)**
Reduces funding for the Swift and Sure Sanctions Probation Program by $250,000 GF/GP.	Restricted	1,537,600	0
	GF/GP	$2,062,400	($250,000)
12. Economic Adjustments	**Gross**	**NA**	**$4,563,600**
Reflects a net increase in costs of $4.6 million Gross ($4.2 million GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2020 and 1.0% on April 4, 2021), actuarially required retirement contributions, worker's compensation premium costs, building occupancy charges, and rent.	IDG	NA	1,100
	Federal	NA	77,600
	Local	NA	154,500
	Private	NA	22,300
	Restricted	NA	81,600
	GF/GP	NA	$4,226,500

Boilerplate Changes From FY 2019-20

***Sec. 215. Disciplinary Action Against State Employees* – REVISED**
Prohibits the judicial branch from taking disciplinary action against an employee for communicating with legislators or their staff. Revised to stipulate prohibition against taking disciplinary action unless the communication is prohibited by law and the judicial branch is exercising its authority as provided by law.

***Sec. 325. Kalamazoo County Trauma Court* – DELETED**
Requires funding to be used for the Kalamazoo County office of the prosecuting attorney to hire an assistant prosecutor who specializes in trauma for prosecution of offenders and for providing intervention and treatment services to offenders and referral services for victims; requires the court to focus on deterrence of offenders; requires intervention services to be supplemented by trauma treatment and addiction services; requires a report on outcomes of the trauma court to include performance measures, the number of individuals served, the outcomes of participants who complete the program, and recommendations on how the state can hold offenders accountable while rehabilitating them with treatment.

***Sec. 403. Treatment Court Participants' Compliance with Mental Health Treatment* – REVISED**
Requires SCAO to create a pilot program in Eaton county that investigates the effectiveness of saliva testing to determine compliance with prescribed mental health medications and other treatments; authorizes $20,000 of the appropriation for expansion of problem solving courts to be used to cover the costs of saliva testing. Revised to authorize expenditure of $100,000 to create a pilot program in a veterans treatment court or a mental health treatment court, or both, that investigates the effectiveness of oral fluid testing to determine compliance with required mental health medicine prescriptions or requirements.

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
Summary: Conference Report
Article 9, House Bill 5396 (S-1) CR-1

Analyst: Marcus Coffin

	FY 2019-20 YTD as of 2/6/20	FY 2020-21 Conference	*Difference: Conference From FY 2019-20 YTD* Amount	%
IDG/IDT	$44,225,300	$46,664,600	*$2,439,300*	*5.5*
Federal	28,125,600	28,823,700	*698,100*	*2.5*
Local	0	0	*0*	*--*
Private	0	0	*0*	*--*
Restricted	251,328,300	259,295,700	*7,967,400*	*3.2*
GF/GP	111,606,400	149,605,600	*37,999,200*	*34.0*
Gross	**$435,285,600**	**$484,389,600**	**$49,104,000**	***11.3***
FTEs	1,849.9	1,857.9	8.0	*0.4*

Notes:
(1) FY 2019-20 year-to-date figures are as of release of the executive budget on February 6, 2020 and do not include mid-year budget adjustments.
(2) Appropriation figures include all proposed appropriation amounts and amounts designated as "one-time."
(3) Because of revenue uncertainty due to the COVID-19 pandemic, separate FY 2020-21 budget bills were not passed by the House or the Senate.

Overview

The Department of Licensing and Regulatory Affairs (LARA) is the state's primary regulatory agency. The department oversees regulation across a variety of areas, including commercial and occupational activities, construction and fire safety, health care and human services, public utilities, liquor control, and marijuana. Entities within LARA also conduct and adjudicate administrative hearings, oversee rules promulgation, provide support for the Michigan Indigent Defense Commission and the Unarmed Combat Commission, and administer multiple grant programs, including Michigan Indigent Defense Commission grants.

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
1. Michigan Indigent Defense Commission Grants	**Gross**	**$80,999,600**	**$36,467,800**
Includes an additional $36.5 million GF/GP for Michigan Indigent Defense Commission grants, to fund the state's projected share of indigent defense costs in FY 2020-21 ($117.5 million). MIDC grants are distributed to funding units of district and circuit courts and currently support the implementation of approved indigent defense standards 1-4.	Restricted	200,000	0
	GF/GP	$80,799,600	$36,467,800
2. Childcare Licensing Background Checks	**Gross**	**NA**	**$1,300,000**
Increases the IDG from the Michigan Department of Education by $1.3 million to support background check costs for staff members at licensed childcare centers, with funding supporting up to 400 background checks per week. The IDG is supported in MDE by federal funding from the Child Care Development Fund.	IDG/IDT	NA	1,300,000
	GF/GP	NA	$0
3. Marijuana Regulatory Agency Staffing Increase	FTE	150.0	8.0
Includes $1.1 million of restricted funding and authorization for 8.0 FTE positions for the Marijuana Regulatory Agency for regulation of medical and adult-use marijuana. Of the $1.1 million and 8.0 FTE positions, $518,400 Gross and 4.0 FTE positions will be allocated for medical regulation and $598,400 Gross and 4.0 FTE positions will be allocated for adult-use regulation. The allocations will support inspector positions.	**Gross**	**$21,868,500**	**$1,116,800**
	Restricted	21,868,500	1,116,800
	GF/GP	$0	$0

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
4. Michigan Saves Green Bank	**Gross**	**NA**	**$1,000,000**
Includes $1.0 million GF/GP for a Public Service Commission grant award to Michigan Saves (a non-profit green bank), to provide credit enhancement tools for renewable energy and energy efficiency improvement loans to commercial, residential, and public entities (with lower rates and favorable terms). Such credit enhancement tools may include a loan loss reserve fund.	GF/GP	NA	$1,000,000
5. Marihuana Regulation Fund Adjustment	**Gross**	**NA**	**$552,000**
Includes an additional $552,000 of restricted funding authorization from the Marihuana Regulation Fund (adult-use) licensing fees and excise tax revenues) for the following line items:	Restricted	NA	552,000
• Administrative Services ($150,000)	GF/GP	NA	$0
• Executive Director Programs ($52,000)			
• Michigan Office of Administrative Hearings and Rules ($100,000)			
• Information Technology Services and Projects ($250,000)			
6. Urban Search and Rescue Increase	**Gross**	**$600,100**	**$399,900**
Includes an additional $400,000 GF/GP for the Urban Search and Rescue line item, which provides grant funding to the Michigan Mutual Aid Alarm System for costs associated with supervisory and essential functions at incidents where technical rescue expertise and equipment are require for effective rescue operations.	Restricted	100	(100)
	GF/GP	$600,000	$400,000
7. Marihuana Regulatory Fund Adjustment	**Gross**	**NA**	**$280,000**
Includes an additional $280,000 of restricted funding authorization from the Marihuana Regulatory Fund (medical licensing fees and assessments) for the following line items:	Restricted	NA	280,000
• Administrative Services ($63,000)	GF/GP	NA	$0
• Executive Director Programs ($17,000)			
• Michigan Office of Administrative Hearings and Rules ($200,000)			
8. MIDC Statewide Grant Management System Costs	**Gross**	**$18,650,000**	**$72,000**
Includes $72,000 GF/GP for the Information Technology Services and Projects line item for maintenance costs for the MIDC's grants management system.	Federal	1,124,500	0
	Restricted	16,338,300	0
	GF/GP	$1,187,200	$72,000
9. Removal of FY 2019-20 One-Time Funding	**Gross**	**$10,000**	**($10,000)**
Removes $10,000 of restricted funding that was included in the FY 2019-20 budget for producing educational materials to inform consumers (particularly children and young adults) about potential effects of marijuana use.	Restricted	10,000	(10,000)
	GF/GP	$0	$0

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
10. Technical Adjustments	**Gross**	**NA**	**$355,300**
Makes numerous fund shifts, organizational changes, authorization alignments, and technical adjustments (including effectuating EO 2019-13). The following are specific changes included:	IDG/IDT	NA	294,200
	Federal	NA	(4,800)
	Restricted	NA	719,700
	GF/GP	NA	($653,800)
• Transfers the Health Facilities Engineering Section from the Bureau of Construction Codes to the Bureau of Community and Health Systems ($1.2 million Gross and 7.0 FTE positions).			
• Increases restricted authorization from the Licensing and Regulation Fund ($405,500) and Securities Fees ($519,600) for the Corporations, Securities, and Commercial Licensing Bureau.			
• Decreases Survey and Remonumentation Fund authorization for the Remonumentation Grants line item by $500,000.			
• Decreases restricted authorization from the Liquor Purchase Revolving Fund for the Property Management line item by $410,300.			
• Increases restricted authorization from the Fireworks Safety Fund for the Bureau of Fire Services line item by $200,000.			
• Removes $100,000 GF/GP from Bureau of Construction Codes line item and replaces with restricted authorization from the Construction Codes Fund.			
• Increases authorization from the Accountancy Enforcement Fund for the Bureau of Professional Licensing line item by $80,000.			
• Reduces GF/GP for the Bureau of Professional Licensing line item by $550,000, while increasing restricted authorization from the Health Professions Regulatory fund by $550,000.			
• Reduces restricted authorization from Securities Fees for the Property Management line item by $200,000.			
11. Economic Adjustments	**Gross**	**NA**	**$7,570,200**
Reflects increased costs of $9.2 million Gross ($850,900 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2020 and 1.0% on April 1, 2021), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG/IDT	NA	845,100
	Federal	NA	702,900
	Restricted	NA	5,309,000
	GF/GP	NA	$713,200

Boilerplate Changes From FY 2019-20

***Sec. 216. FTE Vacancies and Remote Work Report* – NEW**
Requires LARA to report quarterly on the number of FTE positions filled, the number of employees engaged in remote work in FY 2019-20, the number of employees engaged in remote work in the quarter, and savings achieved by remote work.

***Sec. 217. Work Project Expenditures* – NEW**
Requires work project authorizations be exhausted before new appropriations are expended for the same purpose, to the extent possible in LARA.

***Sec. 218. Legislature Action on Administrative Board Transfers* – NEW**
Allows the legislature to intertransfer funds within the LARA budget via concurrent resolution if the State Administrative Board transfers funds in the budget.

***Sec. 219. Reports Retention* – NEW**
Requires LARA to receive and retain copies of all reports funded under part 1.

***Sec. 220. Policy Changes Report* – NEW**
Requires LARA to report on each policy change made in the prior calendar year to implement public acts affecting the department.

Boilerplate Changes From FY 2019-20

***Sec. 226. Regulatory Statistical Report* – REVISED**
Requires LARA to submit annual report specifying and summarizing statistical information pertaining to fees, revenues, expenditures, application determinations, timeliness, examinations, complaints, investigations, enforcement actions, administrative hearings, and adjudications for each regulatory product administered by agencies within LARA. Revises to align requirements and to incorporate complaints reporting requirements previously under section 514.

***Sec. 229. Television and Radio Productions* – REVISED**
Prohibits LARA from using appropriations to develop or produce television or radio productions through a third-party vendor. Revises to delete the prohibition and to require a report on any expenditure of funds to a third-party vendor for a television or radio production.

***Sec. 505. Marijuana Program Report* – REVISED**
Requires LARA to submit a report on revenue, expenditures, application determinations, and timeliness of Medical Marijuana Program and other specified information. Revises to consolidate all reporting on programs administered by the Marijuana Regulatory Agency into a single report.

***Sec. 511. Notice of AFC, HFA, and LTC Facility Closing* – REVISED**
Requires LARA to serve a facility and notify offices of representing legislators when an order of suspension is received for a licensed adult foster care home, home for the aged, or nursing home. Revises to include the Subcommittees on Health and Human Services as recipients of the notice.

***Sec. 512. Marijuana Regulation Report* – DELETED**
Requires LARA to submit report providing information regarding licensing, revenues, and costs for medical and adult-use marijuana regulation.

***Sec. 513. Marijuana Community Impact Statements* – DELETED**
Requires LARA to report on addresses of all licensed medical and recreational marijuana facilities; requires LARA to coordinate with local authorities to create community impact statements and neighbor responsibility plans, upon request.

***Sec. 514. Complaints Reports* – DELETED**
Requires various entities in LARA to report on complaint volumes, resolution processes, and enforcement actions.

***Sec. 515. Substance Use Disorder Program Licensing* – DELETED**
Stipulates requirements that residential detoxification program licensees must fulfill.

***Sec. 701. Bureau of Services for Blind Persons Case Services* – DELETED**
Stipulates that funds appropriated for BSBP include funds for case services that may be used for tuition payments for blind clients; unexpended revenue collected by BSBP and from local and private sources may carry forward into subsequent fiscal year.

***Sec. 702. Vocational Rehabilitation Matching Funds* – DELETED**
Requires BSBP to work collaboratively with service organizations and governments to identify match dollars and maximize federal vocational rehabilitation funds.

***Sec. 703. BSBP Service Agreements* – DELETED**
Authorizes BSBP to provide support and services to various agencies and organizations, and for LARA to charge fees for these services; stipulates funds collected for these services are appropriated when received.

***Sec. 704. First Responder Presumed Coverage Claims Excess Funds* – DELETED**
Authorizes excess funds received from First Responder Presumed Coverage Fund to be appropriated in an amount sufficient to pay approved claims due in current fiscal year.

***Sec. 803. Ethnic Affairs Commissions Reporting* – DELETED**
Requires Michigan Office for New Americans to coordinate with three ethnic affairs commissions to produce report detailing commissions' activities.

***Sec. 804. Ethnic Affairs Commissions Spending* – DELETED**
Requires expenditure of appropriated funds by the commissions to directly relate to mission statements.

***Sec. 805. Michigan Office For New Americans Report* – DELETED**
Requires MONA to report on activities of the office; stipulates reporting requirements.

LICENSING AND REGULATORY AFFAIRS

Boilerplate Changes From FY 2019-20

***Sec. 903. Local Support for Subregional Library Services* – DELETED**
Requires maintenance of effort for subregional libraries to receive state grants for expenditures for library services directly serving the blind and persons with disabilities.

***Sec. 904. Michigan Indigent Defense Commission Standards Compliance* – DELETED**
Stipulates an indigent defense system's duty of compliance with standards is contingent upon receipt of a grant in an amount sufficient to comply with provisions in 2013 PA 93.

***Sec. 1001. Marihuana Education Funding* – DELETED**
Requires funding for Marihuana Education to be used to produce and disseminate materials geared toward children and young adults that highlight potential risks and consequences associated with marihuana use.

***Sec. 1001. Michigan Saves Grants* – NEW**
Allows the Public Service Commission to award $1.0 million in grant funding to a non-profit green bank; stipulates the purpose of the grant and potential uses for the funding.

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
Summary: Conference Report
Article 10, House Bill 5396 (S-1) CR-1

Analyst: Michael Cnossen

	FY 2019-20 YTD as of 2/6/20	FY 2020-21 Conference	*Difference: Conference From FY 2019-20 YTD* Amount	%
IDG/IDT	$101,800	$101,800	*$0*	*0.0*
Federal	106,177,200	123,626,100	*17,448,900*	*16.4*
Local	0	0	*0*	*--*
Private	630,000	630,000	*0*	*0.0*
Restricted	23,908,600	20,313,400	*(3,595,200)*	*(15.0)*
GF/GP	73,247,500	81,421,200	*8,173,700*	*11.2*
Gross	**$204,065,100**	**$226,092,500**	**$22,027,400**	***10.8***
FTEs	933.5	1061.5	128.0	*13.7*

Notes:
(1) FY 2019-20 year-to-date figures are as of release of the executive budget on February 6, 2020 and do not include mid-year budget adjustments.
(2) Appropriation figures include all proposed appropriation amounts and amounts designated as "one-time."
(3) Because of revenue uncertainty due to the COVID-19 pandemic, separate FY 2020-21 budget bills were not passed by the House or the Senate.

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 veterans service organizations, County Veteran Service Fund, and the Michigan Veterans Trust Fund.

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
1. New Veterans Home Ongoing Costs	FTE	NA	115.0
Authorizes $1.2 million Gross ($7.6 million GF/GP) to support ongoing operations at new Chesterfield Township home for veterans and new facility at Grand Rapids Home for Veterans. A GF/GP appropriation increase partly covers a short-term reduction of federal revenue as the new homes' residency and eligibility for federal reimbursements stabilizes.	**Gross**	**NA**	**$1,160,800**
	Federal	NA	(5,856,300)
	Restricted	NA	(631,900)
	GF/GP	NA	$7,649,000
2. Michigan Job ChalleNGe Program	FTE	50.0	18.0
Authorizes $2.0 million of federal funding and 18.0 FTE positions for the five-month residential, occupational skills training program for graduates of the Michigan Youth ChalleNGe Academy.	**Gross**	**$7,580,900**	**$2,011,000**
	Federal	4,514,000	2,011,000
	Private	90,000	0
	GF/GP	$2,976,900	$0
3. Grayling National Guard Readiness Center Construction	**Gross**	**NA**	**$18,905,000**
Authorizes $18.9 million of federal funding for a new National Guard Readiness Center at Grayling Army Airfield to support training, administration, and logistical requirements of Michigan National Guard.	Federal	NA	18,905,000
	GF/GP	NA	$0

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
4. Board of Managers Elimination	**Gross**	**$940,000**	**($400,000)**
Eliminates $400,000 of state restricted funding that had been used to support Board of Managers and transfers $540,000 of private funding to new Michigan Veterans Homes Administration line to recognize transfer of management authority over veterans' homes from Board of Managers to Michigan Veterans Facility Authority, which will oversee construction and administration of all state veteran homes.	Private	540,000	0
	Restricted	400,000	(400,000)
	GF/GP	$0	$0
5. Veteran Homes Administration Cost Transfers	FTE	18.0	0.0
Transfers $2.5 million GF/GP to new Michigan Veteran Homes Administration line that will support administration of all veterans homes. Transfers $452,500 from D.J. Jacobetti Home for Veterans, $1.6 million from Grand Rapids Home for Veterans, and $419,900 from Michigan Veterans Facility Authority. Total executive recommended funding is $3.0 million with transfer of $540,000 of private funding from Board of Managers as noted in item number 5.	**Gross**	**$2,473,700**	**$0**
	GF/GP	$2,473,700	$0
6. Cemetery Cost Transfer	**Gross**	**$85,200**	**$0**
Transfers $85,200 GF/GP from Grand Rapids Home for Veterans to new Veterans Cemetery line.	GF/GP	$85,200	$0
7. Grand Rapids Home for Veterans Lines Transfers	FTE	318.5	0.0
Transfers $51.3 million Gross ($22.9 million GF/GP) and 313.5 FTE positions, from three lines under the Grand Rapids Home for Veterans and $621,700 Gross ($225,600 GF/GP) from FY 2020-21 economics increase, into one new line. Transfers $9.0 million from Veterans Homes Operations, $10.3 million from Purchased Services, and $32.5 million from Salaries, Wages, and Fringe Benefits. 5.0 FTE positions would be transferred to Michigan Veterans Affairs Agency Administration line.	**Gross**	**$51,264,300**	**$0**
	Federal	21,565,000	0
	Restricted	6,800,900	0
	GF/GP	$22,898,400	$0
8. Grand Home for Veterans Transition Costs Transfer	FTE	318.5	0.0
Transfers $13.2 million GF/GP of ongoing funding to Grand Rapids Home for Veterans to one-time funding to support costs of transitioning from the existing facility to the new facility under construction and expected to open in Spring 2021.	**Gross**	**$51,264,300**	**$0**
	Federal	21,565,000	0
	Restricted	6,800,900	0
	GF/GP	$22,898,400	$0
9. Non-GF Transfer from GRHV to New Chesterfield Home	FTE	318.5	0.0
Transfers $1.3 million Gross ($0 GF/GP) from Grand Rapids Home for Veterans to new Chesterfield Township veterans home in Macomb County. Transfers $885,000 of federal funding and $375,000 of state restricted Income and Assessments revenue.	**Gross**	**$51,264,300**	**$0**
	Federal	21,565,000	0
	Restricted	6,800,900	0
	GF/GP	$22,898,400	$0
10. Michigan Veterans Facility Authority Reduction	FTE	3.0	0.0
Reduces $250,000 GF/GP from the Michigan Veterans Facility Authority because of vacant transition executive position and reducing the number of yearly meetings by half.	**Gross**	**$1,276,900**	**($250,000)**
	GF/GP	$1,276,900	($250,000)
11. IT Services Increase	**Gross**	**$1,530,800**	**$432,300**
Authorizes $432,300 Gross to align appropriations with available federal and state restricted resources.	Federal	586,700	121,000
	Restricted	425,100	311,300
	GF/GP	$519,000	$0
12. Accounting Service Center FTE Transfer to DTMB	FTE	205.0	(5.0)
Reduces 5.0 FTE positions from D.J. Jacobetti Home for Veterans to reflect an Accounting Service Center agreement by which five veterans home business office staff have become part of DTMB-Financial Services.	**Gross**	**$24,918,600**	**$0**
	Federal	10,447,800	0
	Restricted	5,262,900	0
	GF/GP	$9,207,900	$0

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
13. D.J. Jacobetti Fund Shift Alignment with Available Resources	FTE	205.0	0.0
Reduces $354,900 Gross to align fund sources with available federal and state restricted revenues. Reduces $3.0 million of federal funding and authorizes an additional $2.7 million of state restricted Income and Assessments revenue.	**Gross**	**$24,918,600**	**($354,900)**
	Federal	10,447,800	(3,008,300)
	Restricted	5,262,900	2,653,400
	GF/GP	$9,207,900	$0
14. Restricted Revenue Reductions	**Gross**	**$11,202,200**	**($5,815,100)**
Reduces $5.8 million of state restricted funding to align with revenue and expenditure projections. Reductions include $2.9 million from Michigan Veterans Trust Fund, $2.3 million from Michigan National Guard Armory Construction Fund, $450,000 from Military Family Relief Fund, $100,000 from Mackinac Bridge Authority, $63,800 from Billeting Fund, and $50,000 from Test Project Fees.	Restricted	11,202,200	(5,815,100)
	GF/GP	$0	$0
15. Removal of FY 2019-20 One-Time Funding	**Gross**	**$65,100**	**($65,100)**
Eliminates $65,100 GF/GP for fielding and issuing of aircrew combat uniforms with updated operational camouflage pattern.	GF/GP	$65,100	($65,100)
16. Military Retirement	**Gross**	**$1,000,000**	**($342,000)**
Reduces $342,000 GF/GP from funds authorized to support Military Retirement System payment obligations to align funding with known annual actuarial contribution requirements.	GF/GP	$1,000,000	($342,000)
17. Discretionary Spending Reduction	**Gross**	**NA**	**($158,000)**
Reduces $158,000 GF/GP to reflect savings from reduced discretionary spending from Michigan Veterans Affairs Agency Administration line and Headquarters and Armories line at $79,000 each.	GF/GP	NA	($158,000)
18. Veterans Benefits Eligibility Study	**Gross**	**NA**	**$250,000**
Provides $250,000 GF/GP for commission of study that will create and implement a program to identify Michigan Medicaid beneficiaries who are veterans and support them in exploring their eligibility for USDVA health care benefits.	GF/GP	NA	$250,000
19. Economic Adjustments	**Gross**	**NA**	**$6,653,400**
Reflects increased costs of $6.7 million Gross ($1.1 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2020 and 1.0% on April 4, 2021), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	Federal	NA	5,276,500
	Restricted	NA	287,100
	GF/GP	NA	$1,089,800

Boilerplate Changes From FY 2019-20

***Sec. 206. Disciplinary Action Against State Employees* – RETAINED**
Prohibits departments from taking disciplinary action against employees for communicating with legislators or their staff.

***Sec. 216. Civil Service Employee Remote Work Report* – NEW**
Requires a quarterly report on the number of civil service FTE positions, the number of filled positions of those authorized in part 1, and the number of employees working remotely and estimated cost savings of employees working remotely.

***Sec. 217. Work Project Spending Prioritization* – NEW**
Prohibits expenditures of funds appropriated in part 1 prior to expenditure of existing work project funds authorized for the same purpose.

***Sec. 218. Legislative Intertransfer of Funds Authorization* – NEW**
Permits the legislature to intertransfer funds appropriated in part within each department, board, commission, officer, or institution by a concurrent resolution adopted by a majority of the members elected in each house of the legislature following a state administrative board transfer of funds authorized under section 3 of 1921 PA 2 (MCL 17.3).

Boilerplate Changes From FY 2019-20

***Sec. 219. Receipt and Retention of Required Reports* – NEW**
Requires departments to receive and retain copies of all reports required in part 1; requires federal and state guidelines to be followed for short-term and long-term retention of records; authorizes departments to electronically retain copies of reports unless otherwise required by federal and state guidelines.

***Sec. 220. Reporting Requirement on Policy Changes* – NEW**
Requires departments to report on policy changes made in order to implement enacted legislation.

***Sec. 221. Biannual Reporting on Achieving Requirements* – REVISED**
Requires department to provide biannual reports on status of work projects, financial status, evidence of efficiencies, corrective action plans for requirements not achieved, department's performance against metrics stated in act, and employment levels. Revises by eliminating requirement to report performance metrics and evidences of efficiencies.

***Sec. 222. Department Core Services* – REVISED**
Lists core services of department; requires appropriations to be used for core services. Revises by deleting Board of Manager, the Grand Rapids Home for Veterans, and the D.J. Jacobetti Home for Veterans as core services and adds Michigan Veterans' Facility Authority and Michigan Veterans' Homes.

***Sec. 225. Court Settlements Report* – NEW**
Requires department to report tentative plans for the require payment of any court judgment against the department and details regarding the timing and budget impact the payment will have on the department.

***Sec. 226. Private Donations to Veteran Homes* – NEW**
Appropriates money privately donated to the Grand Rapids Home for Veterans, D.J. Jacobetti Home for Veterans, and Chesterfield Township Home for Veterans, and permits its use for the purpose designated by the private donor.

***Sec. 301. Unclassified Positions* – REVISED**
(1) Appropriates funding to support unclassified positions; (2) requires department to notify subcommittees prior to submitting requests for additional unclassified positions or requests for substantive changes to duties of existing unclassified positions within 15 days. Revises to require quarterly report to list current unclassified positions to include official titles and responsibilities.

***Sec. 307. National Guard Tuition Assistance Program* – REVISED**
Requires DMVA to establish and maintain tuition assistance program for members of Michigan National Guard; states program's objectives, performance metrics, and reporting requirements. Revises to define eligibility for tuition assistance as defined in 2014 PA 259.

***Sec. 405. Veterans' Trust Fund Grants* – REVISED**
Requires MVAA to report on Michigan Veterans Trust Fund financial status, awarded grants, and administrative expenses; establishes a capacity metric of 2,000 applications. Revises to add operating expenses to be reported, and to change due date from December 1 to February 1.

***Sec. 406(2). Regional Service Coordination* – REVISED**
Requires the MVAA to provide for the regional coordination of services, including benefit counseling, state health and human service programs, workforce and economic development programs, and community-based programs; allows service officers to include mental health care referral services; requires the MVAA to work with the Department of Health and Human Services and the Department of Corrections in coordinating benefits and services to eligible veterans; requires training on processing veterans benefits due to military sexual trauma, post-traumatic stress disorder, depression, anxiety, substance abuse, and other mental health issues. Revises to eliminate requirement of selection of regional coordinators through a staff augmentation service contract.

***Sec. 407. Grants to Veterans Service Organizations* – REVISED**
Requires MVAA to provide grants to veterans service organizations (VSOs) in a manner consistent with MVAA performance goals and objectives; requires quarterly reports from grantees on claims and services provided; requires grant recipients to meet performance metrics, including a goal that 40% of VSO-filed claims for VA benefits be considered fully developed by VA; specifies basic parameters of grant agreement, including regional service delivery, payment of fixed hourly rate of $34.00 per hour, provision of service hours based on appropriations and fixed hourly rate, including in state correctional facilities; requires reports on claims activities. Revises to include partnership with tribal governments in disbursing grants; requires biannual rather than quarterly reports; sets hourly service rate as based on funds appropriated rather than set at $34.00 per hour.

Boilerplate Changes From FY 2019-20

***Sec. 409. Interagency Agreement with Department of Health and Human Services* – DELETED**
Requires department to enter into cooperative agreement with DHHS to identify veteran Medicaid recipients who may be eligible for other benefits; requires annual report of number of veterans identified and referred for additional benefits under agreement.

***Sec. 451. Board of Managers (Veterans Homes)* – REVISED**
Requires Board of Managers and Michigan Veterans' Facility Authority to exercise certain regulatory and governance authority over GRHV and DJJHV. Revises to delete reference to Board of Managers and add new Chesterfield Township Home for Veterans.

***Sec. 452(1)-(3), (10)-(20). Grand Rapids Home for Veterans (GRHV) and D.J. Jacobetti Home for Veterans (DJJHV) Service and Care Requirements* – REVISED**
Requires GRHV and DJJHV to meet applicable standards of care as provided under listed federal and state legal authorities; specifies standards around issues concerning psychiatric care, monitoring of comprehensive care plans, supply inventory, pharmaceutical inventory, controls over donated goods and monies, and personal funds of residents; requires information on complaint process to be conspicuously posted at home; requires GRHV, DJJHV, and Board of Managers policies to be posted on MVAA website; requires department to report budgeting and quality of care metrics to the legislature, including health and safety issues, status of Centers for Medicare and Medicaid Services (CMS) certification, resident member demographics, upgrades to facilities, and financial status of homes. Revises to delete reference to Board of Managers and add new Chesterfield Township Home for Veterans; deletes requirement to report quarterly on Centers for Medicare and Medicaid certification efforts; requires submission of USDVA State Veteran Home analytics reports and posting online.

***Sec. 503. Special Maintenance – Veterans Homes* – REVISED**
Authorizes capital outlay appropriations to be carried forward at end of fiscal year; requires appropriations to be expended in accordance with section 402 of department budget act to modernize and repair two veterans' homes; requires biannual reports on maintenance projects at veterans' homes funded from capital outlay appropriations. Revises to add new Chesterfield Township Home for Veterans.

***Sec. 601. Veterans Benefits Eligibility Study* – NEW**
Requires commission of study that will create and implement a program to identify Michigan Medicaid beneficiaries who are veterans and support them in exploring their eligibility for USDVA health care benefits; requires report on findings of the study, including data on veteran Medicaid beneficiaries and recommendations on strategies to facilitate veterans receiving USDVA health care benefits.

DEPARTMENT OF NATURAL RESOURCES
Summary: Conference Report
Article 11, House Bill 5396 (S-1) CR-1

Analyst: Austin Scott

	FY 2019-20 YTD as of 2/6/20	FY 2020-21 Conference	*Difference: Conference From FY 2019-20 YTD* Amount	%
IDG/IDT	$197,200	$203,100	*$5,900*	*3.0*
Federal	75,501,200	88,453,700	*12,952,500*	*17.2*
Local	0	0	*0*	*--*
Private	7,431,600	7,439,200	*7,600*	*0.1*
Restricted	308,570,400	322,800,800	*14,230,400*	*4.6*
GF/GP	46,985,000	50,697,300	*3,712,300*	*7.9*
Gross	**$438,685,400**	**$469,594,100**	**$30,908,700**	***7.0***
FTEs	2,340.1	2,352.1	12.0	*0.5*

Notes:
(1) FY 2019-20 year-to-date figures are as of release of the executive budget on February 6, 2020 and do not include mid-year budget adjustments.
(2) Appropriation figures include all proposed appropriation amounts and amounts designated as "one-time."
(3) Because of revenue uncertainty due to the COVID-19 pandemic, separate FY 2020-21 budget bills were not passed by the House or the Senate.

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 DNR.

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
1. Milliken Visitors Center (One-Time)	**Gross**	**NA**	**$2,500,000**
Appropriates $2.5 million GF/GP for the construction of a new visitors center on Mackinac Island including indoor and outdoor exhibits.	GF/GP	NA	$2,500,000
2. Local Marine Patrol Grants	**Gross**	**NA**	**$1,750,000**
Includes $1.8 million GF/GP for grants to local law enforcement to enforce no wake zones in an effort to mitigate high water impacts on infrastructure.	GF/GP	NA	$1,750,000
3. Michigan Conservation Corps	**Gross**	**NA**	**$934,400**
Adds $934,400 GF/GP for the Michigan Conservation Corps. This statewide summer employment program for at-risk youth and returning veterans allows partner organizations to hire individuals for work that is approved or managed by DNR employees. The program was last funded in FY 2018-19.	GF/GP	NA	$934,400
4. Wildlife Management	FTE	221.5	0.0
Reduces Wildlife Management by $495,000 GF/GP. The addition of $505,000 to offset the anticipated loss of revenue due to discounting antlerless deer licenses in the northeast Lower Peninsula is exceeded by a reduction of $1.0 million.	**Gross**	**$45,881,000**	**($495,000)**
	Federal	25,377,200	0
	Private	315,700	0
	Restricted	15,422,400	0
	GF/GP	$4,765,700	($495,000)
5. Deer Habitat Partnership Improvement Initiative	**Gross**	**$300,000**	**$145,800**
Expands funding for the Deer Habitat Partnership Improvement Initiative by $145,800 GF/GP to provide grants through the Northern Lower Peninsula Deer Private Land Assistance Network.	Restricted	200,000	0
	GF/GP	$100,000	$145,800

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
6. General Law Enforcement	FTE	293.0	0.0
Reflects a travel cost savings of $91,700 GF/GP for DNR law enforcement due to permanently stationing Conservation Officers at Belle Isle State Park rather than requiring travel from other duty stations.	**Gross**	**$44,784,100**	**($91,700)**
	Federal	6,648,100	0
	Restricted	25,682,400	0
	GF/GP	$12,453,600	($91,700)
7. Good Neighbor Program – Forest Management and Timber Market Development	FTE	178.0	7.0
Expands the Good Neighbor Program by adding $8.1 million of available federal funding and 7.0 FTE positions to support increasing timber sales and forest resources management activities.	**Gross**	**$35,061,700**	**$8,143,400**
	Federal	2,236,000	8,143,400
	Private	930,400	0
	Restricted	31,895,300	0
	GF/GP	$0	$0
8. Newberry Mass Timber Building (Capital Outlay)	**Gross**	**NA**	**$5,000,000**
Adds $5.0 million from the Forest Development Fund for the construction of a facility in Luce County for departmental staff and storage. The building would replace existing leased and outdated facilities.	Restricted	NA	5,000,000
	GF/GP	NA	$0
9. Shooting Range Development, Enhancement, and Restoration (One-Time)	**Gross**	**NA**	**$4,400,000**
Appropriates $4.4 million Gross for maintenance of existing and development of new archery and firearm ranges throughout Michigan.	Federal	NA	4,000,000
	Private	NA	400,000
	GF/GP	NA	$0
10. Fish Hatchery Infrastructure (Capital Outlay)	**Gross**	**NA**	**$2,500,000**
Authorizes expenditure of $2.5 million from the Game and Fish Protection Fund for infrastructure maintenance, energy efficiency, and biosecurity at Michigan's six fish hatcheries.	Restricted	NA	2,500,000
	GF/GP	NA	$0
11. Wetlands Restoration, Enhancement, and Acquisition (Capital Outlay)	**Gross**	**NA**	**$1,000,000**
Appropriates $1.0 million of available Waterfowl Hunt Stamp revenue for wetland enhancement and waterfowl habitat maintenance.	Restricted	NA	1,000,000
	GF/GP	NA	$0
12. Forest Fire Equipment	**Gross**	**NA**	**$1,000,000**
Appropriates $1.0 million from the Forest Development Fund for fire equipment maintenance and acquisition.	Restricted	NA	1,000,000
	GF/GP	NA	$0
13. State Park Employee Retention Initiative	FTE	NA	4.0
Includes an additional $567,800 of restricted funding and 4.0 FTE positions for Forest Recreation & Trails, Recreational Boating, and State Parks to create park supervisor roles and paths for career advancement.	**Gross**	**NA**	**$567,800**
	Restricted	NA	567,800
	GF/GP	NA	$0
14. Forestry Investment (One-Time)	**Gross**	**NA**	**$500,000**
Appropriates $500,000 from the Forest Development Fund for research on maintenance and health of white cedar forests in Michigan.	Restricted	NA	500,000
	GF/GP	NA	$0
15. Wildfire Equipment Mechanic – Wildfire Protection	FTE	114.0	1.0
Adds $375,000 from the Forest Development Fund and 1.0 FTE position to the Wildfire Protection program for a mechanic to maintain fire equipment inventory.	**Gross**	**$14,320,200**	**$375,000**
	Federal	1,357,500	0
	Restricted	6,661,900	375,000
	GF/GP	$6,300,800	$0
16. Belle Isle Park – State Parks	FTE	715.6	0.0
Adds $200,000 from the Park Improvement Fund, Belle Isle Subaccount to State Parks for operation and maintenance of Belle Isle Park. Additional revenue is available from the Belle Isle Grand Prix.	**Gross**	**$75,592,600**	**$200,000**
	Federal	141,400	0
	Private	428,100	0
	Restricted	72,496,900	200,000
	GF/GP	$2,526,200	$0

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
17. Marketing and Outreach	FTE	80.8	0.0
Expands departmental marketing and outreach by adding $173,600 from the Sportsmen Against Hunger Fund. Additional spending authority would be used to cover costs related to providing donated venison to local food banks and shelters.	**Gross**	**$14,166,300**	**$173,600**
	Federal	1,694,800	0
	Restricted	12,194,500	173,600
	GF/GP	$277,000	$0
18. Capital Outlay Adjustments	**Gross**	**NA**	**($3,125,000)**
Reflects adjustments of $3.1 million to annual capital outlay appropriations for boating infrastructure, state parks maintenance, and state forest infrastructure to align spending with available revenue.	Restricted	NA	(3,125,000)
	GF/GP	NA	$0
19. Removal of FY 2019-20 One-Time Funding	**Gross**	**NA**	**($2,200,000)**
Removes $2.2 million GF/GP for the Wildlife and Fisheries Health Study (PFAS) and wildlife management (CWD) included in the FY 2019-20 budget.	GF/GP	NA	($2,200,000)
20. Technical Adjustments	**Gross**	**NA**	**$159,000**
Increases DNR budget by $159,000 Gross to align appropriations with available private and restricted funding.	IDG	NA	200
	Private	NA	(396,200)
	Restricted	NA	555,000
	GF/GP	NA	$0
21. Economic Adjustments	**Gross**	**NA**	**$7,471,400**
Reflects increased costs of $7.5 million Gross ($1.2 million GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2020 and 1.0% on April 4, 2021), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	NA	5,700
	Federal	NA	809,100
	Private	NA	3,800
	Restricted	NA	5,484,000
	GF/GP	NA	$1,168,800

Boilerplate Changes From FY 2019-20

***Sec. 216. FTE Vacancies and Remote Work Report* – NEW**
Requires the department to report quarterly on the number of FTE positions filled, FTE vacancies, the number of employees working remotely, the number of employees authorized to work remotely, estimated cost savings from remote work, and reduction in office space due to working remotely.

***Sec. 217. Expending Available Work Project Authorization* – NEW**
Advises the department not to expend appropriations in part 1 until existing work project authorization for the same purpose has been expended.

***Sec. 218. State Administrative Board Transfers* – NEW**
Allows the legislature to adopt a concurrent resolution to intertransfer funds within the department's budget if the State Administrative Board transfers fund appropriated in part 1.

***Sec. 219. Receipt and Retention of Reports* – NEW**
Requires the department to receive and retain copies of all reports funded in part 1.

***Sec. 220. Report on Policy Changes Made to Implement Public Acts Affecting Department* – NEW**
Requires the department to report on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year by April 1.

***Sec. 409. Report on Portage Restaurant* – NEW**
Requires the department to report on the current and planned future use of the Portage Restaurant at Presque Isle State Harbor at Presque Isle County.

***Sec. 410. Report on Use of Lands Acquired Since January 2019* – NEW**
Requires the department to report on lands acquired since January 2019 and their respective planned uses. Report is due November 1, 2020.

Boilerplate Changes From FY 2019-20

***Sec. 504. Cervid Operation Fees* – DELETED**
Requires report on use of registration fees from privately owned cervid operations.

***Sec. 507. Antlerless Deer License Discounts* – NEW**
Permits the department to discount antlerless deer licenses in the northeast Lower Peninsula to achieve deer management objectives; earmarks up to $505,000 of funding for wildlife management in part 1 to supplant lost revenue that would otherwise be collected from full-price antlerless deer licenses sold in the northeast Lower Peninsula; permits the department to terminate the license discount once lost revenue reaches $505,000.

***Sec. 1002. Water Trail Grants* – DELETED**
Requires department to collaborate with Waterways Commission to develop a plan to incorporate grants for state-designated water trails as a part of Waterways Grant Application Program.

***Sec. 1002. Deer Habitat Improvement Partnership Initiative Earmark* – NEW**
Earmarks $145,800 from Deer Habitat Improvement Partnership Initiative in part 1 to provide grants through the Northern Lower Peninsula Deer Private Land Assistance Network.

***Sec. 1003. Local Marine Patrol Grants* – NEW**
Directs expenditure of funding for Local Marine Patrol Grants in part 1 for grants to local law enforcement to enforce no wake zones in an effort to mitigate high water impacts on infrastructure, limits individual grants to not more than $100,000.

***Sec. 1202. Lake Level Assessment Reimbursements* – DELETED**
Allocates $35,000 of Finance and Operations appropriation to reimburse qualifying costs related to lake level assessments.

***Sec. 1203. Wildlife Management* – DELETED**
Authorizes unexpended funds appropriated for Wildlife Management to be considered work project appropriations and carried forward until projects have been completed. Projects will be accomplished using state resources, contracts, and/or grants and have a tentative completion date of September 30, 2022.

***Sec. 1206. Wildlife and Fisheries Health Study* – DELETED**
Requires department to use funds appropriated to investigate effect of PFAS contamination on Michigan's wildlife and fisheries populations.

DEPARTMENT OF STATE POLICE
Summary: Conference Report
Article 12, House Bill 5396 (S-1) CR-1

Analyst: Marcus Coffin

	FY 2019-20 YTD as of 2/6/20	FY 2020-21 Conference	*Difference: Conference From FY 2019-20 YTD* *Amount*	*%*
IDG/IDT	$24,933,900	$24,649,600	*($284,300)*	*(1.1)*
Federal	99,964,000	124,103,800	*24,139,800*	*24.1*
Local	4,766,200	4,841,200	*75,000*	*1.6*
Private	35,000	35,000	*0*	*0.0*
Restricted	148,158,200	145,079,300	*(3,078,900)*	*(2.1)*
GF/GP	475,701,700	439,376,600	*(36,325,100)*	*(7.6)*
Gross	**$753,559,000**	**$738,085,500**	**($15,473,500)**	***(2.1)***
FTEs	3,583.0	3,599.0	16.0	*0.4*

Notes:
(1) FY 2019-20 year-to-date figures are as of release of the executive budget on February 6, 2020 and do not include mid-year budget adjustments.
(2) Appropriation figures include all proposed appropriation amounts and amounts designated as "one-time."
(3) Because of revenue uncertainty due to the COVID-19 pandemic, separate FY 2020-21 budget bills were not passed by the House or the Senate.

Overview

The Michigan Department of State Police (MSP) is the state's primary law enforcement and emergency response authority. The department is responsible for criminal law enforcement and investigation, traffic and motor carrier safety, and homeland security. The department is also responsible for 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 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
1. Coronavirus Relief Funds for Payroll	**Gross**	**NA**	**$0**
Includes $45.5 million of federal Coronavirus Relief Funds and reduces the GF/GP appropriation by a like amount. Funding will be used to support departmental payroll costs.	Federal	NA	45,500,000
	GF/GP	NA	($45,500,000)
2. Michigan Joint Task Force on Jail and Pretrial Incarceration (One-Time)	**Gross**	**NA**	**$4,200,000**
	GF/GP	NA	$4,200,000
Includes $4.2 million GF/GP for implementing the Task Force's recommendations regarding behavioral health crisis response training and services/support for crime victims (recommendations 7 and 17). Approximately $1.8 million is projected to be allocated for behavioral health crisis response training for law enforcement, dispatch, and jail officers, with the remaining $2.4 million allocated for training on serving and supporting crime victims. Funding will be utilized for staff costs for administration and development and for training costs.			
3. FY 2020-21 Trooper Recruit School One-Time Costs	**Gross**	**NA**	**$3,509,100**
Includes $3.5 million GF/GP to support costs associated with FY 2020-21 Trooper Recruit Schools. Schools funded with this one-time funding will support two 60 person attrition schools, for a total of 120 graduates. Costs that will be covered by this funding include training and trooper outfitting.	GF/GP	NA	$3,509,100

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
4. FY 2020-21 Trooper School	FTE	NA	50.0
Includes $3.5 million GF/GP and authorization for 50.0 FTE positions to support various costs associated with an FY 2020-21 Trooper Recruit School. Costs include salaries, training materials, patrol cars, and trooper outfitting.	**Gross**	**NA**	**$3,500,000**
	GF/GP	NA	$3,500,000
5. FY 2019-20 Trooper Recruit School Annualization	FTE	NA	(36.0)
Includes $2.0 million GF/GP to support departmental expenses incurred for troopers that are graduating from Trooper Recruit School during FY 2019-20. Costs include fleet leasing, equipment, IT support, salaries, and benefits.	**Gross**	**NA**	**$2,012,200**
	GF/GP	NA	$2,012,200
6. OK2SAY Administration and Outreach	FTE	NA	2.0
Includes $906,000 Gross ($436,400 GF/GP) and authorization for 2.0 FTE positions to consolidate the OK2SAY program in MSP. The FTE positions would be moved from the Department of Attorney General (where the positions are currently located) and funding would be used for administration and communication costs.	**Gross**	**NA**	**$906,000**
	Restricted	NA	469,600
	GF/GP	NA	$436,400
7. State Services Fees Fund Shift	**Gross**	**$1,900,000**	**$0**
Replaces $1.9 million of restricted authorization from the State Services Fee Fund with $1.9 million GF/GP. The State Services Fee Fund is supported by the revenues from the Detroit Casinos, including annual assessments and fees.	Restricted	1,900,000	(1,900,000)
	GF/GP	$0	$1,900,000
8. DTMB IDG Fund Shift	**Gross**	**$665,100**	**$0**
Replaces a $665,100 IDG from the Department of Technology, Management and Budget with $665,100 GF/GP. This funding change is accompanied by a $665,100 GF/GP reduction to the DTMB budget. The adjustment would allow GF/GP to be appropriated directly to MSP to fund 3.0 FTE positions in the Michigan Cyber Command Center.	IDG/IDT	665,100	(665,100)
	GF/GP	$0	$665,100
9. Removal of FY 2019-20 One-Time Funding	**Gross**	**$9,409,200**	**($9,409,200)**
Removes the following FY 2019-20 one-time appropriations: • FY 2019-20 Trooper Recruit School ($5.3 million GF/GP). • In-Car Video Streaming Network ($2.8 million). • Sexual Assault Prevention and Education Initiative ($1.3 million GF/GP). • First Responder Communications Network ($100 GF/GP)	GF/GP	$9,409,200	($9,409,200)
10. FY 2020-21 GF/GP Reductions	**Gross**	**NA**	**($1,000,000)**
Includes two measures that will reduce total GF/GP in the budget by $2.0 million. • Removes $1.0 million GF/GP from the Commercial Vehicle Enforcement line item. GF/GP reductions are projected to be offset by existing federal revenues within the budget. • Replaces $1.0 million in GF/GP with $1.0 million is state restricted authorization from the Marihuana Regulatory Fund in the Standards and Training/Justice Training Grants line item.	Restricted	NA	1,000,000
	GF/GP	NA	($2,000,000)
11. Economic Adjustments	**Gross**	**NA**	**$6,533,200**
Reflects increased costs of $6.5 million Gross ($4.4 million GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2020 and 1.0% on April 4, 2021), actuarially required retirement contributions, worker's compensation costs, building occupancy charges, and other economic adjustments.	IDG/IDT	NA	380,800
	Federal	NA	575,300
	Local	NA	55,700
	Restricted	NA	1,160,100
	GF/GP	NA	$4,361,300

STATE POLICE

Boilerplate Changes From FY 2019-20

***Sec. 216. FTE Vacancies and Remote Work Report* – NEW**
Requires MSP to report quarterly on the number of FTE positions filled, the number of employees engaged in remote work in FY 2019-20, the number of employees engaged in remote work in the quarter, and savings achieved by remote work.

***Sec. 217. Work Project Expenditures* – NEW**
Requires work project authorizations be exhausted before new appropriations are expended for the same purpose, to the extent possible in MSP.

***Sec. 218. Legislature Action on Administrative Board Transfers* – NEW**
Allows the legislature to intertransfer funds within the MSP budget via concurrent resolution if the State Administrative Board transfers funds in the budget.

***Sec. 219. Reports Retention* – NEW**
Requires MSP to receive and retain copies of all reports funded under part 1.

***Sec. 220. Policy Changes Report* – NEW**
Requires MSP to report on each policy change made in the prior calendar year to implement public acts affecting the department.

***Sec. 227. Attrition School* – DELETED**
Requires MSP to use attrition savings to conduct an FY 2019-20 attrition school that graduates at least 70 troopers.

***Sec. 230. Receive and Expend Authorization* – REVISED**
Authorizes MSP to expend federal revenues received in excess of appropriations; requires MSP to report prior to expending excess federal revenues. Revises to limit federal receive and expend authorization under this section and section 704(3) to $45.0 million.

***Sec. 233. Court Judgements Payment Reporting* – NEW**
Requires MSP to report on tentative plans for payment of court judgements against MSP; outlines reporting requirements.

***Sec. 234. Coronavirus Relief Fund Appropriations* – NEW**
Unappropriates any Coronavirus Relief Fund appropriations for which expenditures have not been incurred as of December 30 and reappropriates them for deposit into the Unemployment Compensation Fund to support costs incurred due to the COVID-19 pandemic.

***Sec. 703. Commercial Vehicle Regulation and Enforcement* – REVISED**
(1) Requires MSP to maintain commercial vehicle and enforcement activities; (2) requires MSP to meet inspection goals consistent with the federal motor carrier assistance program; (3) authorizes revenues collected under the Motor Carrier Act to be expended and to be carried forward; (4) establishes a Commercial Vehicle Enforcement Operations Reserve Fund. Revises to delete item (4).

Boilerplate Changes From FY 2019-20

***Sec. 704. Emergency Management and Homeland Security* – REVISED**
Requires MSP to coordinate emergency response activates of governmental units and:

- Authorizes expenditure of appropriated funds to call upon state agencies or departments to protect life or property or to protect health or safety of any area under a state of emergency or disaster; report to State Budget Director; submit recommendations to legislature for supplemental appropriations.
- Authorizes department to expend additional funds from various sources to provide emergency management training or emergency response activities and notify legislature.
- Requires department to maintain partnerships to protect the state from all hazards.
- Requires department to serve local emergency management preparedness programs and local emergency planning committees, operate and maintain State Emergency Operations Center, respond to civil disorders and natural disasters at a specified level, and perform hazardous materials response training.
- Requires department to conduct a minimum of three training sessions to enhance emergency response.
- Appropriates amounts necessary from Disaster and Emergency Contingency Fund to cover costs related to disasters and emergencies upon approval of State Budget Director, notification of legislature, and requires department to submit report related to expenditures from fund.
- Authorizes department to expend funds from any line item in order to respond to an emergency and requires detailed reporting when funds are expended from Disaster and Emergency Contingency Fund.

Requires department to report biannually on assessment of critical infrastructure vulnerabilities. Revises to limit receive and expend authorizations under these subsections and section 230 to $45.0 million for federal and $15.0 million in state restricted. Also revises so MSP does not gave to report on matters that could compromise critical infrastructure.

***Sec. 801. Sexual Assault Prevention and Education Initiative* – DELETED**
Requires funds to be used for a competitive grant to colleges, universities, and high schools in this state in order to mitigate sexual assault; stipulates how grant awards may be used; authorizes use of unawarded funding for other Office of School Safety programs.

***Sec. 801. Michigan Joint Task Force on Jail and Pretrial Incarceration* – NEW**
Stipulates uses of the funding and provides work project authorization for unexpended funds.

DEPARTMENT OF TRANSPORTATION
Summary: Conference Report
Article 13, House Bill 5396 (S-1) CR-1

Analyst: William E. Hamilton

	FY 2019-20 YTD as of 2/6/20	FY 2020-21 Conference	*Difference: Conference From FY 2019-20 YTD* Amount	%
IDG/IDT	$3,974,300	$4,063,100	*$88,800*	*2.2*
Federal	1,352,350,100	1,424,196,100	*71,846,000*	*5.3*
Local	51,032,000	80,782,000	*29,750,000*	*58.3*
Private	900,000	900,000	*0*	*0.0*
Restricted	3,588,151,600	3,597,529,400	*9,377,800*	*0.3*
GF/GP	25,000,000	0	*(25,000,000)*	*(100.0)*
Gross	**$5,021,408,000**	**$5,107,470,600**	***$86,062,600***	***1.7***
FTEs	2,824.3	2,824.3	*0.0*	*0.0*

Notes:
(1) FY 2019-20 year-to-date figures are as of release of the executive budget on February 6, 2020 and do not include mid-year budget adjustments.
(2) Appropriation figures include all proposed appropriation amounts and amounts designated as "one-time."
(3) Because of revenue uncertainty due to the COVID-19 pandemic, separate FY 2020-21 budget bills were not passed by the House or the Senate.

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, 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 1951 PA 51 (Act 51) to other state transportation funds and programs, including the State Trunkline Fund (STF), the Comprehensive Transportation Fund (CTF), and local road agencies (county road commissions and cities/villages). Revenue from aviation fuel and registration taxes, as well as a portion of Airport Parking Tax revenue, is credited to the State Aeronautics Fund for aeronautics programs.

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
1. State Trunkline Road and Bridge Construction	**Gross**	**$1,329,604,600**	**($2,470,800)**
The state trunkline capital construction program would total almost $1.3 billion, a net decrease of $2.5 million. State restricted STF revenue reflects the STF share of estimated MTF revenue (from motor fuel and vehicle registration taxes), as well as the STF share of $600.0 million revenue earmarked for road and bridge programs in the Income Tax Act. State restricted revenue also includes the appropriation of $7.2 million in Blue Water Bridge Fund revenue for capital projects.	Federal	786,694,500	35,632,600
	Local	30,003,500	0
	Restricted	512,906,600	(38,103,400)
	GF/GP	$0	$0
The decrease in state restricted revenue would be offset in part by an anticipated increase in available federal revenue.			
2. MTF to Local Road Agencies	**Gross**	**$1,735,247,700**	**$35,240,900**
The estimated MTF distribution to local road agencies (county road commissions, and cities and villages) would total $1.8 billion, $35.2 million more than the current year. This reflects the Act 51 distribution of MTF revenue from motor fuel and vehicle registration taxes as well as the local share of $600.0 million revenue earmarked for road and bridge programs in the Income Tax Act.	Restricted	1,735,247,700	35,240,900
	GF/GP	$0	$0

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
3. State Trunkline Maintenance	FTE	760.7	0.0
Includes a baseline increase of $7.6 million STF to offset increased maintenance material costs.	**Gross**	**$405,641,800**	**$7,625,600**
	Restricted	405,641,800	7,625,600
	GF/GP	$0	$0
4. State/Local Traffic Signal Billing	**Gross**	**$600,000**	**$2,400,000**
Includes $2.4 million in MTF spending authority for costs of maintenance on shared state/local traffic signals. This continues streamlining of traffic signal billing system that began in current year when $600,000 MTF was appropriated for costs of signal energy on shared state/local traffic signal installations.	Restricted	600,000	2,400,000
	GF/GP	$0	$0
5. Debt Service	**Gross**	**$213,897,500**	**$1,198,800**
Includes $215.1 million, a $1.2 million increase from FY 2019-20, reflecting anticipated debt service schedules. An increase in debt service supported by restricted revenue would be offset, in part, by a reduction in debt service on bonds issued using a pledge of federal revenue.	Federal	81,155,000	(25,974,100)
	Restricted	132,742,500	27,172,900
	GF/GP	$0	$0
The change in restricted revenue debt service is primarily due to changes in STF debt service schedules, reflecting ongoing STF debt service on previously issued STF bonds, as well as estimated net changes as a result of STF refunding and new bond sales.			
6. General Fund Fixing Michigan Roads and Bridges (Earmark for Local Bridges)	**Gross**	**$13,000,100**	**($13,000,100)**
Removes $13.0 million GF/GP earmark for local bridge program.	Restricted	0	0
	GF/GP	$13,000,100	($13,000,100)
7. Transportation Economic Development Fund (TEDF)	**Gross**	**$44,258,800**	**($15,464,300)**
Decreases TEDF program by $15.5 million to reflect anticipated reduction in available TEDF revenue, including the redirection of $13.0 million in driver's license fee revenue. The competitive grant program Target Industries would decrease by $14.2 million, from $17.1 million to $2.9 million. The TEDF program is established and governed by statute, 1987 PA 231.	Restricted	44,258,800	(15,464,300)
	GF/GP	$0	$0)
8. Local Bus Transit	**Gross**	**$226,777,900**	**($3,000,000)**
Reduces state operating assistance to local transit systems by $3.0 million CTF to reflect reductions in estimate available CTF revenue.	Federal	28,027,900	0
	Local	2,000,000	0
	Restricted	196,750,000	(3,000,000)
	GF/GP	$0	$0
9. Transit Capital	**Gross**	**$69,620,700**	**$39,450,000**
Reduces CTF support by $12.0 million for program that provides matching funds on behalf of local transit agencies to access federal transit capital grants. The reduction in CTF support reflects anticipated available CTF revenue.	Federal	15,300,000	21,700,000
	Local	1,250,000	29,750,000
	Restricted	53,070,700	(12,000,000)
	GF/GP	$0	$0
10. Service Initiatives	**Gross**	**$7,589,100**	**$886,000**
Increases baseline CTF support by $886,000 for program that funds transit-related research, training and development, and demonstration projects.	Federal	1,650,000	0
	Local	325,000	0
	Restricted	5,614,100	886,000
	GF/GP	$0	$0
11. Rail Operations and Infrastructure	**Gross**	**$85,566,700**	**$13,171,300**
Includes $98.7 million for program that provides capital and operating support for rail passenger service in Michigan as well as rail freight and rail economic development programs. The increase reflects both increases in CTF support as well as increased federal spending authority in anticipation of federal capital rail grants.	Federal	10,000,000	10,000,000
	Local	100,000	0
	Private	100,000	0
	Restricted	75,366,700	3,171,300
	GF/GP	$0	$0

Major Budget Changes From FY 2019-20 YTD Appropriations		FY 2019-20 Year-to-Date (as of 2/6/20)	FY 2020-21 Conference Change
12. Marine Passenger	**Gross**	**$1,500,000**	**($572,000)**
Increases baseline CTF support by $5.0 million for program that supports capital grants for marine passenger (ferry) service in Michigan. The increase, part of the recommended distribution of $32.0 million anticipated unreserved CTF fund balance, is intended to begin funding process for replacement of ferries that provide service to Beaver Island and to islands on the St. Mary's River in the eastern Upper Peninsula.	Local	500,000	0
	Restricted	1,000,000	(572,000)
	GF/GP	$0	$0
13. Intercity Services	**Gross**	**$7,860,000**	**($600,000)**
Decreases CTF support by $1.1 million for program that supports intercity bus service in Michigan. The decrease in CTF support is partially offset by increase spending authority from the Intercity Bus Equipment Fund.	Federal	4,500,000	0
	Local	160,000	0
	Private	800,000	0
	Restricted	2,400,000	(600,000)
	GF/GP	$0	$0
14. Detroit/Wayne County Port Authority (DWCPA)	**Gross**	**$418,200**	**($18,200)**
Reduces CTF support for DWCPA operations by $18,200.	Restricted	418,200	(18,200)
	GF/GP	$0	$0
15. Van Pooling	**Gross**	**$195,000**	**($45,000)**
Reduces CTF funding for van pool program by $45,000.	Restricted	195,000	(45,000)
	GF/GP	$0	$0
16. Airport Improvement Program	**Gross**	**$95,477,300**	**$25,599,200**
Includes $121.1 million for program of federal aid for capital improvements to eligible local public airports in the state. Funding reflects anticipated $27.0 million increase in federal funds related to a new competitive grant application program. A $1.4 million reduction in in state matching funds reflects anticipated available State Aeronautics Fund revenue.	Federal	79,000,000	27,000,000
	Local	12,508,500	0
	Restricted	3,968,800	(1,400,800)
	GF/GP	$0	$0
17. Detroit Metropolitan Wayne County Airport	**Gross**	**$5,850,000**	**($1,547,000)**
Deduces Qualified Airport Fund support by $1.5 million reflecting revenue estimates. As provided through 2015 amendments to the State Aeronautics Code, Qualified Airport Fund revenue is appropriated to the Detroit Metropolitan Wayne County Airport.	Restricted	5,850,000	(1,547,000)
	GF/GP	$0	$0
18. Elimination of One-Time Items	**Gross**	**$23,700,000**	**($23,700,000)**
Removes two one-time current year projects totaling $23.7 million ($12.0 million GF/GP). Of the $23.7 million, $1.0 million CTF was appropriated for a dock project related to the Soo Locks expansion project, and $22.7 million ($12.0 million GF/GP) was for a rail grade crossing project in Woodhaven Michigan.	Federal	10,700,000	(10,700,000)
	Restricted	1,000,100	(1,000,100)
	GF/GP	$11,999,900	($11,999,900)
19. Economic Adjustments	**Gross**	**NA**	**$9,971,200**
Reflects increased costs of $10.0 million Gross ($0 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2020 and 1.0% on April 4, 2021), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	NA	88,800
	Federal	NA	1,070,100
	Restricted	NA	8,812,300
	GF/GP	NA	$0

Boilerplate Changes From FY 2019-20

Sec. 215. Communication with the Legislature **– REVISED**
Includes language that prohibits, under specific circumstances, the department from taking disciplinary action against an employee for communicating with a legislator or legislative staff.

Boilerplate Changes From FY 2019-20

***Sec. 216. Report on FTE Positions and Remote Work* – NEW**
Requires a quarterly report on staffing levels in relation to FTE authorization; employees authorized to work remotely; related cost savings.

***Sec. 217. Work Project Limits* – NEW**
Requires that work project balances be exhausted before expenditure from part 1 appropriations.

***Sec. 218. State Administrative Board Transfers* – NEW**
Provides for the legislature to intertransfer funds within this departmental budget if the State Administrative Board transfers funds from an appropriation within this departmental budget.

***Sec. 219. Record Retention* – NEW**
Requires department to retain reports funded from Part 1 appropriations; record retention guidelines.

***Sec. 220. Impact of New Legislation* – NEW**
Requires a report on specific policy changes made to implement new public acts enacted in prior calendar year.

***Sec. 221. Report on Proposed Federal Rule Changes* – NEW**
Requires the department to notify the Legislature on proposed federal rule changes that would impact state law.

***Sec. 305. Lease of Space in Public Transportation Property* – REVISED**
Authorizes rental of department-owned public transportation properties at competitive market rates; requires that revenue from tenants be placed in an account for to maintain/improve property. Requires the department to charge public transit agencies and intercity carriers equal rates per square foot and fair market rates.

***Sec. 313. Report on State Infrastructure Bank* – REVISED**
Requires a report on the State Infrastructure Bank; requires legislative approval prior to increasing the State Infrastructure Bank.

***Sec. 319. Rest Area Maintenance* – DELETED**
Deletes current language requiring signs/telephone numbers for reporting unclean and unsafe conditions at rest areas.

***Sec. 324. State-Owned Airport Sale RFP* – DELETED**
Deletes one-time requirement that the department develop a solicitation for proposals for the sale of two state-owned airports.

***Sec. 353. Prompt Payment* – REVISED**
Directs department to review contractor payment process; references Special Provision 109.10. Includes new reporting requirement.

***Sec. 378. Report on Routing of International Hazardous Materials* – NEW**
Establishes a new reporting requirement related to the routing of hazardous materials.

***Sec. 386. Toll Credits* – REVISED**
Directs the department to use toll credits as a method in financing federal-aid highway projects; established priority in using toll credits; requires report on toll credits earned and year-end balance.

***Sec. 399. Capital Preventive Maintenance* – NEW**
Requires the department to spend not less than 10% of state trunkline road and bridge appropriation on capital preventive maintenance.

***Sec. 403. Priority of Federal Transit Grants* – DELETED**
Deletes section that establishes priority for federal Section 5310 transit grants.

***Sec. 505. Communication Availability of Grants* – NEW**
Directs the department to regularly assess the need for, and to provide information about state and federal grants available to local units of government.

***Sec. 660. Use of Alternative Materials* – REVISED**
Encourages the department to examine the use of alternative road surface materials; adds specific reference to flexible concrete.

***Sec. 707. Rail Strategic Plan Report* – NEW**
Requires annual rolling 5-Year plan report on programs funded from the rail operations and infrastructure line item.

TRANSPORTATION

Boilerplate Changes From FY 2019-20

***Sec. 711. Rail Passenger Service Report* – DELETED**
Deletes reporting requirement related to rail passenger service provided by Amtrak under contract with the department.

***Sec. 712. Rail Passenger Service RFP* – DELETED**
Deletes one-time requirement for the solicitation for proposals for operation of daily round-trip rail passenger service between Grand Rapids and Chicago.

***Sec. 719. Transit Elderly and Medical Transport Cost per Rider* – REVISED**
Indicates legislative intent that for transit providers in the 20 counties with a population greater than 100,000 determine cost per rider, and that those transit systems request proposals from ride sharing companies for 50% of the system's anticipated service.

***Sec. 720. Farebox Recovery Intent Language* – NEW**
Indicates legislative intent that transit agencies strive to achieve at least 6% farebox recovery.

***Sec. 802. MDOT-Owned Airports* – DELETED**
Deletes section that encouraged the department to find private entities or local public agencies to assume ownership and operating responsibility for department-owned airports.

***Sec. 804. MDOT-Owned Airplanes* – DELETED**
Deletes section that prohibited the department from spending funds appropriated for airfleet operations and maintenance if the department owns a specific aircraft.

***Sec. 806. State Aeronautics Code* – DELETED**
Deletes a one-time requirement that the department to review website for consistency with state Aeronautics Code.

FY 2019-20 Appropriations

APPENDIX

Supplemental Appropriation

FY 2019-20 SUPPLEMENTAL APPROPRIATIONS
Summary: Conference Report
Article 14, House Bill 5396 (S-1) CR-1

Supplemental Coordinator: Robin R. Risko

FY 2019-20 APPROPRIATIONS SUMMARY

Budget Area		FY 2019-20 Year-to-Date Appropriations	FY 2019-20 Supplemental Change	% Change
Education	Gross	$664,136,100	($10,000,000)	(1.5)
	GF/GP	$82,065,700	$0	0.0
Health and Human Services	Gross	$28,902,569,300	$323,750,500	1.1
	GF/GP	$4,363,309,100	($31,529,200)	(0.7)
State	Gross	$260,542,600	$13,909,000	5.3
	GF/GP	$12,153,000	$0	0.0
Treasury - Operations	Gross	$1,345,509,800	($112,675,000)	(8.4)
	GF/GP	$127,894,600	$325,000	0.3
TOTAL	**Gross**	**$31,172,757,800**	**$214,984,500**	**0.7**
	GF/GP	**$127,894,600**	**($31,204,200)**	**(0.7)**

Overview

Article 14 of House Bill 5396 contains supplemental appropriation adjustments for various budget areas for FY 2019-20. In sum, FY 2019-20 adjustments would increase Gross appropriations by $215.0 million and reduce GF/GP appropriations by $31.2 million. Adjustments are made in the DHHS budget to reflect the agreement reached on caseloads at the August Consensus Revenue Estimating Conference and adjustments are made to appropriations of federal Coronavirus Relief Fund revenue in the Departments of Education and Treasury budgets. Also, boilerplate is included, which requires reducing Coronavirus Relief Fund appropriations in budgets for the Departments of Corrections, Health and Human Services, Military and Veterans Affairs, Natural Resources, State Police, and Technology, Management, and Budget.

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

FY 2019-20 Supplemental Appropriation Items — **Appropriation Change**

EDUCATION

1. Child Care Supports

Gross	**($10,000,000)**
Federal	(10,000,000)
GF/GP	$0

Revises appropriation of federal Coronavirus Relief Funds from $125.0 million for Child Care Rate Reductions to $115.0 million for Child Care Supports, which represents a net $10.0 million reduction and the approximate amount expended on the original Child Care Rate Reduction. The new Child Care Supports continues the rate reduction stipend but additionally requires MDE to allocate funds as follows: to reimburse for school age children receiving the child care subsidy during the school day, if the children are enrolled in a virtual education program when virtual learning is the only option; to allow for an increase of up to 60 absence hours for all children receiving the child care subsidy; and to provide for one additional round of the Child Care Relief Fund.

HEALTH AND HUMAN SERVICES

2. Child Welfare Caseload Adjustments

Gross	**$4,130,700**
Federal	10,859,500
TANF	434,200
GF/GP	($7,163,000)

Includes an increase of $4.1 million Gross (reduction of $7.2 million GF/GP) for child welfare caseload adjustments as part of the August Consensus Revenue Estimating Conference. Amount includes $10.8 million GF/GP savings from 3 quarters of a 6.2 percentage point increase to the state FMAP provided under the federal Families First Coronavirus Response Act.

FY 2019-20 Supplemental Appropriation Items		Appropriation Change
3. Public Assistance Caseload Adjustments	**Gross**	**($7,400,700)**
Includes a reduction of a $7.4 million Gross ($6.8 million GF/GP) for public assistance caseload adjustments as part of the August Consensus Revenue Estimating Conference. Amount includes $600,000 GF/GP to offset a like amount of restricted state supplemental security income recoveries based on projected collections.	Restricted	(600,000)
	GF/GP	($6,800,700)
4. Food Assistance Program Reinvestment	**Gross**	**$10,466,000**
Includes $10.5 million GF/GP to support both penalty payments to the federal government and a federally-required corrective action plan. Penalties are related to higher than national average error rates in FAP over/under payments.	GF/GP	$10,466,000
5. Traditional Medicaid and Healthy Michigan Plan Cost Adjustments	**Gross**	**$316,554,500**
Includes an increase of $316.6 million Gross (reduction of $69.8 million GF/GP) based on caseload and utilization adjustments for the Medicaid program as part of the August Consensus Revenue Estimating Conference.	Federal	438,618,100
	Local	(11,350,500)
	Restricted	(40,936,300)
	GF/GP	($69,776,800)
6. Medicaid Restricted Revenues	**Gross**	**$0**
Includes $41.7 million GF/GP to offset restricted revenues that are projected to come in below appropriations. Restricted revenue shortfalls include Medicaid Benefits Trust Fund and Healthy Michigan Fund, which receive a portion of state tobacco taxes.	Restricted	(41,745,300)
	GF/GP	$41,745,300
STATE		
7. Help America Vote Act	**Gross**	**$13,909,000**
Includes authorization to receive $13.9 million in federal funding for improvement of administration of elections for federal office. Funding includes $12.1 million in Election Security Grants appropriated by Congress in the Consolidated Appropriations Act, 2020 and authorization for $1.8 million, which is the remaining balance of interest earned on prior Help America Vote Act funding. The $12.1 million in grant funding will support enhancements to the Qualified Voter File voter registration database, risk limiting auditing, voter registration security, network upgrades for local clerks, and other election security purposes.	Federal	13,909,000
	GF/GP	$0
The $1.8 million from interest earned on prior HAVA funds will support maintenance and upgrades to the Qualified Voter File.		
TREASURY		
8. Dual Enrollment Payments	**Gross**	**$325,000**
Includes $325,000 GF/GP to align appropriation to August Consensus Revenue Estimating Conference estimate for dual enrollment payments. Dual enrollment appropriation pays tuition costs for eligible nonpublic school students enrolled in postsecondary institutions.	GF/GP	$325,000
9. First Responder Hazard Pay	**Gross**	**($60,000,000)**
Includes a net $60.0 million reduction reappropriation of First Responder Hazard Pay Premiums (appropriated in 2020 PA 144) to facilitate a revision of boilerplate (Sec. 752) to change the date by which hazard pay premiums have to be paid to employees to be eligible for reimbursement from September 30, 2020 to October 31, 2020. Reappropriation provides a total of $40.0 million Coronavirus Relief Fund available for the program, which is a net reduction of $60.0 million.	Federal	(60,000,000)
	GF/GP	$0
10. Teacher COVID-19 Grants	**Gross**	**($53,000,000)**
Unappropriates $53.0 million of Coronavirus Relief Fund originally appropriated in 2020 PA 144 for Teacher COVID-19 Grants. Program will be funded with a corresponding amount of GF/GP in the FY 2020-21 appropriations act.	Federal	(53,000,000)
	GF/GP	$0

APPENDIX

FY 2019-20 Supplemental Boilerplate Items

GENERAL SECTIONS

Sec. 201. State Spending and State Appropriations Paid to Local Units of Government
Estimates total state spending from state sources and payments to be made to local units of government.

Sec. 202. Appropriations Subject to Management and Budget Act
Subjects appropriations to the Management and Budget Act, 1984 PA 431.

Sec. 203. State Administrative Board Transfers
Authorizes the legislature, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, to inter-transfer funds if the State Administrative Board transfers funds.

CORRECTIONS

Sec. 301. Coronavirus Relief Fund Appropriation Reduction
Reduces appropriation from the Coronavirus Relief Fund, made under section 302 of 2020 PA 67 for hazard/premium pay for front line workers, by $13.4 million.

EDUCATION

Sec. 351. Child Care Supports
Requires appropriation to be used by the department to provide child care rate reduction stipends as an add-on to the Child Care Relief Fund grant to reduce child care costs to families; authorizes licensed child care providers that received grants from the Child Care Relief Fund to be eligible to receive a rate reduction stipend for each of the months of June, July, and August; requires department to reimburse providers up to 30% of the tuition amount charged for each child cared for; requires providers receiving child care rate reduction stipends to reduce their rates by the rate reimbursement percentage described in the section; requires providers to reduce the monthly billed amount by the amount received for each child; requires the department to take reasonable steps to distribute the stipend within 15 business days of receiving an application unless the provider fails to meet requirements, and to provide notice and information on how to apply for the stipend; requires providers to maintain all billing and refund records for auditing purposes; requires the department to allocate funds for additional child supports specified in the section and to award on a first come first serve basis; designates the appropriation as a work project appropriation; defines licensed providers.

ENVIRONMENT, GREAT LAKES, AND ENERGY

Sec. 401. Volkswagen Environmental Mitigation Trust Agreement
Authorizes the department to receive and expend funding from the Volkswagen Environmental Mitigation Trust Agreement to provide support for activities outlined in the state's mitigation plan; requires a report on expenditures incurred.

HEALTH AND HUMAN SERVICES

Sec. 451. Coronavirus Relief Fund Appropriation Reduction
Reduces appropriation from the Coronavirus Relief Fund, made under section 302 of 2020 PA 67 for hazard/premium pay for front line workers, by $8.0 million.

Sec. 452. Coronavirus Relief Fund Appropriation Reduction
Reduces appropriation from the Coronavirus Relief Fund, made under section 302 of 2020 PA 67 for additional future response activities, by $40.0 million.

MILITARY AND VETERANS AFFAIRS

Sec. 501. Coronavirus Relief Fund Appropriation Reduction
Reduces appropriation from the Coronavirus Relief Fund, made under section 302 of 2020 PA 67 for hazard/premium pay for front line workers, by $186,000.

Sec. 502. Federal Fund Authorization Increase
Increases the appropriation for provider relief fund payments by $1.5 million to recognize additional federal CARES Act funding.

NATURAL RESOURCES

Sec. 551. Coronavirus Relief Fund Appropriation Reduction
Reduces appropriation from the Coronavirus Relief Fund, made under section 302 of 2020 PA 67 for hazard/premium pay for front line workers, by $146,000.

FY 2019-20 Supplemental Boilerplate Items

STATE

Sec. 601. Help America Vote Act
Designates the unexpended funds as a work project appropriation; specifies that the purpose of the project is to provide election security improvements to the election system, equipment, and processes used in federal elections in support of local and county elections officials; requires quarterly reports on the status of the monthly process for eliminating deceased voters from the Qualified Voter File; prohibits any funding from being used for statewide ballot application or absentee ballot mailings; authorizes funding to be used for grants to local and county election clerks for mailing-related expenses; requires the Secretary of State to use information from returned mail from previous ballot application mailings for Qualified Voter File maintenance.

STATE POLICE

Sec. 651. Coronavirus Relief Fund Appropriation Reduction
Reduces appropriation from the Coronavirus Relief Fund, made under section 302 of 2020 PA 67 for hazard/premium pay for front line workers, by $1.4 million.

TECHNOLOGY, MANAGEMENT, AND BUDGET

Sec. 701. Coronavirus Relief Fund Appropriation Reduction
Reduces appropriation from the Coronavirus Relief Fund, made under section 302 of 2020 PA 67 for additional future response activities, by $9.0 million.

TREASURY

Sec. 751. Refundable Tax Credit, Tax Refund, and Interest Payments
Appropriates an amount sufficient to recognize and pay refundable tax credits, tax refunds, and interest; requires appropriations to be funded by restricting tax revenue; revises existing Section 911 in the Department of Treasury appropriations act to reflect accounting processes for the State of Michigan Comprehensive Annual Financial Report.

Sec. 752. First Responder Hazard Pay Premiums
Requires appropriation to be used for the payment or reimbursement of first responder hazard pay premiums provided to first responders who have performed hazardous duty or work related to COVID-19; lists eligible first responders as law enforcement officers, firefighters, emergency medical technicians, paramedics, 9-1-1 operators, local unit of government corrections officers, airport public safety officers, and eligible personnel associated with ambulance operations; authorizes lump sum payments or hourly rate enhancements; caps the reimbursement amount at $1,000 per eligible employee; requires the department to make all forms and information needed to apply available on its website; prohibits more than $5.0 million from being awarded to any applicant; requires the department to report on grants awarded; designates unexpended funding as a work project appropriation; revises Section 801 of 2020 PA 144 to amend the date by which hazard pay premiums have to be paid to employees to be eligible for reimbursement from September 30, 2020 to October 31, 2020.

REPEALERS

Sec. 800. Repealers
(1) Repeals section 911 of 2019 PA 56 and replaces it with section 751 of this article.
(2) Repeals section 301 of 2020 PA 123 and replaces it with section 351 of this article.
(3) Repeals sections 801 and 802 of 2020 PA 144 and replaces section 801 with section 752 of this article.