



Telephone: (517) 373-2768
 Fax: (517) 373-1986

Senate Bill 138 (S-2 as passed by the Senate)
 Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2018-19 YEAR-TO-DATE*	FY 2019-20 SENATE-PASSED	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	7,284.7	7,314.7	30.0	0.4
GROSS	4,034,430,000	4,146,191,200	111,761,200	2.8
Less:				
Interdepartmental Grants Received	821,066,200	1,024,669,300	203,603,100	24.8
ADJUSTED GROSS	3,213,363,800	3,121,521,900	(91,841,900)	(2.9)
Less:				
Federal Funds	46,431,700	46,201,500	(230,200)	(0.5)
Local and Private	16,103,000	16,164,400	61,400	0.4
TOTAL STATE SPENDING	3,150,829,100	3,059,156,000	(91,673,100)	(2.9)
Less:				
Other State Restricted Funds	2,109,324,000	2,147,147,700	37,823,700	1.8
GENERAL FUND/GENERAL PURPOSE	1,041,505,100	912,008,300	(129,496,800)	(12.4)
PAYMENTS TO LOCALS	1,558,925,300	1,558,512,400	(412,900)	(0.0)

*As of March 5, 2019.

See Individual Highlight Sheet for Department Detail

Boilerplate Changes from FY 2018-19 Year-to-Date:

1. **Budget Stabilization Fund.** The **Governor** added a \$150.0 million deposit into the BSF, recommended the deposit of 25% of the lapsed FY 2018-19 GF/GP unassigned ending balance, did not provide an estimate of that amount. The **Senate** recommended a \$50.0 million deposit into the BSF and removed lapse language. (Sec. 210)
2. **Retention of Reports.** The **Governor** deleted and **Senate** retained the requirement that all departments and agencies retain all reports funded from appropriations in Part 1. (Sec. 216)
3. **General Fund Restrictions.** The **Governor** deleted and **Senate** retained the prohibition on the departments from using General Fund appropriations where Federal and Private Funds are available for the same purpose. (Sec. 217)
4. **Communications with Legislators.** The **Governor** deleted and **Senate** retained the prohibition of departments taking disciplinary action against employees communicating with Legislators or their staff. (Sec. 218)
5. **Policy Change Reporting Requirement.** The **Governor** deleted and **Senate** retained a report due April 1 that requires each department to specify policy changes made in order to implement enacted legislation. (Sec. 221)
6. **Auditor General.** The **Governor** deleted and **Senate** retained the requirement that departments report within six months after an audit with implementation of any identified initiatives related to savings and efficiencies found by the Auditor General and required the auditor general to conduct another audit on any noncompliant departments and charge the corresponding department for the cost of performing another audit. (Sec. 229)
7. **Technical Modification.** The **Governor/Senate** made a number of technical adjustments such as revised dates, spending totals, and definitions. (Secs. 201, 203, 212, and 240)

Date Completed: 5-15-19

Fiscal Analyst: Ryan M. Bergan
Joe Carrasco, Jr.
Cory Savino
Elizabeth Raczkowski



Telephone: (517) 373-2768
 Fax: (517) 373-1986

Senate Bill 138 (S-2 as passed by the Senate)
 Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2018-19 YEAR-TO-DATE*	FY 2019-20 SENATE-PASSED	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	531.0	531.0	0.0	0.0
GROSS	104,027,700	102,344,200	(1,683,500)	(1.6)
Less:				
Interdepartmental Grants Received	30,386,400	34,908,000	4,521,600	14.9
ADJUSTED GROSS	73,641,300	67,436,200	(6,205,100)	(8.4)
Less:				
Federal Funds	10,007,300	9,713,700	(293,600)	(2.9)
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	63,634,000	57,722,500	(5,911,500)	(9.3)
Less:				
Other State Restricted Funds	22,427,200	20,159,800	(2,267,400)	(10.1)
GENERAL FUND/GENERAL PURPOSE	41,206,800	37,562,700	(3,644,100)	(8.8)
PAYMENTS TO LOCALS	0	0	0	0.0

*As of March 5, 2019.

	Gross	GF/GP
FY 2018-19 Year-to-Date Appropriation	\$104,027,700	\$41,206,800

Changes from FY 2018-19 Year-to-Date:

- | | | |
|--|-------------|-------------|
| 1. Removal of FY 2018-19 Supplemental Funding. Governor and Senate removed supplemental funding for the Prosecuting Attorneys Coordinating Council (PACC) totaling \$378,800 added via P.A. 618 of 2018. | (378,800) | 0 |
| 2. Marihuana Legal Services. Governor and Senate increased IDG funding to provide legal services for marihuana regulation due to adoption of Proposal 1 in November 2018. | 935,400 | 0 |
| 3. MSHDA Legal Services. Governor and Senate increased IDG funding and added 2.0 FTEs to provide adequate funding for legal staffing for MSHDA. | 335,500 | 0 |
| 4. Child Abuse and Neglect. Governor and Senate provided additional IDG funding and added 2.0 FTEs for attorneys for DHHS for investigations and prosecutions of child abuse and neglect cases in Wayne County. | 340,000 | 0 |
| 5. DTMB Legal Services. Governor and Senate provided additional IDG funding and added 4.0 FTEs for additional attorneys for DTMB related activities. | 670,000 | 0 |
| 6. Administrative Reduction. Senate removed \$4.2 million GF/GP, equal to a 10.0% GF reduction, as an administrative adjustment. | (4,173,600) | (4,173,600) |

7. Elimination of FY 2018-19 One-Time Items. Governor removed one-time funding totaling \$800,000; \$100,000 GF/GP. Funding removed as follows: \$700,000 in Restricted lawsuit settlement funds for PACC for juvenile life without parole cases and \$100,000 in GF/GP for PACC for forensic interviewing trainings.	(800,000)	(100,000)
8. Economic Adjustments. Includes \$1,388,000 Gross and \$629,500 GF/GP for total economic adjustments, of which an estimated negative \$1,089,100 Gross and \$447,700 GF/GP is for legacy retirement costs (pension and retiree health).	1,388,000	629,500
9. Comparison to Governor's Recommendation. The Senate is \$4,173,600 Gross and \$4,173,600 GF/GP under the Governor.		
Total Changes	(\$1,683,500)	(\$3,644,100)
FY 2019-20 Senate-Passed Gross Appropriation.....	\$102,344,200	\$37,562,700

Boilerplate Changes from FY 2018-19 Year-to-Date:

1. **Boilerplate Structure. Governor:** Moved boilerplate from the FY 2018-19 general sections that applied to all General Government budgets to the Article for the Department of Attorney General. Changes to those items can be found in the highlight sheet for the **General Sections. Senate:** Retained current law format.
2. **Contingency Funds. Senate:** Removed language authorizing the use of contingency funds. (Sec. 301)
3. **Juvenile Life without Parole.** Language states that the \$700,000 appropriated in Part 1 is to be used for investigations, crime victim rights, prosecutions and appeals for retroactive juvenile life without parole cases. Also requires a report to be submitted by September 30. **Governor:** Deleted section. **Senate:** Concurred. (Current Law Sec. 314a)
4. **Address Confidentiality Program.** Requires the Attorney General to develop the address confidentiality program that allows individuals to participate if he or she is a victim of domestic violence, stalking, human trafficking, sexual assault, or is at risk of physical harm if his or her address is disclosed. Section becomes effective upon enactment of Senate Bill 655 of the 99th Legislature. **Governor:** SB 655 was not enacted thus section is deleted. **Senate:** Concurred. (CL Sec. 316a)
5. **Forensic Interviewing.** Requires the one-time funding provided in Part 1 to be used to provide additional forensic interviewing training sessions to meet demand. Funding is intended to fund trainings for Child Advocacy Centers and local prosecutors. **Governor:** Deleted. **Senate:** Concurred. (CL Sec. 318)
6. **Legacy Cost Estimates.** Total legacy costs are estimated at \$18,049,500. Of the total, pension-related legacy costs are estimated at \$8,321,100 and retiree health care legacy costs are estimated at \$9,728,400 for fiscal year ending September 30, 2019. **Governor:** Provided the following Legacy Costs estimates for FY 2020: Total legacy costs estimated at \$17,223,800. Of that total, \$8,372,900 are for pension-related legacy costs and \$8,850,900 are for retiree health care legacy costs for the fiscal year ending September 30, 2020. **Senate:** Concurred. (Gov. Sec. 214, CL Sec. 315)
7. **Litigation Expense Reimbursement.** Language appropriated up to \$1.0 million from litigation expense reimbursements awarded to the State for specific purposes. **Senate:** Deleted. (CL Sec. 308)
8. **NEW Lawsuit Settlement Notification and Lawsuit Prohibition. Senate:** Added new language requiring the Department to notify appropriations chair's and fiscal agencies of lawsuit settlements with a fiscal impact of \$5.0 million or more. Requires the Department to enforce State law and prohibits the Department from entering into a lawsuit contrary to Michigan law. (**NEW** Sec. 320)

Date Completed: 5-15-19

Fiscal Analyst: Joe Carrasco, Jr.

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberation.



Telephone: (517) 373-2768
Fax: (517) 373-1986

Senate Bill 138 (S-2 as passed by the Senate)
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2018-19 YEAR-TO-DATE*	FY 2019-20 SENATE-PASSED	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	110.0	110.0	0.0	0.0
GROSS	16,201,100	15,068,800	(1,132,300)	(7.0)
Less:				
Interdepartmental Grants Received	299,100	298,500	(600)	(0.2)
ADJUSTED GROSS	15,902,000	14,770,300	(1,131,700)	(7.1)
Less:				
Federal Funds	2,802,700	2,816,900	14,200	0.5
Local and Private	18,700	18,700	0	0.0
TOTAL STATE SPENDING	13,080,600	11,934,700	(1,145,900)	(8.8)
Less:				
Other State Restricted Funds	58,500	58,500	0	0.0
GENERAL FUND/GENERAL PURPOSE	13,022,100	11,876,200	(1,145,900)	(8.8)
PAYMENTS TO LOCALS	0	0	0	0.0

*As of March 5, 2019.

	Gross	GF/GP
FY 2018-19 Year-to-Date Appropriation	\$16,201,100	\$13,022,100
Changes from FY 2018-19 Year-to-Date:		
1. Operations Reduction. The Senate reduced Civil Rights Operations by 10.0% equaling a \$1.2 million GF/GP reduction.	(1,319,500)	(1,319,500)
2. Economic Adjustments. Includes \$187,200 Gross and \$173,600 GF/GP for total economic adjustments, of which an estimated negative \$166,000 Gross and \$148,000 GF/GP is for legacy retirement costs (pension and retiree health).	187,200	173,600
3. Comparison to Governor's Recommendation. The Senate is \$1,319,500 Gross and \$1,319,500 GF/GP under the Governor.		
Total Changes	(\$1,132,300)	(\$1,145,900)
FY 2019-20 Senate-Passed Gross Appropriation	\$15,068,800	\$11,876,200

Boilerplate Changes from FY 2018-19 Year-to-Date:

- Governor:** Moved boilerplate from the FY 2018-19 general sections that applied to all General Government budgets to the Article for the Department of Civil Rights. Changes to those items can be found in the highlight sheet for the **General Sections**. **Senate:** Retained current law format.

2. **Contingency Funds.** The **Senate** eliminated a section authorizing the use of contingency funds. (Sec. 401)
3. **Legacy Cost Estimates.** Total legacy costs are estimated at \$2,558,000. Of the total, pension-related legacy costs are estimated at \$1,179,300 and retiree health care legacy costs are estimated at \$1,378,700 for fiscal year ending September 30, 2019. **Governor:** Provided the following Legacy Costs estimates for FY 2020: Total legacy costs estimated at \$2,516,500. Of that total, \$1,223,300 are for pension-related legacy costs and \$1,293,200 are for retiree health care legacy costs for the fiscal year ending September 30, 2020. **Senate:** Concurred. (CL Sec. 410)

Date Completed: 5-15-19

Fiscal Analyst: Joe Carrasco, Jr.



Telephone: (517) 373-2768
Fax: (517) 373-1986

Senate Bill 138 (S-2 as passed by the Senate)
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2018-19 YEAR-TO-DATE*	FY 2019-20 SENATE-PASSED	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	79.2	79.2	0.0	0.0
GROSS	6,980,100	7,114,300	134,200	1.9
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	6,980,100	7,114,300	134,200	1.9
Less:				
Federal Funds	0	0	0	0.0
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	6,980,100	7,114,300	134,200	1.9
Less:				
Other State Restricted Funds	0	0	0	0.0
GENERAL FUND/GENERAL PURPOSE	6,980,100	7,114,300	134,200	1.9
PAYMENTS TO LOCALS	0	0	0	0.0

*As of March 5, 2019.

	Gross	GF/GP
FY 2018-19 Year-to-Date Appropriation	\$6,980,100	\$6,980,100
Changes from FY 2018-19 Year-to-Date:		
1. Executive Office Operations. Governor recommended a 2.0% overall increase for Executive Operations. The Senate concurred.	107,500	107,500
2. Unclassified Salaries. Governor increased GF/GP funding by \$26,700 for total funding of \$1,360,200 for FY 2019-20. The Senate concurred.	26,700	26,700
3. Comparison to Governor's Recommendation. The Senate is \$0 Gross and \$0 GF/GP over/under the Governor.		
Total Changes	\$134,200	\$134,200
FY 2019-20 Senate-Passed Gross Appropriation	\$7,114,300	\$7,114,300

Boilerplate Changes from FY 2018-19 Year-to-Date:

1. There is no boilerplate for the Executive Office.

Date Completed: 5-15-19

Fiscal Analyst: Joe Carrasco, Jr.

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberation.



Telephone: (517) 373-2768
Fax: (517) 373-1986

Senate Bill 138 (S-2 as passed by the Senate)
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2018-19 YEAR-TO-DATE*	FY 2019-20 SENATE-PASSED	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	0.0	0.0	N/A	N/A
GROSS	211,450,500	195,855,400	(15,595,100)	(7.4)
Less:				
Interdepartmental Grants Received	5,823,400	6,068,400	245,000	4.2
ADJUSTED GROSS	205,627,100	189,787,000	(15,840,100)	(7.7)
Less:				
Federal Funds	0	0	0	0.0
Local and Private	400,000	400,000	0	0.0
TOTAL STATE SPENDING	205,227,100	189,387,000	(15,840,100)	(7.7)
Less:				
Other State Restricted Funds	6,403,100	6,591,200	188,100	2.9
GENERAL FUND/GENERAL PURPOSE	198,824,000	182,795,800	(16,028,200)	(8.1)
PAYMENTS TO LOCALS	0	0	0	0.0

*As of March 5, 2019.

	Gross	GF/GP
FY 2018-19 Year-to-Date Appropriation	\$211,450,500	\$198,824,000

Changes from FY 2018-19 Year-to-Date:

- | | | |
|---|--------------|--------------|
| 1. Removal of FY 2018-19 Supplemental Funding. Governor removed supplemental funding totaling \$28.4 million added via P.A. 618 of 2018. Funding included \$4.6 million to each the Senate and the House; \$1.2 million for the Legislative Council; and \$18.0 million for the Senate to purchase the Townsend parking ramp. The Senate concurred. | (28,400,000) | (28,400,000) |
| 2. Senate Increase. Governor increased funding by \$4.6 million for total FY 2019-20 funding of \$41,810,700. The Senate concurred. | 4,600,000 | 4,600,000 |
| 3. House Increase. Governor increased funding by \$4.6 million for total FY 2019-20 funding of \$61,666,900. The Senate concurred. | 4,600,000 | 4,600,000 |
| 4. Legislative Council Increase. Governor increased funding by \$1.2 million. The Senate included an additional \$271,600 GF/GP for a total of \$14,253,500. | 1,541,400 | 1,541,400 |
| 5. Auditor General. The Senate included an additional \$684,300 GF/GP for Auditor General field operations. | 997,600 | 684,300 |
| 6. Property Management and Capitol Historic Site. The Senate included \$545,100 GF/GP for the Senate properties and Capitol Historic Site operations and an additional \$95,800 in Restricted funds for Capitol Historic Site restoration. | 640,900 | 545,100 |
| 7. Fiscal Agencies and Legislative Adjustments. The Senate included an additional \$158,800 GF/GP for the Senate and House Fiscal Agencies. | 158,800 | 158,800 |

8. Automated Data Processing. The Senate included an additional \$107,200 GF/GP for automated data processing.	107,200	107,200
9. Legislative Retirement. The Senate included an additional \$144,000 GF/GP for legislative retirement.	144,000	120,000
10. Legislative Council IT Redesign Funding. Governor removed a total of \$750,000 in GF/GP of one-time funding provided for the completion of the Legislative Council IT redesign project. The Senate included \$765,000 GF/GP for this project as a separate line item.	15,000	15,000
11. Comparison to Governor's Recommendation. The Senate is \$3,154,900 Gross and \$2,721,800 GF/GP over the Governor.		
Total Changes	(\$15,595,100)	(\$16,028,200)
FY 2019-20 Senate-Passed Gross Appropriation.....	\$195,855,400	\$182,795,800

Boilerplate Changes from FY 2018-19 Year-to-Date:

- 1. Governor:** Moved boilerplate from the FY 2018-19 general sections that applied to all General Government budgets to the Article for the Legislature. Changes to those items can be found in the highlight sheet for the **General Sections**. **Senate:** Retained current law format.
- 2. Legacy Cost Estimates.** Total legacy costs are estimated at \$29,587,600. Of the total, pension-related legacy costs are estimated at \$13,640,400 and retiree health care legacy costs are estimated at \$15,947,200 for fiscal year ending September 30, 2019. **Governor:** Provided the following Legacy Costs estimates for FY 2020: Total legacy costs estimated at \$24,415,800. Of that total, \$13,327,500 are for pension-related legacy costs and \$14,088,300 are for retiree health care legacy costs for the fiscal year ending September 30, 2020. **Senate:** Concurred. (Sec. 615)
- 3. Legislative System IT Upgrade.** Language states that the funds appropriated shall be used for the design, development, and implementation of a legislative computer system. Funds cannot be used without written approval from the Speaker of the House, the Senate Majority Leader, and the Legislative Council Administrator. Also states that the purpose of the work project will be for the continued design, development, and implementation of the legislative computer system and lists the total estimated cost at \$12.75 million and a completion date of September 30, 2023. **Governor:** Deleted section. **Senate:** Concurred. (Current Law Sec. 616)

Date Completed: 5-15-19

Fiscal Analyst: Joe Carrasco, Jr.
Elizabeth Raczkowski



Telephone: (517) 373-2768
Fax: (517) 373-1986

Senate Bill 138 (S-2 as passed by the Senate)
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2018-19 YEAR-TO-DATE*	FY 2019-20 SENATE-PASSED	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	1,586.0	1,586.0	0.0	0.0
GROSS	247,062,800	250,393,000	3,330,200	1.3
Less:				
Interdepartmental Grants Received	20,000,000	20,000,000	0	0.0
ADJUSTED GROSS	227,062,800	230,393,000	3,330,200	1.5
Less:				
Federal Funds	1,460,000	1,460,000	0	0.0
Local and Private	50,100	50,100	0	0.0
TOTAL STATE SPENDING	225,552,700	228,882,900	3,330,200	1.5
Less:				
Other State Restricted Funds	207,086,400	210,732,000	3,645,600	1.8
GENERAL FUND/GENERAL PURPOSE	18,466,300	18,150,900	(315,400)	(1.7)
PAYMENTS TO LOCALS	1,129,000	1,127,500	(1,500)	(0.1)

*As of March 5, 2019.

	Gross	GF/GP
FY 2018-19 Year-to-Date Appropriation	\$247,062,800	\$18,466,300

Changes from FY 2018-19 Year-to-Date:

- | | | |
|---|---|-------------------------------------|
| <p>1. Removal of FY 2018-19 Supplemental Funding. Governor: Removed supplemental funding provided for the administration of the motorcycle safety education program via P.A. 618 of 2018. Senate: Concurred with Governor.</p> <p>2. Redistricting Commission. Governor: Provided \$4.6 million funding for the creation of the commission as well as the compensation for commission members as required by the implementation of Proposal 2 as adopted by Michigan voters in November 2018. Senate: Retained funding but reduced GF/GP funding by 31.7% for Executive Operations, Property Management, Legal Services, Branch Operations, and Election Regulations by corresponding \$4,616,600.</p> <p>3. Branch Office Economics. Governor: Increased funding totaling \$830,000 due to contract rate increases and general maintenance. Contract rates for janitorial, security, and telecommunications increased by a total of \$500,000 while the remaining \$330,000 is appropriated for maintenance cost increases for branch offices. Senate: Concurred with Governor.</p> <p>4. Motorcycle Safety. Governor: Increased funding to create and maintain the "Look Twice Save a Life" program to increase motorcycle rider safety. Senate: Concurred with Governor.</p> | <p>(400,000)</p> <p>0</p> <p>830,000</p> <p>300,000</p> | <p>0</p> <p>0</p> <p>0</p> <p>0</p> |
|---|---|-------------------------------------|

5. Elections Compliance. Governor: Increased funding by \$200,000 to provide maintenance and support of the election system that ensure compliance core applications systems for the Bureau of Elections. Senate: Retained funding but reduced Legal Services by corresponding \$200,000.	0	0
6. General Fund Reduction. Governor: Reduced GF/GP expenditures by 4% as a budgetary savings measure and replaced funding with restricted Transportation Administration Collection Fund (TACF) dollars. Senate: Concurred with Governor.	0	(738,700)
7. Economic Adjustments. Includes \$2,600,200 Gross and \$423,300 GF/GP for total economic adjustments, of which an estimated negative \$1,864,800 Gross and \$153,800 GF/GP is for legacy retirement costs (pension and retiree health).	2,600,200	423,300
8. Comparison to Governor's Recommendation. The Senate is \$4,816,600 Gross and \$4,816,600 GF/GP under the Governor.		
Total Changes	\$3,330,200	(\$315,400)
FY 2019-20 Senate-Passed Gross Appropriation.....	\$250,393,000	\$18,150,900

Boilerplate Changes from FY 2018-19 Year-to-Date:

1. **Governor:** Moved boilerplate from the FY 2018-19 general sections that applied to all General Government budgets to the Article for the Department of State. Changes to those items can be found in the highlight sheet for the **General Sections. Senate:** Retained current law format.
2. **Contingency Funds.** Language authorizes contingency funds that must be appropriated via legislative transfer process. **Senate:** Eliminated section. (Sec. 701)
3. **Buena Vista Branch Office.** Requires the Department to maintain a full service branch office in Buena Vista Township. **Governor:** Eliminated section. **Senate:** Retained section. (Current Law Sec. 718)
4. **Post-Election Audits.** Requires the Department of State to develop a plan to enhance post-election audit procedures to ensure machine-tabulated vote accounts are counted and reported accurately. **Governor:** Eliminated section as the recommended plan will be completed by July 2019. **Senate:** Concurred with Governor. (CL Sec. 720)
5. **Legacy Cost Estimates.** Total legacy costs are estimated at \$30,655,900. Of the total, pension-related legacy costs are estimated at \$14,132,900 and retiree health care legacy costs are estimated at \$16,523,000 for fiscal year ending September 30, 2019. **Governor:** Provided the following Legacy Costs estimates for FY 2020: Total legacy costs estimated at \$29,065,400. Of that total, \$14,129,400 are for pension-related legacy costs and \$14,936,000 are for retiree health care legacy costs for the fiscal year ending September 30, 2020. **Senate:** Concurred with Governor. (Sec. 725)

Date Completed: 5-15-19

Fiscal Analyst: Joe Carrasco, Jr.

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberation.



Telephone: (517) 373-2768
Fax: (517) 373-1986

Senate Bill 138 (S-2 as passed by the Senate)
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2018-19 YEAR-TO-DATE*	FY 2019-20 SENATE-PASSED	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	3,116.0	3,135.0	19.0	0.6
GROSS	1,433,443,600	1,521,931,300	88,487,700	6.2
Less:				
Interdepartmental Grants Received	751,777,000	950,488,800	198,711,800	26.4
ADJUSTED GROSS	681,666,600	571,442,500	(110,224,100)	(16.2)
Less:				
Federal Funds	5,033,700	4,968,400	(65,300)	(1.3)
Local and Private	2,471,000	2,452,300	(18,700)	(0.8)
TOTAL STATE SPENDING	674,161,900	564,021,800	(110,140,100)	(16.3)
Less:				
Other State Restricted Funds	122,117,400	117,916,800	(4,200,600)	(3.4)
GENERAL FUND/GENERAL PURPOSE	552,044,500	446,105,000	(105,939,500)	(19.2)
PAYMENTS TO LOCALS	0	0	0	0.0

*As of March 5, 2019.

	Gross	GF/GP
FY 2018-19 Year-to-Date Appropriation	\$1,433,443,600	\$552,044,500

Changes from FY 2018-19 Year-to-Date:

- 1. Removal of FY 2018-19 Supplemental Funding. Governor** removed supplemental funding totaling \$73.1 million provided via P.A. 618 of 2018. Funding was provided for a variety of items, the three largest being: \$43.1 million for military and judicial retirement system funding; \$20.0 million for statewide broadband; and \$8.2 million for the Inkster School District debt payments. **Senate** concurred.

(86,335,000) (78,255,000)
- 2. Removal of FY 2018-19 One-Time Funding. Governor** did not include one-time funding appropriated in FY 2018-19 for the drinking water declaration of emergency, census-related services, and Office Retirement Services actuarial analyses. **Senate** concurred.

(10,200) (10,100)
- 3. Technical Adjustments for IT. Governor** included alignment of funding of the IDGs with department and agency actual current year appropriations which increased restricted funding by \$191.9 million and 15.0 FTEs. Of this increase, \$179.9 million if for DHHS which includes moving \$100.0 million from their operations line item to the IT line item as well as funding for child protective services. **Senate** concurred.

191,899,900 0
- 4. MPSCS Upgrades and Maintenance. Governor** included \$5.9 million in one-time and \$8.2 million in ongoing GF/GP for upgrades, staffing, and maintenance costs for the Michigan Public Safety Communications System. **Senate** removed all one-time funding and \$1.1 million in ongoing funding.

7,000,000 7,000,000

5. Demolition Costs. Governor included funding in the enterprise special maintenance line item for demolition costs associated with maintenance of state-owned buildings. Senate did not include this funding.	0	0
6. IT Investment Fund (ITIF) Increase. Governor included a General Fund increase of \$5.0 million to the ITIF line item. This line item supports state-wide IT projects. The Senate did not include the increase and removed \$15.0 million GF/GP from the ITIF line item.	(15,000,000)	(15,000,000)
7. Microsoft Enterprise License Agreement. Governor included \$5.0 million to support a licensing agreement for the Microsoft 365 G5 product bundle for use by state agencies. Senate did not include this funding.	0	0
8. Special Maintenance Projects. Governor included one-time funding for special maintenance projects at state-owned facilities. Senate did not include this funding.	0	0
9. MiLogin Support. Governor included funding for additional MiLogin integrations and the continued migration of this technology to allow for a single sign-on connectivity to state-run platforms. Senate did not include this funding.	0	0
10. SIGMA Support. Governor included additional funding to support the ongoing support for the SIGMA system. Senate concurred.	1,700,000	0
11. Motor Vehicle Fleet Increase. Governor included a \$1.5 million increase and 4.0 FTEs to align appropriations with an increase in vehicle miles traveled and an anticipated increase in fuel costs. Senate concurred.	1,500,000	0
12. CGI Contract and Staffing. Governor included funding to cover contract costs for higher data storage capacity and additional accounting staff. Senate did not include this funding.	0	0
13. Attorney General Legal Counsel. Governor recommended \$670,000 in State Restricted funds to align funding for Attorney General legal services. Senate concurred.	670,000	0
14. Michigan State Police (MSP) Accounting Service Center Adjustment. Governor included increased IDG funding from the MSP to align actual costs with the accounting service center activities on behalf of the MSP. Senate concurred.	374,900	0
15. Michigan Team to End Drug Addiction. Governor included \$300,000 GF/GP to support the Michigan Team to End Drug Addiction, a multi-agency effort to address substance use disorder issues. Senate did not include this funding.	0	0
16. Professional Development Funds. Governor included funding for professional development funds for Michigan Public Employees, SEIU Scientific and engineering unit, and AFSCME represented employees per bargaining agreements with the Office of the State Employer. Senate concurred.	200,000	0
17. MSP Retirement System Payments. Governor included \$10,000 GF/GP to support supplemental payments to the Michigan State Police Retirement System as required by PA 168 of 2015. Senate did not include this funding.	0	0
18. Drinking Water Declaration of Emergency Placeholder. Governor included a placeholder for a potential drinking water declaration of emergency transfer. Senate concurred.	100	0
19. Transfer of Military Retirement to DMVA. Governor transferred the Military Retirement System to the Department of Military and Veterans Affairs to align obligations with the employer. Senate concurred.	(5,244,800)	(5,244,800)

20. Regional Prosperity Grants. Governor eliminated funding for the Regional Prosperity Initiative. Senate concurred.	(4,000,000)	(4,000,000)
21. Revenue Alignments and Reduction of Overstated Deducts. Governor made technical adjustments to align authorization levels to available revenues. Senate concurred.	(115,400)	0
22. Business Support Services Fund Shift. Governor included a net-zero gross fund shift between GF/GP and Restricted contract revenue for the business support services line item that resulted in a loss in GF/GP revenue. Senate concurred.	0	(138,400)
23. Statewide Cost Allocation (SWCAP) Adjustments. Governor included the annual adjustments for DTMB central functions related to the SWCAP. State Restricted and General Fund charges are adjusted annually as part of the budget development process based on the most recent SWCAP data. Changes net to a zero gross change but result in a decrease in GF/GP revenue. Senate concurred.	0	(131,300)
24. Annual Adjustment of Indirect Charges and Fund Sources. Governor included a net-zero gross annual adjustment of the DTMB indirect charges and fund sources based on the most recent SSWCAP data. Adjustment results in a loss in GF/GP revenue. Senate concurred.	0	(35,800)
25. General Fund Reductions. The Senate reduced GF/GP items for the Administrative Services, Budget and Financial Management, Business and Support Services, and the Bureau of Labor Market Information and Strategies line items.	(5,134,900)	(5,134,900)
26. Enterprise Special Maintenance. The Senate eliminated \$3.1 million in funding for enterprisewide special maintenance for state-owned facilities.	(3,100,000)	(3,100,000)
27. Civil Service Commission Reductions. The Senate reduced funding for the Civil Service Commission Human Resources Operations, Executive Direction, and Agency Services line items by \$1,800,000 GF/GP, \$200,000 GF/GP, and \$200,000 GF/GP, respectively.	(2,200,000)	(2,200,000)
28. Enterprise Identity Management. The Senate reduced funding for Enterprise Identity Management by \$1.0 million GF/GP.	(1,000,000)	(1,000,000)
29. Economic Adjustments. Includes \$7,283,100 Gross and \$1,310,800 GF/GP for total economic adjustments, of which an estimated negative \$5,318,100 Gross and \$1,037,000 GF/GP is for legacy retirement costs (pension and retiree health).	7,283,100	1,310,800
30. Comparison to Governor's Recommendation. The Senate is \$58,337,600 Gross and \$58,337,600 GF/GP under the Governor.		
Total Changes	\$88,487,700	(\$105,939,500)
FY 2019-20 Senate-Passed Gross Appropriation	\$1,521,931,300	\$446,105,000

Boilerplate Changes from FY 2018-19 Year-to-Date:

- Boilerplate Structure.** Governor moved boilerplate from the FY 2016-17 general sections that applied to all General Government budgets to the Article for the Department of Technology, Management, and Budget. Changes to those items can be found in the highlight sheet for the **General Sections**.
- State Surplus Proceeds.** Allows the use of federal surplus proceeds to offset costs of surplus property program. **Governor:** Modifies to allow for use of proceeds regardless of whether property sold was state or federal. **Senate:** Concurred. (Sec. 802)

3. **Related Federal and State Restricted Funds for Special Maintenance.** **Governor:** Adds new language stating that in addition to the GF/GP appropriation in Part 1 for special maintenance and remodeling, related Federal and State restricted funds will be appropriated up to the amounts that will be earned based upon the initiatives undertaken with the funds in Part 1. **Senate:** Did not include. (**NEW** Sec. 815)
4. **Unclassified Salaries Report.** Requires the Department to compile a report by January 1 pertaining to the salaries of unclassified employees and gubernatorial appointees. **Governor:** Eliminates section. **Senate:** Retained. (Sec. 822)
5. **DTMB Fees and Rates.** Requires the Department to provide a report to the Legislature that identifies fee and rate schedules to be used by State departments and agencies for services. **Governor:** Eliminates section. **Senate:** Retained. (Sec. 822d)
6. **Regional Prosperity Grants.** Describes the use of funds appropriated for the regional prosperity initiative. **Governor:** Eliminates section due to removal of these grants in the Executive Recommendation. **Senate:** Concurred. (Sec. 822f)
7. **Placement of all Contract Proposals on Department Website.** Requires the Department to establish a publicly accessible portal on the Department's website that displays all contract proposals for all State departments and agencies. **Governor:** Eliminates section. **Senate:** Retained. (Sec. 822n)
8. **School Reform Office Coordination with Department of Education.** Requires the School Reform Office to coordinate with the Department of Education to streamline State services and resources, reduce duplication, and increase efficiency. **Governor:** Eliminates section; Office was transferred to MDE as part of E.O. 2017-5. **Senate:** Retained. (Sec. 822o)
9. **Spatial Information/Technical Services.** Allows Department to enter into agreements to supply spatial information and technical services to other departments, local units of government, and organizations. Provides for receipt and expenditure of funds relating to providing services, publications, and maps, and other products in addition to amounts appropriated in Part 1. Includes annual reporting requirement regarding receipt and expenditure of funds under this section. **Governor:** Deletes reporting requirement. **Senate:** Retained current language. (Sec. 824)
10. **Carryforward of MPSCS Funds.** Requires funds appropriated for the Michigan Public Safety Communications System to be expended according to a plan approved by the State Budget Director. Requires the Department to assess reasonable fees for deposit into the fund and requires this revenue to be used for the support and maintenance of the MPSCS system. **Governor:** Added language allowing for the carryforward of funds. **Senate:** Retained current language. (Sec. 827)
11. **MPSCS and Local Payments.** One-time language for Fiscal Year 2018-19 stating requirements for the use of funds appropriated for the Michigan Public Safety Communications System. **Governor:** Eliminates section. **Senate:** Concurred. (Sec. 827a)
12. **Report on IT Services and Projects.** Requires the Department to submit a report to the legislative appropriations subcommittees on General Government stating the total funding appropriated for IT services and projects by funding source for all principal executive departments and agencies as well as a listing of all expenditures from these amounts. **Governor:** Eliminates section. **Senate:** Retained. (Sec. 828)
13. **Report on Recommendations for IT Hardware and Software.** Requires the Department to provide a report to the appropriations subcommittees on General Government that analyzes and makes recommendations on the life cycle of IT technology hardware and software. **Governor:** Eliminates section. **Senate:** Retained. (Sec. 829)
14. **Report on IT Projects.** Requires the Enterprise Portfolio Management Office to provide a quarterly report on executive branch department and enterprise information technology projects. **Governor:** Eliminates section. **Senate:** Retained. (Sec. 830)
15. **ORS Actuarial Analyses.** One-time language stating that funds appropriated for retirement services for actuarial analysis shall be used to conduct an analysis to determine the costs incurred by the state employees retirement system as a result of implementing provisions of HB 5411 of the 99th legislature, contingent on that bill's passage. **Governor:** Eliminates section. **Senate:** Concurred. (Sec. 831)
16. **Report on Federal Child Support Enforcement System Penalties.** Requires the Department to inform the legislative appropriations subcommittees on General Government of any potential or actual penalties assessed by the federal government for the failure of the Michigan Child Support Enforcement System to achieve certification. **Governor:** Eliminates section. **Senate:** Concurred. (Sec. 832)

17. **Census-Related Funds for Necessary Expenses.** States that the funds collected by the Department for supplying census-related information and technical services, estimates, and studies are appropriated for all expenses necessary to provide these services. Requires the Department to submit a report by March 1 providing the amount of revenue collected via the authorization of this section. **Governor:** Deletes reporting requirement. **Senate:** Retained current language. (Sec. 835)
18. **Census-Related One-Time Funding.** Requires the funds provided as one-time funding for census-related services be provided to the Michigan Nonprofit Association to mobilize nonprofits across the state to achieve a fair and accurate count in the 2020 census. States that any funds remaining at the end of the fiscal year are to be placed in a work project account to be used at such time that the actual census takes place. **Governor:** Eliminates section. **Senate:** Concurred. (Sec. 835a)
19. **Modernization of State IT Systems and Integration.** Requires the Department to provide for the modernization of state information technology systems and integrate state system interfaces to improve customer service using funds appropriated for the Information Technology Investment Fund. **Governor:** Eliminates section. **Senate:** Modified to refer to "funding" instead of "increased funding." (Sec. 836)
20. **Related Federal and State Restricted Funds for Enterprisewide IT Investments.** **Governor:** Adds new language stating that in addition to the GF/GP appropriation in Part 1 enterprisewide information technology investments, related Federal and State restricted funds will be appropriated up to the amounts that will be earned based upon the initiatives undertaken with the funds in Part 1. **Senate:** Did not include. (**NEW** Sec. 837)
21. **EPMO Metrics.** States that the Department shall identify specific outcomes and performance measures from the funds appropriated for enterprise portfolio management. **Governor:** Eliminates section. **Senate:** Retained current language. (Sec. 840)
22. **Reports on Capital Outlay Projects.** Requires that the Department provide reports as considered necessary relative to the status of each planning or construction project financed by the state building authority. Describes details required to be included in the report. **Governor:** Eliminates section. **Senate:** Retained. (Sec. 862)

Date Completed: 5-15-19

Fiscal Analyst: Elizabeth Raczkowski



Telephone: (517) 373-2768
Fax: (517) 373-1986

Senate Bill 138 (S-2 as passed by the Senate)
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2018-19 YEAR-TO-DATE*	FY 2019-20 SENATE-PASSED	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	0.0	0.0	N/A	N/A
GROSS	107,080,000	104,335,000	(2,745,000)	(2.6)
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	107,080,000	104,335,000	(2,745,000)	(2.6)
Less:				
Federal Funds	0	0	0	0.0
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	107,080,000	104,335,000	(2,745,000)	(2.6)
Less:				
Other State Restricted Funds	0	0	0	0.0
GENERAL FUND/GENERAL PURPOSE	107,080,000	104,335,000	(2,745,000)	(2.6)
PAYMENTS TO LOCALS	0	0	0	0.0

*As of March 5, 2019.

	Gross	GF/GP
FY 2018-19 Year-to-Date Appropriation	\$107,080,000	\$107,080,000
Changes from FY 2018-19 Year-to-Date:		
1. Great Lakes Water Quality Bond. Governor/Senate increased debt service payments for this bond. Of the total, \$10.4 million is due to changes to existing debt payments and \$5.5 million is due to projected new bond issues for FY 2019-20. These would increase total debt service payments to \$38,772,000.	15,907,000	15,907,000
2. Clean Michigan Initiative. Governor/Senate reduced payments to this bond. Of the total, there is a \$16.7 million reduction for existing bond payments and a \$3.5 million increase due to projected new bond issues for FY 2019-20. These would reduce total debt service payments to \$49,027,000.	(13,224,000)	(13,224,000)
3. Quality of Life Bond. Governor/Senate reduced debt service payments to this bond due to reductions to existing bond payments. This would reduce total debt service payments to \$16,536,000.	(5,428,000)	(5,428,000)
4. Comparison to Governor's Recommendation. The Senate is \$0 Gross and \$0 GF/GP over/under the Governor.		
Total Changes	(\$2,745,000)	(\$2,745,000)
FY 2019-20 Senate-Passed Gross Appropriation	\$104,335,000	\$104,335,000

Boilerplate Changes from FY 2018-19 Year-to-Date: None

Date Completed: 5-15-19

Fiscal Analyst: Cory Savino

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberation.



Telephone: (517) 373-2768
Fax: (517) 373-1986

Senate Bill 138 (S-2 as passed by the Senate)
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2018-19 YEAR-TO-DATE*	FY 2019-20 SENATE-PASSED	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	1,862.5	1,873.5	11.0	0.6
GROSS	570,041,500	582,967,900	12,926,400	2.3
Less:				
Interdepartmental Grants Received	12,780,300	12,905,600	125,300	1.0
ADJUSTED GROSS	557,261,200	570,062,300	12,801,100	2.3
Less:				
Federal Funds	27,128,000	27,242,500	114,500	0.4
Local and Private	13,163,200	13,243,300	80,100	0.6
TOTAL STATE SPENDING	516,970,000	529,576,500	12,606,500	2.4
Less:				
Other State Restricted Funds	413,088,700	425,533,700	12,445,000	3.0
GENERAL FUND/GENERAL PURPOSE	103,881,300	104,042,800	161,500	0.2
PAYMENTS TO LOCALS	219,653,600	191,229,200	(28,424,400)	(12.9)

*As of March 5, 2019.

	Gross	GF/GP
FY 2018-19 Year-to-Date Appropriation	\$570,041,500	\$103,881,300

Changes from FY 2018-19 Year-to-Date:

- | | | |
|--|------------|-----------|
| 1. Marihuana Proposal 1 Changes. The Governor/Senate removed 3.0 FTEs and replaced the Medical Marihuana administration (\$601,400) and excise fund grants (\$10,890,000) with recreational Marihuana programming (\$3,632,200) and grants to qualify counties and cities (\$20,250,000) to account for passage of Proposal 1. | 12,390,800 | 0 |
| 2. Wrongful Imprisonment Compensation Fund. The Governor/Senate increased the deposit to the Wrongful Imprisonment Compensation Fund to reflect claims that may be paid out in FY 2019-20. This would bring the total deposit to \$10.0 million Gross and GF/GP. | 8,500,000 | 8,500,000 |
| 3. Millionaire Party Regulation. The Senate moved millionaire party regulation from boilerplate appropriations into line item appropriations. This results in an increase to line item appropriations, but does not increase current appropriations to millionaire party regulation. | 3,000,000 | 0 |
| 4. Business Pass-Through Administration. The Governor included additional funding and 11.0 FTEs for ongoing administration of the proposed pass-through entity tax. The Senate did not include. | 0 | 0 |
| 5. Information Technology. The Governor/Senate increased appropriations to information technology to reflect additional charges associated with the use of the Unisys mainframe and servers. | 1,450,000 | 1,450,000 |

6. Property Tax Assessor Training. The Senate increased the Property Tax Assessor Training line item \$1.0 million Gross and GF/GP to expand assessor training throughout the State.	1,000,000	1,000,000
7. Michigan Finance Authority. The Governor/Senate increased appropriations to the Michigan Finance Authority using restricted revenue to align with increased costs from information technology legacy systems replacement and attorney general charges.	300,000	0
8. Senior Citizen Cooperative Housing. The Governor/Senate increased appropriations to provide full funding for the inclusion of two new facilities in Ingham and Saginaw counties that became eligible for the program.	250,000	250,000
9. Raise The Age Fund. The Senate included a \$100 placeholder for a deposit into the Raise The Age Fund in accordance to SB 102.	100	100
10. General Fund Reduction. The Senate reduced Gross and GF/GP throughout the department in line items that contained both GF/GP and Delinquent Tax Collection Revenue.	(9,449,100)	(9,449,100)
11. Contingency Fund Transfer Removal. The Governor/Senate removed funding from Contingency Fund Transfer 2019-1 associated with the Drinking Water Declaration of Emergency.	(5,613,000)	0
12. One-Time Appropriations Removal. The Governor/Senate removed several FY 2018-19 one-time appropriations, which include: Beat the Streets (\$100,000), Courageous Cadets (\$50,000), Financial Data Analytic Tool Reimbursement (\$500,000), Urban Search and Rescue (\$900,000), and a Forensic Science Commission placeholder (\$100).	(1,550,100)	(1,550,100)
13. Administrative Efficiencies. The Governor/Senate decreased appropriations due to administrative efficiencies in the following line items: Executive Direction (\$100,000), Supervision of the General Property Tax Law (\$100,000), Tax Administration (\$100,000), Tax Compliance (\$250,000), and Department Services (\$100,000).	(650,000)	(650,000)
14. Drinking Water Declaration of Emergency. The Governor/Senate maintained the placeholder in one-time appropriations.	0	0
15. Internal FTE and Fund Transfers. The Governor/Senate transferred numerous FTEs and funding throughout the department that net to zero. The Senate unrolled the Supervision of the General Property Tax Law line item.	0	0
16. Economic Adjustments. Includes \$3,297,700 Gross and \$610,600 GF/GP for total economic adjustments, of which an estimated decrease of \$1,396,300 Gross and \$312,800 GF/GP is for legacy retirement costs (pension and retiree health).	3,297,700	610,600
17. Comparison to Governor's Recommendation. The Senate is \$7,449,100 Gross and \$10,449,100 GF/GP under the Governor.		
Total Changes	\$12,926,400	\$161,500
FY 2019-20 Senate-Passed Gross Appropriation	\$582,967,900	\$104,042,800

Boilerplate Changes from FY 2018-19 Year-to-Date:

1. **Governor Deleted and Senate Retained Sections.** The **Governor** deleted and **Senate** retained two sections related to reporting/notification requirements, which include: 902a (notification of bond refinancing), and 934 (Michigan Finance Authority report on additional appropriations).

2. **Deleted Sections.** The **Governor/Senate** deleted a number of sections, which include: 927 (personality property tax audit Report), 940 (feasibility study on homeowners filing principal residency exemptions directly with the Department of Treasury), 943 (closed-loop payment system), 949g (Urban Search and Rescue), and 949I (request for proposals for data analytics).
3. **Contingency Fund Authorization.** The **Senate** deleted the department's contingency fund authorization language. (Sec. 901)
4. **Collections Contract.** The **Governor/Senate** modified the language regarding collections contracts by removing language requiring that second place collection services issue a separate RFP if an RFP is issued for primary collection services. (Sec. 903)
5. **Write-Offs Report.** The **Senate** modified the write-offs and advances report to include an explanation for each write-off or advanced that occurred in the fiscal year. (Sec. 917)
6. **Personal Property Tax Report.** The **Governor/Senate** modified the language for the personal property tax report, by changing the date from September 30 to June 30 and removed the language requiring that the Department of Treasury and local community stabilization authority notify all municipalities that adjustments could be made to future payments based on changes in estimates. (Sec. 920)
7. **Financial Data Analytic Tool Reimbursement.** The **Governor** deleted and **Senate** modified the section regarding Financial Data Analytic Tool reimbursement to apply to the work project. (Sec. 936)
8. **Property Tax Assessor Training.** The **Senate** included new language on the additional appropriations to property tax assessor training to expand training by increasing accessibility and including additional in-person training throughout the State. (Sec. 907b)
9. **Raise The Age Fund.** The **Senate** included new language that creates the "raise the age fund", deposits the \$100 placeholder into the fund, and limits expenditures to those outline in SB 102. (Sec. 949I)
10. **Millionaire Party Regulation.** The **Senate** modified boilerplate language to move boilerplate appropriations into line item appropriations. (Sec. 979)
11. **Technical Changes.** The **Governor/Senate** made a number of technical modifications that include date changes, changes in Part 1 appropriations, and legacy costs adjustments. (Secs. 201, 926, 945, and 948)

Date Completed: 5-15-19

Fiscal Analyst: Cory Savino



Telephone: (517) 373-2768
Fax: (517) 373-1986

Senate Bill 138 (S-2 as passed by the Senate)
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2018-19 YEAR-TO-DATE*	FY 2019-20 SENATE-PASSED	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	0.0	0.0	N/A	N/A
GROSS	1,338,142,700	1,366,155,700	28,013,000	2.1
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	1,338,142,700	1,366,155,700	28,013,000	2.1
Less:				
Federal Funds	0	0	0	0.0
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING	1,338,142,700	1,366,155,700	28,013,000	2.1
Less:				
Other State Restricted Funds	1,338,142,700	1,366,155,700	28,013,000	2.1
GENERAL FUND/GENERAL PURPOSE	0	0	0	0.0
PAYMENTS TO LOCALS	1,338,142,700	1,366,155,700	28,013,000	2.1

*As of March 5, 2019.

	Gross	GF/GP
FY 2018-19 Year-to-Date Appropriation	\$1,338,142,700	\$0

Changes from FY 2018-19 Year-to-Date:

- | | | |
|--|-------------------|----------|
| <p>1. Constitutional Revenue Sharing. Governor and Senate:
Recommended \$886,539,200 for constitutional revenue sharing for FY 2019-20, an increase of 3.2% from the January 2019 consensus revenue estimate for FY 2018-19.</p> | <p>27,468,000</p> | <p>0</p> |
| <p>2. City, Village, and Township (CVT) Revenue Sharing. Governor:
Recommended \$262,810,700 in FY 2019-20 for nonconstitutional or "statutory" payments to cities, villages, and townships, a 3% increase in total payments from FY 2018-19. Governor removed one-time funding for per-capita payments under CVT Revenue Sharing and Supplemental CVT Revenue Sharing and moved funding into the ongoing line. All CVTs would then receive 103% of their total statutory FY 2018-19 funding level.
Senate: Moved all one-time funding into the ongoing CVT Revenue Sharing line, and kept payments at 100% of their total statutory FY 2018-19 funding level.</p> | <p>12,116,000</p> | <p>0</p> |

<p>3. County Revenue Sharing and County Incentive Program. Governor: Recommended \$228,058,000 for total payments to counties. This would be paid through two line items: \$184,732,800 for County Revenue Sharing and \$43,325,200 for the County Incentive Program. Governor recommended increases of \$438,600 for County Revenue Sharing and \$106,400 for the County Incentive Program to cover the first full-year cost of three counties (Antrim, Keweenaw, and Mackinac) that re-entered State-paid revenue sharing in 2019. Governor also removed one-time funding for Supplemental County Revenue Sharing and rolled funding into County Revenue Sharing. In total, all counties would receive 105.3% of full funding in FY 2019-20, up from 102.5% in FY 2018-19. Senate: Recommended \$221,960,500 for total payments to counties, which included increases for three counties that re-entered State-paid revenue sharing in 2019. Also moved Supplemental County Revenue Sharing to County Revenue Sharing and maintained funding at 102.5%, the same as FY 2018-19.</p>	<p>1,545,000</p>	<p>0</p>
<p>4. Community Opportunities for Renewal. Governor: Renamed the Financially Distressed Cities, Villages, or Townships, a grant program to assist cities, villages, and townships to pay for projects or services to move the local unit toward financial stability, and increased funding by \$2.5 million to \$5.0 million. Grants must be used for infrastructure and equipment repair or replacement, public safety enhancements, blight removal, or for other community revitalization projects (a broad term to include other projects that meet the goals of the program). Senate: Concurred with Governor on program changes, but kept funding at FY 2018-19 level of \$2.5 million.</p>	<p>0</p>	<p>0</p>
<p>5. Supplemental County Revenue Sharing. Governor and Senate: Eliminated the program and added funding to ongoing county revenue sharing. Funding under this program must be used to pay down pension, debt, or other post-employment benefit (OPEB) obligations if the county has any.</p>	<p>(1,000,000)</p>	<p>0</p>
<p>6. CVT Revenue Sharing (One-Time). Governor and Senate: Eliminated the program and added funding to ongoing CVT revenue sharing. Funding is used for alternative per-capita payments to certain CVTs and also allows CVTs with less than \$4,500 in payments in FY 2009-10 to receive statutory payments.</p>	<p>(5,916,000)</p>	<p>0</p>
<p>7. Supplemental City, Village, and Township Revenue Sharing. Governor and Senate: Eliminated the program and added funding to ongoing CVT revenue sharing. The program is a per-capita distribution and funding must be used to pay down pension, debt, or OPEB obligations if the CVT has any.</p>	<p>(6,200,000)</p>	<p>0</p>
<p>8. Comparison to Governor's Recommendation. The Senate is \$16,252,200 Gross and \$0 GF/GP under the Governor.</p>		
<p>Total Changes</p>	<p>\$28,013,000</p>	<p>\$0</p>
<p>FY 2019-20 Senate-Passed Gross Appropriation</p>	<p>\$1,366,155,700</p>	<p>\$0</p>

Boilerplate Changes from FY 2018-19 Year-to-Date:

1. **CVT Revenue Sharing. Governor** set the amount that an eligible local government can receive at 103.0% of their payment under Sec. 901(1) of PA 618 of 2018 and Sec. 957(1) of PA 207 of 2018. **Senate** set the amount that an eligible local government can receive at 100.0% of their payment under Sec. 901(1) of PA 618 of 2018 and Sec. 957(1) of PA 207 of 2018. (Sec. 952(1)).

2. **County Revenue Sharing. Governor** recommended that payments in FY 2019-20 be 105.277% of the payments for which counties are eligible under the Glen Steil State Revenue Sharing Act, increased from of 102.0% in FY 2018-19. **Senate** recommended that payments in FY 2019-20 be 102.4627% of the payments for which counties are eligible under the Glen Steil State Revenue Sharing Act. (Sec. 955(1)).
3. **Community Opportunities for Renewal. Governor/Senate** replaced the Financially Distressed Cities, Villages, or Townships program with Community Opportunities for renewal, and added language to include the following as eligible projects: public safety, blight removal, and other community revitalization projects (a broad term to include other projects that meet the goals of the program). Also removed language that would allow grants to make payments to reduce unfunded accrued liability, to reduce debt obligations, for costs associated with a transition to shared services with another jurisdiction, or for other projects that move the city, village, or township toward financial stability (Sec. 956).
4. **Supplemental Revenue Sharing. Governor/Senate** removed supplemental CVT revenue sharing (Sec. 957) and supplemental county revenue sharing (Sec. 958).

Date Completed: 5-15-19

Fiscal Analyst: Ryan M. Bergan