

**FY 2019-20: TOTAL GENERAL GOVERNMENT**  
**Summary: Enacted with Vetoes and Ad Board Transfers**  
**Public Act 56 of 2019, Senate Bill 138**



**Analysts: Ben Gielczyk and Michael Crossen**

IDG/IDT	FY 2018-19 YTD as of 3/5/19	FY 2019-20 Executive	FY 2019-20 House	FY 2019-20 Senate	FY 2019-20 Enacted	Difference: Enacted From FY 2018-19 YTD	
						Amount	%
	\$821,066,200	\$1,024,424,300	\$1,019,458,300	\$1,024,669,300	\$1,024,134,300	\$203,068,100	24.7
<b>Federal</b>	809,077,500	808,347,300	806,597,300	808,347,300	808,347,300	(730,200)	(0.1)
<b>Local</b>	15,977,300	16,037,000	15,298,400	16,037,000	16,037,000	59,700	0.4
<b>Private</b>	6,247,400	6,255,700	6,242,000	6,255,700	6,228,200	(19,200)	(0.3)
<b>Restricted</b>	2,291,018,900	2,335,286,400	2,356,226,900	2,340,222,300	2,286,998,200	(4,020,700)	(0.2)
<b>GF/GP</b>	1,328,051,400	1,133,265,500	949,328,500	1,057,916,700	1,000,624,100	(327,427,300)	(24.7)
<b>Gross</b>	<b>\$5,271,438,700</b>	<b>\$5,323,616,200</b>	<b>\$5,153,151,400</b>	<b>\$5,253,448,300</b>	<b>\$5,142,369,100</b>	<b>(\$129,069,600)</b>	<b>(2.4)</b>
<b>FTEs</b>	8,784.7	8,819.7	8,809.7	8,814.7	8,812.1	27.4	0.3

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

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

**Summary pages for individual department/agency budgets contained within the current FY 2018-19 General Government appropriations bill follow this page.**

**Major Boilerplate Changes From FY 2018-19**

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

Executive includes a countercyclical budget and economic stabilization fund (BSF) deposit totaling \$150.0 million and 25% of total GF/GP lapses for FY 2018-19. House includes no BSF deposit. Senate includes a \$50.0 million deposit. Conference includes no BSF deposit.

**Sec. 216. Receipt and Retention of Required Reports – RETAINED**

Requires departments to receive and retain copies of all required reports; 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. Executive deletes section. House, Senate, and Conference retain.

**Sec. 217. Fund Sourcing Priorities – RETAINED**

Requires federal or private grant funding to be used prior to General Fund appropriations when available for the same expenditure. Executive deletes section. House, Senate, and Conference retain.

**Sec. 218. Disciplinary Action Against State Employees – RETAINED (UNENFORCEABLE)**

Prohibits departments from taking disciplinary action against employees for communicating with legislators or their staff. Executive deletes section. House, Senate, and Conference retain. (*Signing letter states section is unenforceable.*)

**Sec. 219. Reporting Requirement Penalties – NEW (UNENFORCEABLE)**

Requires departments and agencies to provide all reports by the indicated due date and to provide information requested by a member of the legislature, his or her staff, or the House and Senate fiscal agencies in a timely manner. Indicates that if the report is not provided by the required due date or a request for information is not received within 30 days of the request date, state funds appropriated in part 1 shall be reduced by 5%. Authorizes department or agency to request a waiver if chairs of the subcommittees on general government are notified. House includes as new section. Executive and Senate do not include. Conference concurs with House. (*Signing letter states section is unenforceable.*)

**Major Boilerplate Changes From FY 2018-19**

**Sec. 221. Reporting Requirement on Policy Changes – RETAINED**

Requires departments to report on policy changes made in order to implement enacted legislation. Executive deletes section. House, Senate, and Conference retain.

**Sec. 222. Work Project Expenditures – NEW (UNENFORCEABLE)**

Prohibits appropriations in part 1 from being expended in cases where existing work project authorization is available for the same expenditures. House includes as new section. Executive and Senate do not include. Conference concurs with House. *(Signing letter states section is unenforceable.)*

**Sec. 229. Initiatives and Recommendations Related to Savings Identified in Audit Reports – RETAINED (UNENFORCEABLE)**

Requires departments to report on their efforts and progress made toward achieving savings and efficiencies identified by the auditor general in audit reports. Executive deletes section. House, Senate, and Conference retain. *(Signing letter states section is unenforceable.)*

**FY 2019-20: DEPARTMENT OF ATTORNEY GENERAL**  
**Summary: Enacted with Vetoes and Ad Board Transfers**  
**Public Act 56 of 2019, Senate Bill 138**



**Analyst: Michael Crossen**

	FY 2018-19 YTD as of 3/5/19	FY 2019-20 Executive	FY 2019-20 House	FY 2019-20 Senate	FY 2019-20 Enacted	Difference: Enacted From FY 2018-19 YTD	
						Amount	%
<b>IDG/IDT</b>	\$30,386,400	\$34,908,000	\$34,373,000	\$34,908,000	\$34,373,000	\$3,986,600	13.1
<b>Federal</b>	10,007,300	9,713,700	9,669,500	9,713,700	9,713,700	(293,600)	(2.9)
<b>Local</b>	0	0	0	0	0	0	--
<b>Private</b>	0	0	0	0	0	0	--
<b>Restricted</b>	22,427,200	20,159,800	19,383,600	20,159,800	20,159,800	(2,267,400)	(10.1)
<b>GF/GP</b>	41,206,800	41,736,300	35,475,900	37,562,700	41,736,300	529,500	1.3
<b>Gross</b>	<b>\$104,027,700</b>	<b>\$106,517,800</b>	<b>\$98,902,000</b>	<b>\$102,344,200</b>	<b>\$105,982,800</b>	<b>\$1,955,100</b>	<b>1.9</b>
<b>FTEs</b>	537.0	545.0	543.0	537.0	542.4	5.4	1.0

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

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

	FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
<b>Major Budget Changes From FY 2018-19 YTD Appropriations</b>		
<b>1. Child Abuse and Neglect Cases in Wayne County</b>	FTE	NA
<u>Executive</u> authorizes \$340,000 in IDG funding from the Department of Health and Human Services (DHHS) and 2.0 FTE positions to support two additional Assistant Attorneys General to represent child abuse and neglect cases in Wayne County for two new judicial dockets added in the Third Circuit Family Court. <u>House</u> does not include to reflect a corresponding reduction in the DHHS budget. <u>Senate</u> concurs with <u>Executive</u> . <u>Conference</u> concurs with <u>House</u> .	<b>Gross</b>	<b>\$6,069,800</b>
	IDG	6,069,800
	GF/GP	\$0
	<b>Gross</b>	<b>\$507,200</b>
<b>2. Legal Services for Marihuana Regulation</b>	IDG	0
<u>Executive</u> authorizes \$1.4 million in IDG funding from the Department of Licensing and Regulatory Affairs and a fund source transfer of state restricted to IDG funding for a net increase of \$935,400 Gross to provide legal services to the new Bureau of Marihuana Regulation. Services would be provided for enforcement of regulations of medical marihuana facilities licensing, sales, and recreational marihuana use. <u>House</u> , <u>Senate</u> and <u>Conference</u> concur.	Restricted	1,442,600
	GF/GP	(507,200)
	<b>Gross</b>	<b>\$935,400</b>
<b>3. Legal Services</b>	FTE	NA
<u>Executive</u> authorizes \$670,000 in IDG funding from the Department of Technology, Management, and Budget and 4.0 FTE positions for three additional attorneys and one support member to provide legal services to the department, primarily for review of IT-related contracts. <u>House</u> concurs. <u>Senate</u> concurs with funding but does not include FTE positions. <u>Conference</u> concurs with <u>Executive</u> and <u>House</u> .	<b>Gross</b>	<b>\$474,300</b>
	IDG	474,300
	GF/GP	\$0
	<b>Gross</b>	<b>\$670,000</b>
	IDG	670,000
	GF/GP	\$0

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
<b>Major Budget Changes From FY 2018-19 YTD Appropriations</b>			
<b>4. MSHDA Legal Services</b>	FTE	NA	2.0
<u>Executive</u> authorizes \$335,500 in IDG funding from the Michigan State Housing Development Authority (MSHDA) and 2.0 FTE positions to support additional attorneys providing legal services for MSHDA. <u>House</u> concurs. <u>Senate</u> concurs with funding but does not include FTE positions. <u>Conference</u> concurs with House and Executive.	<b>Gross</b>	<b>\$695,000</b>	<b>\$335,500</b>
	IDG	695,000	335,500
	GF/GP	\$0	\$0
<b>5. Removal of Current Year One-Time Funding</b>	<b>Gross</b>	<b>\$1,178,800</b>	<b>(\$1,178,800)</b>
<u>Executive</u> eliminates \$1.2 million Gross (\$100,000 GF/GP) of one-time funding: \$378,800 in federal funding for PACC's NextGen case management IT system upgrade, \$700,000 in state restricted funding for juvenile life without parole resentencing cases, and \$100,000 GF/GP for forensic interviewing training. <u>House</u> , <u>Senate</u> and <u>Conference</u> concurs.	Federal	378,800	(378,800)
	Restricted	700,000	(700,000)
	GF/GP	\$100,000	(\$100,000)
<b>6. Alignment of Fund Sources with Operations</b>	<b>Gross</b>	<b>NA</b>	<b>(\$195,000)</b>
<u>Executive</u> shifts \$1.3 million in state restricted funding with corresponding amount of IDG funding as part of the department's effort to adjust fund sources to better reflect the department's service levels to other state departments and agencies. <u>House</u> reduces \$195,000 in IDG funding corresponding to a reduction in legal services to DHHS. <u>Senate</u> concurs with Executive. <u>Conference</u> concurs with House.	IDG	NA	1,089,300
	Restricted	NA	(1,284,300)
	GF/GP	NA	\$0
<b>7. Economic Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>\$1,388,000</b>
<u>Executive</u> reflects increased costs of \$1.4 million Gross (\$629,500 GF/GP) for negotiated salary and wage increases (2.0% ongoing, 2.0% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>House</u> , <u>Senate</u> and <u>Conference</u> concurs.	IDG	NA	449,200
	Federal	NA	85,200
	Restricted	NA	224,100
	GF/GP	NA	\$629,500
<b>8. Administrative Efficiencies</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>House</u> reduces operational funding throughout the budget by \$1.4 million Gross (\$566,000 GF/GP), reflecting a 3% reduction to be achieved through administrative efficiencies. <u>Senate</u> does not include. <u>Conference</u> does not include.	Federal	NA	0
	Restricted	NA	0
	GF/GP	NA	\$0
<b>9. Information Technology Reduction</b>	<b>Gross</b>	<b>\$1,577,600</b>	<b>\$0</b>
<u>House</u> reduces funding available for information technology services and projects by 25%. <u>Senate</u> does not include. <u>Conference</u> does not include.	GF/GP	\$1,577,600	\$0
<b>10. Administrative Reduction</b>	<b>Gross</b>	<b>\$90,505,200</b>	<b>\$0</b>
<u>House</u> reduces operational funding by \$5.3 million GF/GP for a 15% total GF/GP reduction to the department from the Executive. <u>Senate</u> reduces funding by \$4.2 million GF/GP to the Operations line item. <u>Conference</u> does not include.	IDG	30,386,400	0
	Federal	6,832,400	0
	Restricted	20,843,000	0
	GF/GP	\$32,443,400	\$0
<b>11. Special Courts Prosecutor</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>House</u> adds a \$100 placeholder for possible future support of an additional prosecutor for Muskegon county to support the county's problem-solving courts caseloads. <u>Senate</u> does not include. <u>Conference</u> does not include.	GF/GP	NA	\$0

		<b>FY 2018-19 Year-to-Date (as of 3/5/19)</b>	<b>FY 2019-20 Enacted Change</b>
<b><u>Major Budget Changes From FY 2018-19 YTD Appropriations</u></b>			
<b>12. Operations Budget Line Items – AD BOARD TRANSFER</b>	FTE	486.0	(0.6)
<u>House</u> unrolls the Operations line item into 35 separate line items by department division. <u>Senate</u> unrolls the Operations line item into 5 separate lines by department bureau. <u>House</u> unrolls the Operations line item into 44 separate line items by department division and initiative; unrolls 5 program line items into 10 line items by dividing each into two line items for personnel and program costs; reduces FTE positions by 0.6 FTE positions to adjust for partial FTE assignments in line items. <u>Ad Board</u> transfers 43 Operations line items into one and leaves \$100 for each line item for a total of \$4,300 in placeholders and concurs with unrolling program line items.	<b>Gross</b>	<b>\$90,505,200</b>	<b>\$0</b>
	IDG	30,386,400	0
	Federal	6,832,400	0
	Restricted	20,843,000	0
	GF/GP	\$32,443,400	\$0

**Major Boilerplate Changes From FY 2018-19**

**Sec. 301. Contingency Funding – REVISED**

Appropriates up to \$1.5 million in federal, \$1.5 million in state restricted, \$100,000 in local, and \$100,000 in private contingency funds, which are non-GF/GP revenues that become available during the course of the year; funds available for expenditure following legislative transfer to line items. Senate deletes. Conference includes and appropriates up to \$750,000 in federal, \$750,000 in state restricted, \$50,000 in local, and \$50,000 in private contingency funds, which are non-GF/GP revenues that become available during the year; funds available for expenditure following legislative transfer to line items.

**Sec. 308. Appropriation of Litigation Expense Reimbursements – DELETED**

Appropriates up to \$1.0 million from litigation expense reimbursements; authorizes unexpended funding, up to \$250,000, to be carried forward. House revises by reducing the \$1.0 million appropriated amount to \$500,000. Senate deletes. Conference deletes.

**Sec. 311. Prisoner Reimbursements Report – NEW**

Requires the department to submit a report by March 1 to the appropriations subcommittee with jurisdiction over the budget of the Department of Corrections on the total amount of reimbursements received under the State Correctional Facility Reimbursement Act, the amount paid to the department to conduct investigations in determining reimbursements, and the amount credited to the General Fund from reimbursements. House adds. Senate does not include. Conference includes.

**Sec. 313. Lawsuit Settlement Proceeds Fund Quarterly Report – NEW**

Requires a quarterly report, itemized by court case, on total revenue deposited into the Lawsuit Settlement Proceeds Fund, anticipated deposits to the fund, and potential deposits to the fund, as well as the total amount appropriated from the fund by appropriation. House adds. Senate does not include. Conference includes.

**Sec. 314. Lawsuit Settlement Proceeds Fund – RETAINED**

Allows the department to use up to \$2.6 million of lawsuit settlement proceeds for associated expenses with the Flint Declaration of Emergency due to drinking water contamination; requires a quarterly expenditure report detailing how funds related to the Flint Declaration of Emergency were spent by case, purpose, hourly rate of retained attorney, and department involved; and caps the hourly rate of attorneys retained for the investigation at \$250 if reporting requirements are not fulfilled. Executive does not change. House, Senate, and Conference concur.

**Sec. 314a. PACC Juvenile Life Without Parole Cases – DELETED**

Authorizes \$700,000 to be set aside for investigations, crime victim rights, prosecutions, and appeals for retroactive juvenile life without parole cases. This section was introduced in FY 2017-18 and corresponded with a one-time appropriation of \$700,000 GF/GP and was included again in FY 2018-19 with another \$700,000 state restricted one-time appropriation from the Lawsuit Settlement Proceeds Fund. Executive deletes. House, Senate, and Conference concur.

**Sec. 316a. Address Confidentiality Program – DELETED**

Requires the department to develop the Address Confidentiality Program for victims of domestic or sexual assault upon passage of Senate Bill 655 of the 99th Legislature. Legislation for the Address Confidentiality Program has been reintroduced as Senate Bill 70 of the 100th Legislature. Executive deletes. House concurs. Senate concurs. Conference concurs.

**Sec. 318. PACC Forensic Interviewing Training – DELETED**

Requires \$100,000 of funding appropriated for PACC to be expended for additional training in forensic interviewing technique. Executive deletes. House, Senate, and Conference concur.

## **Major Boilerplate Changes From FY 2018-19**

### **Sec. 320. Lawsuit Settlement Notification and Adherence to State Laws – NEW (UNENFORCEABLE)**

Requires the department to notify appropriations chairpersons and fiscal agencies of lawsuit settlements with a fiscal impact for the state of \$5.0 million or more; prohibits the department from entering into a lawsuit that is contrary to the state laws; requires the department to enforce state laws. Senate adds. Conference includes. (*Signing letter states section is unenforceable except for the notification requirement.*)

### **Sec. 321. Attorney General Presentation on Federal Lawsuits – NEW (UNENFORCEABLE)**

Requires the acting Attorney General, and not a designee of the Attorney General, to appear before the House and Senate Appropriations Subcommittees on General Government to present findings and non-confidential materials which lead the Attorney General to enter into any lawsuit against the federal government, either on the Attorney General's own accord or in conjunction with other states, as well as a cost estimate of the lawsuit to the state. House adds. Senate does not include. Conference revises by requiring the department to submit a notification to the chairpersons of the House and Senate subcommittees on General Government upon entering a lawsuit against the federal government and an estimate of the costs to the for participating in the lawsuit; Requires the Attorney General to appear within 30 business of a request from either chairperson before the House and Senate subcommittees on General Government. (*Signing letter states section is unenforceable.*)

**FY 2019-20: DEPARTMENT OF CIVIL RIGHTS**  
**Summary: Enacted with Vetoes and Ad Board Transfers**  
**Public Act 56 of 2019, Senate Bill 138**



**Analyst: Michael Crossen**

	FY 2018-19 YTD as of 3/5/19	FY 2019-20 Executive	FY 2019-20 House	FY 2019-20 Senate	FY 2019-20 Enacted	Difference: Enacted From FY 2018-19 YTD	
						Amount	%
<b>IDG/IDT</b>	\$299,100	\$298,500	\$298,500	\$298,500	\$298,500	(\$600)	(0.2)
<b>Federal</b>	2,802,700	2,816,900	2,816,900	2,816,900	2,816,900	14,200	0.5
<b>Local</b>	0	0	0	0	0	0	--
<b>Private</b>	18,700	18,700	18,700	18,700	18,700	0	0.0
<b>Restricted</b>	58,500	58,500	40,000	58,500	58,500	0	0.0
<b>GF/GP</b>	13,022,100	13,195,700	12,486,700	11,876,200	13,195,700	173,600	1.3
<b>Gross</b>	<b>\$16,201,100</b>	<b>\$16,388,300</b>	<b>\$15,660,800</b>	<b>\$15,068,800</b>	<b>\$16,388,300</b>	<b>\$187,200</b>	<b>1.2</b>
<b>FTEs</b>	116.0	116.0	116.0	116.0	116.0	0.0	0.0

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

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

**Major Budget Changes From FY 2018-19 YTD Appropriations**

	FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
<b>1. Economic Adjustments</b>	<b>Gross</b>	<b>NA</b>
<u>Executive</u> reflects increased costs of \$187,200 Gross (\$173,600 GF/GP) for negotiated salary and wage increases (2.0% ongoing, 2.0% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>House</u> , <u>Senate</u> and <u>Conference</u> concurs.	IDG	(600)
	Federal	14,200
	GF/GP	\$173,600
<b>2. Funding Alignment</b>	<b>Gross</b>	<b>NA</b>
<u>House</u> reduces operational funding by \$340,000 to align appropriated amounts and expenditures. <u>Senate</u> does not include. <u>Conference</u> does not include.	GF/GP	\$0
<b>3. Administrative Efficiencies</b>	<b>Gross</b>	<b>NA</b>
<u>House</u> reduces operational funding throughout the budget by \$207,100 Gross (\$188,700 GF/GP), reflecting a 3% reduction to be achieved through administrative efficiencies. <u>Senate</u> does not include. <u>Conference</u> does not include.	Restricted	0
	GF/GP	\$0
<b>4. Information Technology Reduction</b>	<b>Gross</b>	<b>\$723,200</b>
<u>House</u> reduces funding available for information technology services and projects by 25%. <u>Senate</u> does not include. <u>Conference</u> does not include.	Federal	0
	GF/GP	\$708,200
<b>5. Operations Reduction</b>	<b>Gross</b>	<b>NA</b>
<u>Senate</u> reduces \$1.3 million GF/GP from the Operations line item. <u>Conference</u> does not include.	GF/GP	\$0

<u>Major Budget Changes From FY 2018-19 YTD Appropriations</u>	<u>FY 2018-19 Year-to-Date (as of 3/5/19)</u>	<u>FY 2019-20 Enacted Change</u>
<b>6. Museums Support – AD BOARD TRANSFER</b>	<b>Gross</b>	<b>NA</b>
<u>Conference</u> directs \$1.5 million from existing funds for department operations to a new Museums Support line item 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, for a net change of \$0. <u>Ad Board</u> transfers \$1.5 million from Museums Support line item to the Complaint Investigations and Enforcement line item.	GF/GP	NA \$0

**Major Boilerplate Changes From FY 2018-19**

***Sec. 401. Contingency Funding – REVISED***

Appropriates up to \$2.0 million in federal contingency funds and up to \$750,000 in private contingency funds; authorizes expenditure of funds after legislative transfer to specific line items. Senate deletes. Conference includes and appropriates up to \$1.0 million in federal and \$375,000 in private contingency funds, which are non-GF/GP revenues that become available during the year; funds available for expenditure following legislative transfer to line items.

***Sec. 411. Museums Support – NEW (AD BOARD TRANSFER)***

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 funds appropriated for department operations. Conference adds. Ad Board transfers all but \$100, or \$1.5 million, from Museums Support to Complaint Investigations and Enforcement line item.



**FY 2019-20: EXECUTIVE OFFICE**  
**Summary: Enacted with Vetoes and Ad Board Transfers**  
**Public Act 56 of 2019, Senate Bill 138**



**Analyst: Ben Gielczyk**

	FY 2018-19 YTD as of 3/5/19	FY 2019-20 Executive	FY 2019-20 House	FY 2019-20 Senate	FY 2019-20 Enacted	Difference: Enacted From FY 2018-19 YTD	
						Amount	%
<b>IDG/IDT</b>	\$0	\$0	\$0	\$0	\$0	\$0	--
<b>Federal</b>	0	0	0	0	0	0	--
<b>Local</b>	0	0	0	0	0	0	--
<b>Private</b>	0	0	0	0	0	0	--
<b>Restricted</b>	0	0	0	0	0	0	--
<b>GF/GP</b>	6,980,100	7,114,300	6,980,100	7,114,300	7,114,300	134,200	1.9
<b>Gross</b>	<b>\$6,980,100</b>	<b>\$7,114,300</b>	<b>\$6,980,100</b>	<b>\$7,114,300</b>	<b>\$7,114,300</b>	<b>\$134,200</b>	<b>1.9</b>
<b>FTEs</b>	89.2	89.2	89.2	89.2	89.2	0.0	0.0

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

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

	FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
<b>Major Budget Changes From FY 2018-19 YTD Appropriations</b>		
<b>1. Operational Adjustments</b>	<b>Gross</b>	<b>\$6,980,100</b>
<u>Executive</u> and <u>Senate</u> include \$134,200 GF/GP for increased costs related to Executive Office staff and other operations. Senate unrolls Office of Urban Initiatives with estimated appropriation (see Item #2). <u>House</u> does not include. <u>Conference</u> concurs with Executive.	GF/GP	\$6,980,100
		<b>\$134,200</b>
<b>2. Office of Urban Initiatives</b>	<b>Gross</b>	<b>NA</b>
Senate includes stand-alone line item for the Office of Urban Initiatives and appropriates \$1.0 million GF/GP. Funds are transferred from Executive Office line item. <u>Executive</u> , <u>House</u> , and <u>Conference</u> do not include.	GF/GP	NA
		<b>\$0</b>

**Major Boilerplate Changes From FY 2018-19**

There are no major boilerplate changes for FY 2019-20.

**FY 2019-20: LEGISLATURE**  
**Summary: Enacted with Vetoes and Ad Board Transfers**  
**Public Act 56 of 2019, Senate Bill 138**



**Analyst: Ben Gielczyk**

IDG/IDT	FY 2018-19 YTD as of 3/5/19	FY 2019-20 Executive	FY 2019-20 House	FY 2019-20 Senate	FY 2019-20 Enacted	Difference: Enacted From FY 2018-19 YTD	
						Amount	%
	\$0	\$0	\$0	\$0	\$0	\$0	--
<b>Federal</b>	0	0	0	0	0	0	--
<b>Local</b>	0	0	0	0	0	0	--
<b>Private</b>	400,000	400,000	400,000	400,000	400,000	0	0.0
<b>Restricted</b>	4,394,300	4,394,300	4,394,300	4,514,100	4,514,100	119,800	2.7
<b>GF/GP</b>	181,718,200	162,968,200	166,185,000	165,005,700	170,576,000	(11,142,200)	(6.1)
<b>Gross</b>	<b>\$186,512,500</b>	<b>\$167,762,500</b>	<b>\$170,979,300</b>	<b>\$169,919,800</b>	<b>\$175,490,100</b>	<b>(\$11,022,400)</b>	<b>(5.9)</b>

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

This budget provides funding for the Legislative branch of state government, including the Legislative Council and agencies it governs, the Legislative Retirement System, and Property Management. The Legislature enacts the laws of Michigan, levies taxes, and appropriates funding from revenue collected for the support of public institutions and the administration of the affairs of state government. The Legislative Council provides a wide variety of essential services to members and staff of the Legislature. The Michigan Legislative Retirement System provides retirement allowances, survivors' allowances, and other benefits for members of the Legislature and their spouses, dependents, survivors, and beneficiaries. Property Management employees maintain, operate, and repair the Cora Anderson House of Representatives Office Building and Binsfeld 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 2018-19 YTD Appropriations**

**1. Senate Parking Facility**

Executive removes \$18.0 million GF/GP considered one-time appropriations in FY 2018-19 for costs associated with purchasing the parking ramp adjacent to the Binsfeld Senate Office Building from the City of Lansing. House, Senate, and Conference concur.

	FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
<b>Gross</b>	<b>\$18,000,000</b>	<b>(\$18,000,000)</b>
GF/GP	\$18,000,000	(\$18,000,000)

**2. Legislative Information Technology Systems Design Project**

Executive removes \$750,000 GF/GP considered one-time appropriations in FY 2018-19 for implementation and operational costs associated with the Legislative IT System Design Project. House concurs with Executive. Senate and Conference retain funding.

<b>Gross</b>	<b>\$750,000</b>	<b>\$0</b>
GF/GP	\$750,000	\$0

**3. Citizens Redistricting Commission**

House includes \$3.2 million GF/GP to support commissioner salaries and operational costs of the Independent Citizens Redistricting Commission created under Ballot Proposal 2 of 2018. Funding equals 25% of House recommended FY 2019-20 Secretary of State GF/GP appropriations. Executive and Senate do not include. Conference includes \$3.4 million GF/GP (25% of proposed FY 2019-20 Secretary of State GF/GP appropriations).

<b>Gross</b>	<b>\$0</b>	<b>\$3,362,800</b>
GF/GP	\$0	\$3,362,800

**4. National Association Dues**

Conference includes \$138,000 GF/GP to fully fund dues to national legislative associations.

<b>Gross</b>	<b>\$454,700</b>	<b>\$138,000</b>
GF/GP	\$454,700	\$138,000

<b><u>Major Budget Changes From FY 2018-19 YTD Appropriations</u></b>		<b><u>FY 2018-19 Year-to-Date (as of 3/5/19)</u></b>	<b><u>FY 2019-20 Enacted Change</u></b>
<b>5. Operations Increase</b>		<b>Gross \$167,762,500</b>	<b>\$3,476,800</b>
<u>Senate</u> includes operations increase of \$1.4 million Gross (\$1.3 million	Private	400,000	0
<u>GF/GP</u> ). <u>Conference</u> includes a \$3.5 million Gross (\$3.4 million <u>GF/GP</u> )	Restricted	4,394,300	119,800
operations increase.	<u>GF/GP</u>	\$162,968,200	\$3,357,000

**Major Boilerplate Changes From FY 2018-19**

***Sec. 609. Insurance Bureau Fund Reimbursement Reporting – NOT INCLUDED***

Requires a report on Insurance Bureau Fund expenditures by the Legislature. House includes as new section. Executive, Senate, and Conference do not include.

***Sec. 617. Legislative Redistricting Commission Reporting – NEW***

Requires a quarterly expenditure and activities report from the Legislative Redistricting Commission. House includes as new section. Executive and Senate do not include. Conference concurs with House.

**FY 2019-20: LEGISLATIVE AUDITOR GENERAL**  
**Summary: Enacted with Vetoes and Ad Board Transfers**  
**Public Act 56 of 2019, Senate Bill 138**



**Analyst: Ben Gielczyk**

IDG/IDT	FY 2018-19 YTD as of 3/5/19	FY 2019-20 Executive	FY 2019-20 House	FY 2019-20 Senate	FY 2019-20 Enacted	Difference: Enacted From FY 2018-19 YTD	
						Amount	%
<b>IDG/IDT</b>	\$5,823,400	\$5,823,400	\$5,823,400	\$6,068,400	\$6,068,400	\$245,000	4.2
<b>Federal</b>	0	0	0	0	0	0	--
<b>Local</b>	0	0	0	0	0	0	--
<b>Private</b>	0	0	0	0	0	0	--
<b>Restricted</b>	2,008,800	2,008,800	2,008,800	2,077,100	2,077,100	68,300	3.4
<b>GF/GP</b>	17,105,800	17,105,800	17,105,800	17,790,100	17,790,300	684,500	4.0
<b>Gross</b>	<b>\$24,938,000</b>	<b>\$24,938,000</b>	<b>\$24,938,000</b>	<b>\$25,935,600</b>	<b>\$25,935,800</b>	<b>\$997,800</b>	<b>4.0</b>

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

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

**Major Budget Changes From FY 2018-19 YTD Appropriations**

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
<b>1. Operations Increase</b>	<b>Gross</b>	<b>\$24,938,000</b>	<b>\$997,800</b>
<u>Senate</u> includes \$1.0 million (\$684,300 GF/GP) operations increase.	IDG	5,823,400	245,000
<u>Conference</u> includes \$1.0 million (\$684,500 GF/GP) operations increase.	Restricted	2,008,800	68,300
	GF/GP	\$17,105,800	\$684,500

**Major Boilerplate Changes From FY 2018-19**

**Sec. 625. Access to Confidential Information – NEW (UNENFORCEABLE)**

Specifies legislative intent that the Auditor General be authorized to access and examine confidential information of each branch, department, office, board, commission, agency, authority, and institution of the state subject to the same duty of confidentiality imposed by law on the entity providing the confidential information. House includes as new section. Executive and Senate do not include. Conference concurs with House. (Signing letter states section is unenforceable.)

**Sec. 626. Michigan Department of Transportation Contract Consultant Performance Audit – NEW (UNENFORCEABLE)**

Requires Auditor General to conduct a performance audit of MDOT use and procurement of contract consultants for evaluating construction material specifications and availability. Conference includes as new section. (Signing letter states section is unenforceable.)

**FY 2019-20: DEPARTMENT OF STATE**  
**Summary: Enacted with Vetoes and Ad Board Transfers**  
**Public Act 56 of 2019, Senate Bill 138**



**Analyst: Michael Crossen**

	FY 2018-19 YTD as of 3/5/19	FY 2019-20 Executive	FY 2019-20 House	FY 2019-20 Senate	FY 2019-20 Enacted	Difference: Enacted From FY 2018-19 YTD	
						Amount	%
<b>IDG/IDT</b>	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$0	0.0
<b>Federal</b>	1,460,000	1,460,000	1,460,000	1,460,000	1,460,000	0	0.0
<b>Local</b>	0	0	0	0	0	0	--
<b>Private</b>	50,100	50,100	50,100	50,100	50,100	0	0.0
<b>Restricted</b>	207,086,400	210,732,000	213,230,600	210,732,000	215,431,700	8,345,300	4.0
<b>GF/GP</b>	18,466,300	22,967,500	12,866,900	18,150,900	13,451,200	(5,015,100)	(27.2)
<b>Gross</b>	<b>\$247,062,800</b>	<b>\$255,209,600</b>	<b>\$247,607,600</b>	<b>\$250,393,000</b>	<b>\$250,393,000</b>	<b>\$3,330,200</b>	<b>1.3</b>
<b>FTEs</b>	1,592.0	1,592.0	1,592.0	1,592.0	1,592.0	0.0	0.0

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

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

	FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
<b>Major Budget Changes From FY 2018-19 YTD Appropriations</b>		
<b>1. Proposal 2 Redistricting Commission</b>	<b>Gross</b>	<b>\$0</b>
<u>Executive</u> includes \$4.6 million GF/GP to implement the Independent Citizens Redistricting Commission as approved by voters in Ballot Proposal 2 of 2018. Funding amount is set by the Constitution at not less than 25% of the Department of State's total GF/GP appropriation. Funding would support the Independent Citizens Redistricting Commission, including compensation for members and its operations and activities. <u>House</u> transfers the appropriation to the Legislature and decreases the amount by \$1.4 million to \$3.2 million GF/GP to reflect the FY 2019-20 GF/GP appropriation to the Department of State. <u>Senate</u> concurs but offsets increased funding by reducing other line items by a corresponding amount (see item number 2). <u>Conference</u> transfers the appropriation to the Legislature and decreases the amount by \$1.3 million to \$3.4 million GF/GP to reflect the FY 2019-20 GF/GP appropriation to the Department of State.	GF/GP	\$0
<b>2. General Fund Reductions</b>	<b>Gross</b>	<b>\$0</b>
<u>Senate</u> reduces funding by \$4.6 million GF/GP to five line items: \$189,500 from Operations, \$751,000 from Property Management, \$624,100 from Legal Services Operations, \$751,700 from Branch Operations, and \$2.3 million from Election Administration and Services. <u>Conference</u> does not include.	GF/GP	\$0

<b>Major Budget Changes From FY 2018-19 YTD Appropriations</b>		<b>FY 2018-19 Year-to-Date (as of 3/5/19)</b>	<b>FY 2019-20 Enacted Change</b>
<b>3. Elections Compliance Core Systems Contract Increase</b>		<b>Gross</b>	<b>\$7,506,900</b>
<u>Executive</u> includes \$200,000 GF/GP to cover increased contract costs of providing maintenance and support of the election system that covers the compliance core applications of the Bureau of Elections. <u>House</u> does not include. <u>Senate</u> concurs but offsets funding by reducing funding to Legal Services by a corresponding amount (see item number 4). <u>Conference</u> does not include.		Restricted	443,500
		GF/GP	\$7,063,400
			<b>\$0</b>
			0
			\$0
<b>4. General Fund Reduction</b>		<b>Gross</b>	<b>\$0</b>
<u>Senate</u> reduces funding by \$200,000 GF/GP to the Legal Services line item. <u>Conference</u> does not include.		GF/GP	\$0
			<b>\$0</b>
			\$0
<b>5. Look Twice – Save a Life Motorcycle Safety Program</b>		<b>Gross</b>	<b>\$400,000</b>
<u>Executive</u> reduces funding by \$100,000 of state restricted Motorcycle Safety and Education Awareness Fund that is used to develop and maintain the “Look Twice - Save a Life” program that promotes motorcycle awareness, safety, and education. <u>House</u> , <u>Senate</u> and <u>Conference</u> concur.		Restricted	400,000
		GF/GP	\$0
			<b>(\$100,000)</b>
			(100,000)
			\$0
<b>6. Branch Office Services Rate Increases</b>		<b>Gross</b>	<b>\$89,279,000</b>
<u>Executive</u> authorizes \$830,000 of state restricted funding to support contract rate increases for services at Secretary of State branch offices, of which \$500,000 would be used for janitorial, security guard, and telecommunications services and \$330,000 for maintenance. <u>House</u> , <u>Senate</u> and <u>Conference</u> concur.		IDG	20,000,000
		Restricted	66,534,000
		GF/GP	\$2,745,000
			<b>\$830,000</b>
			0
			830,000
			\$0
<b>7. TACF Fund Shift, GF Reduction</b>		<b>Gross</b>	<b>NA</b>
<u>Executive</u> replaces \$738,700 GF/GP with a corresponding amount of state restricted funding from the Transportation Administration Collection Fund (TACF) for a net change of \$0 Gross. <u>House</u> replaces an additional \$4.7 million for a total replacement of \$5.4 million GF/GP with TACF revenue. <u>Senate</u> concurs with Executive. <u>Conference</u> concurs with House.		Restricted	NA
		GF/GP	NA
			<b>\$0</b>
			5,438,400
			<b>(\$5,438,400)</b>
<b>8. FTE Transfer and Fund Source Alignment with Operations</b>		FTE	NA
<u>Executive</u> transfers 11.0 FTE positions from Central Operations to Legal Services based on organizational changes, and shifts state restricted funding from decreasing driver fee revenue to the Enhanced Driver License and Enhanced Official State Personal ID Card Fund and TACF for a net change of \$0 Gross. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.		<b>Gross</b>	<b>NA</b>
		Restricted	NA
		GF/GP	NA
			<b>\$0</b>
			0
			\$0
<b>9. Economic Adjustments</b>		<b>Gross</b>	<b>NA</b>
<u>Executive</u> reflects increased costs of \$2.6 million Gross (\$423,300 GF/GP) for negotiated salary and wage increases (2.0% ongoing, 2.0% lump sum), actuarially required retirement contributions, worker’s compensation, building occupancy charges, and other economic adjustments. <u>House</u> , <u>Senate</u> and <u>Conference</u> concur.		Restricted	NA
		GF/GP	NA
			<b>\$2,600,200</b>
			2,176,900
			\$423,300
<b>10. Administrative Efficiencies</b>		<b>Gross</b>	<b>NA</b>
<u>House</u> reduces operational funding throughout the budget by \$2.4 million Gross (\$184,400 GF/GP), reflecting a 3% reduction to be achieved through administrative efficiencies. <u>Senate</u> and <u>Conference</u> do not include.		Restricted	NA
		GF/GP	NA
			<b>\$0</b>
			0
			\$0
<b>11. Information Technology Reduction</b>		<b>Gross</b>	<b>\$38,446,900</b>
<u>House</u> reduces funding available for information technology services and projects by 25%. <u>Senate</u> and <u>Conference</u> do not include.		Restricted	36,847,200
		GF/GP	\$1,599,700
			<b>\$0</b>
			0
			\$0

## **Major Boilerplate Changes From FY 2018-19**

### **Sec. 701. Contingency Funds – REVISED**

Appropriates up to \$2.0 million in federal, \$7.5 million in state restricted, \$50,000 in local, and \$100,000 in private contingency funds; authorizes expenditure of funds after legislative transfer to specific line items. Senate deletes. Conference includes and 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, which are non-GF/GP revenues that become available during the year; funds available for expenditure following legislative transfer to line items.

### **Sec. 718. Buena Vista Township Branch Office – DELETED**

Requires the department to maintain a full-service Secretary of State branch office in Buena Vista Township. Executive deletes. House retains. Senate and Conference concur with Executive.

### **Sec. 720. Post-Election Audits – DELETED**

Requires the department to develop a plan to enhance post-election audit procedures to ensure machine-tabulated vote accounts are counted and reported accurately. Executive deletes. House revises to require the department to submit a report on the progress of implementing the enhanced post-election audit procedures and to present the update before the House subcommittee. Senate and Conference concur with Executive.

### **Sec. 721. Ballot Proposal 2 Cost Report – NEW**

Requires the department to submit a quarterly report on all expenditures associated with establishing the Independent Citizens Redistricting Commission and its role as secretary of the Commission as required by the Constitutional amendment approved under Ballot Proposal 2 of 2018. House adds. Senate does not include. Conference concurs with House.

### **Sec. 721a. Ballot Proposal 3 Cost Report – NEW**

Requires the department to submit a quarterly report on all expenditures associated with implementing changes and new procedures and purchasing equipment needed for implementing same-day registration and no-reason absentee voting as required by the Constitutional amendment approved under Ballot Proposal 3 of 2018. House adds. Senate does not include. Conference concurs with House.

### **Sec. 723. County Clerk Training – NEW**

Requires the use of funds appropriated for County clerk education and training to be used only for costs associated with the training of local clerks in preparation for elections and no other purposes. Senate adds.

**FY 2019-20: TECHNOLOGY, MANAGEMENT, AND BUDGET**  
**Summary: Enacted with Vetoes and Ad Board Transfers**  
**Public Act 56 of 2019, Senate Bill 138**



**Analyst: Michael Cossen**

	FY 2018-19 YTD as of 3/5/19	FY 2019-20 Executive	FY 2019-20 House	FY 2019-20 Senate	FY 2019-20 Enacted	Difference: Enacted From FY 2018-19 YTD	
						Amount	%
<b>IDG/IDT</b>	\$751,777,000	\$950,488,800	\$947,067,200	\$950,488,800	\$950,488,800	\$198,711,800	26.4
<b>Federal</b>	5,033,700	4,968,400	4,910,900	4,968,400	4,968,400	(65,300)	(1.3)
<b>Local</b>	2,341,600	2,321,200	2,030,900	2,321,200	2,321,200	(20,400)	(0.9)
<b>Private</b>	129,400	131,100	131,100	131,100	131,100	1,700	1.3
<b>Restricted</b>	122,117,400	117,916,800	116,913,400	117,916,800	117,916,800	(4,200,600)	(3.4)
<b>GF/GP</b>	552,044,500	503,792,600	430,906,900	446,130,600	450,480,500	(101,564,000)	(18.4)
<b>Gross</b>	<b>\$1,433,443,600</b>	<b>\$1,579,618,900</b>	<b>\$1,501,960,400</b>	<b>\$1,521,956,900</b>	<b>\$1,526,306,800</b>	<b>\$92,863,200</b>	<b>6.5</b>
<b>FTEs</b>	3,122.0	3,141.0	3,127.0	3,141.0	3,132.0	10.0	0.3

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

The Department of Technology, Management, and Budget (DTMB) has legal authority under the Management and Budget Act, 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 2018-19 YTD Appropriations**

**1. Michigan Public Safety Communications System (MPSCS) Upgrades and Maintenance**

Executive includes \$14.1 million GF/GP (\$8.2 million ongoing, \$5.9 million one-time) and authorization for 10.0 FTE positions for software upgrades, additional technical staff, increased coverage, and radio tower site maintenance for the MPSCS interoperable communications network used by state, federal, local, private, and tribal security officers and first responders across the state. House does not include and also reduces \$9.6 million GF/GP for MPSCS as part of its IT reductions described under item number 18. Senate includes 10.0 FTE positions, \$7.0 million for ongoing funding, and does not include \$5.9 million of one-time funding. Conference concurs with Senate and reduces \$2.4 million GF/GP to MPSCS for IT reductions as shown in item number 18 for a net increase of \$4.6 million.

	FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
FTE	127.0	10.0
<b>Gross</b>	<b>\$40,464,100</b>	<b>\$7,000,000</b>
Local	2,248,000	0
GF/GP	\$38,216,100	\$7,000,000



		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
<b>Major Budget Changes From FY 2018-19 YTD Appropriations</b>			
<b>2. Enterprisewide Maintenance of State Facilities – VETOED</b>			
<u>Executive</u> includes \$5.0 million GF/GP in one-time funding for various general maintenance and demolition projects of state-owned facilities across the state. <u>Executive</u> also maintains a \$5.0 million GF/GP increase in FY 2018-19 from 2018 PA 618. <u>House</u> does not include increased funding, reduces \$8.8 million GF/GP from ongoing funding, and adds \$750,000 in IDG funding from the Department of Corrections for demolition of the Deerfield Correctional Facility, for a net Gross decrease of \$8.0 million. <u>Senate</u> does not include one-time funding and reduces \$8.1 million GF/GP from ongoing funding. <u>Conference</u> includes \$5.0 million GF/GP for one-time funding for demolitions but reduces \$8.1 million GF/GP in on-going funding and adds \$750,000 in IDG funding from the Department of Corrections for demolition of the Deerfield Correctional Facility for a net decrease of \$7.4 million. <u>Veto</u> removes \$750,000 in IDG funding for demolition of the Deerfield Correctional Facility for a Gross reduction of \$8.1 million to ongoing funding.			
	<b>Gross</b>	<b>\$31,000,000</b>	<b>(\$3,100,000)</b>
	IDG	0	0
	GF/GP	\$31,000,000	(\$3,100,000)
<b>3. Legal Services Increase</b>			
<u>Executive</u> authorizes \$670,000 in state restricted funding for three additional attorneys and one support member from the Department of Attorney General to provide various legal support services to the department, primarily for reviewing IT-related contracts. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.			
	<b>Gross</b>	<b>NA</b>	<b>\$670,000</b>
	Restricted	NA	670,000
	GF/GP	NA	\$0
<b>4. Microsoft License Agreement</b>			
<u>Executive</u> includes \$5.0 million GF/GP to support a licensing agreement with the Microsoft Corporation for its 365 Government G5 product bundle, which includes basic software applications for state agencies as well as additional enterprise security and compliance functionality. <u>Senate</u> does not include. <u>House</u> and <u>Conference</u> concurs with <u>Executive</u> .			
	<b>Gross</b>	<b>\$27,777,200</b>	<b>\$5,000,000</b>
	IDG	932,900	0
	Restricted	16,076,400	0
	GF/GP	\$10,767,900	\$5,000,000
<b>5. MiLogin Single Sign-On Integration of State Applications</b>			
<u>Executive</u> includes \$3.3 million GF/GP and authorization for 5.0 FTE positions to support the integration of additional state software applications into the MiLogin enterprisewide IT initiative, which provides single sign-on capabilities for accessing State of Michigan internet and mobile sites. Approximately half of state applications, or 220, have been integrated and a 40% increase in MiLogin users is expected in FY 2019-20. Funding would support an increase in infrastructure hosting capacity, IBM software licensing, staffing, and operational hosting costs. <u>House</u> includes \$2.5 million. <u>Senate</u> includes 5.0 FTE positions and does not include funding. <u>Conference</u> does not include.			
	FTE	17.0	0.0
	<b>Gross</b>	<b>\$9,775,000</b>	<b>\$0</b>
	GF/GP	\$9,775,000	\$0
<b>6. FY 2019-20 IT IDG Baseline Adjustment</b>			
<u>Executive</u> authorizes \$191.9 million in 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. The increase includes \$179.8 million from DHHS, which primarily reflects transfers of IT costs from DHHS's program line items to its Technology Services line items. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.			
	<b>Gross</b>	<b>\$555,159,600</b>	<b>\$191,899,900</b>
	IDG	555,159,600	191,899,900
	GF/GP	\$0	\$0
<b>7. Vehicle Fleet Cost Increase and FTE Increase</b>			
<u>Executive</u> includes \$1.5 million in IDG funding for higher estimated miles driven by state fleet vehicles in FY 2019-20 and a projected increase in fuel costs. Authorizes 4.0 FTE positions to replace temporary contracted personnel for vehicle maintenance services. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.			
	FTE	35.0	4.0
	<b>Gross</b>	<b>\$74,377,800</b>	<b>\$1,500,000</b>
	IDG	74,377,800	1,500,000
	GF/GP	\$0	\$0

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
<b>Major Budget Changes From FY 2018-19 YTD Appropriations</b>			
<b>8. Accounting Service Center Increase for State Police</b>	<b>Gross</b>	<b>\$3,969,800</b>	<b>\$374,900</b>
<u>Executive</u> authorizes \$374,900 in IDG funding to align with Accounting Service Centers costs for MSP to cover MiCaRS maintenance and changes in how credit card fees are being charged in SIGMA. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	IDG	3,969,800	374,900
	GF/GP	\$0	\$0
<b>9. Professional Development Funds</b>	<b>Gross</b>	<b>\$0</b>	<b>\$200,000</b>
<u>Executive</u> authorizes \$200,000 in IDG funding collected from state agencies to support professional development for American Federation of State, County, and Municipal Employees (\$50,000) and the Scientific and Engineering Unit of the Service Employees International Union (\$150,000) per bargaining agreements with the Office of the State Employer. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	IDG	0	200,000
	GF/GP	\$0	\$0
<b>10. State Police Retirement System Supplemental Payments</b>	<b>Gross</b>	<b>\$30,714,300</b>	<b>\$10,000</b>
<u>Executive</u> authorizes \$10,000 GF/GP 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 2019-20 is \$82,000 for 43 beneficiaries. <u>Senate</u> does not include. <u>House</u> and <u>Conference</u> concur with Executive.	Restricted	24,212,500	0
	GF/GP	\$6,501,800	\$10,000
<b>11. Military Retirement Transfer to DMVA</b>	<b>Gross</b>	<b>\$30,714,300</b>	<b>(\$5,244,800)</b>
<u>Executive</u> transfers \$5.2 million GF/GP to DMVA for military retirement payment obligations. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	Restricted	24,212,500	0
	GF/GP	\$6,501,800	(\$5,244,800)
<b>12. Regional Prosperity Grants – VETOED</b>	<b>Gross</b>	<b>\$4,000,000</b>	<b>(\$4,000,000)</b>
<u>Executive</u> eliminates \$4.0 million GF/GP for grants to designated economic regions defined by the Regional Prosperity Initiative to encourage private, public, and non-profit partners to collaborate on developing economic visions and efforts to achieve them. <u>House</u> includes a \$100 placeholder. <u>Senate</u> concurs with Executive. <u>Conference</u> concurs with House. <u>Veto</u> removes \$100 placeholder.	GF/GP	\$4,000,000	(\$4,000,000)
<b>13. Business Support Services GF Reduction Fund Shift</b>	<b>Gross</b>	<b>\$12,759,800</b>	<b>\$0</b>
<u>Executive</u> replaces \$138,400 GF/GP with a corresponding amount of state restricted funding from contract revenue from the Special Revenue, Internal Service, and Pension Trust Funds fund source. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	IDG	464,900	0
	Federal	100	0
	Restricted	6,546,100	138,400
	GF/GP	\$5,748,700	(\$138,400)
<b>14. Services Baseline Technical Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>(\$115,400)</b>
<u>Executive</u> reduces budget by \$115,400 Gross (\$167,100 GF/GP) by making various technical adjustments to align funding and operations through the statewide cost allocation plan, making annual adjustments in the department's indirect service charges, and aligning funding with operations within the Civil Service Commission. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	IDG	NA	223,700
	Federal	NA	(115,400)
	Restricted	NA	(56,600)
	GF/GP	NA	(\$167,100)
<b>15. Removal of Current Year One-Time Funding</b>	<b>Gross</b>	<b>\$73,145,100</b>	<b>(\$73,145,100)</b>
<u>Executive</u> eliminates \$73.1 million Gross (\$66.8 million GF/GP) of one-time funding appropriated in FY 2018-19: \$43.1 million for a lump-sum payment for military and judges retirement, \$20.0 million for the statewide broadband internet initiative, \$8.2 million to pay off outstanding debt of the dissolved Inkster school district, \$10,000 for an Office of Retirement Services actuarial analysis, \$100 for a census-related services placeholder, \$1.2 million for state police and school employees retirement, \$450,000 for local governments cyber security program, \$170,000 for a job vacancy study, and \$30,000 for an MPSCS tower top amplifier. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	Restricted	6,380,000	(6,380,000)
	GF/GP	\$66,765,100	(\$66,765,100)

<b>Major Budget Changes From FY 2018-19 YTD Appropriations</b>		<b>FY 2018-19 Year-to-Date (as of 3/5/19)</b>	<b>FY 2019-20 Enacted Change</b>
<b>16. Economic Adjustments</b>		<b>Gross</b>	<b>NA</b>
<u>Executive</u> reflects increased costs of \$7.3 million Gross (\$1.3 million GF/GP) for negotiated salary and wage increases (2.0% ongoing, 2.0% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.		IDG	NA
		Federal	NA
		Local	NA
		Private	NA
		Restricted	NA
		GF/GP	NA
			<b>\$7,283,100</b>
<b>17. Administrative Efficiencies</b>		<b>Gross</b>	<b>NA</b>
<u>House</u> reduces operational funding throughout the budget by \$6.7 million Gross (\$1.1 million GF/GP), reflecting a 3% reduction to be achieved through administrative efficiencies. <u>Senate</u> and <u>Conference</u> do not include.		IDG	NA
		Local	NA
		Federal	NA
		Restricted	NA
		GF/GP	NA
			<b>\$0</b>
<b>18. Information Technology Reduction – AD BOARD TRANSFER</b>		FTE	169.0
<u>House</u> reduces funding available for information technology services and projects by \$18.4 million GF/GP for four line items: \$2.4 million for Enterprise Identity Management, \$3.7 million for Homeland Security Initiative/Cyber Security, \$9.6 million for MPSCS, and \$2.7 million for Information Technology Services and Projects. <u>Senate</u> does not include. <u>Conference</u> reduces funding by \$9.6 million for three line items: \$2.4 million for MPSCS (see item 1, above), \$2.4 million for Homeland Security Initiative /Cyber Security, and \$4.8 million for Information Technology Services and Projects. <u>Ad Board</u> transfers \$7.2 million from Legislative Retirement to 2 lines: \$4.8 million to Information Technology Services and Projects and \$2.4 million to Homeland Security Initiative/Cyber Security for a total reduction of \$2.4 million for Information Technology to MPSCS.		<b>Gross</b>	<b>\$133,167,600</b>
		IDG	932,900
		Local	2,248,000
		Restricted	16,076,400
		GF/GP	\$113,910,300
			<b>(\$2,400,000)</b>
<b>19. Information Technology Investment Fund (ITIF) – AD BOARD TRANSFER</b>		<b>Gross</b>	<b>\$40,000,000</b>
<u>House</u> reduces \$24.7 million from the enterprise IT legacy system modernization project portfolio. The portfolio currently includes seven projects for FY 2019-20. <u>Senate</u> reduces \$20.0 million GF/GP. <u>Conference</u> concurs with Senate and unrolls line item by individual projects. <u>Ad Board</u> transfers \$20.0 million from 4 line to the General Services line under Information Technology.		GF/GP	\$40,000,000
			<b>(\$19,999,600)</b>
<b>20. Executive Budget Revision</b>		FTE	NA
<u>Executive</u> reduces \$650,000 GF/GP and 4.0 FTE positions by transferring the former Office of Regulatory Reinvention to the Michigan Office of Administrative Hearings and Rules line-item in the Department of Licensing and Regulatory Affairs to reflect implementation of Executive Order 2019-6. <u>Senate</u> does not include. <u>House</u> and <u>Conference</u> concur with Executive.		<b>Gross</b>	<b>NA</b>
		GF/GP	NA
			<b>(4.0)</b>
			<b>(\$650,000)</b>
			<b>(\$650,000)</b>

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
<b><u>Major Budget Changes From FY 2018-19 YTD Appropriations</u></b>			
<b>21. General Fund Reductions – AD BOARD TRANSFER</b>	<b>Gross</b>	<b>NA</b>	<b>(\$19,900)</b>
<u>Senate</u> reduces \$8.3 GF/GP from nine line items: \$118,100 from Administrative Services, \$3.3 million from Budget and Financial Management, \$1.6 million from Business Support Services, \$105,400 from Bureau of Labor Market Information and Strategies, \$1.0 million from Enterprise Identity Management, \$1.8 million from Civil Service Commission Human Resources, \$200,000 from Civil Service Commission Executive Direction, \$200,000 from Civil Service Commission Agency Services, and \$36,400 from Unclassified Salaries. <u>Executive</u> and <u>House</u> do not include. <u>Conference</u> reduces \$5.2 million from five lines: \$2.9 million from Administrative Services, \$34,600 from Executive Operations, \$108,000 from Office of the State Employer, \$2.1 million from Business Support Services, and \$109,800 from Bureau of Labor Market Information and Strategies. <u>Ad Board</u> transfers \$5.2 million from Legislative Retirement to five lines: \$15,200 to Executive Operations, \$2.9 million to Administrative Services, \$109,800 to Bureau of Labor Market Information and Strategies, \$2.1 million to Business Support Services, and \$108,000 to Office of the State Employer.	GF/GP	NA	(\$19,900)
<b>22. Michigan Team to End Drug Addiction (MiTEDA)</b>	<b>Gross</b>	<b>\$300,000</b>	<b>\$0</b>
<u>Senate</u> reduces \$300,000 GF/GP from the new multi-agency Michigan Team to End Drug Addiction established pursuant to Executive Order 2018-6. MiTEDA is to direct implementation of the state's opioid action strategy, including research and development of policy initiatives, as well as monitoring and evaluating their efficacy in curbing opioid use in Michigan. <u>House</u> and <u>Conference</u> retain funding.	GF/GP	\$300,000	\$0
<b>23. SIGMA Contract Costs</b>	<b>Gross</b>	<b>\$1,200,000</b>	<b>\$0</b>
<u>Senate</u> reduces \$1.2 million GF/GP from ongoing increases in contract costs with CGI for higher data capacity as well as additional accounting staff needs. <u>House</u> and <u>Conference</u> retain current-year funding.	GF/GP	\$1,200,000	\$0
<b>24. Capital Outlay Planning Authorization, SVSU Brown Hall Renovation – VETOED</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>Conference</u> adds a \$100 placeholder for a Capital Outlay planning authorization for renovation of Brown Hall at Saginaw Valley State University. Estimate authorized cost totals \$19.8 million; state share of costs is \$12.0 million and university share is \$7.8 million. <u>Veto</u> removes placeholder and planning authorization.	GF/GP	NA	\$0
<b>25. Capital Outlay Planning Authorization, DHHS New Northern Satellite Psychiatric Facility – VETOED</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>Conference</u> adds a \$100 placeholder for a Capital Outlay planning authorization for Department of Health and Human Services' new Northern Satellite Psychiatric Facility, to be paid from state resources. <u>Veto</u> removes placeholder and planning authorization.	GF/GP	NA	\$0
<b>26. Legislative Retirement – AD BOARD TRANSFER</b>	<b>Gross</b>	<b>\$12,400,000</b>	<b>(\$12,399,900)</b>
Funds legislative retirement pension and OPEB annual required contributions. <u>Ad Board</u> transfers \$12.4 million to seven lines (see item numbers 18, 19 and 21).	GF/GP	\$12,400,000	(\$12,399,900)

**Major Boilerplate Changes From FY 2018-19**

**Sec. 801. Contingency Funding – REVISED**

Appropriates up to \$4.0 million in federal, \$8.0 million in state restricted, \$150,000 in local, and \$100,000 in private contingency funds; authorizes expenditure of funds after legislative transfer to specific line items. Senate deletes. Conference includes and appropriates up to \$2.0 million in federal, \$4.0 million in state restricted, \$75,000 in local, and \$50,000 in private contingency funds, which are non-GF/GP revenues that become available during the year; funds available for expenditure following legislative transfer to line items.

## **Major Boilerplate Changes From FY 2018-19**

### **Sec. 802. Appropriation of Proceeds From Auctions of State Surplus – REVISED**

Appropriates proceeds from transfer or auction of state surplus property: amounts in excess of costs incurred to be used to offset costs incurred in acquiring and distributing federal surplus property. Requires DTMB to provide consolidated Internet auction services for local units of government. Senate revises by allowing proceeds to be appropriated to offset costs incurred in acquiring and distributing government surplus property other than federal surplus property. Conference concurs with Senate.

### **Sec. 810. Notices of Invitations to Bid (ITBs) and Requests for Proposals (RFPs) – REVISED**

Requires DTMB to maintain an Internet website with notice of all ITBs and RFPs over \$50,000 and for the information to appear on the first page of each department dashboard; generally requires ITBs and RFPs to be posted for at least 14 days prior to bid deadline. Executive revises by providing an exception for posting ITBs and RFPs online if it would not be in the best interest of the state. Revises language to state DTMB shall not set the due date for an ITB or RFP in less than 14 days instead of stating that DTMB shall not accept an ITB or RFP in less than 14 days. House revises by extending exceptions for posting ITBs and RFPs for certain small businesses, veteran-owned businesses, and rehabilitation organizations in accordance with department policy. Senate retains current language. Conference concurs with House.

### **Sec. 815. Special Maintenance, Remodeling, and Additions for State Agencies – NOT INCLUDED**

Appropriates federal and restricted funds earned based upon the initiatives undertaken with the funds appropriated for Special Maintenance, Remodeling, and Additions for State Agencies; requires the State Budget Director to determine the appropriate manner for implementing this section; requires the department to notify the legislature within 10 days of effectuating appropriations authorized under this section. Executive adds. House revises by requiring a report to be submitted to the legislature and state budget office listing all funds received under this section and expended. Senate does not include. Conference does not include.

### **Sec. 816. Privatization RFPs – UNENFORCEABLE**

Requires RFPs issued for the purpose of privatization to include all factors to be used in evaluating and determining price. (*Signing letter states section is unenforceable.*)

### **Sec. 817. Former Deerfield Correctional Facility Demolition – NEW (VETOED)**

Appropriates \$750,000 in IDG funding from the funds appropriated for Enterprisewide Special Maintenance for State Facilities to be used to work with the Department of Corrections on awarding a contract to the best bidder for demolition of the former Deerfield Correctional Facility. House adds. Senate does not include. Conference includes.

### **Sec. 821. Office of Retirement Services Report – NEW**

Requires the Office of Retirement Services (ORS) to produce a report on the Judges Retirement System, Military Retirement System, Michigan Public School Employees' Retirement System, State Employees' Retirement System, and State Police Retirement System showing tables and charts of the annual required contribution flow per fiscal year and a justification if the payroll growth assumption is maintained at or above 0% for any pension or OPEB plan; requires additional items to be reported for the Michigan Public School Employees' Retirement System; requires ORS to post the most recent year's CAFR for each plan. House adds. Senate does not include. Conference includes.

### **Sec. 822. Report on Unclassified Salaries – RETAINED**

Requires a report on individual appointee and unclassified employee salaries by January 1. Executive deletes. House, Senate, and Conference retain.

### **Sec. 822b. Public Private Partnership Investments – UNENFORCEABLE**

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. (*Signing letter states subsection 6, relating to monitoring fund revenue and requesting a legislative transfer, is unenforceable.*)

### **Sec. 822d. Report on Fee Rate Schedules – RETAINED**

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. Executive deletes. House, Senate, and Conference retain.

### **Sec. 822f. Regional Prosperity Initiative – RETAINED (VETOED)**

Authorizes the regional prosperity grant program, which offers economic and workforce development planning grants to eligible regional planning organizations working in collaboration with local governmental, non-profit, business, and educational community partners. Executive deletes. House, Senate, and Conference retain.

### **Sec. 822n. Request for Proposals Website – RETAINED**

Requires DTMB to establish a request for proposals (RFP) website that is searchable by department and agency. Executive deletes. House, Senate, and Conference retain.

## **Major Boilerplate Changes From FY 2018-19**

### **Sec. 822o. Northern Satellite Psychiatric Facility – RETAINED**

Requires DTMB to work with the Department of Health and Human Services to identify a location for the new Northern Satellite Psychiatric Facility capital outlay project approved for planning authorization under Article II of 2017 PA 107. Executive deletes. House retains. Senate retains and changes due dates from 2018 to 2020. House and Conference retain.

### **Sec. 827. Michigan Public Safety Communications System (MPSCS) – RETAINED**

Provides for assessment of fees and expenditure of revenues pertaining to the MPSCS; requires report on revenue collected and expenditures made in support of the system; specifies unencumbered funds are to be carried forward. House retains current law. Senate revises by eliminating subsection (4), which requires an annual report on revenue and expenditures and authorizes revenues to carry forward to the succeeding fiscal year. Conference concurs with House.

### **Sec. 827a. MPSCS Unpaid Invoices – DELETED**

Requires \$2.0 million to be used to pay outstanding invoices for local agencies billed by MPSCS that are dated more than three years prior to the current fiscal year. Executive deletes. House, Senate, and Conference concur.

### **Sec. 828. IT Appropriations and Expenditures Report – REVISED**

Requires an annual report on the total appropriations and expenditures for IT-related services and projects for all executive departments and agencies. Executive deletes. House retains. Senate retains. Conference revises by requiring the report to be submitted quarterly.

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

Requires a report that analyzes and makes recommendations on the life-cycle of IT hardware and software. Executive deletes. House, Senate, and Conference retain.

### **Sec. 830. Enterprisewide IT Project Reporting – REVISED**

Requires a quarterly report on active and closed IT projects throughout all executive branch departments on the schedule, budget, cost, project changes, and project success scores for each project. Executive deletes. House retains. Senate retains. Conference revises by requiring information on the origination of projects and project changes, descriptions of projects, and a schedule metric to show how late a project is.

### **Sec. 831. ORS Actuarial Analyses – DELETED**

Requires funds for the retirement services actuarial analysis to be used to conduct an actuarial analysis to determine the costs incurred by the state employees' retirement system as a result of implementing provisions of 2018 PA 556. Executive deletes. House, Senate, and Conference concur.

### **Sec. 831. Information Technology Services Billing – RETAINED**

Requires DTMB, beginning after the first quarter of FY 2018-19, to submit information technology services related invoices to departments and agencies no later than 45 days after the end of the month in which the services were provided. Executive and Senate delete. House and Conference retain.

### **Sec. 832. Child Support Enforcement System – RETAINED**

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

### **Sec. 833. Adjustment of Appropriation Line Items – RETAINED**

Provides for state budget director to adjust spending authorization and user fees in DTMB budget to properly align with IT appropriations in other state department/agency budgets. Senate deletes. Executive, House, and Conference retain.

### **Sec. 835a. Nonprofit Census-Related Activity – DELETED**

Requires one-time funding for census-related activities to be awarded to the Michigan Nonprofit Association to achieve a fair and accurate count in the 2020 census; designates unexpended funds as a work project. Executive deletes. House, Senate, and Conference concur.

### **Sec. 836. Information Technology Investment Fund Purpose – RETAINED**

Explains the purpose of a one-time funding increase for the Information Technology Investment Fund. Executive deletes. House concurs with Executive. Senate retains current law. Conference concurs with Senate.

### **Sec. 837. EPMO Management of Projects – NEW**

Requires projects expending more than \$250,000 to utilize information technology project management best practices as defined or recommended by the Enterprise Portfolio Management Office and comply with the state SUITE methodology and requirements. Conference adds.

## **Major Boilerplate Changes From FY 2018-19**

### **Sec. 838. Clawback Provisions in State Procurement Contracts – NEW**

Requires the department to develop policies and procedures not later than October 2020 that will require all new procurement contracts to include clawback repayment provisions in the event of a breach of contract by a vendor. Conference adds.

### **Sec. 840. EPMO Performance Measures – RETAINED**

Requires the development and use of metrics for activities related to funds appropriated to the Enterprise Portfolio Management Office. Executive deletes. House revises by requiring the department to utilize the performance metrics developed in the previous fiscal year. Senate and Conference retain.

### **Sec. 862. Required Reports to JCOS – REVISED**

Requires DTMB to provide various detailed reports to Joint Capital Outlay Subcommittee (JCOS) and fiscal agencies with status of each planning or construction project financed by the SBA. Executive deletes. House retains and revises by striking “as considered necessary” for the requirement to report. Senate retains. Conference concurs with House.

### **Sec. 881. Michigan State Capitol Commission – State Capitol Restoration/Infrastructure Upgrade Project Cost Increase – NEW (VETOED)**

Provides for a \$15.0 million cost increase for the Michigan State Capitol Commission – State Capitol Restoration/Infrastructure Upgrade Project that was approved for construction authorization in 2017 PA 107 and reauthorized in 2018 PA 618, at a total authorized cost of \$110.0 million entirely funded by the State. The cost increase would provide the remainder of the funding necessary for the addition of approximately 54,000 sq. ft. of new space, to be called Heritage Hall, placed below ground. The \$15.0 million cost increase will result in a total project cost of \$125.0 million entirely funded by the State. Conference adds.

### **Sec. 882. Department of Health and Human Services – Caro Center Replacement – NEW**

Provides for a revised scope for the 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. The department would be required to build a new 100-bed facility at the current location of the Caro Regional Mental Health Center. Conference adds.

### **Sec. 883. Department of Health and Human Services – New Northern Satellite Psychiatric Facility – NEW (VETOED)**

Requires new DHHS – Northern Satellite Psychiatric Facility, which would serve as a satellite psychiatric facility in northern Michigan, to be located in Chippewa County. Rescinds previous planning authorization in 2017 PA 107. Conference adds.

**FY 2019-20: DEPARTMENT OF TREASURY**  
**Summary: Enacted with Vetoes and Ad Board Transfers**  
**Public Act 56 of 2019, Senate Bill 138**



Analyst: Ben Gielczyk

IDG/IDT	FY 2018-19 YTD as of 3/5/19	FY 2019-20 Executive	FY 2019-20 House	FY 2019-20 Senate	FY 2019-20 Enacted	Difference: Enacted From FY 2018-19 YTD	
						Amount	%
	\$12,780,300	\$12,905,600	\$12,646,200	\$12,905,600	\$12,905,600	\$125,300	1.0
<b>Federal</b>	27,128,000	27,242,500	26,985,100	27,242,500	27,242,500	114,500	0.4
<b>Local</b>	13,135,700	13,215,800	12,767,500	13,215,800	13,215,800	80,100	0.6
<b>Private</b>	27,500	27,500	27,500	27,500	0	(27,500)	(100.0)
<b>Restricted</b>	1,727,494,000	1,804,941,600	1,794,333,400	1,782,750,500	1,780,675,400	53,181,400	3.1
<b>GF/GP</b>	210,961,300	218,826,800	203,766,300	211,976,800	188,485,600	(22,475,700)	(10.7)
<b>Gross</b>	<b>\$1,991,526,800</b>	<b>\$2,077,159,800</b>	<b>\$2,050,526,000</b>	<b>\$2,048,118,700</b>	<b>\$2,022,524,900</b>	<b>\$30,998,100</b>	<b>1.6</b>
<b>FTEs</b>	1,872.5	1,895.5	1,880.5	1,884.5	1,884.5	12.0	0.6

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

The Department of Treasury is the chief fiscal agency of the state and the primary source of advice to the governor on tax and fiscal policy issues. The department's mission is to collect state taxes; to invest, control, and disburse state money; and to protect the credit rating of both the state and local units of government. 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 the State Building Authority (SBA) are autonomous agencies housed within the department.

**Major Budget Changes From FY 2018-19 YTD Appropriations**

**1. Constitutional Revenue Sharing**

Executive increases constitutional revenue sharing by \$51.2 million of sales tax revenue relative to the FY 2018-19 budget act appropriated amount (\$27.5 million (3.2%) increase over FY 2018-19 January Consensus Revenue Estimating Conference estimates). House reduces estimated January CREC constitutional revenue sharing by \$81.3 million to reflect removal of sales tax on gas. Senate concurs with Executive. Conference increases by \$30.1 million of sales tax revenue relative to FY 2018-19 budget act appropriated amount to reflect May CREC estimates (1.7% increase compared to actual FY 2018-19 distributions).

	FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
<b>Gross</b>	<b>\$835,333,800</b>	<b>\$30,108,100</b>
Restricted	835,333,800	30,108,100
GF/GP	\$0	\$0

**2. Supplemental Constitutional Revenue Sharing**

House includes \$81.3 million of sales tax revenue to replace the reduction of constitutional revenue sharing from the removal of the sales tax on gas. Senate does not include. Conference does not include.

	Gross	\$0	\$0
Restricted	0	0	0
GF/GP	\$0	\$0	\$0



<b>Major Budget Changes From FY 2018-19 YTD Appropriations</b>		<b>FY 2018-19 Year-to-Date (as of 3/5/19)</b>	<b>FY 2019-20 Enacted Change</b>	
<b>3. City, Village, and Township (CVT) Revenue Sharing and Supplemental CVT Revenue Sharing</b>		<b>Gross</b>	<b>\$255,156,000</b>	<b>\$5,868,600</b>
<u>Executive</u> increases total CVT revenue sharing by \$7.7 million (3.0%) of sales tax revenue. FY 2018-19 one-time funds (CVT Revenue Sharing and Supplemental CVT Revenue Sharing) totaling \$12.1 million in sales tax revenue would be maintained and included in the ongoing CVT revenue sharing line item. A CVT would be eligible to receive a payment equal to 103% of its FY 2018-19 combined eligible payment under CVT and Supplemental CVT revenue sharing. <u>House</u> includes increase of \$5.9 million (2.3%) of restricted sales tax revenue. House concurs with Executive, including all CVT revenue sharing line items in ongoing CVT Revenue Sharing line item. <u>Senate</u> retains current-year funding. <u>Conference</u> concurs with House 2.3% increase.		Restricted	255,156,000	5,868,600
		GF/GP	\$0	\$0
<b>4. County Revenue Sharing/County Incentive Program</b>		<b>Gross</b>	<b>\$221,415,500</b>	<b>\$5,092,600</b>
<u>Executive</u> includes \$6.6 million of sales tax revenue to increase county revenue sharing/county incentive program funding by 3.0%. Eligible counties would qualify for 105.277% of statutory full funding. County Incentive Program funding equals 20% of the estimated FY 2019-20 full funding amount. Of the total, \$545,000 accommodates the full-year cost of three counties (Antrim, Keweenaw, and Mackinac) that re-entered state revenue sharing in FY 2018-19. <u>House</u> includes increase of \$5.1 million (2.3%) of restricted sales tax revenue. Eligible counties would qualify for 104.5619% of statutory full funding. Of the total, \$545,000 accommodates the full-year cost of three counties (Antrim, Keweenaw, and Mackinac) that re-entered state revenue sharing in FY 2018-19. <u>Senate</u> includes \$545,000 of sales tax revenue to accommodate the full-year cost of three counties (Antrim, Keweenaw, and Mackinac) that re-entered state revenue sharing in FY 2018-19. <u>Conference</u> concurs with House 2.3% increase. Eligible counties would qualify for 104.5619% of statutory full funding, which equates to a 2.05% increase over FY 2018-19. Of the total, \$545,000 accommodates the full-year cost of three counties (Antrim, Keweenaw, and Mackinac) that re-entered state revenue sharing in FY 2018-19.		Restricted	221,415,500	5,092,600
		GF/GP	\$0	\$0
<b>5. Financially Distressed CVTs/Community Opportunities for Renewal Program</b>		<b>Gross</b>	<b>\$2,500,000</b>	<b>\$0</b>
<u>Executive</u> includes \$5.0 million for newly named Community Opportunities for Renewal program to replace the Financially Distressed CVTs program. Represents a \$2.5 million increase over FY 2018-19 appropriation for the Financially Distressed CVTs program. The newly named program would retain the basic framework of the Financially Distressed CVTs program but replace the current authorized expenditures with infrastructure repair, public safety, blight removal, and other community revitalization projects as specified functions of the program. <u>House</u> retains existing program and appropriation funding level. <u>Senate</u> retains funding but adopts Executive program change. <u>Conference</u> concurs with House.		Restricted	2,500,000	0
		GF/GP	\$0	\$0
<b>6. General Obligation Bond Debt Service</b>		<b>Gross</b>	<b>\$107,080,000</b>	<b>(\$2,745,000)</b>
<u>Executive</u> includes a net reduction of \$2.7 million GF/GP for general obligation bond debt service. The estimated baseline reduction in debt service would be partially offset with projected debt service increases associated with planned new issuances for Clean Michigan Initiative and Great Lakes Water Quality bonds. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.		GF/GP	\$107,080,000	(\$2,745,000)

<b>Major Budget Changes From FY 2018-19 YTD Appropriations</b>		<b>FY 2018-19 Year-to-Date (as of 3/5/19)</b>	<b>FY 2019-20 Enacted Change</b>	
<b>7. Medical Marihuana Excise Fund Grants</b>		<b>Gross</b>	<b>\$10,890,000</b>	<b>(\$10,890,000)</b>
<u>Executive</u> eliminates Medical Marihuana Excise Grants totaling \$10.9 million from the restricted Medical Marihuana Excise Fund. The 3% excise tax on provisioning center sales was eliminated under 2018 Initiated Law 1. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.		Restricted	10,890,000	(10,890,000)
		GF/GP	\$0	\$0
<b>8. Medical Marihuana Administration</b>		FTE	4.0	(4.0)
<u>Executive</u> reduces by \$601,400 of restricted Marihuana Regulatory Fund and 4.0 FTE positions. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.		<b>Gross</b>	<b>\$911,400</b>	<b>(\$601,400)</b>
		Restricted	911,400	(601,400)
		GF/GP	\$0	\$0
<b>9. Recreational Marihuana Grants for Locals</b>		<b>Gross</b>	<b>\$0</b>	<b>\$20,250,000</b>
<u>Executive</u> includes \$20.3 million from the Marihuana Regulation Fund for statutorily required grants to local units of government. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.		Restricted	0	20,250,000
		GF/GP	\$0	\$0
<b>10. Recreational Marihuana Administration</b>		FTE	0.0	16.0
<u>Executive</u> includes \$3.6 million of restricted Marihuana Regulation Fund and authorizes 16.0 FTE positions for administration and oversight of recreational marihuana pursuant to 2018 Initiated Law 1. <u>House</u> includes \$2.9 million of restricted Marihuana Regulation Fund and authorizes 12.0 FTE positions. The requested funding associated with marihuana administration IT costs was reduced by \$195,000 (25%) to match IT funding reductions throughout budget. <u>Senate</u> concurs with <u>Executive</u> on funding level but authorizes 1.0 FTE position for administration. <u>Conference</u> concurs with <u>Executive</u> .		<b>Gross</b>	<b>\$0</b>	<b>\$3,632,200</b>
		Restricted	0	3,632,200
		GF/GP	\$0	\$0
<b>11. Senior Citizen Cooperative Housing Tax Exemption Reimbursement</b>		<b>Gross</b>	<b>\$10,521,100</b>	<b>\$250,000</b>
<u>Executive</u> increases by \$250,000 GF/GP to provide full funding for two new facilities (Ingham and Saginaw Counties) that became eligible for reimbursements in FY 2018-19. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.		GF/GP	\$10,521,100	\$250,000
<b>12. Proposed Pass-Through Entity Business Tax Administration</b>		FTE	0.0	0.0
<u>Executive</u> includes \$2.0 million GF/GP and authorizes 11.0 FTE positions for administration and staffing needed to administer and implement the proposed business tax changes for pass-through business entities. <u>House</u> , <u>Senate</u> , and <u>Conference</u> do not include.		<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
		GF/GP	\$0	\$0
<b>13. Information Technology Cost Increases</b>		<b>Gross</b>	<b>\$36,207,600</b>	<b>\$1,450,000</b>
<u>Executive</u> includes \$1.5 million GF/GP to support increased costs related to the Unisys mainframe and servers utilized by the Department of Treasury for critical information technology systems. Other departments have ceased to use the Unisys mainframe and servers, thereby increasing the department's share of the overall costs. <u>House</u> includes funding but reduces by 25% to \$1.1 million GF/GP to align with IT reductions throughout budget. <u>Senate</u> and <u>Conference</u> concur with <u>Executive</u> .		IDG/IDT	400,000	0
		Federal	627,800	0
		Restricted	19,734,500	0
		GF/GP	\$15,445,300	\$1,450,000
<b>14. Michigan Finance Authority</b>		<b>Gross</b>	<b>\$26,097,700</b>	<b>\$300,000</b>
<u>Executive</u> includes \$300,000 of restricted MFA, bond and loan program revenue for increased expenditures related to information technology (IT) and IT legacy replacement, staffing costs, and attorney general services. <u>House</u> includes funding but reduces by 25% to \$225,000 to align with IT reductions throughout budget. <u>Senate</u> and <u>Conference</u> concur with <u>Executive</u> .		Federal	23,049,900	0
		Restricted	3,047,800	300,000
		GF/GP	\$0	\$0

<b>Major Budget Changes From FY 2018-19 YTD Appropriations</b>		<b>FY 2018-19 Year-to-Date (as of 3/5/19)</b>	<b>FY 2019-20 Enacted Change</b>
<b>15. Targeted General Fund Reductions</b>		<b>Gross</b>	<b>NA</b>
<u>Executive</u> reduces various line items by a total of \$650,100 GF/GP: Executive Direction (\$100,000), Supervision of General Property Tax Law (\$100,000), Tax Administration (\$100,000), Tax Compliance (\$250,000), Department Services (\$100,000), and Forensic Science Commission placeholder (\$100). <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.		GF/GP	NA (\$650,100)
<b>16. General Fund Reduction</b>		<b>Gross</b>	<b>NA</b>
<u>Senate</u> includes \$9.5 million GF/GP reduction by reducing line items that are supported with both GF/GP and delinquent tax collection revenue. <u>Conference</u> does not concur.		GF/GP	NA \$0
<b>17. Supervision of the General Property Tax Law – AD BOARD TRANSFER</b>		<b>Gross</b>	<b>\$18,894,500</b>
<u>House</u> reduces by \$3.1 million GF/GP to reflect administrative savings and work project availability and unrolls line item. <u>Senate</u> does not include reduction. <u>Conference</u> concurs with House on funding reduction and unrolls line item into 4 line items. <u>Ad Board</u> rolls 4 line items back into the Supervision of the General Property Tax Law line item. Transfers \$499,900 from Student Loan Refinancing Program Study (Item #20) to Supervision of the General Property Tax Law line item.		Local	140,000 0
		Restricted	3,600,400 0
		GF/GP	\$15,154,100 (\$2,600,100)
<b>18. Property Tax Assessor Training – PARTIALLY VETOED</b>		FTE	1.0 0.0
<u>Senate</u> includes \$1.0 million GF/GP to expand assessor training through the state. <u>Conference</u> concurs. <u>Veto</u> removes \$1.0 million GF/GP increase for property tax assessor training.		<b>Gross</b>	<b>\$1,043,100</b> <b>\$0</b>
		Restricted	0 0
		GF/GP	\$1,043,100 \$0
<b>19. Municipal Cost Sharing Grants – PARTIALLY VETOED</b>		<b>Gross</b>	<b>\$0</b>
<u>Conference</u> includes \$2.3 million GF/GP to support grants for the following purposes: city of Lansing security camera upgrades around Capitol Building (\$500,000), city of Lansing large special events at Capitol cost offset (\$500,000), and Dearborn 911 consolidation (\$1.3 million). <u>Veto</u> removes city of Lansing security camera upgrades around Capitol Building (\$500,000) and city of Lansing large special events at Capitol cost offset (\$500,000).		GF/GP	\$0 \$1,250,000
<b>20. Student Loan Refinancing Program Study – AD BOARD TRANSFER</b>		<b>Gross</b>	<b>\$0</b>
<u>Conference</u> provides \$500,000 GF/GP for a feasibility study related to a state student loan refinancing program. <u>Ad Board</u> transfers \$499,900 GF/GP to Supervision of the General Property Tax Law line item (Item #17).		GF/GP	\$0 \$100
<b>21. Payments in Lieu of Taxes – VETOED</b>		<b>Gross</b>	<b>\$27,351,600</b>
<u>Executive</u> maintains FY 2018-19 funding levels for payments in lieu of taxes (commercial forest reserve, purchased lands, and swamp and tax reverted lands). <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur. <u>Veto</u> removes appropriation for payments in lieu of taxes.		Private	27,500 (27,500)
		Restricted	5,332,900 (5,332,900)
		GF/GP	\$21,991,200 (\$21,991,200)
<b>22. Millionaire Party Regulation</b>		<b>Gross</b>	<b>NA</b>
<u>Senate</u> includes \$3.0 million restricted State Lottery Fund to support regulation and oversight of millionaire parties offered through the Bureau of State Lottery charitable gaming. <u>Senate</u> moves funding from boilerplate allocation to a line-item appropriation (no change to overall program). <u>Conference</u> concurs.		Restricted	NA NA \$3,000,000
		GF/GP	NA NA \$0

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
<b>Major Budget Changes From FY 2018-19 YTD Appropriations</b>			
<b>23. Wrongful Imprisonment Compensation Fund</b>	<b>Gross</b>	<b>\$1,500,000</b>	<b>\$8,500,000</b>
<u>Executive</u> includes \$10.0 million GF/GP deposit (considered one-time) into the Wrongful Imprisonment Compensation Fund. This represents an \$8.5 million GF/GP increase from the FY 2018-19 appropriation included in 2018 PA 618. <i>NOTE: The FY 2018-19 supplemental request 2019-4 includes a \$10.0 million GF/GP deposit in the Wrongful Imprisonment Compensation Fund for payments anticipated in FY 2018-19.</i> <u>House</u> concurs on Gross funding of \$10.0 million but appropriates with \$5.0 million GF/GP and \$5.0 million of the Lawsuit Settlement Proceeds Fund. <u>Senate</u> concurs with Executive. <u>Conference</u> concurs with House.	Restricted	0	5,000,000
	GF/GP	\$1,500,000	\$3,500,000
<b>24. Removal of Other One-Time Appropriations</b>	<b>Gross</b>	<b>\$7,163,000</b>	<b>(\$7,163,000)</b>
<u>Executive</u> eliminates \$7.2 million GF/GP of FY 2018-19 appropriations considered one-time: Beat the Streets (\$100,000), Courageous Cadets (\$50,000), Drinking Water Declaration of Emergency Contingency Fund Transfer (\$5.6 million), Financial Data Analytic Tool Reimbursement (\$500,000), and Urban Search and Rescue (\$900,000). <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	Restricted	5,613,000	(5,613,000)
	GF/GP	\$1,550,000	(\$1,550,000)
<b>25. Raise the Age Fund</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
<u>Senate</u> includes \$100 GF/GP as a placeholder for a deposit into the Raise the Age Fund in accordance with Senate Bill 102. <u>Conference</u> does not include.	GF/GP	\$0	\$0
<b>26. Economic Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>\$3,297,700</b>
Reflects increased costs of \$3.3 million Gross (\$610,600 GF/GP) for negotiated salary and wage increases (2.0% ongoing, 2.0% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>Conference</u> include.	IDG/IDT	NA	125,300
	Federal	NA	114,500
	Local	NA	80,100
	Restricted	NA	2,367,200
	GF/GP	NA	\$610,600
<b>27. Administrative Efficiencies</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>House</u> reduces operational funding throughout the budget, reflecting a 3% reduction to be achieved through administrative efficiencies. <u>Senate</u> and <u>Conference</u> do not include reductions.	IDG/IDT	NA	0
	Federal	NA	0
	Local	NA	0
	Restricted	NA	0
	GF/GP	NA	\$0
<b>28. Information Technology Reduction</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>House</u> reduces funding available for information technology services and projects by 25%. Reductions include Department of Treasury, Lottery, and Michigan Gaming Control Board IT line items. <u>Senate</u> and <u>Conference</u> do not include reductions.	IDG/IDT	NA	0
	Federal	NA	0
	Local	NA	0
	Restricted	NA	0
	GF/GP	NA	\$0

### **Major Boilerplate Changes From FY 2018-19**

#### **Sec. 901. Contingency Funds – REVISED**

Appropriates up to \$1.0 million in federal, \$10.0 million in state restricted, \$200,000 in local, and \$40,000 in private contingency funds; authorizes expenditure after legislative transfer to specific line items. Senate deletes section. Conference reduces federal, local, and private contingency fund authorizations by 50%.

#### **Sec. 902a. Notification of Bond Refinancing and Restructuring – RETAINED**

Requires Department of Treasury to report, within 30 days after a new refinancing or restructuring bond sale, on the annual debt service changes, change in principal and interest over duration of the debt, and projected change in present value of the debt service due to refinancing. Executive deletes. House, Senate, and Conference retain current law.

## **Major Boilerplate Changes From FY 2018-19**

### **Sec. 903. Tax Collection Contracts – REVISED**

Authorizes the department to contract with private collection agencies and law firms to collect taxes, accounts due the state, defaulted student loans, and accounts due to Michigan guaranty agencies; provides funds for collection costs and fees; requires report of agencies used, amounts collected, cost of collection, and other information. Requires amounts appropriated for defaulted student loan collections to equal no more than 24.34% of the amount collected or a lesser amount prescribed in the contract. Requires department to issue an RFP for a secondary placement collections program. Allows for a multiple contract approach for a bidder to bid on a part or the entirety of the contract for primary and secondary collections. Executive and Senate revise to eliminate requirement that department issue an RFP for a secondary placement collections program. House revises RFP requirement to state that an RFP shall be issued for secondary placement collections if the department issues an RFP for collection services. Removes language that provides guidelines for issuing RFP, as no RFP is planned to be issued in FY 2019-20. Conference concurs with House.

### **Sec. 907b. Property Tax Assessor Training Enhancement – NEW (VETOED)**

Requires \$1.0 million of increased funds appropriated in part 1 for property tax assessor training to be used to expand in-person training through the state in at least each regional prosperity zone. Senate includes as new section. Conference concurs with Senate.

### **Sec. 920. Personal Property Tax Reimbursement Reporting – REVISED**

Requires the department to produce a listing of all personal property tax reimbursement payments to be distributed by the Local Community Stabilization Authority related to property taxes levied in the current calendar year. Requires listing to be posted on the department website by September 30. Requires notice describing adjustments in personal property tax reimbursements that will affect the subsequent payment. Provides that the notice shall be distributed to all municipalities. Executive and Senate revise by removing the requirement that the department provide a notice describing adjustments to all municipalities. House retains current law. Conference concurs with Executive and Senate.

### **Sec. 927. Personal Property Tax Audits – RETAINED**

Requires the department to submit annual progress reports regarding personal property tax and essential service assessment audits. Executive and Senate delete. House retains current law. Conference concurs with House.

### **Sec. 934. Expending of Authority Revenues – RETAINED**

Authorizes the department to expend revenues under various authorities for operation expense and grants to Civil Service Commission and State Employees' Retirement Fund; requires department to maintain records to facilitate reimbursement. Executive revises by removing reporting requirement. House, Senate, and Conference retain current law.

### **Sec. 936. Financial Data Analytical Tool Guidance – REVISED**

Requires appropriation to be used for reimbursing counties, cities, villages, townships, and regional councils of government for the cost of a data analytical tool that provides financial data analysis and early warning analysis from a vendor approved by DTMB in FY 2017-18. Allows for proration of available funds. Provides work project authorization for any unexpended funds. Executive and House delete section. Senate revises section to require the department to maintain and continue the data analytic tool work project. Conference concurs with Senate.

### **Sec. 940. Principal Residence Exemption Administration Feasibility Study – DELETED**

Requires the department to study the feasibility of requiring homeowners to file principal residence exemption documents directly with the department. Executive, House, Senate, and Conference delete section.

### **Sec. 943. Medical Marijuana Closed-Loop Payment System – DELETED**

Authorizes the department to establish a closed-loop payment processing and digital patient identification delivery and authentication system under which the department creates accounts to be used only by registered participants. Executive, House, Senate, and Conference delete section.

### **Sec. 949g. Urban Search and Rescue Task Force – DELETED**

Allocates \$900,000 to the urban search and rescue task force. Requires the task force to provide reports on FY 2017-18 revenues and expenditures, proposed FY 2018-19 grant expenditures, and a final report on FY 2018-19 grant expenditures. Executive, House, Senate, and Conference delete section.

### **Sec. 949i. Request for Proposals for OPEB Oversight and Transformational Brownfield Program – DELETED**

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

## **Major Boilerplate Changes From FY 2018-19**

### **Sec. 949m. Grants for Security Measures Around Capitol – NEW (PARTIALLY VETOED)**

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. Conference includes as new section. Veto removes \$500,000 for Lansing security camera upgrades and \$500,000 for reimbursement to Lansing for costs associated with large special events that occur at the Michigan Capitol Building.

### **Sec. 949n. Student Loan Refinancing Program Study – NEW (AD BOARD TRANSFER)**

Requires the department to conduct a feasibility study concerning the implementation of a student loan refinancing program. Conference includes as new section. Ad Board transfers all but \$100 in the associated line item.

## **REVENUE SHARING**

### **Sec. 951. Supplemental Constitutional Revenue Sharing Grants – NOT INCLUDED**

Requires funds appropriated in part 1 for supplemental constitutional revenue sharing grants to be distributed to all CVTs in the same manner as constitutional revenue sharing. House includes as new section. Senate and Conference do not include.

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

Specifies distribution of \$248.8 million to all CVTs that received a payment under Section 950(2) of 2009 PA 128 greater than \$1,000. Eligible payment is equal to 78.51044% of its total payment received under Section 950(2) of 2009 PA 128 or, for a CVT with a population in excess of 7,500, notwithstanding whether it received a payment greater than \$1,000 under Section 950(2) of 2009 PA 128, a payment equal to the population of the CVT multiplied by \$2.64659, whichever is greater. In order to qualify for its eligible payment, a CVT is required to comply with the items listed under accountability and transparency. To qualify for a 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 Financially Distressed CVTs program in Sec. 956, subject to approval of transfers. Executive revises to specify that an eligible CVT is eligible to qualify for 103% of its FY 2018-19 payment. House revises to specify that an eligible CVT is eligible to qualify for 102.3% of its FY 2018-19 payment. Includes new subsection that 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 considered to be 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.) Senate maintains current-year funding. Conference concurs with House.

### **Sec. 955. County Revenue Sharing Payments – REVISED**

Requires the county revenue sharing appropriation to be distributed so that each eligible county receives a payment (when coupled with the County Incentive Program payment) equal to 102% of the amount determined pursuant to the Glen Steil State Revenue Sharing Act. Executive revises to specify that each county receives a payment equal to 105.277% of statutory full funding. House revises to specify that each county receives a payment equal to 104.5619% of statutory full funding. Includes new subsection that 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 considered to be 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.) Senate revises to specify that each county receives a payment equal to 102.4627% of full funding, which effectively maintains current-year funding. Conference concurs with House.

### **Sec. 956. Financially Distressed Cities, Villages, and Townships – RETAINED**

Specifies distribution of \$2.5 million as grants to CVTs that have one or more conditions of probable financial distress. CVTs must work with Treasury to develop plan for grant funding, and grants must be used for specific projects or services that move the CVT toward financial stability (reduce unfunded liability, repair or replace critical infrastructure/equipment, reduce debt obligations, pay costs associated with moving to shared services, or other projects that move the local unit toward financial stability). Grants are capped at \$2.0 million. Funds are designated as work project. Requires report. Executive revises by renaming program the Community Opportunities for Renewal and restructuring the purpose of the program to require that grants be used for critical infrastructure and equipment, public safety enhancements, blight removal, or other community revitalization projects. Funds program at \$5.0 million. House retains current law and funding amount. Senate concurs with Executive on renaming and restructuring of program. Funds program at \$2.5 million. Conference concurs with House.

### **Sec. 957. Supplemental City, Village, and Township Revenue Sharing – DELETED**

Specifies distribution of \$6.2 million to support supplemental revenue sharing payments. Payments would be provided to CVTs on a per capita basis equal to \$0.807929 per person. Funds must be used to pay down debt, pension, or other postemployment benefit obligations, unless the local unit has no such debt obligations. Executive, House, Senate, and Conference delete section.

## **Major Boilerplate Changes From FY 2018-19**

### ***Sec. 958. Supplemental County Revenue Sharing – DELETED***

Requires \$1.0 million appropriated for Supplemental County Revenue Sharing to be distributed to each eligible county in an amount equal to 0.4627% of full funding for each county under the Glenn Steil State Revenue Sharing Act. Requires funds to be used to pay debt, pension, and OPEB obligations, unless the local unit has no such debt obligations. Executive, House, Senate, and Conference delete section.

## **TREASURY – BUREAU OF STATE LOTTERY**

### ***Sec. 964. Promotion and Advertising Appropriation – RETAINED***

Appropriates 1% of the Bureau of State Lottery's prior fiscal year's gross sales for promotion and advertising. House revises to permit 1% of the prior fiscal year's gross sales or \$20.0 million, whichever is less, for promotion and advertising. Senate and Conference retain current law.

## **TREASURY – MICHIGAN GAMING CONTROL BOARD**

### ***Sec. 978. Racing Commission Regulatory Changes – RETAINED***

Requires the Michigan Gaming Control Board (MGCB) to determine the actual regulatory costs of conducting race dates; limits reimbursement to actual expenses; and specifies that, in the case of reduced revenues, race dates can be reduced, after consultation with certified horsemen's organizations. Executive revises by removing language stating that if a certified horsemen's organization funds more than the actual regulatory cost, the balance shall remain in the Agriculture Equine Industry Development Fund to fund subsequent race dates. Also strikes language stating that if a horsemen's organization funds less than the actual regulatory costs of the additional horse racing dates, the MGCB shall reduce the number of future race dates conducted by race meeting licensees with which the certified horsemen's organization has contracts. House, Senate, and Conference retain current law.

# FY 2019-20: DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY

## Summary: Enacted with Vetoes and Ad Board Transfers Public Act 56 of 2019, Senate Bill 138



Analyst: Ben Gielczyk

	FY 2018-19 YTD as of 3/5/19	FY 2019-20 Executive	FY 2019-20 House	FY 2019-20 Senate	FY 2019-20 Enacted	Difference: Enacted From FY 2018-19 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	--
<b>Federal</b>	762,645,800	762,145,800	760,754,900	762,145,800	762,145,800	(500,000)	(0.1)
<b>Local</b>	500,000	500,000	500,000	500,000	500,000	0	0.0
<b>Private</b>	5,621,700	5,628,300	5,614,600	5,628,300	5,628,300	6,600	0.1
<b>Restricted</b>	205,432,300	175,074,600	205,922,800	193,074,600	146,164,800	(59,267,500)	(28.9)
<b>GF/GP</b>	286,546,300	144,908,300	63,554,900	145,908,400	97,794,200	(188,752,100)	(65.9)
<b>Gross</b>	<b>\$1,260,746,100</b>	<b>\$1,088,257,000</b>	<b>\$1,036,347,200</b>	<b>\$1,107,257,100</b>	<b>\$1,012,233,100</b>	<b>(\$248,513,000)</b>	<b>(19.7)</b>
FTEs	1,456.0	1,456.0	1,456.0	1,456.0	1,456.0	0.0	0.0

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

### Overview

As structured in the FY 2019-20 budget bill, the Department of Labor and Economic Opportunity (DLEO) includes the Michigan Strategic Fund (MSF), Talent Investment Agency (TIA), Workforce Development Agency, Unemployment Insurance Agency, Land Bank Fast Track Authority, and Michigan State Housing Development Authority (MSHDA). Collectively, DLEO includes programs and resources designed to increase job creation, job preparedness, job training, and economic development and create and preserve safe and affordable housing in the State of Michigan.

### Major Budget Changes From FY 2018-19 YTD Appropriations

#### 1. Pure Michigan – VETOED

Executive reduces by \$5.0 million Gross (\$1.0 million GF/GP). This includes a shift of \$4.0 million in state restricted 21<sup>st</sup> Century Jobs Trust Fund to Business Attraction and Community Revitalization to realize GF/GP savings. House reduces by \$4.0 million (\$1.0 million GF/GP). Senate increases by \$1.5 million Gross and reduces by \$500,000 GF/GP for a total appropriation of \$37.5 million. (Note: Section 453 of the boilerplate allocates \$500,000 of the total for last dollar use for hosting a conference for a national council that receives dues from this state.) Conference concurs with Senate. Boilerplate allocating \$500,000 to state government conference is included as Section 1053. Veto removes Pure Michigan line item.

	FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
<b>Gross</b>	<b>\$36,000,000</b>	<b>(\$37,500,000)</b>
Restricted	35,000,000	(31,000,000)
GF/GP	\$1,000,000	(\$6,500,000)

#### 2. Business Attraction and Community Revitalization

Executive replaces \$4.0 million GF/GP with a corresponding amount of 21<sup>st</sup> Century Jobs Trust Fund transferred from the Pure Michigan line item for a net change of \$0 Gross. House includes \$3.0 million GF/GP replacement with corresponding amount of 21<sup>st</sup> Century Jobs Trust Fund and reduces line item by an additional \$55.6 million GF/GP. Senate reduces by \$2.8 million Gross (\$3.5 million GF/GP). Replaces \$750,000 GF/GP with corresponding amount of 21<sup>st</sup> Century Jobs Trust Fund. Conference reduces by \$26.0 million Gross (\$30.0 million GF/GP). (See also Item #3.)

	FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
<b>Gross</b>	<b>\$105,379,900</b>	<b>(\$26,000,000)</b>
Restricted	23,600,000	4,000,000
GF/GP	\$81,779,900	(\$30,000,000)



<b>Major Budget Changes From FY 2018-19 YTD Appropriations</b>		<b>FY 2018-19 Year-to-Date (as of 3/5/19)</b>	<b>FY 2019-20 Enacted Change</b>
<b>3. Rural Job and Capital Investment Fund – VETOED</b>		<b>Gross</b>	<b>\$0</b>
<u>Conference</u> includes \$10.0 million deposit into the Rural Jobs and Capital Investment Fund. Funds are appropriated in the Business Attraction and Community Revitalization line item and allocated in Section 1048 of the boilerplate. <u>Veto</u> removes \$10.0 million GF/GP appropriation included in Section 1048.		GF/GP	\$0
<b>4. Going Pro – VETOED</b>		<b>Gross</b>	<b>\$36,418,800</b>
<u>Executive</u> reduces program funding by \$8.5 million Gross. Replaces \$25.9 million state restricted Contingent Fund, Penalty and Interest Account funding with a corresponding amount of GF/GP for a total Going Pro appropriation of \$27.9 million GF/GP. <u>House</u> concurs with Gross funding amount (\$27.9 million) but funds entire line item with Contingent Fund, Penalty and Interest Account. <u>Senate</u> retains current-year funding and removes earmark of \$1.5 million for Graduation Alliance, for an effective increase in Going Pro of \$1.5 million. Replaces \$15.9 million Contingent Fund, P&I with corresponding amount of GF/GP. Deposits all funds in the Going Pro Talent Fund. <i>Note: \$1.5 million of FY 2018-19 Going Pro total was allocated through Section 1070 to Graduation Alliance (see Item #12 and Section 1070).</i> <u>Conference</u> includes \$92,100 Gross increase (reduction of \$1.9 million GF/GP). <i>Note: Appropriation bill line item appropriation includes \$750,000 GF/GP to support Graduation Alliance (see item #12 below).</i> <u>Veto</u> removes Going Pro line item (see also Items #12 and #22).		Restricted	25,918,800
		GF/GP	\$10,500,000
			<b>(\$36,509,000)</b>
			(30,172,100)
			(\$6,336,900)
<b>5. Entrepreneurship Eco-System</b>		<b>Gross</b>	<b>\$18,900,000</b>
<u>Executive</u> removes \$2.5 million GF/GP of one-time funds. <u>House</u> concurs with Executive. <u>Senate</u> concurs with Executive and removes \$2.5 million GF/GP of one-time funds. Reduces ongoing funding by an additional \$2.8 million 21 <sup>st</sup> Century Jobs Trust Fund. <u>Conference</u> concurs with Executive.		Restricted	16,400,000
		GF/GP	\$2,500,000
			<b>(\$2,500,000)</b>
			0
<b>6. Community Ventures – AD BOARD TRANSFER</b>		<b>Gross</b>	<b>\$4,000,000</b>
<u>Executive</u> eliminates Community Ventures program totaling \$4.0 million from the state restricted Contingent Fund, Penalty and Interest Account. <u>House</u> concurs. <u>Senate</u> retains current-year appropriations for program. <u>Conference</u> reduces funding by \$3.0 million. <u>Ad Board</u> transfers \$999,900 Contingent Fund, Penalty and Interest to Workforce Development Programs line item to assist Healthy Michigan Plan enrollees in meeting statutory work requirements.		Restricted	4,000,000
		GF/GP	\$0
			<b>(\$3,999,900)</b>
			(3,999,900)
			\$0
<b>7. At-Risk Youth Grants – AD BOARD TRANSFER</b>		<b>Gross</b>	<b>\$3,000,000</b>
<u>Executive</u> eliminates program grant for Jobs for Michigan Graduates totaling \$3.0 million from the state restricted Contingent Fund, Penalty and Interest Account. <u>House</u> includes \$3.8 million GF/GP for Jobs for Michigan Graduates program. <u>Senate</u> increases by \$1.0 million Contingent Fund, P&I, for a gross appropriation of \$4.0 million. <u>Conference</u> concurs with House. <u>Ad Board</u> transfers \$3.7 million GF/GP to Workforce Development Programs line item to assist Healthy Michigan Plan enrollees in meeting statutory work requirements.		Restricted	3,000,000
		GF/GP	\$0
			<b>(\$3,749,900)</b>
			0
			(\$3,749,900)

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
<b>Major Budget Changes From FY 2018-19 YTD Appropriations</b>			
<b>8. Van Andel Institute – AD BOARD TRANSFER</b>	<b>Gross</b>	<b>\$1,000,000</b>	<b>(\$1,000,000)</b>
<u>Executive</u> eliminates \$1.0 million GF/GP that supported program grant to the Van Andel Institute. <u>House</u> retains \$1.0 million GF/GP for Van Andel Institute grant but appropriates funds in the Entrepreneurship Eco-System line item. Section 1047 of boilerplate specifies distribution of \$1.0 million of Entrepreneurship Eco-System line item to Van Andel Institute. <u>Senate</u> concurs with Executive. <u>Conference</u> concurs with House on funding amount, but includes in Michigan Enhancement Grants line item and allocates through Section 1047. <u>Ad Board</u> transfers \$1.0 million GF/GP to Workforce Development Programs line item to assist Healthy Michigan Plan enrollees in meeting statutory work requirements.	GF/GP	\$1,000,000	(\$1,000,000)
<b>9. Michigan Film Promotion Fund</b>	<b>Gross</b>	<b>\$402,200</b>	<b>(\$402,200)</b>
<u>House</u> removes \$402,200 of restricted Michigan Film Promotion Fund. <u>Senate</u> does not include. <u>Conference</u> concurs with House.	Restricted	402,200	(402,200)
	GF/GP	\$0	\$0
<b>10. Protect and Grow – AD BOARD TRANSFER</b>	<b>Gross</b>	<b>\$0</b>	<b>\$100</b>
<u>Conference</u> includes \$1.0 million for Protect and Grow program related to Michigan’s defense and homeland security businesses. <u>Ad Board</u> transfers \$999,900 GF/GP to Workforce Development Programs line item to assist Healthy Michigan Plan enrollees in meeting statutory work requirements.	GF/GP	\$0	\$100
<b>11. Enhancement Grants – AD BOARD TRANSFER</b>	<b>Gross</b>	<b>NA</b>	<b>\$100</b>
<u>House</u> includes \$100 placeholders for the following grants in the Michigan Strategic Fund: Arab American National Museum (\$100), Charles H. Wright Museum of African American History (\$100), the Holocaust Memorial Center (\$100), and Michigan business incubator development grant (\$100). <u>Senate</u> includes \$100 placeholder for Sloan Museum grant. <u>Conference</u> includes \$1.8 million GF/GP for the following three grants: Western Upper Peninsula workforce development association retirement shortfall (\$971,000), Electronic Recording Commission grants (\$166,000), and Center for Employment Opportunities (\$662,000). <i>Note: Includes in Michigan Enhancement Grants line item and allocates through Section 1047.</i> <u>Ad Board</u> transfers \$1.8 million GF/GP to Workforce Development Programs line item to assist Healthy Michigan Plan enrollees in meeting statutory work requirements.	GF/GP	NA	\$100
		NA	\$100
<b>12. Graduation Alliance – VETOED</b>	<b>Gross</b>	<b>\$1,500,000</b>	<b>(\$1,500,000)</b>
<u>Executive</u> removes \$1.5 million grant for the Graduation Alliance appropriated and allocated in the Going Pro line item. <u>House</u> includes \$742,200 GF/GP in the Going Pro line item to support a program to assist adults over the age of 23 in obtaining high school diplomas and placement in career training programs. This represents a \$757,800 GF/GP reduction from FY 2018-19. <u>Senate</u> concurs with Executive by removing funding. <u>Conference</u> includes \$750,000 for Graduation Alliances. Funds are included in the Going Pro line item and allocated by Section 1070. <u>Veto</u> removes appropriation totaling \$750,000 GF/GP (funding was appropriated from Going Pro line item).	GF/GP	\$1,500,000	(\$1,500,000)
<b>13. Land Bank Fast Track Authority</b>	FTE	9.0	0.0
<u>Executive</u> replaces \$1.5 million GF/GP with a corresponding amount of state restricted Land Bank Fast Track Fund revenues for a net change of \$0 Gross. Improved revenue generation from land bank operations has resulted in improved Land Bank Fast Track Fund revenues. <u>House</u> replaces all GF/GP funding (including FY 2019-20 economics adjustment totaling \$15,100 GF/GP) with corresponding amount of Land Bank Fast Track Fund for net change of \$0 Gross. <u>Senate</u> concurs with Executive. <u>Conference</u> concurs with House.	<b>Gross</b>	<b>\$4,125,700</b>	<b>\$0</b>
	Federal	1,000,000	0
	Restricted	148,400	2,992,400
	GF/GP	\$2,977,300	(\$2,992,400)

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Enacted Change
<b>Major Budget Changes From FY 2018-19 YTD Appropriations</b>			
<b>14. Blight Removal Grants – AD BOARD TRANSFER</b>	<b>Gross</b>	<b>\$350,000</b>	<b>(\$349,900)</b>
<u>Executive</u> eliminates Rural Blight Elimination program. <u>House</u> includes \$350,100 GF/GP, which reflects a \$100 increase over current year to reflect the inclusion of a placeholder for blight elimination in the city of Detroit. <u>Senate</u> concurs with Executive. <u>Conference</u> increases rural blight elimination grants by \$150,000 GF/GP to a total of \$500,000 GF/GP split between rural blight elimination (\$250,000) and city of Detroit projects performed by nonprofits (\$250,000). <u>Ad Board</u> transfers \$499,900 GF/GP to Workforce Development Programs line item to assist Healthy Michigan Plan enrollees in meeting statutory work requirements.	GF/GP	\$350,000	(\$349,900)
<b>15. High School Equivalency-to-School</b>	<b>Gross</b>	<b>\$0</b>	<b>\$250,000</b>
<u>House</u> includes \$525,000 GF/GP to support a high school equivalency reimbursement program for individuals meeting certain qualifications. <u>Senate</u> does not include. <u>Conference</u> includes \$250,000 GF/GP.	GF/GP	\$0	\$250,000
<b>16. Other One-Time Appropriations</b>	<b>Gross</b>	<b>\$147,450,600</b>	<b>(\$147,450,600)</b>
<u>Executive</u> removes FY 2018-19 one-time appropriations totaling \$151.3 million Gross (\$151.3 million GF/GP). One-time appropriations supported the following items: Michigan Enhancement Grants (\$113.5 million); Business Attraction and Community Revitalization (\$20.0 million); Northern MI Tourism and Sports Fund (\$10.0 million); Workforce Development GEAR UP grants replacement (\$2.0 million); Arts and Cultural Grants (\$1.0 million); Project Rising Tide (\$1.0 million); and Drinking Water Declaration of Emergency (\$100). <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	Restricted	100	(100)
	GF/GP	\$147,450,500	(\$147,450,500)
<b>17. Workforce Development Programs – AD BOARD TRANSFER</b>	<b>Gross</b>	<b>\$381,556,600</b>	<b>\$9,048,500</b>
<u>Ad Board</u> transfers \$9.0 million Gross (\$8.0 million GF/GP) to assist Healthy Michigan Plan enrollees in meeting statutory work requirements. Funds are transferred from the following appropriations:	Federal	365,858,200	0
<ul style="list-style-type: none"> <li>Protect and Grow (Item #10).</li> <li>Michigan Enhancement Grants (Item #11).</li> <li>Van Andel Institute (Item #8).</li> <li>At-Risk Youth Grants (Item #7).</li> <li>Community Ventures (Item #6).</li> <li>Blight Removal Grants (Item #14).</li> </ul>	Local	500,000	0
	Private	3,796,400	0
	Restricted	10,000,000	999,900
	GF/GP	\$1,402,000	\$8,048,600
<b>18. MSHDA Fee Authorization Increase for Attorney General Costs</b>	<b>Gross</b>	<b>\$45,043,500</b>	<b>\$335,500</b>
<u>Executive</u> includes \$335,500 of restricted MSHDA fees and charges for additional attorney general legal services. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	Restricted	45,043,500	335,500
	GF/GP	\$0	\$0
<b>19. DTED Reorganization</b>	<b>FTE</b>	<b>17.0</b>	<b>0.0</b>
<u>Executive</u> includes a net zero reorganization of \$3.4 million and 17.0 FTE positions to reflect movement of organizational responsibilities. <u>House</u> concurs. <u>Senate</u> concurs; unrolls Michigan Works! funding and includes as stand-alone line item (net \$0 change). <u>Conference</u> concurs with Executive.	<b>Gross</b>	<b>\$3,365,400</b>	<b>\$0</b>
	Federal	3,112,800	0
	Restricted	252,600	0
	GF/GP	\$0	\$0
<b>20. General Fund Replacement – Talent Investment Agency</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>House</u> replaces \$3.5 million GF/GP with a corresponding amount of Contingent Fund, Penalty and Interest Account funds. <u>Senate</u> does not include. <u>Conference</u> concurs with House.	Restricted	NA	3,475,600
	GF/GP	NA	(\$3,475,600)
<b>21. Fund Source Realignment</b>	<b>Gross</b>	<b>NA</b>	<b>(\$2,233,000)</b>
<u>Executive</u> includes a \$2.2 million reduction of federal fund authorization to align revenue sources with anticipated revenues and remove defined calculations/economics adjustments from federal funds that cannot absorb the economic increase. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	Federal	NA	(2,185,100)
	Restricted	NA	(47,900)
	GF/GP	NA	\$0

<b><u>Major Budget Changes From FY 2018-19 YTD Appropriations</u></b>		<b><u>FY 2018-19 Year-to-Date (as of 3/5/19)</u></b>	<b><u>FY 2019-20 Enacted Change</u></b>
<b>22. Economics Adjustments – PARTIALLY VETOED</b>		<b>Gross</b>	<b>NA</b>
Reflects increased costs of \$2.7 million Gross (\$243,700 GF/GP) for negotiated salary and wage increases (2.0% ongoing, 2.0% lump sum), actuarially required retirement contributions, worker’s compensation, building occupancy charges, and other economic adjustments. <u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur. <u>Veto</u> strikes \$1,900 GF/GP associated with Going Pro economic adjustments.		Federal	1,685,100
		Private	6,600
		Restricted	773,600
		GF/GP	\$241,800
<b>23. Administrative Efficiencies</b>		<b>Gross</b>	<b>NA</b>
<u>House</u> reduces operational funding throughout the budget, reflecting a 3% reduction to be achieved through administrative efficiencies. <u>Senate</u> and <u>Conference</u> do not include.		Federal	0
		Private	0
		Restricted	0
		GF/GP	\$0
<b>24. Information Technology Reduction</b>		<b>Gross</b>	<b>\$3,625,100</b>
<u>House</u> reduces funding available for MSHDA information technology services and projects by 25%. <u>Senate</u> and <u>Conference</u> do not include.		Restricted	3,625,100
		GF/GP	\$0

**Major Boilerplate Changes From FY 2018-19**

*NOTE: Senate renumbers boilerplate due to the removing of the budget from General Government.*

**Sec. 980. Contingency Funds – REVISED**

Appropriates \$30.0 million in federal contingency funds, \$10.0 million in state restricted contingency funds, \$2.0 million in private contingency funds, and \$2.0 million in local contingency funds. Senate deletes section. Conference reduces authorizations by 50%.

**Sec. 983. Broadband Bonding Prohibition – REVISED (UNENFORCEABLE)**

Prohibits MSF and MSHDA from issuing or refinancing bonds for broadband construction, expansion, repairs, or upgrades. *NOTE: Governor indicated Section 983 is considered unenforceable in his signing letter for enacted FY 2018-19 budget.* Executive deletes section. House retains current law. Senate retains and revises language to prohibit the use of funds for broadband construction, expansion, repairs, or upgrades. Conference concurs with Senate. (*Signing letter states section is unenforceable*)

**Sec. 984. SIGMA System Reporting – RETAINED**

Requires MSF to use SIGMA to report encumbrances and expenditures. Executive deletes section. House, Senate, and Conference retain section.

**DLEO – MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**

**Sec. 990. Michigan State Housing Development Authority Annual Report – RETAINED**

Requires MSHDA to annually present a report on the status of the authority’s housing production goals under all financing programs. Executive deletes section. House, Senate, and Conference retain section.

**Sec. 991. Contractors Assistance Program – NOT INCLUDED**

Requires MSHDA to fund and operate a Contractors Assistance Program for women and minority contractors. House includes as new section. Executive, Senate, and Conference do not include.

**Sec. 996. Landlord Risk Mitigation Program – NOT INCLUDED**

Requires MSHDA to allocate \$500,000 of the funds appropriated for housing and rental assistance to a landlord risk mitigation program that provides matching grants to local units of government or nonprofit landlord risk management programs aimed at preventing homelessness. Requires MSHDA to develop and publish guidelines. Designates funds as a work project with a tentative completion date of September 30, 2024. House includes as a new section. Executive, Senate, and Conference do not include.

## **Major Boilerplate Changes From FY 2018-19**

### **Sec. 998. Blight Removal Grants – NEW (AD BOARD TRANSFER)**

Requires \$350,100 appropriated in part 1 for Blight Removal Grants to be allocated in the following manner: (1) \$350,000 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) \$100 awarded to blight removal projects in the city of Detroit. House includes as a new section. Executive and Senate do not include. Conference concurs with House inclusion of rural blight elimination program, but appropriates \$500,000 split between rural blight elimination (\$250,000) and city of Detroit projects performed by nonprofits (\$250,000). Ad Board transfers all but \$100 of associated line item to Workforce Development Programs for Healthy Michigan work requirement assistance.

## **DLEO – MICHIGAN STRATEGIC FUND**

### **Sec. 1004. Statutory Reporting Requirements Update – RETAINED**

Requires MSF to provide information included in the MSF Act annual activities report to legislature by March 15. Executive deletes section. House, Senate, and Conference retain section.

### **Sec. 1006. Business Incentive and Community Revitalization Grant Amendment Reporting – RETAINED**

Requires MSF to provide a report of prior year amendments to Michigan Business Development Program and Michigan Community Revitalization Program incentives by March 15. Executive deletes section. House, Senate, and Conference retain section.

### **Sec. 1024. Business Attraction and Community Revitalization – REVISED**

Requires that not less than \$20.0 million of the funds appropriated in part 1 be used for brownfield redevelopment incentives and historic preservation incentives. House revises to require not less than 20% of the funds appropriated in part 1 be used for brownfield redevelopment and historic preservation incentives. Executive and Senate retain section. Conference concurs with House.

### **Sec. 1033. Film and Digital Media Office Status Report – RETAINED**

Requires annual activities report from the Michigan Film and Digital Media Office. The report must include a listing of all projects that received assistance from the office, a listing of the services provided for each project, and an estimate of the investment leveraged. Executive deletes section. House, Senate, and Conference retain section.

### **Sec. 1041. Business Attraction and Community Revitalization Transfer of Funds – RETAINED**

Requires MSF to request not more than 60% of the funds appropriated for Business Attraction and Community Revitalization prior to April 1. Executive deletes section. House, Senate, and Conference retain current law.

### **Sec. 1047. Michigan Strategic Fund – Grants – DELETED**

Specifies individual grants included in the MSF - Grant line item totaling \$1.4 million GF/GP: Van Andel Institute (\$1.0 million GF/GP) and Rural Blight Removal (\$350,000 GF/GP). Executive, House, Senate, and Conference delete section.

### **Sec. 1047. Entrepreneurship Eco-System Allocation Grant – NOT INCLUDED**

Requires \$1.0 million of the amount appropriated for Entrepreneurship Eco-System to be allocated to the Van Andel Institute. House includes as new section. Executive, Senate, and Conference do not include.

### **Sec. 447. Michigan Enhancement Grants – NOT INCLUDED**

Requires \$100 of funds appropriated in part 1 to be awarded to the Sloan Museum. Senate includes as new section. Conference does not include.

### **Sec. 1047. Michigan Enhancement Grants – NEW (AD BOARD TRANSFER)**

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). Conference includes as new section. Ad Board transfers all but \$100 of associated line item to Workforce Development Programs for Healthy Michigan work requirement assistance.

### **Sec. 1048. MSF – Grants Disbursement – NOT INCLUDED**

Requires \$400 for MSF – Grants to be distributed to the following four entities: Charles H. Wright Museum of African American History, Holocaust Memorial Center, Arab American National Museum, and Michigan business incubator development grant. House includes as new section. Executive, Senate, and Conference do not include.

### **Sec. 1048. Rural Jobs and Capital Investment Fund – NEW (VETOED)**

Requires \$10.0 million of appropriation for Business Attraction and Community Revitalization to be deposited in the Rural Jobs and Capital Investment Fund. Any funds deposited in the fund are considered appropriated and available for expenditure pursuant to the requirements of the Michigan Strategic Fund Act. Conference includes as new section.

### **Sec. 1052. Project Rising Tide Performance Measures – DELETED**

Requires DLEO to identify specific performance measures for the Project Rising appropriations; provides two performance measures. Executive, House, Senate, and Conference delete section.

## **Major Boilerplate Changes From FY 2018-19**

### ***Sec. 1053. Pure Michigan Appropriation – NEW (VETOED)***

Requires \$500,000 of the funds appropriated in part 1 for Pure Michigan to be allocated for last dollars to fund the gap between the total cost of hosting a national conference for a national council that currently receives association dues from this state and the total amount privately raised. Senate includes as a new section (Sec. 453). Conference concurs with Senate but includes as Section 1053.

## **DLEO – TALENT INVESTMENT AGENCY**

### ***Sec. 1064. Going Pro Expenditure Report – RETAINED (VETOED)***

Requires the TIA to provide a report of Going Pro expenditures by program/grant type for the prior fiscal year and a projected expenditure report by program/grant type for the current fiscal year. Executive, House, Senate, and Conference retained.

### ***Sec. 1066. Going Pro Administration – RETAINED (VETOED)***

Requires Going Pro to be administered according to specific guidelines outline in boilerplate. Allows up to \$5.0 million of funds appropriated for Going Pro to be used for matching funds when federal funds requiring a match become available. The intent of the funds is increasing the skill level of employees in skilled trades and to address in-demand talent needs in Michigan. Executive, House, Senate, and Conference retained.

### ***Sec. 1067. Going Pro Talent Fund – NEW (VETOED)***

Specifies that funds appropriated in part 1 for the Going Pro Talent Fund are considered available for expenditure under the Going Pro Talent Fund Act. Senate includes as new section. Conference concurs with Senate inclusion of section but revises language to state that funds appropriated for Going Pro in part 1 may be deposited into the Going Pro Talent Fund. Further, if the funds are deposited, they are considered available for expenditure under the Going Pro Talent Fund Act.

### ***Sec. 1070. Dropout Support and Career Training Grant – REVISED (VETOED)***

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. Executive deletes section. House revises to require \$742,200 of the amount appropriated for Going Pro to be used for this program. Senate deletes section. Conference revises amount to \$750,000 to reflect appropriation in part 1 Going Pro line item.

### ***Sec. 1071. Dropout Prevention and Recovery Program for Michigan Youth – REVISED (AD BOARD TRANSFER)***

Requires \$3.0 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. Executive deletes section. House revises to \$3.8 million to align with appropriation in part 1. Senate revises to \$4.0 million to align with appropriation in part 1. Conference concurs with House. Ad Board transfers all but \$100 of associated line item to Workforce Development Programs for Healthy Michigan work requirement assistance.

### ***Sec. 1072. High School Equivalency-to-School Program Guidelines – NEW***

Stipulates that funds appropriated in part 1 for the program are to be used to cover the cost of a high school equivalency test free of charge to individuals meeting certain requirements. Requires Talent Investment Agency to develop procedures, provide program information, provide full-year cost estimate, and provide a report. House includes as a new section. Executive and Senate do not include. Conference concurs with House but revises amount to \$250,000.

### ***Sec. 1073. GED-to-School Work Project Reauthorization – NEW***

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. House includes as new section. Executive and Senate do not include. Conference concurs with House.

### ***Sec. 1079. Interagency Agreement for TANF Funds – RETAINED***

Requires TIA to extend into an interagency agreement with Department of Health and Human Services for the use of TANF funds. Requires report on use of TANF funds by TIA. Executive deletes section. House, Senate, and Conference retain section.

### ***Sec. 1080. Community Ventures Matching Funds – REVISED (AD BOARD TRANSFER)***

Stipulates that up to \$2.0 million of funding for Community Ventures may be used for a matching program (\$1 for \$1) if private funds are raised. Executive and House delete section. Senate retains section. Conference retains section but revises to stipulate that up to \$1.0 million may be used for matching program to reflect reduced appropriation in part 1. Ad Board transfers all but \$100 of associated line item to Workforce Development Programs for Healthy Michigan work requirement assistance.

**Major Boilerplate Changes From FY 2018-19**

**Sec. 1081. Statewide Data System Integration Performance Metrics – DELETED**

Requires DLEO to identify specific outcomes and performance metrics for increased funds associated with the Statewide Data System Integration line item. Provides nonexclusive list of performance metrics to be used. Status report required by March 15. Executive, House, Senate, and Conference delete section.

**Sec. 1082. Sustainable Employment Pilot Program – DELETED**

Requires a status update on the usage of funds appropriated for the Sustainable Employment Pilot Program. Provides requested reporting metrics. Executive, House, Senate, and Conference delete section.

**Sec. 583. Michigan Works! Retirement Shortfall – NOT INCLUDED**

Requires \$866,000 of the funds appropriated in part 1 for Michigan Works! to be awarded to cover a retirement funding shortfall at an association (UPWARD Talent Agency) established to provide services and support to Michigan's workforce development system located in the Upper Peninsula. Senate includes as a new section. Conference does not include section. *Note: Conference includes \$971,000 for this grant in Section 1047 noted above.*

**Sec. 1084. Going Pro Performance Measures – DELETED**

Requires DLEO to identify specific performance measures for Going Pro appropriations; provides three performance measures. Executive, House, Senate, and Conference delete section.