

**FY 2018-19 GENERAL OMNIBUS BUDGET**  
**Summary: Conference Report**  
**Senate Bill 848 (S-1) CR-1**



Mary Ann Cleary, Director

**TOTAL APPROPRIATIONS BY BUDGET AREA**

Budget Area (Bill Page) [Summary Page]	FY 2018-19	
	Gross	GF/GP
Agriculture and Rural Development (1) [2]	\$107,948,100	\$58,585,200
Corrections (29) [6]	2,017,056,200	1,961,841,300
Education (91) [16]	400,815,000	86,183,700
Environmental Quality (129) [22]	447,502,600	73,746,500
General Government (163) [27]		
<i>Attorney General</i> (164) [29]	103,648,900	41,206,800
<i>Civil Rights</i> (168) [32]	16,201,100	13,022,100
<i>Executive Office</i> (170) [34]	6,980,100	6,980,100
<i>Legislature</i> (171) [35]	158,112,500	153,318,200
<i>Legislative Auditor General</i> (173) [37]	24,938,000	17,105,800
<i>State</i> (175) [38]	246,662,800	18,466,300
<i>Technology, Management, and Budget</i> (179) [41]	1,347,108,600	473,789,500
<i>Treasury</i> (185) [47]	1,984,413,800	209,461,300
<i>Talent and Economic Development</i> (194) [53]	1,115,295,600	141,095,800
Subtotal: General Government	5,003,361,400	1,074,445,900
Health and Human Services (354) [59]	24,880,165,600	4,460,087,300
Insurance and Financial Services (570) [77]	67,971,900	550,000
Judiciary (582) [79]	304,079,100	196,079,500
Licensing and Regulatory Affairs (602) [83]	517,762,200	126,920,300
Military and Veterans Affairs (644) [87]	192,564,300	68,837,400
Natural Resources (682) [90]	438,442,800	49,081,800
State Police (712) [95]	716,459,500	459,047,800
Transportation (745) [100]	4,843,089,900	300,000,000
<b>TOTAL</b>	<b>\$39,937,218,600</b>	<b>\$8,915,406,700</b>

Budget Area (Bill Page) [Summary Page]	FY 2017-18	
	Gross	GF/GP
Supplemental (788) [107]	(\$511,995,300)	\$108,050,500
<b>TOTAL</b>	<b>(\$511,995,300)</b>	<b>\$108,050,500</b>

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

**FY 2018-19: DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT**



**Summary: Conference Report  
Article I, Senate Bill 848 (S-1) CR-1**

**Analyst: William E. Hamilton**

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

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 5578 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 850 as passed by the Senate.

**Overview**

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

**Major Budget Changes From FY 2017-18 YTD Appropriations**

**1. Food and Dairy – Milk Safety Quality Assurance**

Executive includes \$780,000 GF/GP increase with 5.0 additional FTE positions in dairy inspection program. This increase reflects increased workload due to increase in dairy production and processing in Michigan. Funding increase is provided from various GF/GP reductions within budget, as described below.

	FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Conference Change
FTE	31.0	5.0
<b>Gross</b>	<b>\$4,510,300</b>	<b>\$860,000</b>
Federal	111,300	80,000
Restricted	219,700	0
GF/GP	\$4,179,300	\$780,000

House provides \$1.1 million GF/GP increase and authorizes 38.0 FTE positions – 7.0 more than current year. House also includes an additional \$80,000 in federal spending authority to reflect federal Food and Drug Administration (FDA) grant for training and certification. Senate concurs with Executive and includes \$780,000 GF/GP increase; recognizes an additional \$80,000 federal spending authority for FDA grant. Conference concurs with Senate.

**2. Executive Direction – Office of Organizational Innovation**

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

	FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Conference Change
FTE	20.0	0.0
<b>Gross</b>	<b>\$2,216,900</b>	<b>\$307,100</b>
Restricted	54,300	0
GF/GP	\$2,162,600	\$307,100

House and Senate concur with Executive. Conference concurs with House and Senate.

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>3. Food and Dairy – Food Safety Quality Assurance</b>	FTE	94.0	2.0
<u>Executive</u> eliminates \$150,000 GF/GP that was added to current year budget for inspection program related to draft beer delivery systems; reduces baseline GF/GP support by \$250,000. The department indicates this reduction will not affect program activities; restricted funding in the line is sufficient to fully support core programs, including education and outreach programs related to the federal Food Safety Modernization Act (FSMA). Budget also increases authorized FTE positions to reflect program staffing.	<b>Gross</b>	<b>\$16,798,400</b>	<b>(\$400,000)</b>
	Federal	2,326,500	0
	Restricted	5,510,000	0
	GF/GP	\$8,961,900	(\$400,000)
<u>House</u> and <u>Senate</u> concur with <u>Executive</u> . <u>Conference</u> concurs with House and Senate.			
<b>4. Animal Agriculture Initiative</b>	<b>Gross</b>	<b>\$2,500,000</b>	<b>(\$500,000)</b>
<u>Executive</u> does not include funding for program that had been in current year budget as part of one-time grant for Michigan State University/Agriculture Industry Research and Development (AIRD). <u>House</u> provides \$400,000 GF/GP in ongoing support. <u>Senate</u> retains current year funding level as ongoing program. <u>Conference</u> includes \$2.0 million as one-time funding.	GF/GP	\$2,500,000	(\$500,000)
<b>5. Pesticide and Plant Pest Management (PPPM)</b>	FTE	88.0	(1.0)
<u>Executive</u> \$200,000 GF/GP reduction is offset by anticipated increase in restricted Fertilizer Control Fund revenue. Reduces authorized positions by 1.0 FTE to reflect program staffing. <u>House</u> reduces GF/GP support by \$600,000. <u>Senate</u> concurs with <u>Executive</u> . <u>Conference</u> concurs with Senate.	<b>Gross</b>	<b>\$14,073,800</b>	<b>\$0</b>
	Federal	1,678,500	0
	Private	21,100	0
	Restricted	6,548,400	200,000
	GF/GP	\$5,825,800	(\$200,000)
<b>6. Environmental Stewardship/MAEAP</b>	FTE	25.0	0.0
<u>Executive</u> reduces GF/GP support by \$100,000. The department indicates this reduction will not affect program activities; restricted funding in the line is sufficient to fully support core programs. <u>House</u> reduces by an additional \$100 GF/GP as compared to the <u>Executive</u> . <u>Senate</u> concurs with <u>Executive</u> . <u>Conference</u> concurs with Senate.	<b>Gross</b>	<b>\$10,236,600</b>	<b>(\$100,000)</b>
	Federal	1,477,300	0
	Restricted	7,689,500	0
	GF/GP	\$1,069,800	(\$100,000)
<b>7. Farmland and Open Space Preservation</b>	FTE	10.0	0.0
This program, commonly referred to as the PA 116 program, provides tax credits to qualified farmers and landowners who agree to restrictions on development rights. <u>Executive</u> reduces GF/GP support by \$99,900. The department indicates that a backlog in processing applications will soon be cleared allowing for a reduction in temporary employees. <u>House</u> and <u>Senate</u> concur with <u>Executive</u> . <u>Conference</u> concurs with House and Senate.	<b>Gross</b>	<b>\$1,623,100</b>	<b>(\$99,900)</b>
	Restricted	1,410,600	0
	GF/GP	\$212,500	(\$99,900)
<b>8. Qualified Forest Program</b>	FTE	9.0	0.0
<u>Executive</u> reduces GF/GP support by \$130,000. <u>House</u> reduces GF/GP support by \$530,000. <u>Senate</u> concurs with <u>Executive</u> . <u>Conference</u> reduces baseline GF/GP support by \$230,000; adds \$100,000 restricted.	<b>Gross</b>	<b>\$2,697,300</b>	<b>(\$130,000)</b>
	Restricted	480,200	100,000
	GF/GP	\$2,217,100	(\$230,000)
<b>9. Watershed Phosphorus Removal Pilot Project – NEW</b>	<b>Gross</b>	<b>\$0</b>	<b>\$120,000</b>
<u>House</u> includes \$120,000 GF/GP for pilot project related to removal of phosphorus from lakes and other waterways. <u>Senate</u> does not include. <u>Conference</u> includes as a one-time funding item, described as ODC Network – project clarity.	GF/GP	\$0	\$120,000
<b>10. Laboratory Services – Federal Grant for ISO/Genome Sequencer</b>	FTE	42.0	0.0
<u>Executive</u> recognizes increase in anticipated federal FDA grants for specialized lab equipment. The department requested a transfer to increase federal spending authority in the current year as well. <u>House</u> and <u>Senate</u> concur with <u>Executive</u> . <u>Conference</u> concurs with House and Senate.	<b>Gross</b>	<b>\$6,829,000</b>	<b>\$300,000</b>
	IDG	218,600	0
	Federal	800,100	300,000
	Restricted	1,272,300	0
	GF/GP	\$4,538,000	\$0
<b>11. Food and Agriculture Investment Program</b>	<b>Gross</b>	<b>\$4,743,900</b>	<b>\$381,100</b>
<u>Executive</u> includes \$3.3 million GF/GP for grant program, a reduction of \$1.4 million from current year. <u>House</u> includes \$3.0 million GF/GP, a reduction of \$1.7 million. <u>Senate</u> includes \$5.3 million GF/GP, of which \$2.0 million is shown as “one-time appropriations.” <u>Conference</u> includes \$5.1 million, all as ongoing.	GF/GP	\$4,743,900	\$381,100

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>12. ACRE Agriculture Incubator – NEW</b>	<b>Gross</b>	<b>\$0</b>	<b>\$260,000</b>
<u>House</u> includes \$260,000 GF/GP for program that provides technology assistance to new and expanding agriculture-related businesses. <u>Senate</u> does not include. <u>Conference</u> includes as a one-time funding item.	GF/GP	\$0	\$260,000
<b>13. County Fairs, Shows, Expositions/Festivals</b>	<b>Gross</b>	<b>\$649,300</b>	<b>\$525,700</b>
<u>Executive</u> includes \$400,000 GF/GP for program that provides matching capital grants to eligible county fairs, shows, and expositions, a reduction of \$249,300 from current year. <u>House</u> includes \$419,900 for Fairs, shows, and expositions, and creates a new line item, Michigan festivals with a \$100 placeholder. <u>Senate</u> includes \$1.0 million GF/GP, of which \$775,000 is shown as “one-time appropriations.” <u>Conference</u> includes \$1,175,000, of which \$775,000 is shown as one-time.	GF/GP	\$649,300	\$525,700
<b>14. MSU/AIRD – Workforce Development</b>	<b>Gross</b>	<b>\$5,900,000</b>	<b>(\$5,900,000)</b>
<u>Executive</u> does not include funding for time MSU/AIRD program. <u>House</u> concurs with Executive and does not include. <u>Senate</u> includes \$550,000 for the workforce development element of the AIRD program. <u>Conference</u> does not include.	GF/GP	\$5,900,000	(\$5,900,000)
<b>15. Other One-Time Funding Items</b>	<b>Gross</b>	<b>\$3,350,100</b>	<b>(\$3,350,100)</b>
<u>Executive</u> eliminates the following GF/GP funded items identified in the current year budget as one-time: Enhanced Wildlife Risk Management, \$1.0 million; Intercounty drain mapping project, \$250,000; Food Bank Council of Michigan quick freeze facility, \$2.0 million; Campground development grant, \$100,000. Executive also eliminates \$100 placeholder related to Drinking water declaration of emergency. <u>House</u> and <u>Senate</u> concur with Executive. <u>Conference</u> concurs with House and Senate.	Restricted GF/GP	100 \$3,350,000	(100) (\$3,350,000)
<b>16. Economic Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>\$1,061,900</b>
<u>Executive</u> recognizes increased costs of \$1.1 million Gross (\$739,400 GF/GP) for negotiated salary and wage increases (2.0% ongoing), actuarially required retirement contributions, worker’s compensation, building occupancy charges, and other economic adjustments. <u>House</u> and <u>Senate</u> concur with Executive. <u>Conference</u> concurs with House and Senate.	IDG Private Federal Restricted GF/GP	NA NA NA NA NA	3,600 200 59,100 259,600 \$739,400

**Major Boilerplate Changes From FY 2017-18**

**Sec. 215. Communication with the Legislature – RETAINED**

Prohibits department from taking disciplinary action against an employee for communicating with the Legislature. Executive deletes. House and Senate retain. Conference concurs with House and Senate.

**Sec. 234. Record Retention – RETAINED**

Requires department to retain reports funded from Part 1 appropriations; establishes record retention guidelines. Executive deletes. House retains. Senate concurs with Executive and deletes. Conference concurs with House.

**Sec. 403. FSMA Program – DELETED**

Indicates legislative intent that the department establish a FSMA education and training program; also authorizes use of federal funds in addition to those appropriated in Part 1. Executive deletes. House retains. Senate concurs with Executive and deletes. Conference concurs with Senate and deletes.

**Sec. 451. Bovine TB Whole-Herd Testing – RETAINED**

Requires department to pay for the costs of whole-herd testing and individual animal testing in the Modified Accredited Zone, including indemnity and compensation for animal injury. Executive deletes. House and Senate retain. Conference concurs with House and Senate.

**Sec. 452. Animal Industry Division Annual Report – REVISED**

Executive revises report to include report on livestock depredation payments. House retains current year language. Senate concurs with Executive. Conference concurs with Senate.

**Sec. 453. Indemnification Payments – DELETED**

Requires specific appropriation for indemnification payments that exceed \$100,000 and provides reporting requirements related to indemnification payments. Executive deletes. House retains. Senate concurs with Executive and deletes. Conference concurs with House and Senate.

## **Major Boilerplate Changes From FY 2017-18**

### **Sec. 457. Bovine TB Quarterly Report – RETAINED**

Section currently requires quarterly report on Bovine TB program. Executive deletes. House and Senate retain. Conference concurs with House and Senate.

### **Sec. 458. Aquaculture – DELETED**

Requires the department to provide inspection and testing of aquaculture facilities. Executive deletes. House retains. Senate concurs with Executive and deletes. Conference concurs with Senate and deletes.

### **Sec. 459. Bovine TB Testing, Legislative Intent – RETAINED**

Describes legislative intent that the department not conduct whole-herd testing of any one herd in a TB-free zone more often than once every four years, except under specific conditions. Executive deletes. House and Senate retain. Conference concurs with House and Senate.

### **Sec. 461. Bovine TB Risk Mitigation – DELETED**

Defines the Bovine TB risk mitigation program, a one-time funding program in the current year budget. Executive deletes. House and Senate concur with Executive and delete. Conference concurs with House and Senate.

### **Sec. 462. Apiary Protection – NEW**

House establishes a \$20,000 earmark for apiary protection program. [This had been an earmark within the Bovine TB risk mitigation program in current year budget.] Senate does not include. Conference concurs with House; modifies language.

### **Sec. 701. Food and Agriculture Investment Grant Program – REVISED**

Current language defines program goals, selection and reporting requirements. Executive deletes reporting requirement (included in Agriculture Development Division annual report); revises standard work project language. House retains current year language. Senate concurs with Executive, with the exception of standard work project language. Conference concurs with Senate.

### **Sec. 702. Rural Development Fund/Program – DELETED**

Directs department to work with Rural Development Fund Board. Executive deletes; House retains. Senate concurs with Executive and deletes. Conference concurs with Senate and deletes.

### **Sec. 706. Agriculture Development Report – REVISED**

Executive revises to incorporate Grape and Wine Industry Council annual report. House retains current year language. Senate concurs with Executive. Conference concurs with Senate.

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

Executive includes as part of the Agriculture Development Division Annual Report required under Section 706. House retains. Senate concurs with Executive and includes under Section 706. Conference concurs with Senate.

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

Executive budget included minor modifications to current year language regarding uses of AEIDF revenue. House and Senate had concurred with Executive. Conference includes new language prescribing priority order of AEIDF expenditures.

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

Current year language requires MGCB to use actual expenditure data in determining regulatory costs. Executive deletes. House retains. Senate concurs with Executive and deletes. Conference concurs with Senate and deletes.

### **Sec. 805. County Fair Capital Grant Program – REVISED**

Current language governs matching program for county fair capital grants appropriated in part 1. Executive modifies standard work project language. House retains current year language. Senate does not include Executive changes to standard work project language; includes \$100,000 earmark for Tuscola County fair grandstand. Conference concurs with Senate with respect to standard language; earmarks \$25,000 for promotion, prizes, premiums, including festivals; earmarks \$25,000 for Tuscola County fair grandstand, and \$250,000 for community center construction and furnishings at Tuscola County fair.

**FY 2018-19: DEPARTMENT OF CORRECTIONS**  
**Summary: Conference Report**  
**Article V, Senate Bill 848 (S-1) CR-1**



**Analyst: Robin R. Risko**

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

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 5578 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 852 as passed by the Senate.

**Overview**

The Michigan Department of Corrections (MDOC) is responsible for the operation and maintenance of the state's 31 correctional facilities that house felony offenders sentenced to prison. This includes the provision of physical and mental health care, education, food service, transportation, and reintegration programs. Also, the department is responsible for the supervision of all parolees and probationers under department jurisdiction and has oversight over community corrections programs and other programs designed to encourage alternatives to prison placement for appropriate offenders. As of May 1, 2018, the department was responsible for 97,781 Michigan offenders: 39,218 prisoners, 43,582 probationers, and 14,981 parolees.

**Major Budget Changes From FY 2017-18 YTD Appropriations**

**1. West Shoreline Correctional Facility Closure**

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

	FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Conference Change
FTE	212.7	(212.7)
<b>Gross</b>	<b>\$18,924,700</b>	<b>(\$18,924,700)</b>
Restricted	92,000	(92,000)
GF/GP	\$18,832,700	(\$18,832,700)

**2. Transition Prison Food Service from Private to State**

Executive includes \$13.7 million GF/GP and authorization for 352.0 FTE positions to change over operation of prison food service from a private provider to state employees. Roughly \$6.6 million of the increase is attributed to legacy costs. Out-sourcing of prison food service began in December 2013, with Aramark first providing the service. The contract with Aramark was terminated and a new contract with Trinity began in July 2015. The current contract with Trinity will expire at the end of July 2018. According to the department, staffing vacancies, food substitutions, food service delays, sanitation issues, and prisoner grievances have been major issues with both contractors. House concurs. Senate authorizes changing over from private provider to state employees, but does not include the additional funding. Conference includes \$13.2 million GF/GP and authorization for 352.0 FTE positions to change over operation of prison food service.

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

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>	<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<p><b>3. Training for New Custody Staff</b></p> <p><u>Executive</u> includes \$4.9 million in one-time GF/GP funding for training 359 new corrections officers. Funding supports salary and payroll costs of new officers while they participate in training, as well as costs for uniforms, training materials, certifications, food, travel, and lodging. (Travel and lodging is paid during training if participants live away from the facilities to which they are assigned.) On average, 50 custody staff retire each month. With the additional funding added to the FY 2017-18 base of \$9.4 million, the department will be able to train roughly 730 new officers in FY 2018-19. <u>House</u> includes \$3.9 million in one-time GF/GP funding for training 320 new officers. <u>Senate</u> includes \$1.9 million in one-time GF/GP funding for training 242 new officers. <u>Conference</u> includes \$4.9 million in one-time GF/GP funding for training 359 new officers.</p>	<p><b>Gross</b> GF/GP</p> <p>NA NA</p>	<p><b>\$4,868,700</b> \$4,868,700</p>
<p><b>4. Program Eliminations</b></p> <p><u>Executive</u> reflects a savings of \$6.0 million GF/GP due to the following program eliminations:</p> <ul style="list-style-type: none"> <li>• Goodwill Flip the Script Program (\$1.5 million) – funding was first included in the FY 2014-15 budget for Goodwill Industries of Greater Detroit in Wayne County to provide education, job training, and mentoring to troubled 16-39 year-olds, who have entered into the criminal justice system for the first or second time, in an effort to keep them out of prison.</li> <li>• Substance Abuse Parole Certain Sanction Program (\$1.4 million) – funding was first included in the FY 2015-16 budget for distribution to accredited rehabilitation organizations offering services to parole violators.</li> <li>• Supervising Region Incentive Program (\$1.0 million) – funding was first included in the FY 2016-17 budget to provide incentives to field operations administration regions that implement supervision practices, procedures, and sanctions directed at parole and probation revocation reduction.</li> <li>• Future Facility and Staff Transition Costs (\$1.0 million) – funding was first included in the FY 2016-17 budget to cover staff transition costs when a new correctional facility came online.</li> <li>• Online High School Equivalency Pilot Program (\$1.0 million) – funding was first included in the FY 2017-18 budget to serve up to 400 prisoners through a regionally accredited public or private school district that offers career-based online high school diplomas.</li> <li>• Federally Qualified Health Center Pilot Program (\$75,000) – funding was first included in the FY 2017-18 budget for the department to work with the organization that represents federally qualified health centers to implement a pilot project to ensure that behavioral and physical health needs of parolees and probationers are met.</li> </ul> <p><u>House</u> reflects a savings of \$2.1 million GF/GP from elimination of Future Facility and Staff Transition Costs, Online High School Equivalency Pilot Program, and Federally Qualified Health Center Pilot Program. <u>House</u> retains current year funding for Goodwill Flip the Script, Substance Abuse Parole Certain Sanction, and Supervising Region Incentive programs.</p> <p><u>Senate</u> retains all programs, retains \$1.0 million GF/GP for Staff Transition Costs, and includes additional GF/GP funding, over current year appropriations, for the following: \$1.0 million for Goodwill Flip the Script, \$1.0 million for Substance Abuse Parole Certain Sanction Program, \$4.0 million for Supervising Region Incentive Program, \$1.0 million for Online High School Equivalency Pilot Program, and \$675,000 for Federally Qualified Health Center Pilot Program.</p> <p><u>Conference</u> reflects a net savings of \$1.3 million GF/GP from elimination of \$1.0 million GF/GP for Future Facility and Staff Transition Costs, reduction of \$500,000 GF/GP for Online High School Equivalency Pilot Program, and addition of \$175,000 GF/GP for Federally Qualified Health Center Pilot Program. <u>Conference</u> retains current year funding for Goodwill Flip the Script, Substance Abuse Parole Certain Sanction, and Supervising Region Incentive programs</p>	<p><b>Gross</b> GF/GP</p> <p><b>\$6,015,000</b> \$6,015,000</p>	<p><b>(\$1,325,000)</b> (\$1,325,000)</p>

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>5. Programming for Higher Custody Level Prisoners</b>	<b>Gross</b>	<b>NA</b>	<b>\$2,400,000</b>
<u>Executive</u> includes \$4.0 million GF/GP (\$2.4 million one-time; \$1.6 million ongoing) to expand access to programming to higher security level prisoners (i.e., Level IV, Level V, and Administrative Segregation prisoners). The department manages over 9,000 prison beds in higher custody level settings within 76 housing units located at 18 different facilities. Currently, access to programming for these prisoners is very limited and primarily focused on behavior. Through the use of tablet computers, programming will be aimed at improving education, skill level, and behavior. <u>House</u> concurs. <u>Senate</u> does not include additional funding. <u>Conference</u> includes \$2.4 million in one-time GF/GP funding.	GF/GP	NA	\$2,400,000
<b>6. Health Care Recruitment and Retention</b>	<b>Gross</b>	<b>NA</b>	<b>\$2,000,000</b>
<u>Executive</u> includes \$3.8 million GF/GP for recruitment and retention of health care professionals, specifically, dentists, registered nurses, and qualified mental health professionals. Civil Service changed classifications and adjusted pay levels for certain medical and psychiatric positions, which requires additional funding. Also, the Bureau of Health Care Services within the department proposes offering a \$5,000 signing bonus to registered nurse candidates per the UAW contract, and increasing base pay for dentists by 20% pursuant to Civil Service rules. <u>House</u> concurs. <u>Senate</u> does not include additional funding. <u>Conference</u> includes \$2.0 million GF/GP.	GF/GP	NA	\$2,000,000
<b>7. Corizon Integrated Health Care Contract Adjustment</b>	<b>Gross</b>	<b>\$71,636,400</b>	<b>(\$858,500)</b>
<u>Executive</u> includes \$2.5 million GF/GP to cover costs of required inflationary adjustments. The contract requires an annual increase in the base per prisoner per month cost for physical and mental health care services, including pharmaceuticals. <u>House</u> does not include the additional funding, and reduces current year funding by \$1.5 million GF/GP based on the declining prison population. <u>Senate</u> does not include the additional funding, and reduces current year funding by \$932,400 GF/GP based on the declining prison population. <u>Conference</u> does not include the additional funding, and reduces current year funding by \$858,500 GF/GP.	GF/GP	\$71,636,400	(\$858,500)
<b>8. Offenders with Special Needs Contract – Volume Adjustment</b>	<b>Gross</b>	<b>NA</b>	<b>\$1,648,700</b>
<u>Executive</u> includes \$1.6 million GF/GP to support increased caseload and associated costs for reentry services for high-risk parolees with special needs. The number of offenders referred for these services by the Parole Board increased from 680 cases to 839 cases last year resulting in increased costs to the department. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	GF/GP	NA	\$1,648,700
<b>9. Prisoner Reentry Services Contracts with Local Service Providers</b>	<b>Gross</b>	<b>\$13,208,600</b>	<b>\$1,291,400</b>
<u>Executive</u> includes \$1.3 million GF/GP to support increased caseload and increased costs for reentry services provided by local service providers for parolees (i.e., housing and job placement, health and behavioral health, and social support services). <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	GF/GP	\$13,208,600	\$1,291,400
<b>10. Probation Residential Services</b>	<b>Gross</b>	<b>\$15,475,500</b>	<b>\$850,000</b>
<u>Executive</u> includes \$850,000 GF/GP to support increased demand for probation residential services (i.e., cognitive behavioral therapy, substance abuse, employment, medical, case management, and temporary housing). Emphasis placed on use of community-based sanctions and services for the probation population has resulted in increased demand for services and associated increased costs. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	GF/GP	\$15,475,500	\$850,000
<b>11. Sewer Treatment Rate Increase</b>	<b>Gross</b>	<b>NA</b>	<b>\$184,300</b>
<u>Executive</u> includes \$184,300 GF/GP to cover the cost of a sewage rate increase at the Gus Harrison Correctional Facility. The 75.9% rate increase was initiated by Madison Township in Lenawee County. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	GF/GP	NA	\$184,300



<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>12. Fund Source Adjustments</b>		<b>Gross</b>	<b>\$6,908,500</b>
<u>Executive</u> reduces authorization for state restricted Parole and Probation Oversight Fees by \$428,000 and increases authorization for state restricted Tether Program Participant Contributions by \$150,000 to reflect the amount of revenue the department anticipates collecting. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Restricted	6,908,500	<b>(\$278,000)</b>
	GF/GP	\$0	<b>(278,000)</b>
			<b>\$0</b>
<b>13. Health Care FTE Adjustments</b>		FTE	NA
<u>Executive</u> eliminates 4.0 vacant Psychiatrist positions, which are no longer needed because they are filled through the integrated health care contract with Corizon, and adds FTE position authorization for the Clinical Complexes (7.0) and Mental Health Services and Support (1.0) line items. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.			8.0
	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
	GF/GP	NA	<b>\$0</b>
			<b>\$0</b>
<b>14. Technical Adjustments</b>		<b>Gross</b>	<b>NA</b>
<u>Executive</u> makes internal FTE adjustments, funding adjustments, and transfers throughout the budget, which have no overall Gross or GF/GP impact. Adjustments are made in order to more accurately reflect employee counts and where expenditures occur as a result of reorganizations within the department. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	GF/GP	NA	<b>\$0</b>
			<b>\$0</b>
<b>15. Economic Adjustments</b>		<b>Gross</b>	<b>NA</b>
<u>Executive</u> reflects increased costs of \$25.7 million Gross (\$25.4 million GF/GP) for negotiated salary and wage increases (2.0% ongoing), insurance rate increases, actuarially required retirement contributions, worker's compensation premium costs, building occupancy charges, and fuel and utility costs. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Federal	NA	<b>\$25,692,100</b>
	Local	NA	21,400
	Restricted	NA	117,700
	GF/GP	NA	160,200
			<b>\$25,392,800</b>
<b>16. Facility Closure</b>		<b>Gross</b>	<b>NA</b>
<u>Executive</u> does not make a recommendation. <u>House</u> reflects a savings of \$16.0 million GF/GP to be achieved by closing a second correctional facility (second facility in addition to closure of West Shoreline). <u>Senate</u> reflects a savings of \$21.0 million GF/GP to be achieved by closing a second facility. <u>Conference</u> reflects a savings of \$19.2 million GF/GP to be achieved by closing a second facility.	GF/GP	NA	<b>(\$19,201,100)</b>
			<b>(\$19,201,100)</b>
<b>17. Medication-Assisted Treatment Reentry Pilot Program</b>		<b>Gross</b>	<b>\$500,000</b>
<u>Executive</u> retains current year funding for the Medication-Assisted Treatment Reentry Pilot Program, which provides prerelease treatment and post-release referral for opioid- and alcohol-addicted offenders. Offenders receive one injection prior to being released from custody and are connected with an aftercare plan. <u>House</u> includes an additional \$500,000 GF/GP for expansion of the program. <u>Senate</u> does not include. <u>Conference</u> includes an additional \$500,000 GF/GP for expansion of the program.	GF/GP	\$500,000	<b>\$500,000</b>
			<b>\$500,000</b>
<b>18. PTSD Study</b>		<b>Gross</b>	<b>NA</b>
<u>Executive</u> does not make a recommendation. <u>House</u> includes \$50,000 GF/GP for the department to conduct a comprehensive study of the prevalence of post-traumatic stress disorder and other psychological issues among correctional officers that are exacerbated by the corrections environment and exposure to highly stressful situations. <u>Senate</u> does not include. <u>Conference</u> includes \$50,000 GF/GP.	GF/GP	NA	<b>\$50,000</b>
			<b>\$50,000</b>

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>19. Savings from Historical Lapses</b>			
<u>Executive</u> does not make a recommendation. <u>House</u> reflects a savings of \$1.5 million GF/GP from reducing appropriations for the following line items:	<b>Gross</b>	<b>NA</b>	<b>(\$550,000)</b>
<ul style="list-style-type: none"> <li>• Prosecutorial and Detainer Expenses (\$450,000)</li> <li>• Substance Abuse Testing and Treatment (\$500,000)</li> <li>• Housing Inmates in Federal Institutions (\$100,000)</li> <li>• Inmate Legal Services (\$100,000)</li> <li>• Community Corrections (\$100,000)</li> <li>• Field Operations (\$250,000).</li> </ul>	GF/GP	NA	(\$550,000)
<u>Senate</u> does not include these funding reductions.			
<u>Conference</u> reflects a savings of \$550,000 GF/GP from reducing appropriations for the following:			
<ul style="list-style-type: none"> <li>• Prosecutorial and Detainer Expenses (\$100,000)</li> <li>• Inmate Legal Services (\$100,000)</li> <li>• Community Corrections (\$100,000)</li> <li>• Field Operations (\$250,000).</li> </ul>			
<b>20. Enhanced Food Technology Program</b>			
<u>Executive</u> does not make a recommendation. <u>House</u> does not make a recommendation. <u>Senate</u> includes \$2.0 million GF/GP for an enhanced food technology program, which would allow inmates to complete on-the-job training hours through their work in prison kitchens. <u>Conference</u> includes authorization for 12.0 FTE positions and \$2.0 million GF/GP for an enhanced food technology program.	FTE	NA	12.0
	<b>Gross</b>	<b>NA</b>	<b>\$2,000,000</b>
	GF/GP	NA	\$2,000,000
<b>21. Prison Kitchen Inspections</b>			
<u>Executive</u> does not make a recommendation. <u>House</u> does not make a recommendation. <u>Senate</u> includes \$50,000 GF/GP for inspecting prison kitchens and remedying any issues found. <u>Conference</u> includes \$50,000 GF/GP for annual inspections.	<b>Gross</b>	<b>NA</b>	<b>\$50,000</b>
	GF/GP	NA	\$50,000
<b>22. County Jail Reimbursement Program</b>			
<u>Executive</u> does not make a recommendation. <u>House</u> does not make a recommendation. <u>Senate</u> includes \$5.7 million GF/GP for reimbursing county sheriffs for days that inmates are housed in hospitals or medical facilities or in contracted residential programs. <u>Conference</u> does not include additional funding.	<b>Gross</b>	<b>\$15,064,600</b>	<b>\$0</b>
	GF/GP	\$15,064,600	\$0
<b>23. Inmate Religious Facilities</b>			
<u>Executive</u> does not make a recommendation. <u>House</u> does not make a recommendation. <u>Senate</u> includes \$2.8 million GF/GP to ensure all inmates have a place of worship at all facilities, with separate times for each faith and associated items needed for each type of service. <u>Conference</u> does not include the funding.	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
	GF/GP	NA	\$0
<b>24. Criminal Justice Reinvestment</b>			
<u>Executive</u> does not make a recommendation. <u>House</u> does not make a recommendation. <u>Senate</u> reduces funding for this line item by \$2.9 million GF/GP. <u>Conference</u> retains current year funding of \$5.5 million.	<b>Gross</b>	<b>\$5,498,400</b>	<b>\$0</b>
	GF/GP	\$5,498,400	\$0
<b>25. Per Diem Rate Increase for Residential Services Providers</b>			
<u>Executive</u> does not make a recommendation. <u>House</u> does not make a recommendation. <u>Senate</u> includes \$2.5 million GF/GP for per diem reimbursement rate increases for providers of residential services for probationers. Rates for non-accredited facilities will increase from \$47.50 to \$55.00 and rates for accredited facilities will increase from \$48.50 to \$56.00. <u>Conference</u> includes \$1.5 million GF/GP for a per diem reimbursement rate increase up to \$52.50 for all facilities.	<b>Gross</b>	<b>\$15,475,500</b>	<b>\$1,500,000</b>
	GF/GP	\$15,475,500	\$1,500,000

## **Major Boilerplate Changes From FY 2017-18**

### **GENERAL SECTIONS**

#### ***Sec. 206. Disciplinary Action Against State Employees and Prisoners – RETAINED***

Prohibits MDOC from taking disciplinary action against employees or prisoners for communicating with legislators or their staff. Executive deletes. House retains. Senate retains. Conference retains.

#### ***Sec. 216. FTE Positions and Long-Term Vacancies – RETAINED***

Requires MDOC to report on the number of FTE positions in pay status by civil service classification, to include an accounting of long-term vacancies. Executive deletes. House deletes. Senate retains. Conference retains.

#### ***Sec. 217. Receipt and Retention of Required Reports – RETAINED***

Requires MDOC to receive and retain copies of all reports required; requires federal and state guidelines to be followed for short-term and long-term retention of records; authorizes MDOC to electronically retain copies of reports unless otherwise required by federal and state guidelines. Executive deletes. House retains. Senate retains. Conference retains.

#### ***Sec. 239. Management-to-Staff Ratio – RETAINED***

Expresses legislative intent that MDOC maintain a management-to-staff ratio of 1 supervisor to 8 employees at the central office in Lansing and at the northern and southern region administration offices. Executive deletes. House deletes. Senate retains. Conference retains.

#### ***Sec. 248. Consensus Revenue Estimating Conference (CREC) – RETAINED***

Requires the House and Senate Fiscal Agencies and the State Budget Director, or State Treasurer, to establish a projected prisoner population, and a projected number of available beds based on prisoner population, at the May 2018 CREC. Executive deletes. House deletes. Senate retains. Conference retains.

### **DEPARTMENTAL ADMINISTRATION AND SUPPORT**

#### ***Sec. 302. Employee Payment for Meals – NOT INCLUDED***

Requires all employees of the department to pay for any meals that are prepared and provided to them at taxpayer expense; requires amount charged for meals to be at least amount required for all food and labor costs; requires funds collected to be credited to the enhanced food technology program and used for expansion of the program and food safety training. Executive does not include. House does not include. Senate includes new language. Conference does not include new language.

#### ***Sec. 303. Food Service Reporting – NEW***

Requires MDOC to report quarterly, by facility, on average per-meal costs, which are to include actual food costs, total compensation for all food service workers including benefits and legacy costs, and inspection and compliance costs. Executive does not include. House does not include. Senate includes new language. Conference includes new language, as **section 903a**, and revises the language to require a biannual report and require that contract and sanitation violation information be included in the report.

#### ***Sec. 308. Mental Health Awareness Training – RETAINED***

Requires MDOC to provide training for all custody staff who handle prisoners with mental illness; requires mental health awareness training to be incorporated into training of new custody staff. Executive deletes. House retains. Senate retains. Conference retains.

#### ***Sec. 309. Maintenance and Utility Costs at Facilities – RETAINED***

Requires MDOC to report on maintenance and utility costs and plans for capital improvement costs for each correctional facility. Executive deletes. House retains. Senate retains. Conference retains.

#### ***Sec. 310. Strategic Plan Reporting – RETAINED***

Requires MDOC to report on strategies to decrease recidivism rates, strategies to increase rehabilitative function of correctional facilities, metrics to track and ensure prisoner readiness to reenter society, and constructive actions for providing prisoners with life skills development. Executive deletes. House deletes. Senate retains. Conference retains.

#### ***Sec. 312. PTSD Study – NEW***

Requires MDOC to conduct a comprehensive study of the prevalence of post-traumatic stress disorder and other psychological issues among correctional officers that are exacerbated by the corrections environment and exposure to highly stressful situations; requires a report on results of the study. Executive does not include. House includes new language. Senate does not include. Conference includes new language.

### **OFFENDER SUCCESS ADMINISTRATION**

#### ***Sec. 405. Substance Abuse Testing and Treatment – RETAINED***

Requires MDOC to report on substance abuse testing and treatment program objectives, outcome measures, and results, including impact on offender success and programmatic success. Executive deletes. House retains. Senate retains. Conference retains.

## **Major Boilerplate Changes From FY 2017-18**

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

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

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

Limits per diem reimbursement rates for residential services providers to \$47.50 for non-accredited facilities and \$48.50 for accredited facilities. Executive retains. House retains. Senate revises to reflect an increase in per diem reimbursement rates for non-accredited facilities from \$47.50 to \$55.00 and rates for accredited facilities from \$48.50 to \$56.00. Conference revises to reflect an increase in the per diem reimbursement rate up to \$52.50 for all facilities.

### **Sec. 411. Community Corrections Comprehensive Plans – RETAINED**

Establishes further requirements for community corrections comprehensive plans, such as information on sanctions and services available and utilized, local communities' plans to respond to sentencing guidelines, and strategies to collaborate with state and local alcohol and drug treatment agencies. Executive deletes. House retains. Senate retains. Conference retains.

### **Sec. 412. Community Corrections Biannual Report – RETAINED**

Specifies details to be included in the biannual report required by the Community Corrections Act, 1988 PA 511 (e.g., levels of funding, program utilization levels, profile information of offenders, data on residential services, offender disposition data). Executive deletes. House retains. Senate retains. Conference retains.

### **Sec. 413. Community Corrections and Jail Data – DELETED**

Requires development of certain databases on local correctional trends and jail utilization; requires county cooperation in providing necessary jail data. Executive deletes. House deletes. Senate retains. Conference deletes.

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

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

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

Requires MDOC to report on number of inmates sentenced to custody of the sheriff and eligible for the county jail reimbursement program, amount paid to counties, number of days inmates were in custody, number of inmates sentenced by specified category, amount paid by specified category of inmate, number of days inmates were in custody by specified category, and estimated cost of housing inmates sentenced to custody of the sheriff and eligible for the county jail reimbursement program as inmates of a state prison. Executive does not include. House does not include. Senate includes new language. Conference includes new language.

### **Sec. 417. Reports on Community Programs – REVISED**

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

### **Sec. 419.(1) Offender Data Reports – RETAINED**

Requires MDOC to provide weekly electronic mail reports on prisoner populations by security level by facility, prison facility capacities, and parolee and probationer populations. Executive deletes. House retains. Senate revises to include the number of beds in currently closed housing units by facility. Conference retains current law.

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

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

## **Major Boilerplate Changes From FY 2017-18**

### ***Sec. 421. Substance Abuse Parole Certain Sanction Program – RETAINED***

Requires MDOC to distribute funding to accredited rehabilitation organizations in Berrien, Calhoun, Genesee, Kalamazoo, Kent, Macomb, Muskegon, Oakland, Saginaw, and Wayne Counties for operation and administration of a pilot program to be utilized as a condition of parole for technical parole violators; requires reports from organizations on program performance measures, number of individuals participating in programs, number of individuals returning to prison after participating in programs, and outcomes of participants completing programs. Executive deletes. House retains. Senate retains. Conference retains.

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

Requires MDOC to collaborate with the Michigan Restaurant Association on job placement for individuals on probation and parole. Executive does not include. House does not include. Senate includes new language. Conference includes new language.

### ***Sec. 437. Goodwill Flip the Script – RETAINED***

Requires MDOC to contract with a nonprofit entity in a county with greater than 1.5 million people to provide persons aged 16-39 with education, job training, and mentoring in an effort to keep them out of prison; requires the program to target individuals entering the criminal justice system for the first or second time; requires report on program performance measures, number of individuals diverted from incarceration, number of individuals served, and outcomes of participants completing the program. Executive deletes. House retains. Senate retains. Conference retains.

## **FIELD OPERATIONS ADMINISTRATION**

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

Requires caseload audits of field agents to evaluate public protection issues and assess agents' abilities to complete their professional duties. Executive deletes. House deletes. Senate retains. Conference deletes.

### ***Sec. 602. Supervising Region Incentive Program – RETAINED***

Requires funding for Supervising Region Incentive Program to be used to provide incentives to field operations administration regions that implement supervision practices, procedures, and sanctions directed at parole and probation revocation reduction. Executive deletes. House retains. Senate retains. Conference retains.

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

Allocates \$600,000 to an organization that provides programming and job training services to county jail inmates to prepare them for employment upon release from jail. Executive deletes. House deletes. Senate revises to require that funding be allocated to an organization that received the United States Department of Labor Training to Work 2 grant. Conference revises to require that funding be allocated to an organization that received a US DOL training to work 2-adult reentry grant.

### ***Sec. 611. Annual Program Reports – RETAINED***

Specifies content to be included in reports by MDOC on community reentry, electronic monitoring, and special alternative incarceration programs (e.g., successful and unsuccessful terminations, end of month populations, length of placements, returns to prison, cost effectiveness of programs). Executive deletes. House retains. Senate retains. Conference retains.

### ***Sec. 612. Violators of Parole and Probation – RETAINED***

Requires MDOC to review and revise proposals for alternatives to prison for technical violators of parole and probation; requires MDOC to report on number of probationers and parolees returned to or sent to prison for new crimes, number of probationers and parolees returned to or sent to prison for technical violations, educational history of offenders, number of offenders who participated in reentry programs, number of offenders who participated in substance abuse treatment programs, mental health programs, or both. Executive deletes. House retains. Senate retains. Conference retains.

## **HEALTH CARE**

### ***Sec. 801. Contracting for Registered Nurses – NOT INCLUDED***

Requires MDOC to negotiate with Corizon for Corizon to hire and supply registered nurses; requires transition from state employee nurses to vendor-provided nurses to be completed by April 1; prohibits MDOC from directly employing registered nurses after that time. Executive does not include. House does not include. Senate includes new language. Conference does not include.

### ***Sec. 802.(1) Health Care Expenditures – RETAINED***

Requires MDOC to report on expenditures, allocations, status of payments, and projected expenditures from accounts for prisoner health care, mental health care, pharmaceutical services, and durable medical equipment. Executive deletes. House retains. Senate retains. Conference retains.

### ***Sec. 802.(2) Detailed Report on Health Care Expenditures – NEW***

Requires reports required in section 802(1) to itemize health care expenditures for physical health care, clinical care, mental health care, and pharmacy services by care that is provided directly by department staff and care that is provided as part of the integrated health care services contract. Executive does not include. House includes new language. Senate does not include. Conference includes new language, (adds it to subsection 1), and revises it to require reports to itemize expenditures by type of care, but not by type of staff providing the care.

## **Major Boilerplate Changes From FY 2017-18**

### ***Sec. 803. Standard Medical Release Form – RETAINED***

Requires MDOC to give all prisoners the opportunity to sign a medical release of information form, effective for one year, designating a family member or other individual to whom MDOC is authorized to release information; requires MDOC to assure forms follow prisoners if and when they are transferred to other facilities or released from prison. Executive deletes. House retains. Senate retains. Conference retains.

### ***Sec. 812. Medicaid Utilization by Prisoners – RETAINED***

Requires MDOC and DHHS to exchange information regarding newly-committed prisoners who may be Medicaid-eligible; requires MDOC to assist outgoing prisoners with Medicaid enrollment; requires report on utilization of Medicaid benefits for prisoners. Executive deletes. House retains. Senate retains. Conference retains.

### ***Sec. 816. Pharmaceutical Expenditures – RETAINED***

Requires MDOC to report on pharmaceutical expenditures and prescribing practices, including expenditures on antipsychotic medications and any changes made to prescription drug formularies. Executive deletes. House retains. Senate retains. Conference retains.

## **CORRECTIONAL FACILITIES ADMINISTRATION**

### ***Sec. 901. Enhanced Food Technology Program – NEW***

Requires MDOC to expand the food technology education program to at least 1,000 inmates annually; requires MDOC to utilize classrooms and learning kitchens during all available hours including Fridays, evenings, and weekends to achieve that goal; requires inmates participating in the program to complete 408 hours of on-the-job training in a prison kitchen; requires participants to be given priority in job assignments in order to complete the requirement. Executive does not include. House does not include. Senate includes new language. Conference includes new, revised language; requires program to be expanded to at least 700 inmates; does not include stipulation that kitchens be available Fridays, evenings, and weekends; does not include stipulation that participants be given priority in job assignments.

### ***Sec. 902. Future Facility Staff Transition – DELETED***

Requires appropriation to be used for staff transition costs. Executive deletes. House deletes. Senate deletes. Conference deletes.

### ***Sec. 902. ServSafe Food Handler Certification – NEW***

Requires all inmates working in prison kitchens to complete the minimum requirements for ServSafe Food Handler certification before being allowed to work in kitchens; requires current prison kitchen workers to complete requirements for certification on or by January 1 to maintain eligibility to work in kitchens. Executive does not include. House does not include. Senate includes new language. Conference includes new, revised language; specifies that requirements be met by using online materials unless the department determine the program would be best served by using other materials; changes certification date to April 1.

### ***Sec. 903. Prison Kitchen Inspections – NEW***

Requires all MDOC-operated kitchens to maintain the same requirements for food safety as food service establishments are required to maintain under the Food Law and under the 2001 Food Code published by the FDA; requires inspections of prison kitchens and quarterly reports on the number of violations. Executive does not include. House does not include. Senate includes new language. Conference includes new, revised language; requires annual inspections of prison kitchens.

### ***Sec. 904. Cost Per Prisoner Per Day – RETAINED***

Requires MDOC to report on per prisoner/per day costs for each prisoner security custody level, including actual direct and indirect costs, and allocation of statewide legacy costs. Executive deletes. House retains. Senate retains. Conference retains.

### ***Sec. 905. Leased Beds and Alternatives to Leased Beds – RETAINED***

Authorizes MDOC to implement a county jail bed program to house eligible prisoners in county jails rather than in state correctional facilities; authorizes counties to volunteer to participate in the program; specifies criteria that prisoners must meet in order to be eligible to participate in the program. Executive deletes. House deletes. Senate retains. Conference retains.

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

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

### ***Sec. 913.(2) Enrollment in and Completion of Various Programming – RETAINED***

Expresses legislative intent that prisoners who are required to complete sex offender, assaultive offender, violent offender, and Thinking for Change programming as a condition of parole be transferred to facilities where programming is available. Executive deletes. House retains. Senate retains. Conference retains.

## **Major Boilerplate Changes From FY 2017-18**

### ***Sec. 937. Competitive Bidding – DELETED***

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

### ***Sec. 940. Use of State-Owned Facilities – RETAINED***

Requires for-profit entities using state-owned facilities to pay fair market value for use of facilities and to make payments in lieu of taxes to local jurisdictions equivalent to what local units would receive if facilities were privately owned. Executive deletes. House retains. Senate retains. Conference retains.

### ***Sec. 942. Auditor General and Corrections Ombudsman Access to Contracted Facilities – RETAINED***

Requires any contract with a third-party to operate a facility to house Michigan prisoners to include a provision allowing access to the facility and appropriate records by the Auditor General and Legislative Corrections Ombudsman. Executive deletes. House retains. Senate retains. Conference retains.

### ***Sec. 943. Savings from Prison Closures – RETAINED***

Requires MDOC to report on actual and projected savings achieved by closing correctional facilities, starting with closure of the Pugsley Correctional Facility. Executive deletes. House retains. Senate retains. Conference retains.

### ***Sec. 944. Economic Impact of Prison Closures – RETAINED***

Requires MDOC to consider the potential economic impact of a prison closure on the community where the facility is located. Executive deletes. House retains. Senate retains. Conference retains.

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

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

### ***Sec. 945. Report on Implementation of Utilizing State Employees for Food Service – NOT INCLUDED***

Requires MDOC to provide monthly status reports on implementation of utilization of state employees for prison food service operations; specifies information to be included in reports. Executive does not include. House includes new language. Senate does not include. Conference does not include.

### ***Sec. 1010. Inmate Religious Facilities – NOT INCLUDED***

Requires MDOC to provide places of worship for inmates of all faiths within each facility; requires each place of worship to allow separate times for inmates of each faith to worship, and for each correctional facility to have all associated facilities and items needed for each type of service. Executive does not include. House does not include. Senate includes new language. Conference does not include.

### ***Sec. 1011. Religious Cable Programming – RETAINED***

Authorizes MDOC to accept in-kind services and equipment donations to facilitate the addition of a cable network that provides religious programming for prisoners; prohibits addition of channels from costing the state. Executive deletes. House retains. Senate retains. Conference retains.

### ***Sec. 1013. Faith-Based Reentry Programs – RETAINED***

Authorizes priority to be given to funding reentry or rehabilitation programs that have been demonstrated to reduce prison violence and recidivism, including faith-based initiatives. Executive deletes. House retains. Senate retains. Conference retains.

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

Expresses legislative intent that FY 2018-19 appropriations will be funded at the same level as FY 2017-18 appropriations, adjusting for changes in caseloads, federal fund match rates, economic factors, and available revenues. Executive deletes. House deletes. Senate retains and updates fiscal years to refer to FY 2019-20 appropriations. Conference retains and updates fiscal years to refer to FY 2019-20 appropriations.

**FY 2018-19: DEPARTMENT OF EDUCATION**  
**Summary: Conference Report**  
**Article VI, Senate Bill 848 (S-1) CR-1**



**Analyst: Samuel Christensen**

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

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 5578 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 853 as passed by the Senate.

**Overview**

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

**Major Budget Changes From FY 2017-18 YTD Appropriations**

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

Executive and House do not include.

Senate adds \$36.5 million federal funds to implement a biweekly reimbursement system. Implementation of the funds are contingent on MDE receiving additional federal childcare and development block grant (CCDBG) funds from the federal Office of Child Care.

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

(see *major boilerplate changes* for Sec. 1011 below.)

	FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Conference Change
<b>Gross</b>	<b>\$162,396,100</b>	<b>\$15,000,000</b>
Federal	122,966,400	15,000,000
GF/GP	\$39,429,700	\$0

**2. CDC Increase to Eligibility Entrance Threshold**

Executive and House do not include.

Senate adds \$25.8 million federal funds to increase the eligibility entrance threshold from 130% of the federal poverty guidelines to 150% of the federal poverty guidelines. Implementation of the funds are contingent on MDE receiving additional federal childcare and development block grant (CCDBG) funds from the federal Office of Child Care. (see *major boilerplate changes* for Sec. 1009 below.)

Conference does not include.

<b>Gross</b>	<b>\$162,396,100</b>	<b>\$0</b>
Federal	122,966,400	0
GF/GP	\$39,429,700	\$0



<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>3. CDC Provider Reimbursement Rate Increase</b>	<b>Gross</b>	<b>\$162,396,100</b>	<b>\$0</b>
<u>Executive and House</u> do not include.	Federal	122,966,400	0
<u>Senate</u> adds \$10.7 million federal funds to increase CDC program's hourly reimbursement rates for empty and one-star rated programs by \$0.50 and two-star programs by \$0.25 and to increase hourly reimbursement rates for Tier 1 unlicensed programs by \$0.50. (see <i>major boilerplate changes</i> for Sec. 1002 below.)	GF/GP	\$39,429,700	\$0
<u>Conference</u> does not include.			
<b>4. Teacher Education Assistance for College and Higher Education (TEACH) Scholarship Fund Increase and Line Item Shift</b>	<b>Gross</b>	<b>\$2,500,000</b>	<b>\$2,500,000</b>
<u>Executive</u> does not include.	Federal	2,500,000	2,500,000
<u>House</u> does not include.	GF/GP	\$0	\$0
<u>Senate</u> adds \$2.5 million federal for a total of \$5.0 million federal for the TEACH Scholarship. The Senate also shifts the TEACH scholarship program from the Office of Great Start Operations to its own line item. The TEACH scholarship program provides credit-based educational opportunities (associate's degrees, bachelor's degrees, and other related certificates and credentials) for child care providers in Michigan. (see <i>major boilerplate changes</i> for Sec. 1004 below.)			
<u>Conference</u> concurs with Senate.			
<b>5. Child Development and Care Contractual Services</b>	<b>Gross</b>	<b>NA</b>	<b>\$11,500,000</b>
<u>Executive and House</u> do not include.	Federal	NA	11,500,000
<u>Senate</u> shifts \$11.5 million federal from the Office of Great Start Operations line item to a new line item "Early Childhood Investment Corporation" (ECIC) within the Office of Great Start Unit. Currently, for FY 2017-18, the contracted amount provided to the ECIC is \$9.7 million; however, ECIC has requested \$10.8 million in FY 2018-19. Therefore, shifting \$11.5 million federal to the ECIC line item may not leave enough appropriations for the current Office of Great Start Operations line item. The ECIC, under contract with MDE, administers child care quality initiatives related to the Great Start program and the MI CDC program's Great Start to Quality program and Tiered Quality Rating Improvement System and administers funds to regional centers.	GF/GP	NA	\$0
<u>Conference</u> revises Senate proposal to revise the line item name from Early Childhood Investment Corporation to Child Development and Care Contractual Services and additionally shifts \$1.4 million for contractual services for license exempt monitoring from the Office of Great Start Operations to this new line item. The new line item funds CDC related contractual services rather than rolling contracts into the operations line.			
<b>6. CDC – FY 2018-19 Caseload Consensus</b>	<b>Gross</b>	<b>\$162,396,100</b>	<b>\$24,603,900</b>
<u>Conference</u> increases gross appropriation by \$24.6 million federal to align with consensus caseload estimates and consensus cost per case estimates.	Federal	122,966,400	24,603,900
	GF/GP	\$39,429,700	\$0
<b>7. School Reform Office to MDE: Partnership District Support Operations</b>	FTE	4.0	9.0
<u>Executive</u> adds \$2.9 million GF/GP and 9.0 FTEs to Partnership District Support Operations for the transfer of the School Reform Office (SRO) from DTMB to MDE (Executive Order 2017-5). Operational support will be responsible for supporting existing partnership districts as partnership liaisons, as well as data analysis, financial management, and office management for school reform efforts.	<b>Gross</b>	<b>\$641,800</b>	<b>\$2,853,400</b>
<u>House</u> concurs with Executive.	GF/GP	\$641,800	\$2,853,400
<u>Senate</u> concurs with Executive to provide 9.0 FTEs but reduces the increase to \$1.9 million.			
<u>Conference</u> concurs with Executive and House.			

		FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Conference Change
<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>			
<b>8. School Reform Office to MDE: State Board/Superintendent Operations</b>	FTE	11.0	2.0
<u>Executive</u> adds \$497,600 GF/GP and 2.0 FTEs to State Board/Superintendent Operations for the transfer of the School Reform Office (SRO) from DTMB to MDE (Executive Order 2017-5). Operational support staff would work with the superintendent to identify, partner with, and hold districts accountable for meeting goals outlined in partnership agreements. <u>House, Senate, and Conference</u> concur with Executive.	<b>Gross</b>	<b>\$2,104,200</b>	<b>\$497,600</b>
	Federal	156,600	0
	Private	28,100	0
	Restricted	654,400	0
	GF/GP	\$1,265,100	\$497,600
<b>9. State Aid to Libraries</b>	<b>Gross</b>	<b>\$11,067,700</b>	<b>\$1,000,000</b>
<u>Executive</u> maintains current year appropriation.	GF/GP	\$11,067,700	\$1,000,000
<u>House</u> maintains current year appropriation.			
<u>Senate</u> increases state aid to libraries by \$1.0 million GF/GP to a total of \$12.1 million.			
<u>Conference</u> concurs with Senate.			
<b>10. Early Literacy Implementation</b>	<b>Gross</b>	<b>\$15,571,200</b>	<b>\$1,000,000</b>
<u>Executive</u> provides \$1.0 million GF/GP to School Support Services Operations for continuing implementation of literacy initiatives funded in Section 35a of the School Aid Act. Previously, these funds were located in Section 35 of the School Aid Act.	Federal	14,522,300	0
<u>House, Senate, and Conference</u> concur with Executive.	Local	11,700	0
	Restricted	159,300	0
	GF/GP	\$877,900	\$1,000,000
<b>11. Project UNIFY</b>	<b>Gross</b>	<b>\$15,571,200</b>	<b>\$500,000</b>
<u>Executive</u> provides \$500,000 GF/GP to School Support Services Operations for Project UNIFY, now known as Special Olympics Unified Champion Schools. MDE oversees the program and has been reimbursed by DHHS since 2015, but would now be directly funded. The program brings together students with and without disabilities through education, sports, and leadership enrichment activities in their communities.	Federal	14,522,300	0
<u>House, Senate, and Conference</u> concur with Executive.	Local	11,700	0
	Restricted	159,300	0
	GF/GP	\$877,900	\$500,000
<b>12. Braille Textbook Production Expansion</b>	<b>Gross</b>	<b>\$450,000</b>	<b>\$300,000</b>
<u>Executive</u> increases by \$300,000 in restricted funds in the Michigan Schools for the Deaf and Blind unit's Low Incidence Outreach program to a total of \$750,000. The increased appropriation allows for increased production and sale of specialized braille books, and additional fund revenue provides free books, services, supports, and training for students, teachers, parents, and other related personnel.	Restricted	450,000	300,000
<u>House, Senate, and Conference</u> concur with Executive.	GF/GP	\$0	\$0
<b>13. Division of Adolescent and School Health (DASH)</b>	<b>Gross</b>	<b>\$0</b>	<b>\$100</b>
<u>Executive and House</u> do not include.	GF/GP	\$0	\$100
<u>Senate</u> adds a \$100 GF/GP placeholder to replace a reduction in federal funds for a \$320,000 grant, for which state agencies will no longer be able to apply, associated with DASH to provide a full-time consultant, clerical support, and programming to support school districts in Michigan in human immunodeficiency virus/Sexually Transmitted Infection (HIV/STI) prevention and sex education.			
<u>Conference</u> concurs with Senate to keep the \$100 placeholder but shifts to a new line item entitled "Adolescent and School Health" in the School Support Services unit.			
<b>14. Renaissance Zones Adjustment</b>	<b>Gross</b>	<b>\$3,300,000</b>	<b>(\$800,000)</b>
<u>Executive</u> reduces funding for Renaissance Zone reimbursements to libraries by \$800,000 GF/GP. Estimated reimbursement payments required by statute have decreased due to recent Personal Property Tax reform.	GF/GP	\$3,300,000	(\$800,000)
<u>House, Senate, and Conference</u> concur with Executive.			

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>	<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>	
<b>15. Economic Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>\$1,506,300</b>
<u>Executive</u> includes economic adjustments that reflect increased costs of \$1.5 million Gross (\$455,300 GF/GP) for negotiated salary and wage increases (2.0% ongoing), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	Federal	NA	901,400
<u>House, Senate, and Conference</u> concur with Executive.	Local	NA	47,300
	Private	NA	1,500
	Restricted	NA	100,800
	GF/GP	NA	\$455,300

**Major Boilerplate Changes From FY 2017-18**

**Executive DELETED but House, Senate, and Conference RETAINED:**

- Communication with the Legislature (Sec. 222)
- Records Retention (Sec. 223)
- Timely Data (Sec. 227)
- Contract Notification (Sec. 229)
- Nonpublic School Mandates (Sec. 230)
- Travel Expenditures (Sec. 302)
- Federal and Private Grants (Sec. 325)
- Keep Library Functions Together (Sec. 803)

**Sec. 225. Grant Application Penalty – REVISED**

Requires that MDE send districts a list of grants available in the School Aid Budget by October 1, 2017, and open the grant application process by December 1, 2017. Reduces state funding for state board/superintendent operations by 1% if the MDE fails to comply.

Executive revises that only “known” grants in the School Aid grant application process must be open by December 1, 2018 to reflect the possibility that certain grants, especially federal grants that are available for FY 2018-19, will not be either open or available for review by the deadline. House revises the set of requirements for the state grant award process and would reduce state money appropriated for unclassified positions, state board/superintendent operations, school support services operations, and field services operations by 5% if the following requirements are not met for FY 2018-19: not later than August 1, 2018 MDE open the grant application process and send districts and post on its publicly accessible website the grant application and award process schedule and the list of the state grants available; on October 1, 2018 close the grant application process and begin the award process for state grants; and not later than November 1, 2018 distribute grant awards. Senate revises from current law to add an additional subsection (c), which requires MDE to award all grants not later than December 1, 2018. Conference revises to require MDE to comply with a set of requirements situated in section 17c of the state school aid act of 1979, 1979 PA 94, MCL 388.1617c. The requirements are as follows: In August, information for grants must be placed on the state board agenda; not later than September 1, open the grant application, provide districts and eligible entities and post on its website the grant application and award process schedule and the list of state grants and contracts available; and not later than December 1, publish grant awards. Concurs with the House grant penalty but revises from 5% to 2.5%.

**Sec. 231. Child Protection Law Reporting – NEW**

Executive and House do not include this section. Senate adds a new section that requires MDE to submit task force recommendations for reducing child sexual abuse to school districts, intermediate school districts (ISDs), and public school academies (PSAs) as required by the Child Protection Law 2012 PA 593, MCL 722.632b. Additionally requires MDE to collect information from all school districts, ISDs, and PSAs that have adopted policies specified by section 12b of the Child Protection Law and create and submit a report to house and senate appropriations committees, house and senate fiscal agencies, and the state budget director that includes a list of each school district, ISD, and PSA that adopted each policy specified by section 12b of the Child Protection Law. Conference concurs with Senate but makes a technical revision to the intended MCL reference as follows: revises from “2012 PA 593, MCL 722.632b” to “12b of the child protection law, 1975 PA 238, MCL 722.632b.”

**Sec. 232. In-Demand Occupations Report – NEW**

Executive and House do not include this section. Senate adds a new section that requires MDE to distribute, through electronic or paper form, the most recent regional in-demand occupations report issued by the Department of Technology, Management, and Budget (DTMB) to all high school students in each school district, ISD, or PSA. Conference concurs with Senate but revises to provide the report to all high schools, rather than students, in each school district, ISD, or PSA.

## **Major Boilerplate Changes From FY 2017-18**

### **Sec. 233. Teacher Recruitment Program – NEW**

Executive and House did not include this section. Senate adds a new section that creates a teacher recruitment program that will provide resources and programming to high school students who are interested in teaching and who are members of underrepresented groups in the teaching profession. Requires MDE to do the following: create a process for nomination and admission of pupils to the program; advertise the program; invite postsecondary institutions in MI that operate teacher preparation programs to participate in the training program; connect pupils in the program with representatives of teacher preparation programs in MI; at least once, conduct conferences for pupils in the program in locations that are geographically convenient; and provide research and resources to pupils in the program and postsecondary institutions on successful activities and programs. Conference concurs with Senate.

### **Sec. 234. Administrative Rules – NEW**

Executive, House, and Senate did not include this section. Conference adds a new section to prevent MDE from developing, staffing, or promoting activities for the promulgation of new, revised, or rescinded administrative rules until a permanent state superintendent of public instruction is appointed by the state board of education. However, if an administrative rules change request for rule-making was submitted to the office of regulatory affairs before the effective date of this act, MDE may proceed with the administrative rules change.

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

Requires the Office of Special Education to address the Special Education Reform Task Force Guidelines to design and distribute to all parents parent-friendly information for all Individualized Education Plans (IEPs), as well as train mediators knowledgeable about the dispute resolution system and state and federal mandates pertaining to the rights and protections of students with disabilities.

Executive revises to indicate the cost, \$100,000 from Special Education Operations, for the design and distribution to all parents and legal guardians of a student with a disability information for all Individualized Education Plans (IEPs). Deletes the requirement to train mediators knowledgeable about the dispute resolution system and state and federal mandates pertaining to the rights and protections of students with disabilities. House concurs with Executive. Senate revises to add that in addition to parents, legal guardians must receive information about federal and state mandates regarding the rights and protections of students with disabilities. Conference concurs with Executive and House.

### **Sec. 407. Gifts, Bequests, and Donations – REVISED**

States that revenue from gifts, bequests, and donations that is unexpended at end of fiscal year may be carried over to next fiscal year and not revert to general fund.

Executive revises to remove local district service fees from the list of state revenue sources that if unexpended at the end of the fiscal year may be carried over to the next fiscal year and not revert to general fund because it is a fund source that is no longer collected and appropriated. House, Senate, and Conference concur with Executive.

### **Sec. 409. Due Process Hearings – NEW**

Executive and House did not include this section. Senate creates a new section that when conducting a due process hearing related to a child's individualized education program (IEP) educational placement, a state administrative judge shall consider the Michigan Schools for the Deaf and Blind the least restrictive environment under federal law for the parent's child who is deaf, deafblind, or hard of hearing. Conference concurs with Executive and House.

### **Sec. 601. Early Literacy Implementation – NEW**

Executive creates a new section to direct the early literacy implementation funding to costs associated with programs for early childhood literacy funded in Section 35a of the State School Aid Act. *See major budget changes for Early Literacy Implementation.* House, Senate, and Conference concur with Executive.

### **Sec. 602. Division of Adolescent and Social Health (DASH) HIV/STI Prevention – NEW**

Executive and House did not include this section. Senate creates a new section to direct newly appropriated GF/GP funds in part 1 toward replacing a federal DASH HIV/STI prevention grant funding that was funded in the section 39a(2)(a) of the State School Aid Act but carried out by MDE. Conference concurs with Senate but revises to indicate the exact line item, "adolescent and school health," where the funds would be appropriated.

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

Requires MDE to produce a report detailing the progress made by districts with grades K-3 receiving at-risk funding under section 31a of the State Aid Act in implementing Multi-Tiered Systems of Supports (MTSS), in implementing MTSS for grades 4-8 in the prior school fiscal year, and in providing reading intervention services described in section 1280f of the revised school code.

Executive revises the report that details progress made by districts receiving At Risk funding under section 31a of the State School Aid Act from those with grades K-3 to those with grades K-8. Also revises the portion of the report for implementing MTSS in the prior school year to presumably all grades since the grade restriction, 4-8, was removed from the section. House revises the grades for the report detailing the progress made by districts receiving at-risk under section 31a of the State Aid Act from K-3 to K-12, as well as the grades for the report in implementing MTSS from 4-8 to K-12. Senate maintains current law. Conference revises all references to grade ranges to K-12, with the intent that MTSS and reading intervention is implemented in all grades.

## **Major Boilerplate Changes From FY 2017-18**

### ***Sec. 1001. Number of Childcare Providers – DELETED***

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

Executive deletes this section. House maintains current law. Senate and Conference concur with Executive.

### ***Sec. 1002. CDC Provider Reimbursement Rate Increase – REVISED***

Requires the department to increase the provider reimbursement rates for child care centers, group homes, and registered family homes under the following guidelines: by \$0.25 per hour for each child for empty star, 1-star, and 2-star; by \$0.50 per hour for each child for 3-star and 4-star; and by \$0.75 for 5-star. For unlicensed providers, the provider reimbursement rate would increase by \$0.25 per hour for each child for Tier 1 and \$0.75 per hour for each child for Tier 2. The department is also required to publish the new final reimbursement rates on its and the Great Start to Quality webpages by the date that the new rates take effect.

Executive deletes this section. House revises to set the final rates after the FY 2017-18 reimbursement increases as the rates for the CDC program. Senate revises to increase licensed provider reimbursement rates by \$0.50 for child care centers, group homes, and family home providers with empty and 1-star ratings and by \$0.25 for those with 2-star ratings. Would also increase reimbursement rates by \$0.50 for unlicensed Tier 1 providers. Conference concurs with House.

### ***Sec. 1004. CDC TEACH Scholarship – REVISED***

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

Executive deletes this section. House maintains current law. Senate revises to increase the appropriation from \$1.0 million to \$5.0 million. Conference concurs with Senate.

### ***Sec. 1005. CDC Childcare Monitoring – RETAINED***

Requires MDE to coordinate with LARA to provide fingerprint services and background checks of employees of childcare providers as required by the federal Child Care and Development Block Grant

Executive and House delete this section. Senate and Conference maintain current law.

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

Requires MDE to use \$5.5 million federal CCDF to increase the eligibility entrance threshold for the CDC program from 125% to 130% of the federal poverty guidelines.

Executive deletes this section. House revises to set the CDC eligibility entrance threshold at 130% of the federal poverty guidelines. Senate revises to replace the current section with \$62.3 million for the following purposes: \$36.5 million to implement a biweekly reimbursement system for the CDC program; and \$25.8 million to increase the eligibility entrance threshold from 130% to 150% of the federal poverty guidelines. Additionally, before implementing either allocation, MDE must receive additional federal child care and development block grant funds from the federal Office of Child Care. Conference concurs with House.

### ***Sec. 1010. CDC Funding Changes – NEW***

Executive and House do not include this section. Senate adds a new section that requires MDE to notify the House and Senate appropriations subcommittees, the house and senate fiscal agencies, and the state budget director of federal changes to the CDC program including changes to the federal matching award amount, the block grant, and federal mandates that would require appropriations adjustments. Conference concurs with Senate.

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

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

### ***Sec. 1021. National Career Readiness Certificate – DELETED***

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

Executive, House, Senate, and Conference delete this section.

### ***Sec. 1101. Drinking Water Declaration of Emergency – RETAINED***

Requires that from the funds for the drinking water declaration of emergency, MDE must perform the following activities until it has spent all of the money appropriated for a drinking water declaration of emergency: pilot the expansion of CDC eligibility to children ages 0 to 3 for half-day childcare services for household income up to 300% of the federal poverty guidelines; provide information to childcare providers on identification and intervention services for children demonstrating potential developmental delays associated with exposure to lead; and provide a report on various metrics associated with the pilot's outcomes.

Executive deletes this section. House maintains current law. Senate deletes this section. Conference concurs with House.

**FY 2018-19: DEPARTMENT OF ENVIRONMENTAL QUALITY**  
**Summary: Conference Report**  
**Article VII, Senate Bill 848 (S-1) CR-1**



**Analyst: Austin Scott**

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

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 5578 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 854 as passed by the Senate.

**Overview**

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

**Major Budget Changes From FY 2017-18 YTD Appropriations**

**1. Environmental Cleanup and Redevelopment Program (One-Time);  
Renewing Michigan's Environment Program**

Executive intends to use 75.0 FTEs and \$79.0 million in restricted funding, the majority of which would be generated by a proposed increase in Michigan's solid waste tipping fee from \$0.36 per ton to \$4.75 per ton, to partially offset the loss of Clean Michigan Initiative funding. This new program would include the following:

Remediation and redevelopment (including vapor intrusion and PFAS)	\$45,000,000
Recycling grants	15,000,000
Solid waste management	6,000,000
State park infrastructure	5,000,000
Water quality monitoring grants	5,000,000
Asbestos and landfill gas monitoring	1,500,000
Materials management	1,500,000

	FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Conference Change
FTEs	NA	11.0
Gross	NA	\$25,000,000
GF/GP	NA	\$25,000,000

House intends to use 11.0 FTEs and \$25.0 million GF/GP to partially offset the loss of Clean Michigan Initiative funding. This new program would include the following:

Remediation and redevelopment (including vapor intrusion and PFAS)	\$25,000,000
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Senate does not include a solid waste tipping fee increase nor other funding for the program.

Conference concurs with House but makes funding one-time and renames line item "Environmental Cleanup and Redevelopment Program (one-time)."

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>2. Oil, Gas, and Mineral Services GF/GP</b>	FTEs	59.0	0.0
<u>Executive</u> continues \$4.0 million GF/GP for oil, gas, and mineral services to help offset a reduction in available oil and gas regulatory funding. This funding is included in the FY 2017-18 DEQ budget on a one-time basis and moved to ongoing for FY 2018-19.	<b>Gross</b>	<b>\$10,680,900</b>	<b>\$0</b>
<u>House</u> continues this appropriation on a one-time basis.	Restricted	6,680,900	0
<u>Senate</u> and <u>Conference</u> concur with Executive.	GF/GP	\$4,000,000	\$0
<b>3. Solid Waste Management Program</b>	FTEs	37.0	0.0
<u>Executive</u> eliminates the solid waste management program by transferring 37.0 FTEs and \$5.1 million in restricted funding to the proposed Renewing Michigan's Environment Program.	<b>Gross</b>	<b>\$5,077,800</b>	<b>\$0</b>
<u>House</u> , <u>Senate</u> , and <u>Conference</u> make no change.	Restricted	5,077,800	0
	GF/GP	\$0	\$0
<b>4. Lead Remediation Grants</b>	<b>Gross</b>	<b>NA</b>	<b>\$2,000,000</b>
<u>House</u> appropriates \$3.9 million Gross (\$1.0 million GF/GP) for the DEQ to award grants for the remediation and redevelopment of sites contaminated by lead paint. Restricted funding is provided by the Cleanup and Redevelopment Fund.	Restricted	NA	1,000,000
<u>Senate</u> does not include these grants.	GF/GP	NA	\$1,000,000
<u>Conference</u> appropriates \$2.0 million Gross (\$1.0 million GF/GP).			
<b>5. Communications and Community Outreach</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>House</u> reduces the new Office of External Relations included in the FY 2018-19 Executive budget by \$1.0 million GF/GP to create lead remediation grants.	GF/GP	NA	\$0
<u>Senate</u> and <u>Conference</u> do not include reduction.			
<b>6. Emergency Cleanup Actions (Lead Remediation Grants and Recycling Initiative)</b>	<b>Gross</b>	<b>\$3,000,000</b>	<b>(\$2,000,000)</b>
<u>House</u> reduces the Emergency Cleanup Actions program by \$2.0 million from the Cleanup and Redevelopment Fund to create lead remediation grants. This program administers contingency account to abate acute risk sites and provides funding to confirm whether an emergency exists at a site.	Restricted	3,000,000	(2,000,000)
<u>Senate</u> does not include reduction.	GF/GP	\$0	\$0
<u>Conference</u> reduces program by \$2.0 million from the Cleanup and Redevelopment Fund to increase funding for lead remediation grants (\$1.0 million) and recycling initiative (\$1.0 million).			
<b>7. Federal Cleanup Project Management</b>	FTE	40.0	0.0
<u>House</u> reduces the Federal Cleanup Project Management program by 5.0 FTEs and \$850,000 from the Cleanup & Redevelopment Fund to create lead remediation grants. This program provides funding for staff support for federal superfund and other sites in Michigan that qualify for federal dollars; funds implementation of program policy and procedures, the investigation and identification of properties, the oversight and audit of projects, and the coordination of enforcement actions against noncompliant owners and operators.	<b>Gross</b>	<b>\$6,986,500</b>	<b>\$0</b>
<u>Senate</u> and <u>Conference</u> do not include reduction.	Federal	3,320,900	0
	Restricted	3,665,600	0
	GF/GP	\$0	\$0
<b>8. Recycling Initiative</b>	<b>Gross</b>	<b>\$1,011,800</b>	<b>\$1,000,000</b>
<u>House</u> increases the Recycling Initiative by \$1.0 million from the Cleanup & Redevelopment Fund to expand the program. This program builds partnerships with stakeholders to increase the number of counties with access to recycling; promotes regional collaboration; provides education and technical assistance; and develops a measurement system to quantify recycling participation.	Restricted	0	1,000,000
<u>Senate</u> does not include increase.	GF/GP	\$1,011,800	\$0
<u>Conference</u> concurs with House.			

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>9. Contaminated Site Investigations, Cleanup, and Revitalization</b>	FTE	132.0	0.0
<u>House</u> reduces the Contaminated Site Investigations, Cleanup, and Revitalization program by 10.0 FTEs and \$1.0 million from the Cleanup & Redevelopment Fund to increase funding for the Recycling Initiative. This program provides funding for staff support for response activities to eliminate danger to public health, safety, welfare, or environment from environmental contamination sites.	<b>Gross</b>	<b>\$16,397,800</b>	<b>\$0</b>
<u>Senate</u> reduces this program by \$500,000 GF/GP to provide funding for the Michigan Geological Survey.	Private	191,100	0
<u>Conference</u> does not make any changes to this program.	Restricted	13,594,700	0
	GF/GP	\$2,612,000	\$0
<b>10. Michigan Geological Survey (One-Time)</b>	<b>Gross</b>	<b>NA</b>	<b>\$500,000</b>
<u>Senate</u> provides \$500,000 on-going GF/GP to support the Michigan Geological Survey at Western Michigan University which maps the geology of Michigan.	GF/GP	NA	\$500,000
<u>Conference</u> provides \$500,000 in one-time GF/GP.			
<b>11. Landfill Research, Design, and Demonstration Project (One-Time)</b>	<b>Gross</b>	<b>NA</b>	<b>\$120,000</b>
<u>Senate</u> adds \$120,000 GF/GP on a one-time basis to fund a septage bioreactor project at Smith's Creek Landfill in St. Clair County.	GF/GP	NA	\$120,000
<u>Conference</u> concurs with Senate.			
<b>12. Water Withdrawal Assessment Program</b>	FTE	4.0	1.0
<u>Conference</u> increases support for the water withdrawal assessment program by 1.0 FTE and \$180,000 GF/GP in coordination with House Bill 5638. This program administers the permitting process and monitors large scale withdrawals of groundwater.	<b>Gross</b>	<b>\$1,438,400</b>	<b>\$180,000</b>
	Restricted	1,050,300	0
	GF/GP	\$388,100	\$180,000
<b>13. Removal of FY 2017-18 Supplemental Funding</b>	FTE	7.0	(7.0)
<u>Executive</u> removes 7.0 FTEs and \$40.5 million Gross (\$15.8 million GF/GP) for FY 2017-18 supplemental appropriations included in Public Acts 158 and 201 of 2017. The vapor intrusion, PFAS, and remediation and redevelopment programs are continued in FY 2018-19 through the proposed Renewing Michigan's Environment Program.	<b>Gross</b>	<b>\$40,537,500</b>	<b>(\$40,537,500)</b>
<u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.	Restricted	24,700,000	(24,700,000)
	GF/GP	\$15,837,500	(\$15,837,500)
<b>14. Removal of FY 2017-18 one-time funding</b>	<b>Gross</b>	<b>\$17,100,000</b>	<b>(\$17,100,000)</b>
<u>Executive</u> removes \$17.1 million in restricted funding for one-time projects included in the previous fiscal year's budget:	Restricted	17,100,000	(17,100,000)
	GF/GP	\$0	\$0
Refined petroleum product cleanup program		\$14,900,000	
Drinking water declaration of emergency		2,200,000	
<u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.			
<b>15. Technical Adjustments</b>	FTEs	NA	(20.0)
<u>Executive</u> decreases DEQ budget by 20.0 FTEs and \$76.3 million Gross (\$913,400 GF/GP) to align authorization with available funds and comply with organizational changes. Adjustments include transferring the Office of the Great Lakes from the DEQ to the DNR (Executive Order 2017-9), establishing a new Office of External Relations, and eliminating authorization for Strategic Water Quality Initiative grants and loans program which was funded through FY 2017-18.	<b>Gross</b>	<b>NA</b>	<b>(\$76,260,400)</b>
<u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.	Federal	NA	(10,439,200)
	Private	NA	506,600
	Restricted	NA	(65,414,400)
	GF/GP	NA	(\$913,400)
<b>16. Economic Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>\$3,095,300</b>
<u>Executive</u> reflects increased costs of \$3.1 million Gross (\$615,900 GF/GP) for negotiated salary and wage increases (2.0% ongoing), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	NA	43,200
<u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.	Federal	NA	622,000
	Private	NA	(200)
	Restricted	NA	1,814,400
	GF/GP	NA	\$615,900



## **Major Boilerplate Changes From FY 2017-18**

### ***Sec. 220. Disciplinary Action Against State Employees – RETAINED***

Prohibits DEQ from disciplining state employees for communicating with members of the Legislature and their staffs. Executive deletes, House, Senate, and Conference retain.

### ***Sec. 221. Rule Promulgation – RETAINED***

Prohibits DEQ from adopting a rule that has a disproportionate economic impact on small business. Executive deletes, House, Senate, and Conference retain.

### ***Sec. 238. Fee and Fund Source Report – NEW***

Requires the DEQ to report on its public website information detailing activities related to departmental fees and fund sources. Senate and Conference add new section.

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

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

Executive and Senate revise, House and Conference concur but specifies that work projects must be completed by contract.

### ***Sec. 305. Refined Petroleum Fund – RETAINED***

States legislative intent to restore \$70.0 million Refined Petroleum Fund transferred to General Fund in FY 2006-07. Executive deletes, House, Senate, and Conference retain.

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

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

Executive revises, House, Senate, and Conference concur.

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

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

Executive and Senate add new section, House and Conference concur but specifies that work projects must be completed by contract.

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

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

Executive and Senate add new section, House and Conference concur but specifies that work projects must be completed by contract.

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

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

Executive, Senate, and Conference delete, House retains.

### ***Sec. 315. Lead Remediation Grants – NEW***

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

House and Conference add new section.

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

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

House and Conference add new section.

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

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

Executive, House, Senate, and Conference delete.

## **Major Boilerplate Changes From FY 2017-18**

### **Sec. 410. Lake Erie Report – RETAINED**

Requires DEQ to compile a report on the status of the implementation plan for the western Lake Erie basin collaborative agreement. Report shall include estimated cost of removal of total phosphorus per pound at the four major wastewater treatment plants; a description of the grants that have been awarded; a description of the work that has commenced on the issue of dissolved reactive phosphorus, the expected objectives and outcomes of that work, and a list of the parties involved in that effort; and a description of the efforts and outcomes aimed at the total phosphorus reduction for the River Raisin watershed. Executive, Senate, and Conference retain, House deletes.

### **Sec. 411. Kalamazoo River Superfund Site Study – DELETED**

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

### **Sec. 412. Work Projects – Aquifer Protection Program – NEW**

Allows unexpended funds appropriated for the aquifer protection program to be considered work project appropriations and carried forward into the succeeding fiscal year. The program will help resolve aquifer disputes between well owners and is estimated to cost \$524,000 with a tentative completion date of September 30, 2023. Executive and Senate add new section, House and Conference concur but specifies that work projects must be completed by contract.

### **Sec. 413. Cooperative Lakes Monitoring Program – NEW**

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

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

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

### **Sec. 701. Underground Storage Tank Authority – REVISED**

Allows unexpended funds appropriated for the underground storage tank cleanup program to be considered work project appropriations and carried forward into the succeeding fiscal year. The program will perform contaminated site cleanups estimated to cost \$20 million with a tentative completion date of September 30, 2023. Executive and Senate retain, House and Conference concur but specifies that work projects must be completed by contract.

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

Directs the expenditure of the one-time funding in part 1 for the landfill development project in St. Clair County. Senate and Conference add new section.

**FY 2018-19: TOTAL GENERAL GOVERNMENT  
Summary: Conference Report  
Article VIII, Senate Bill 848 (S-1) CR-1**



**Analysts: Ben Gielczyk  
Michael Crossen**

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

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as “one-time.” (3) Information on House budget action in this document is based on House Bill 5578 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 855 as passed by the Senate.

**Overview**

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

**Major Boilerplate Changes From FY 2017-18**

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

The FY 2017-18 pay-in was \$150.0 million, which was appropriated in appropriations act 2017 PA 107. For FY 2018-19, the Executive recommends including a pay-in of \$0.0, however, 25% of the GF/GP appropriation lapses for FY 2017-18 would be required to be deposited in the Budget Stabilization Fund. House recommends no pay-in. Senate revises to include a deposit in the BSF equal to 25% of the FY 2017-18 GF/GP unassigned fund balance. Additionally, Senate appropriates 25% of the FY 2017-18 GF/GP unassigned fund balance in the following manner: 7.5% for county road repairs, 7.5% to city and village road repairs, 3.3% for airport safety improvements, 3.3% for railroad infrastructure improvement, and 3.3% to the Waterway Economic Vitality Fund for harbor dredging and access improvements. Conference recommends no pay-in.

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

Requires departments to receive and retain copies of all reports required in Article VIII; requires federal and state guidelines to be followed for short-term and long-term retention of records; authorizes departments to electronically retain copies of reports unless otherwise required by federal and state guidelines. Executive deletes. House retains. Senate retains. Conference retains.

**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. House retains. Senate concurs with Executive. Conference retains.

**Sec. 218. Disciplinary Action Against State Employees – RETAINED**

Prohibits departments from taking disciplinary action against employees for communicating with legislators or their staff. Executive deletes. House retains. Senate retains. Conference retains.

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

Requires departments to report on policy changes made in order to implement enacted legislation. Executive deletes. House retains. Senate retains. Conference retains.

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

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. House retains. Senate retains. Conference retains.

**Major Boilerplate Changes From FY 2017-18**

***Sec. 235. Federal Funding Contingency Plan – RETAINED***

Requires the State Budget Director, in consultation with the appropriate department, to recommend a contingency plan for the federal funding reduction. Requires report by April 1. Executive deletes. House retains. Senate retains. Conference retains.

***Sec. 240. New Program Metrics – RETAINED***

Requires the State Budget Office provide a list of new programs and program enhancements that exceed \$500,000. Also requires identified programs to use program-specific measuring metrics in addition to the metrics required under Section 447 of the Management and Budget Act. The State Budget Office shall provide a report on the metrics and performance progress of identified programs by September 30. Express intent that future program funding increases be based on prior performance. Executive revises the due date of the required report and does not include the stated intent of the Legislature that the Governor consider performances of new programs as the basis for any increase in funds appropriated from the prior year. House concurs. Senate retains current law. Conference retains current law.

**FY 2018-19: DEPARTMENT OF ATTORNEY GENERAL**  
**Summary: Conference Report**  
**Article VIII, Senate Bill 848 (S-1) CR-1**



**Analyst: Michael Crossen**

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

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 5578 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 855 as passed by the Senate.

**Overview**

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

**Major Budget Changes From FY 2017-18 YTD Appropriations**

		FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Conference Change
<b>1. Ok2Say</b>	FTE	1.0	1.0
<u>House</u> adds \$2.3 million GF/GP and 2.0 FTEs to expand the capabilities and student awareness of the multi-media student safety reporting program.	<b>Gross</b>	<b>\$470,000</b>	<b>\$1,000,000</b>
<u>Senate</u> adds \$500,000 GF/GP. <u>Conference</u> adds \$1.0 million GF/GP for a total FY 2018-19 appropriation of \$1.5 million (\$1.0 million GF/GP).	Restricted	470,000	0
	GF/GP	\$0	\$1,000,000
<b>2. Medical Marihuana Enforcement</b>	FTE	4.0	0.0
<u>Executive</u> includes an additional \$126,700 state restricted to accommodate full year costs for legal support of medical marihuana regulatory oversight as described in Public Acts 281 – 283 of 2016 for a total FY 2018-19 appropriation of \$501,700 state restricted. Legal support services include investigating and prosecuting violations of the acts and rules governing the licensing of medical marihuana facilities. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	<b>Gross</b>	<b>\$375,000</b>	<b>\$126,700</b>
	Restricted	375,000	126,700
	GF/GP	\$0	\$0
<b>3. Flint Special Counsel Investigation</b>	<b>Gross</b>	<b>\$2,600,000</b>	<b>\$0</b>
<u>Executive</u> maintains \$2.6 million from the Lawsuit Settlement Proceeds Fund to support the ongoing investigation of activities associated with the Flint Declaration of Emergency due to drinking water and the resulting prosecutions led by an independent special counsel. <u>House</u> and <u>Senate</u> concur. <u>Conference</u> concurs.	Restricted	2,600,000	0
	GF/GP	\$0	\$0
<b>4. PACC Juvenile Life Without Parole Cases</b>	<b>Gross</b>	<b>\$700,000</b>	<b>\$0</b>
<u>Executive</u> removes \$700,000 GF/GP one-time funding to the Prosecuting Attorneys Coordination Council (PACC) to be distributed to local prosecutors for legal services related to the reconsideration of juvenile life without parole case sentences. <u>House</u> concurs. <u>Senate</u> provides \$700,000 restricted from the Lawsuit Settlement Proceeds Fund. <u>Conference</u> concurs with Senate.	Restricted	0	700,000
	GF/GP	\$700,000	(\$700,000)

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>5. PACC NextGen IT System</b>	<b>Gross</b>	<b>\$600,000</b>	<b>(\$600,000)</b>
<u>Executive</u> removes \$600,000 in restricted, one-time funding from the Lawsuit Settlement Proceeds Fund used by PACC to upgrade its legacy case management IT system. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Restricted	600,000	(600,000)
	GF/GP	\$0	\$0
<b>6. PACC Forensic Interviewing Training</b>	<b>Gross</b>	<b>\$0</b>	<b>\$100,000</b>
<u>Senate</u> adds \$100,000 GF/GP to PACC for additional forensic interviewing training. <u>Conference</u> concurs.	GF/GP	\$0	\$100,000
<b>7. Bad-Faith Patent Infringement Claims</b>	<b>Gross</b>	<b>\$180,000</b>	<b>(\$180,000)</b>
<u>Executive</u> maintains \$180,000 restricted from Lawsuit Settlement Proceeds Fund to support costs associated with responsibilities prescribed to the department under 2016 PA 550 related to bad-faith patent infringement claims. <u>House</u> does not include. <u>Senate</u> concurs with Executive. <u>Conference</u> concurs with House.	Restricted	180,000	(180,000)
	GF/GP	\$0	\$0
<b>8. Economic Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>\$1,403,400</b>
<u>Executive</u> includes increased costs of \$1.4 million Gross (\$558,200 GF/GP) for negotiated salary and wage increases (2.0% ongoing), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	IDG	NA	471,100
	Federal	NA	110,500
	Restricted	NA	263,600
	GF/GP	NA	\$558,200

### **Major Boilerplate Changes From FY 2017-18**

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

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

#### **Sec. 314. Lawsuit Settlement Proceeds Fund – REVISED**

Allows the department the use of lawsuit settlement proceeds for expenses related to the Flint Declaration of Emergency due to drinking water contamination up to a maximum of \$2.0 million and requires a quarterly expenditures report itemized by case, purpose, hourly rate of the retained attorney, and department involved. Authorizes \$600,000 to be used by the Prosecuting Attorneys Coordinating Council to upgrade its IT case management system. Authorizes \$180,000 to be used to support a single FTE costs associated with implementing the duties prescribed under PA 550 2016, The Bad-Faith Patent Infringement Claims Act. Executive increases the authorization legal expenses associated with the Flint Declaration of Emergency to \$2.6 million, removes the requirement to report the hourly rate of the retained attorney for the Flint water investigation, increase and deletes the authorization of one-time funding for the PACC IT case management system. House retains requirement to report the hourly rate of the retained attorney for the Flint water investigation and caps the hourly rate at \$250 unless the department fully complies with the section's reporting requirements; deletes the authorization for \$180,000 for the Bad-Faith Patent Infringement Claims Act; concurs with the removal of funds for the PACC IT case management system. Senate does not include the requirement to report the hourly rate of attorney for the Flint water investigation; Authorizes \$182,700 for the Bad-Faith Patent Infringement Claims Act; concurs with the removal of funds for the PACC IT case management system. Conference concurs with House.

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

Specifies \$700,000 to be set aside for investigations, crime victim rights, prosecutions, and appeals for retroactive juvenile life without parole cases. This section was introduced in FY 2017-18 and corresponded with the one-time appropriation of \$700,000 GF/GP which was not included in FY 2018-19. Executive deletes. House retains and revises to limit the expenditure of funds authorized as work projects to be limited to \$700,000. Senate retains and authorizes \$700,000 to be set aside from the Lawsuit Settlement Proceeds Fund to replace \$700,000 GF/GP. Conference concurs with Senate.

#### **Sec. 316a. Address Confidentiality Program – NEW**

Requires the department to develop the Address Confidentiality Program for victims of domestic or sexual assault upon passage of Senate Bill No. 655 of the 99<sup>th</sup> Legislature. Senate adds. Conference concurs.

#### **Sec. 318. PACC Forensic Interviewing Training – NEW**

Requires \$100,000 GF/GP from funds appropriated in part 1 for PACC to be expended for additional forensic interviewing training. Senate adds. Conference concurs and adds language stating that training shall be limited for use by Child Advocacy Centers and local prosecutors.

**Major Boilerplate Changes From FY 2017-18**

***Sec. 319. Wrongful Imprisonment Compensation Fund – NEW***

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

**FY 2018-19: DEPARTMENT OF CIVIL RIGHTS**  
**Summary: Conference Report**  
**Article VIII, Senate Bill 848 (S-1) CR-1**



**Analyst: Michael Crossen**

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

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 5578 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 855 as passed by the Senate.

**Overview**

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

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>	<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>1. Deaf, DeafBlind, and Hard of Hearing Transfer to LARA</b>	<b>Gross</b>	<b>\$93,400</b>
<u>Executive</u> transfers \$93,400 state restricted from the Department of Civil Rights (DCR) to the Department of Licensing and Regulatory Affairs in accordance with Executive Order No. 2017-8 which transfers the responsibilities set forth in the Deaf Persons' Interpreters Act, PA 204 of 1982 and the spending authorization of certification fees from the Division on Deafness Fund. This transfer only includes the Division on Deaf, DeafBlind, and Hard of Hearing funding responsible for interpreter licensing. \$715,600 Gross (\$696,900 GF/GP) remains in DCR for duties prescribed under the Division on Deafness Act PA 72 of 1937. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Restricted	93,400
	GF/GP	\$0
	<b>Gross</b>	<b>(\$93,400)</b>
	GF/GP	(93,400)
<b>2. Deaf, DeafBlind, and Hard of Hearing Needs Assessment</b>	<b>Gross</b>	<b>\$150,000</b>
<u>Executive</u> removes \$150,000 GF/GP of one-time funding used to survey the deaf, deafblind, and hard of hearing community throughout the state to determine its size, needs, and barriers to government service as well as to help develop a long-term strategic plan. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	GF/GP	\$150,000
	<b>Gross</b>	<b>NA</b>
	IDG	NA
	Federal	NA
	GF/GP	NA
	<b>Gross</b>	<b>\$194,900</b>
	IDG	2,500
	Federal	26,900
	GF/GP	\$165,500



**Major Boilerplate Changes From FY 2017-18**

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

**FY 2018-19: EXECUTIVE OFFICE**  
**Summary: Conference Report**  
**Article VIII, Senate Bill 848 (S-1) CR-1**



**Analyst: Ben Gielczyk**

IDG/IDT	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Conference	Difference: Conference From FY 2017-18 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>	0	0	0	0	0	0	--
<b>Restricted</b>	0	0	0	0	0	0	--
<b>GF/GP</b>	6,848,500	6,980,100	6,980,100	6,980,100	6,980,100	131,600	1.9
<b>Gross</b>	<b>\$6,848,500</b>	<b>\$6,980,100</b>	<b>\$6,980,100</b>	<b>\$6,980,100</b>	<b>\$6,980,100</b>	<b>\$131,600</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 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 5578 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 855 as passed by the Senate.

**Overview**

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

<b><u>Major Budget Changes From FY 2017-18 YTD Appropriations</u></b>		<b><u>FY 2017-18 Year-to-Date (as of 2/7/18)</u></b>	<b><u>FY 2018-19 Conference Change</u></b>
<b>1. Operational Adjustments</b>	FTE	89.2	0.0
Reflects increased costs of \$131,600 GF/GP related to Executive Office staff and other operations. <u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	<b>Gross</b>	<b>\$6,848,500</b>	<b>\$131,600</b>
	GF/GP	\$6,848,500	\$131,600

**Major Boilerplate Changes From FY 2017-18**

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

**FY 2018-19: LEGISLATURE**  
**Summary: Conference Report**  
**Article VIII, Senate Bill 848 (S-1) CR-1**



**Analyst: Ben Gielczyk**

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

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 5578 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 855 as passed by the Senate.

**Overview**

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

**Major Budget Changes From FY 2017-18 YTD Appropriations**

	FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Conference Change
<b>1. Legislature Operations</b>	<b>Gross</b>	<b>\$155,274,800</b>
Reflects increased costs of \$4.5 million Gross (\$4.4 million GF/GP) related to Legislative staff and other operations. <u>Executive</u> and <u>House</u> concur on funding level. However, House shifts \$100 GF/GP from Legislative Council to accommodate placeholder for a Michigan Forensic Science Commission. <u>Senate</u> concurs with Executive. <u>Conference</u> includes \$5.1 million Gross (\$5.0 million GF/GP); does not include \$100 placeholder for Forensic Science Commission.	Private	400,000
	Restricted	4,277,700
	GF/GP	150,597,100
		\$5,087,700
<b>2. Legislative Information Technology Systems Design Project</b>	<b>Gross</b>	<b>\$3,000,000</b>
<u>Executive</u> includes a net reduction of \$2.3 million GF/GP in one-time appropriations related to operational and implementation costs associated with the Legislative IT System Design Project. Replaces \$3.0 million in FY 2017-18 one-time appropriations with \$750,000 GF/GP in FY 2018-19 one-time appropriations. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	GF/GP	3,000,000
		(\$2,250,000)
<b>3. National Association Dues</b>	<b>Gross</b>	<b>\$454,700</b>
<u>Executive</u> reduces by \$230,700 GF/GP. <u>House</u> concurs. <u>Senate</u> maintains FY 2017-18 funding level. <u>Conference</u> concurs with Senate.	GF/GP	454,700
		\$0
<b>4. Criminal Justice Policy Commission</b>	<b>Gross</b>	<b>\$0</b>
<u>Senate</u> includes \$100 GF/GP placeholder for Criminal Justice Policy Commission. Conference does not include.	GF/GP	0
		\$0

**Major Boilerplate Changes From FY 2017-18**

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

**FY 2018-19: LEGISLATIVE AUDITOR GENERAL**  
**Summary: Conference Report**  
**Article VIII, Senate Bill 848 (S-1) CR-1**



**Analyst: Ben Gielczyk**

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

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 5578 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 855 as passed by the Senate.

**Overview**

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

		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>			
<b>1. Auditor General Operations</b>	<b>Gross</b>	<b>\$24,286,200</b>	<b>\$651,800</b>
Reflects increased costs of \$651,800 Gross (\$498,200 GF/GP) related to Auditor General staff and other operations. <u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	IDG	5,709,200	114,200
	Restricted	1,969,400	39,400
	GF/GP	\$16,607,600	\$498,200
<b>2. Title IX Audit Operations</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
<u>House</u> includes \$750,000 GF/GP for costs associated with conducting audits of Title IX operations at state public universities as required under Section 625 of boilerplate. <u>Senate</u> and <u>Conference</u> do not include.	GF/GP	\$0	\$0

**Major Boilerplate Changes From FY 2017-18**

**Sec. 625. Title IX Audits – NOT INCLUDED**

Requires the Auditor General to conduct an audit of the Title IX operations of each public university at least once every three years. House includes as new section. Senate and Conference do not include.

**FY 2018-19: DEPARTMENT OF STATE**  
**Summary: Conference Report**  
**Article VIII, Senate Bill 848 (S-1) CR-1**



**Analyst: Michael Crossen**

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

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 5578 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 855 as passed by the Senate.

**Overview**

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

		FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Conference Change
<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>			
<b>1. Driver Responsibility Fees Elimination</b>			
<u>House</u> adds \$1.0 million Gross GF/GP to support increased administrative responsibilities at branch offices related to the elimination and amnesty of Driver Responsibility Fees (DRF) provided in PAs 43-50 2018. Branch office personnel will be responsible for assisting drivers reinstate their licenses that were suspended due to delinquent payments of Driver Responsibility Fees. <u>Senate</u> adds \$1.0 million restricted from the Transportation Administration Collection Fund (TACF) and 100.0 short-term FTEs. <u>Conference</u> does not include.	FTEs	NA	0.0
	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
	Restricted	NA	0
	GF/GP	NA	\$0
<b>2. Driver Responsibility Fees Replacement</b>			
<u>Executive</u> maintains current law. <u>House</u> maintains current law. <u>Senate</u> shifts restricted funding from DRF to TACF <u>Conference</u> concurs with Senate.	<b>Gross</b>	<b>\$1,000,000</b>	<b>\$0</b>
	Restricted	1,000,000	0
	GF/GP	\$0	\$0
<b>3. Driver License Vendor Contract Extension</b>			
<u>Executive</u> provides \$925,000 state restricted for a contract extension with the current vendor responsible for producing driver licenses and a server upgrade to provide greater data security. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	<b>Gross</b>	<b>\$0</b>	<b>\$925,000</b>
	Restricted	0	925,000
	GF/GP	\$0	\$0
<b>4. IT Cost Increase</b>			
<u>Executive</u> provides \$800,000 state restricted to accommodate rate increases for services provided by DTMB and for a contract for a disaster recovery solution for the Qualified Voter File registry. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	<b>Gross</b>	<b>\$37,452,100</b>	<b>\$800,000</b>
	Restricted	35,860,700	800,000
	GF/GP	\$1,591,400	\$0

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>5. Commercial Driver License Testing Kiosks</b>	<b>Gross</b>	<b>NA</b>	<b>\$500,000</b>
<u>Executive</u> provides \$500,000 state restricted to offset the anticipated loss of federal funding for kiosks in branch offices used for computerized Commercial Driver License testing. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Restricted	NA	500,000
	GF/GP	NA	\$0
<b>6. Fund Shift GF Reduction</b>	<b>Gross</b>	<b>\$1,148,300</b>	<b>\$0</b>
<u>Executive</u> replaces \$1.1 million GF/GP with a corresponding amount of state restricted funding from TACF for a net change of \$0 Gross. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Restricted	0	1,148,300
	GF/GP	\$1,148,300	(\$1,148,300)
<b>7. Voting Machine One-Time Funding</b>	<b>Gross</b>	<b>\$5,000,000</b>	<b>(\$5,000,000)</b>
<u>Executive</u> removes \$5.0 million GF/GP included as one-time funding in PA 158 of 2017 for new voting machines statewide. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	GF/GP	\$5,000,000	(\$5,000,000)
<b>8. Credit and Debit Card Fee Assessment</b>	<b>Gross</b>	<b>\$8,000,000</b>	<b>(\$8,000,000)</b>
<u>House</u> eliminates the Credit and Debit Assessment Services line item appropriating revenue from service assessments collected by the department for credit and debit card vendor fees. Associated boilerplate authorizes the department to use collected service assessments to use for expenses related to the service and restricts the department from charging assessments which exceed the costs billable to the department. <u>Senate</u> maintains current law. <u>Conference</u> concurs with House.	Restricted	8,000,000	(8,000,000)
	GF/GP	\$0	\$0
<b>9. Economic Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>\$3,079,300</b>
<u>Executive</u> provides \$3.1 million Gross (\$475,600 GF/GP) for negotiated salary and wage increases (2.0% ongoing), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Restricted	NA	2,603,700
	GF/GP	NA	\$475,600

#### **Major Boilerplate Changes From FY 2017-18**

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

Requires the department to report on funding expended for the BAM IT modernization project since its inception. Executive deletes. House concurs. Senate retains. Conference concurs with Executive.

##### **Sec. 716b. Customer and Automotive Records System (CARS) Project – NOT INCLUDED**

Requires the department to report the total funds expended for the CARS program since its inception as well as the information on the project's schedule and budget and changes to either. Senate adds. Conference does not include.

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

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

##### **Sec. 719. Office of Investigative Services – DELETED**

State that the Office of Investigative Services may use available funds from the amount appropriated in part 1 to conduct investigations of any reported irregularities in a local, state, or national election. Executive maintains current law. House concurs. Senate deletes. Conference deletes.

##### **Sec. 719. High School Voting Machines – NEW**

Requires the Department to make at least one voting machine available to at least one high school in each prosperity region for student familiarization. Senate adds. Conference concurs and renumbers as section 719 from 720.

##### **Sec. 720a. Driver Responsibility Fee Elimination Temporary Staffing – NOT INCLUDED**

Sets an expiration date of March 1, 2019 for the authorization of 100.0 FTEs associated with additional administrative responsibilities as a result of the elimination and amnesty of Driver Responsibility Fees and driver license reinstatements. Senate adds. Conference does not include.

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

Requires the department to develop a plan to enhance post-election audit procedures to ensure machine-tabulated vote accounts are counted and reported accurately. House adds. Senate does not include. Conference concurs with House and renumbers as Sec. 720 from 721.

**Major Boilerplate Changes From FY 2017-18**

***Sec. 723. Plug-in Electric Vehicle Data Reporting – NOT INCLUDED***

Requires the Department to semi-annually report information regarding plug-in electric vehicles for use by the Michigan Agency for Energy and MDOT. Senate adds. Conference does not include.



**FY 2018-19: DEPARTMENT OF TECHNOLOGY,  
MANAGEMENT, AND BUDGET**  
**Summary: Conference Report**  
**Article VIII, Senate Bill 848 (S-1) CR-1**



**Analyst: Michael Crossen**

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

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 5578 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 855 as passed by the Senate.

**Overview**

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

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>1. State Building Authority (SBA) Rent Increase</b>	<b>Gross</b>	<b>\$246,570,600</b>	<b>\$0</b>
<u>Executive</u> adds \$22.3 million GF/GP to cover anticipated debt service obligations associated with capital outlay projects authorized for construction. <u>House</u> adds \$7.3 million GF/GP. <u>Senate</u> adds \$27.6 million GF/GP. <u>Conference</u> retains current year funding.	GF/GP	\$246,570,600	\$0
<b>2. EPMO IT Management Services</b>	FTE	NA	11.0
<u>Executive</u> provides \$2.0 million GF/GP and 11.0 FTEs to expand the Enterprise Portfolio Management Office (EPMO) IT project management services across the enterprise portfolio of IT projects to establish more standardized and efficient IT management processes and controls. <u>House</u> does not include. <u>Senate</u> concurs with Executive. <u>Conference</u> concurs with Executive.	<b>Gross</b>	<b>NA</b>	<b>\$2,010,000</b>
	GF/GP	NA	\$2,010,000
<b>3. Regional Prosperity Grants Increase</b>	FTE	0.0	0.0
<u>Executive</u> adds \$1.5 million GF/GP to increase grants to designated economic regions defined by the Regional Prosperity Initiative to encourage private, public, and non-profit partners to collaborate on developing economic visions and on efforts to achieve them. The additional grants would also permit funding for infrastructure asset management projects and bring the program's total annual grant funding to \$4.0 million GF/GP. <u>House</u> does not include. <u>Senate</u> does not include. <u>Conference</u> concurs with Executive.	<b>Gross</b>	<b>\$2,500,000</b>	<b>\$1,500,000</b>
	GF/GP	\$2,500,000	\$1,500,000

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>4. IT Personnel Retention Incentives</b>			
<u>Executive</u> provides \$1.5 million GF/GP to offer pay-per-performance incentives to retain talent among the state's IT personnel. <u>House</u> does not include. <u>Senate</u> includes \$1.4 million GF/GP. <u>Conference</u> includes \$1.0 million GF/GP.	<b>Gross</b> GF/GP	<b>\$0</b> \$0	<b>\$1,000,000</b> \$1,000,000
<b>5. Procurement Improvement Plan Completion</b>			
<u>Executive</u> provides \$891,900 state restricted and 6.0 FTEs for ongoing support of improved procurement operations following the guidelines set forth in Executive Order No. 2015-1. Funding will cover the costs of permanent supplier relationship management, contract management, and an enterprise-wide professional development certification program for procurement professionals. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	FTE <b>Gross</b> Restricted GF/GP	0.0 <b>\$0</b> 0 \$0	6.0 <b>\$891,900</b> 891,900 \$0
<b>6. Financial Services Support</b>			
<u>Executive</u> provides \$559,400 Gross (\$12,900 GF/GP) and 6.0 FTEs to support an increased workload related to procurement of IT hardware and software and to reduce agency services billing errors. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	FTE <b>Gross</b> IDG Restricted GF/GP	0.0 <b>\$0</b> 0 0 \$0	6.0 <b>\$559,400</b> 317,900 228,600 \$12,900
<b>7. Michigan Cyber Civilian Corps</b>			
<u>Executive</u> provides \$420,000 one-time state restricted funding to support the expansion of members in the expert volunteer force as well as updated training. The Cyber Civilian Corps (MiC3) is established to provide emergency responses to cyber security threats upon the request of a municipal, educational, non-profit, or business organization. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> does not include.	<b>Gross</b> Restricted GF/GP	<b>\$0</b> 0 \$0	<b>\$0</b> 0 \$0
<b>8. FY 2018-19 IT IDG Baseline Adjustment</b>			
<u>Executive</u> adjusts the DTMB Information Technology IDG authorization up \$31.0 million IDG to reflect projects and service adjustments in other agency budgets, administrative cost allocation changes, and IT budgetary requests made by agencies. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	<b>Gross</b> IDG GF/GP	<b>\$520,487,100</b> 520,487,100 \$0	<b>\$31,023,400</b> 31,023,400 \$0
<b>9. School Reform Office Transfer to MDE</b>			
<u>Executive</u> transfers \$3.4 million GF/GP and 11.0 FTEs to the Department of Education per Executive Order No. 2017-5 for the organizational transfer of the School Reform Office. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	FTE <b>Gross</b> GF/GP	11.0 <b>\$3,115,100</b> \$3,115,100	(11.0) <b>(\$3,353,800)</b> (\$3,353,800)
<b>10. Information Technology Investment Fund (ITIF)</b>			
<u>Executive</u> reduces \$32.5 million GF/GP from the IT modernization project portfolio to reflect the decreased costs due to the completion of SIGMA. The remaining \$40.0 million GF/GP would be used to support ongoing modernization projects, six new projects, and additional projects not yet identified. <u>House</u> reduces \$43.7 million GF/GP. <u>Senate</u> concurs with Executive. <u>Conference</u> reduces \$37.5 million GF/GP.	<b>Gross</b> GF/GP	<b>\$72,500,000</b> \$72,500,000	<b>(\$37,500,000)</b> (\$37,500,000)
<b>11. Homeland Security Initiatives/Cyber Security</b>			
<u>Executive</u> reduces \$1.0 million GF/GP due to the extension of the timeframe for developments in the State enterprise data network. <u>House</u> reduces \$2.0 million GF/GP. <u>Senate</u> concurs with Executive. <u>Conference</u> reduces \$1.5 million GF/GP.	<b>Gross</b> GF/GP	<b>\$16,169,300</b> \$16,169,300	<b>(\$1,500,000)</b> (\$1,500,000)
<b>12. State Police Retirement Services</b>			
<u>Executive</u> adjusts authorization to the State Police Employee Retirement System (SPERS) by reducing \$87,000 GF/GP for anticipated supplemental payments per 2015 PA 168. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	<b>Gross</b> GF/GP	<b>NA</b> NA	<b>(\$87,000)</b> (\$87,000)

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>13. Special Maintenance for State Facilities</b>	<b>Gross</b>	<b>\$2,000,000</b>	<b>\$1,800,000</b>
<u>Executive</u> provides an additional \$1.8 million IDG to support increased statewide utility cost increases and other building service contractual costs such as janitorial, security guards, and elevator maintenance. Funds are also included to start the process of standardizing all Automated External Defibrillators (AED) in state owned buildings. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	IDG	2,000,000	1,800,000
	GF/GP	\$0	\$0
<b>14. Professional Development Funds</b>	<b>Gross</b>	<b>\$250,000</b>	<b>(\$50,000)</b>
<u>Executive</u> reduces \$50,000 IDG from employer contributions for professional development of non-union represented state employees (NERES). The reduction is related to collective bargaining agreements and was approved by the Civil Service Commission in December 2017. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	IDG	250,000	(50,000)
	GF/GP	\$0	\$0
<b>15. SWCAP Adjustment</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>Executive</u> reallocates fund sourcing associated with Statewide Cost Allocation Plan (SWCAP) for a net change of \$0 Gross and reduction of \$45,100 GF/GP. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	IDG	NA	(36,300)
	Restricted	NA	81,400
	GF/GP	NA	(\$45,100)
<b>16. Drinking Water Declaration of Emergency Reserve Fund</b>	<b>Gross</b>	<b>NA</b>	<b>\$100</b>
<u>Executive</u> adds a \$100 Restricted placeholder to accommodate future transfers. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Restricted	NA	100
	GF/GP	NA	\$0
<b>17. Additional FTE Request</b>	FTE	2,937.0	167.0
<u>Executive</u> adds 167.0 classified FTEs to align department FTE totals with appropriated funds and associated positions. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
	GF/GP	NA	\$0
<b>18. Removal of Current Year One-Time Funding</b>	<b>Gross</b>	<b>\$82,125,100</b>	<b>(\$82,125,100)</b>
<u>Executive</u> removes \$82.1 million GF/GP of one-time funding from ten items. These items are \$2.0 million for citizen-centric government IT initiatives, \$25.0 million for the Drinking Water Declaration of Emergency Reserve Fund, \$3.7 million additional funding for Homeland Security Initiative/Cyber Security, \$35.0 million for the Michigan Infrastructure Fund, \$5.0 million for the Michigan Public Safety Communications System, \$2.1 million for MAIN closeout, \$6.2 million for the Michigan.gov CMS, \$300,000 for a procurement review pilot program, \$353,000 for the School Reform Office, \$2.4 million and 10.0 FTEs for SIGMA transition support, and \$100,000 for MDOT's MiTRIP system enhancement. NOTE: Additional \$7.5 million in one-time funding for the IT Investment Fund (ITIF) was accounted for above in item #10. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	GF/GP	\$82,125,100	(\$82,125,100)
<b>19. Enterprisewide Special Maintenance for State Facilities</b>	<b>Gross</b>	<b>\$26,000,000</b>	<b>\$0</b>
<u>Executive</u> maintains current year funding for maintenance and upkeep at all state-owned properties. <u>House</u> reduces by \$2.6 million GF/GP. <u>Senate</u> concurs with Executive. <u>Conference</u> concurs with Executive.	GF/GP	\$26,000,000	\$0
<b>20. Information Technology Services and Projects</b>	<b>Gross</b>	<b>\$26,429,100</b>	<b>(\$200,000)</b>
<u>Executive</u> maintains current year funding for IT services and projects which support department activities. <u>House</u> reduces by \$200,000 GF/GP. <u>Senate</u> concurs with Executive. <u>Conference</u> concurs with House.	IDG	932,900	0
	Restricted	15,827,000	0
	GF/GP	\$9,669,200	(\$200,000)
<b>21. Office of Retirement Services Actuarial Analyses</b>	<b>Gross</b>	<b>NA</b>	<b>\$10,000</b>
<u>House</u> includes \$4,000 GF/GP one-time funding to conduct an actuarial analysis to determine the potential costs incurred by the state employees retirement system as a result of implementing the provisions included in House Bill No. 5411 of the 99 <sup>th</sup> Legislature. The appropriation would not take effect unless the bill is enacted into law. <u>Senate</u> does not include. <u>Conference</u> concurs with House and adds \$6,000 GF/GP one-time funding to conduct an additional actuarial analysis to determine the potential costs incurred by the state employees retirement system as a result of implementing the provisions included in Senate Bill No. 747 of the 99 <sup>th</sup> Legislature.	GF/GP	NA	\$10,000

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>	<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>22. National Guard Retirees</b> <u>Senate</u> provides \$1.6 million GF/GP, contingent upon the passage of Senate Bill 747, to cover retirement benefits costs for certain National Guard members prescribed in Senate Bill 747. <u>Conference</u> does not include.	<b>Gross</b> GF/GP	<b>NA</b> NA <b>\$0</b> \$0
<b>23. Census Related Services Placeholder</b> <u>Senate</u> includes a \$100 GF/GP one-time placeholder for funds to be awarded to the Michigan Nonprofit Association to achieve a fair and accurate count in the 2020 census. <u>Conference</u> concurs.	<b>Gross</b> GF/GP	<b>NA</b> NA <b>\$100</b> \$100
<b>24. Broadband Initiative Placeholder</b> <u>Senate</u> includes a \$100 GF/GP one-time placeholder for grants to be issued to local entities in areas unserved and underserved for broadband service for broadband pilot programs. <u>Conference</u> does not include.	<b>Gross</b> GF/GP	<b>NA</b> NA <b>\$0</b> \$0
<b>25. Legislative Retirement</b> <u>Conference</u> includes \$12.4 million GF/GP for required legislative retirement pension and OPEB annual required contributions.	<b>Gross</b> GF/GP	<b>NA</b> NA <b>\$12,400,000</b> \$12,400,000
<b>26. Economic Adjustments</b> <u>Executive</u> provides increased costs of \$3.1 million Gross (\$475,600 GF/GP) for negotiated salary and wage increases (2.0% ongoing), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	<b>Gross</b> IDG Federal Local Private Restricted GF/GP	<b>NA</b> NA NA NA NA NA NA <b>\$8,086,400</b> 4,763,000 48,400 24,900 1,700 1,436,100 \$1,812,300

### **Major Boilerplate Changes From FY 2017-18**

#### **Sec. 810a. Vendor Review Pilot Program – DELETED**

Requires a pilot project be established using a third-party vendor that will provide comprehensive information on all vendors with which the State conducts business. Executive deletes. House concurs with Executive. Senate retains. Conference concurs with Executive.

#### **Sec. 817. National Guard Retirees – NOT INCLUDED**

States that \$1.6 million from funds appropriated in Part 1 for retirement services shall be used to cover the costs of retirement benefits for eligible members as described in Senate Bill 747; States that funding will be contingent on passage of Senate Bill 747. Senate adds. Conference does not include.

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

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

#### **Sec. 822f. Regional Prosperity Initiative – REVISED**

Provides for the regional prosperity grant program, which offers economic and workforce development planning grants to eligible regional planning organizations working in collaboration with local governmental, non-profit, business, and educational community partners. Executive revises incentive-based funding grant amounts and creates one-time grants for integrated infrastructure asset management initiatives under the guidance of the Michigan Infrastructure Council; dedicates 0.3 FTE at \$30,000 to manage grant evaluations. House retains current law amounts authorized for grants; concurs with the inclusion of infrastructure asset management; revises language for the provision of funding for a 0.3 FTE from "shall" to "may". Senate retains current law. Conference concurs with Executive changes but concurs with House's change from "shall" to "may".

#### **Sec. 822i. School Reform Office – DELETED**

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

#### **Sec. 822l. School Reform Office Hearings – DELETED**

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

## **Major Boilerplate Changes From FY 2017-18**

### ***Sec. 822m. Vendor Performance Tracking – REVISED***

Requires DTMB to establish a vendor performance tracking system that collaborates with other departments to collect information to factor in to the determination of awarding future contracts in the procurement process. Executive deletes. House retains. Senate retains and adds subsection (2) requiring the department to report a listing of all departments and agencies that have not complied with the requirements of this section. Conference concurs with Senate.

### ***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 retains. Senate retains. Conference retains.

### ***Sec. 822o. School Reform Office Coordination – DELETED***

Requires the SRO to make an effort to coordinate with the Department of Education to streamline state services and resources, reduce duplication, and increase efficiency. Executive deletes. House concurs. Senate concurs. Conference concurs.

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

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

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

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

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

Requires a report on the total appropriations and expenditures for IT related services and projects for all executive departments and agencies. Executive deletes. House retains. Senate retains. Conference retains.

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

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

### ***Sec. 830. IT Contract Change Orders – DELETED***

Requires a report on IT change orders and contract extensions for contracts greater than \$50,000 entered into by DTMB. Executive deletes. House concurs. Senate retains. Conference concurs with Executive.

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

Requires a quarterly report on active and closed IT projects throughout all executive branch departments with information on the schedule, budget, cost, project changes, and project success scores for each project; revises the method for reporting. House adds. Senate does not include. Conference concurs with House.

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

States that contingent on passage of House Bill 5411 of the 99<sup>th</sup> Legislature, funds appropriated in Part 1 for retirement services actuarial analysis shall be used to conduct an actuarial analysis to determine the costs incurred by the state employees retirement system as a result of implementing the provisions of House Bill 5411. Senate does not include. Conference concurs with House and adds the requirement for an additional actuarial analysis of Senate Bill 747 of the 99<sup>th</sup> Legislature.

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

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

### ***Sec. 834a. Broadband Grants and Local Networks – NOT INCLUDED***

Prohibits expenditures of funds appropriated for the broadband initiative to be used for or by a local entity for establishing a broadband network unless it is located in an unserved area; States that grants shall be awarded to broadband pilot programs and stipulates conditions for awarding grants. Senate adds. Conference does not include.

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

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; authorizes unexpended funds as a work project. Senate adds. Conference revises language to specify matching fund requirements for receiving funds and adds work project authorization language.

### ***Sec. 836a. Cyber Security Investment Projects – DELETED***

Explains the purpose of cyber security improvements to enhance network security, develop comprehensive security framework and additional goals; requires an annual report on the outcomes of the stated goals. Executive deletes. House retains and revises language to address ongoing activities. Senate concurs with Executive. Conference concurs with Executive.

**Major Boilerplate Changes From FY 2017-18**

***Sec. 837. Citizen Centric Government IT Initiative – DELETED***

Requires the development and use of metrics for activities related to MiLogin and other Citizen Centric initiatives; requires an annual report to describe the measures developed and the results of these measures. Executive deletes. House retains and revises language to address ongoing activities. Conference concurs with Executive.

***Sec. 840. EPMO Performance Measures – NEW***

Requires the development and use of metrics for activities related to funds appropriated to the Enterprise Portfolio Management Office. Executive adds. House does not include. Senate concurs with Executive. Conference concurs with Executive.

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

Provides information on the Drinking Water Declaration of Emergency Reserve Fund; requires a legislative appropriation or transfer for spending use; authorizes the end of year balance to be carried forward. Executive deletes. House concurs. Senate retains and adds a \$100 placeholder. Conference retains and revises to specify that funds authorized to be carried forward under section 880(5) of Article VIII of 2017 PA 107.

**FY 2018-19: DEPARTMENT OF TREASURY**  
**Summary: Conference Report**  
**Article VIII, Senate Bill 848 (S-1) CR-1**



**Analyst: Ben Gielczyk**

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

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 5578 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 855 as passed by the Senate.

**Overview**

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

**Major Budget Changes From FY 2017-18 YTD Appropriations**

**1. Constitutional Revenue Sharing**

Executive increases Constitutional revenue sharing by \$34.3 million in restricted sales tax revenue relative to the FY 2017-18 budget act appropriated amount. When compared to updated January CREC estimates for FY 2017-18 it reflects a \$24.7 million (3.1%) increase. House and Senate concur. Conference increases by \$37.2 million in restricted sales tax revenue (May CREC) relative to the FY 2017-18 budget act appropriated amount. When compared to updated May CREC estimates for FY 2017-18, it reflects a \$21.5 million (2.6%) increase.

	FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Conference Change
<b>Gross</b>	<b>\$798,087,800</b>	<b>\$37,246,000</b>
Restricted	798,087,800	37,246,000
GF/GP	\$0	\$0

**2. City, Village, and Township Revenue Sharing**

Executive eliminates \$5.8 million in restricted sales tax revenue considered one-time appropriations for City, Village, and Township (CVT) Revenue Sharing. 101 CVTs (100 townships and 1 city) that were newly eligible in FY 2014-15 due to the inclusion of the \$5.8 million would no longer be eligible for a CVT Revenue Sharing payment in FY 2018-19. House retains current year funding level. Senate retains \$5.8 million for 101 CVTs but replaces restricted sales tax revenue with GF/GP. Additionally, Senate includes \$116,000 GF/GP to increase the number of local units eligible for a CVT Revenue Sharing payment to include those that received a payment of at least \$1,000 in FY 2009-10. Current law and Executive and House proposals specify that a local unit must have received \$4,500 in FY 2009-10 to be eligible for a CVT Revenue Sharing payment. Conference includes additional \$116,000 to accommodate 50 new local units to concur with Senate. \$5.8 million was retained as sales tax revenue and included as one-time.

	FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Conference Change
<b>Gross</b>	<b>\$248,850,000</b>	<b>\$116,000</b>
Restricted	248,850,000	116,000
GF/GP	\$0	\$0

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>3. Supplemental CVT Revenue Sharing</b>		<b>Gross</b>	<b>\$6,200,000</b>
<u>Executive</u> eliminates \$6.2 million GF/GP included in FY 2017-18 as one-time Supplemental CVT Revenue Sharing distributed to all units eligible to receive a CVT Revenue Sharing payment on a per capita basis. <u>House</u> reduces funding by \$3.1 million. <u>Senate</u> concurs with Executive and eliminates funding. <u>Conference</u> maintains current year funding but substitutes sales tax revenue for GF/GP.	Restricted	0	6,200,000
	GF/GP	\$6,200,000	(\$6,200,000)
<b>4. County Revenue Sharing/County Incentive Program</b>		<b>Gross</b>	<b>\$220,087,200</b>
<u>Executive</u> includes a net reduction of \$1.9 million Gross (\$2.2 million GF/GP) for County Revenue Sharing. Adjustment includes increase of \$317,400 in restricted sales tax revenue to accommodate 3 additional counties that are expected to exhaust their revenue sharing reserve funds in FY 2018-19 and a decrease of \$2.2 million GF/GP to reduce County Revenue Sharing payments to an amount 1% above statutory full-funding from an amount 2% above full-funding included in FY 2017-18. County Revenue Sharing accounts for 80.2% of appropriation and County Incentive Program accounts for 19.8%. <u>House</u> concurs. <u>Senate</u> increases County Revenue Sharing payments by one percentage point for a total distribution equal to 103% of statutory full funding. <u>Conference</u> maintains current year funding level of 102% of full funding for all eligible unit state payments.	Restricted	217,908,100	2,507,400
	GF/GP	\$2,179,100	(\$2,179,100)
<b>5. Supplemental County Revenue Sharing</b>		<b>Gross</b>	<b>NA</b>
<u>Conference</u> includes \$1.0 million for new County Supplemental Revenue Sharing program. Funds would be distributed to each county at a rate of 0.4627% of full funding under the Glen Steil State Revenue Sharing Act. Funds are required to be used for debt, pension, and OPEB obligations, as applicable.	Restricted	NA	\$1,000,000
			\$1,000,000
<b>6. Financially Distressed CVTs</b>		<b>Gross</b>	<b>\$5,000,000</b>
<u>House</u> reduces by \$500,000 Gross (\$0 GF/GP) and shifts funds to support the Financial Data Analytic Tool Reimbursement program. See Item #6. <u>Executive</u> , <u>Senate</u> , and <u>Conference</u> maintain current year funding. <u>Conference</u> reduces by \$2.5 million.	Restricted	5,000,000	(2,500,000)
	GF/GP	\$0	\$0
<b>7. Financial Data Analytic Tool Reimbursement</b>		<b>Gross</b>	<b>\$500,000</b>
<u>Executive</u> removes funding for program. <u>House</u> includes \$500,000 sales tax revenue to support program. Funds were shifted from Financially Distressed CVTs line item. Program was funded with equal amount of GF/GP in FY 2017-18. See also Item #15. <u>Senate</u> retains current year appropriation with GF/GP. <u>Conference</u> maintains current year funding; shifts appropriation from ongoing to one-time.	Restricted	0	0
	GF/GP	\$500,000	\$0
<b>8. Medical Marihuana Regulatory and Licensing Framework</b>		FTE	4.0
<u>Executive</u> increases by \$7.2 million Gross (\$0 GF/GP) to account for full-year costs associated with administrative personnel and grants to municipalities, counties, and county sheriffs to offset the costs associated with medical marihuana regulatory activities. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.		<b>Gross</b>	<b>\$4,635,000</b>
	Restricted	4,635,000	7,157,100
	GF/GP	\$0	\$0
<b>9. Information Technology System Enhancements</b>		<b>Gross</b>	<b>\$30,909,800</b>
<u>Executive</u> includes \$5.5 million GF/GP to accommodate costs associated with increased staffing for DTMB IT personnel working on necessary IT service requirements (\$2.3 million), continued mainframe legacy upgrades associated with Unisys (\$400,000), and cloud hosting services (\$2.8 million) to enhance data security on mandated projects. <u>House</u> includes \$5.0 million GF/GP for these IT projects. <u>Senate</u> concurs with Executive. <u>Conference</u> concurs with House.	IDG	400,000	0
	Federal	627,800	0
	Local	1,217,500	0
	Restricted	18,318,800	0
	GF/GP	\$10,345,700	\$5,000,000
<b>10. MI Thrive Program Administration</b>		FTE	0.0
<u>Executive</u> includes \$214,300 from the Brownfield Redevelopment Fund and 1.0 FTE for costs associated with administering the MI Thrive Brownfield Redevelopment Program. The position would calculate income tax generated from development and determine required payment to the developer. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.		<b>Gross</b>	<b>\$0</b>
	Restricted	0	214,300
	GF/GP	\$0	\$0



<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>11. Local Pension and Health Benefit Oversight</b>	FTE	0.0	2.0
<u>Executive</u> includes \$464,000 GF/GP for costs associated with reviewing the status, reports, and corrective action plans of local unit retirement health systems and retirement pension systems as required under the provisions of 2017 PA 202. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	<b>Gross</b>	<b>\$0</b>	<b>\$464,000</b>
	GF/GP	\$0	\$464,000
<b>12. TIFA Reporting Administration</b>	FTE	0.0	2.0
<u>Executive</u> includes \$267,000 GF/GP and 2.0 FTEs for oversight, monitoring, and administration of new standardized TIFA reporting requirements under 2018 PA 57. <u>House</u> and <u>Senate</u> do not include (included in Executive Revision 2018-3). <u>Conference</u> concurs with Executive.	<b>Gross</b>	<b>\$0</b>	<b>\$267,000</b>
	GF/GP	\$0	\$267,000
<b>13. Bureau of Investments Memorandum of Understanding</b>	FTE	81.0	0.0
<u>Conference</u> includes \$200,000 in restricted defined contribution administrative fee revenue to accommodate memorandum of understanding with Office of Retirement Services.	<b>Gross</b>	<b>\$20,713,700</b>	<b>\$200,000</b>
	Restricted	20,713,700	200,000
	GF/GP	\$0	\$0
<b>14. Bureau of State Lottery Staffing Increases</b>	FTE	191.0	5.0
<u>Executive</u> includes \$637,200 State Lottery Fund and 5.0 FTEs to accommodate the administration of the continued expansion in lottery gaming. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	<b>Gross</b>	<b>\$25,619,700</b>	<b>\$637,200</b>
	Restricted	25,619,700	637,200
	GF/GP	\$0	\$0
<b>15. Restricted Fund Authorization Removal</b>	<b>Gross</b>	<b>\$158,700</b>	<b>(\$158,700)</b>
<u>Executive</u> eliminates \$158,700 in Emergency 911 Fund authorization due to funding no longer being available. Fund source supported Tax and Economic Policy line item. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	Restricted	158,700	(158,700)
	GF/GP	\$0	\$0
<b>16. General Fund Target Reduction</b>	<b>Gross</b>	<b>NA</b>	<b>(\$750,000)</b>
<u>Executive</u> reduces multiple line items by a total of \$750,000 GF/GP to provide additional GF/GP savings. Reductions include Tax Compliance (\$350,000 GF/GP), Supervision of the General Property Tax Law (\$150,000 GF/GP), and Department Services (\$250,000 GF/GP). <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	GF/GP	NA	(\$750,000)
<b>17. Accounting Services User Charges</b>	FTE	24.0	0.0
<u>Executive</u> includes additional \$30,000 IDG authorization to authorize receipt of additional accounting user charges from Lottery and Casino Gaming. Current authorization level would not allow for collection of additional user charges. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	<b>Gross</b>	<b>\$2,786,400</b>	<b>\$30,000</b>
	IDG	1,175,600	30,000
	Restricted	1,335,800	0
	GF/GP	\$275,000	\$0
<b>18. Supervision of General Property Tax Law</b>	FTE	72.0	0.0
<u>Senate</u> reduces by \$230,900 GF/GP and transfers \$230,700 to the Legislature to restore National Association Dues to the current year funding level. The remaining \$200 supports 2 placeholders. <u>Conference</u> reduces by \$100 GF/GP and shifts funding to support \$100 GF/GP placeholder for a Michigan Forensic Science Commission.	<b>Gross</b>	<b>\$13,878,700</b>	<b>(\$100)</b>
	Local	140,000	0
	Restricted	3,568,300	0
	GF/GP	\$10,170,400	(\$100)
<b>19. Debt Service – Clean Michigan Initiative</b>	<b>Gross</b>	<b>\$62,751,000</b>	<b>(\$500,000)</b>
<u>Senate</u> transfers \$500,000 GF/GP from Clean Michigan Initiative debt service to support OK2Say program in the Department of Attorney General. <u>Conference</u> concurs with Senate.	GF/GP	\$62,751,000	(\$500,000)
<b>20. Convention Facility Development Fund</b>	<b>Gross</b>	<b>\$90,950,000</b>	<b>\$14,406,300</b>
<u>Senate</u> includes additional \$4.7 million in Convention Facility Development Fund appropriations to increase authorization to amount distributed in FY 2016-17. <u>Conference</u> includes additional \$14.4 million Convention Facility Development Fund to adjust appropriation to reflect anticipated FY 2018-19 revenues.	Restricted	90,950,000	14,406,300
	GF/GP	\$0	\$0
<b>21. Emergency 911 Payments</b>	<b>Gross</b>	<b>\$27,000,000</b>	<b>\$21,800,000</b>
<u>Senate</u> increases by \$21.8 million in restricted Emergency 911 Fund to account for projected increases in revenue and distributions due to the passage of 2018 PA 51. <u>Conference</u> concurs with Senate.	Restricted	27,000,000	21,800,000
	GF/GP	\$0	\$0

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>22. One-Time Appropriations and Grants</b>	<b>Gross</b>	<b>\$6,000,000</b>	<b>(\$5,000,000)</b>
<u>Executive</u> removes \$6.0 million Gross (\$3.0 million GF/GP) in other FY 2017-18 one-time appropriations. Appropriations include Beat the Streets (\$100,000 GF/GP), Urban Search and Rescue (\$900,000 GF/GP), City income tax administration costs associated with implementation of Detroit sales and flow through withholding collections (\$1.5 million in local funds), Information Technology implementation costs associated with SAP (\$2.0 million GF/GP), and the Michigan Infrastructure Council (\$1.5 million from Michigan Infrastructure Fund). <u>House</u> concurs but retains Urban Search and Rescue (\$900,000 GF/GP) and Beat the Streets (\$100,000 GF/GP). <u>Senate</u> concurs with <u>Executive</u> . <u>Conference</u> concurs with <u>House</u> .	Local	1,500,000	(1,500,000)
	Restricted	1,500,000	(1,500,000)
	GF/GP	\$3,000,000	(\$2,000,000)
<b>23. Courageous Cadets</b>	<b>Gross</b>	<b>\$0</b>	<b>\$50,000</b>
<u>House</u> includes \$50,000 GF/GP for new grant to Courageous Cadets program. <u>Executive</u> and <u>Senate</u> do not include. <u>Conference</u> concurs with <u>House</u> .	GF/GP	\$0	\$50,000
<b>24. Sheriff Patrol Assistance for Financially Distressed Communities</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
<u>House</u> shifts \$100 GF/GP from Supervision of General Property Tax Law to new line item to accommodate placeholder for the Sheriff Patrol Assistance for Financially Distressed Communities. Change nets to \$0 GF/GP. <u>Executive</u> , <u>Senate</u> , and <u>Conference</u> do not include.	GF/GP	\$0	\$0
<b>25. Forensic Science Commission</b>	<b>Gross</b>	<b>NA</b>	<b>\$100</b>
<u>Conference</u> includes \$100 GF/GP placeholder for a Michigan Forensic Science Commission. Funds transferred from Supervision of the General Property Tax Law.	GF/GP	NA	\$100
<b>26. Economic Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>\$4,880,400</b>
Reflects increased costs of \$4.9 million Gross (\$1.2 million GF/GP) for negotiated salary and wage increases (2.0% ongoing), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	IDG	NA	136,600
	Federal	NA	105,400
	Local	NA	119,700
	Restricted	NA	3,337,900
	GF/GP	NA	\$1,180,800

### **Major Boilerplate Changes From FY 2017-18**

#### **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 the duration of the debt, and the projected change in present value of the debt service due to the refinancing. Executive deletes section. House, Senate, and Conference retain current law.

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

Requires department report on funds controlled or administered by the department that are not appropriated in part 1. Senate includes as new section. Conference concurs with Senate; alters language to narrow report to those funds that fund that fund operations or functions within Treasury. Requires report to be posted to department website and legislature to be notified.

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

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

#### **Sec. 927. Personal Property Tax Audit Report – REVISED**

Requires the department to submit annual progress reports regarding personal property tax audits. Senate revises to include any essential service assessment audits. Conference revises to require annual progress report on personal property tax audits and essential service assessment audits.

## **Major Boilerplate Changes From FY 2017-18**

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

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

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

Requires the Department of Treasury to study the feasibility of requiring homeowners to file principal residence exemption documents directly with the Department of Treasury. House includes as new section. Executive and Senate do not include. Conference concurs with House.

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

Authorizes the Department of Treasury 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 and Senate delete section. House and Conference retain current law.

### ***Sec. 944. Pension Plan Consultant Report – RETAINED***

Requires Treasury to retain a copy of any report received from a pension plan consultant and make available upon request. A notification that a report was received shall be made to the subcommittees on General Government, fiscal agencies, and State Budget Director. Included in the notification shall be a rationale for the retention of a pension plan consultant. Executive eliminates requirement that notification shall include a rationale for the retention of a pension plan consultant. House retains current law. Senate concurs with Executive. Conference concurs with House and retains current law.

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

Allocates \$900,000 to the urban search and rescue task force. Requires the task force to provide reports on FY 2016-17 revenues and expenditures, proposed FY 2017-18 grant expenditures, and a final report on FY 2017-18 grant expenditures. Executive and Senate delete section. House and Conference retain current law.

### ***Sec. 949k. Transformational Brownfield Plan Payments – NEW***

Appropriates an amount sufficient to recognize and pay an amount equal to the captured tax revenues due under approved Transformational Brownfield Plans, as provided by law. Executive includes as new section. House, Senate, and Conference concur.

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

Requires the department to use \$464,000 of the funds appropriated for Supervision of the General Property Tax Law be used to issue an RFP for the implementation of the local other post-employment benefits oversight legislation (2017 PA 202) and the transformational brownfield program (2018 PA 57). The chosen vendor must specialize in financial data analytics. Senate includes as a new section. Conference includes section that specifies RFP shall be issued for data analytics for the entire department, which would include both OPEB and TIF oversight. Processing of program information would remain with the department.

## **TREASURY – REVENUE SHARING**

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

Specifies distribution of \$248.8 million to all CVTs with a population of 7,500 or more by providing an eligible payment equal to 100% of the FY 2016-17 payment to all CVTs that were eligible for a payment in FY 2016-17. In order to qualify for its eligible payment, a CVT is required to comply with the items listed under accountability and transparency. To qualify for county incentive payment, counties are required to comply with the items listed under accountability and transparency. Any unexpended funds are directed to be deposited in the Financial Distressed CVTs program in Sec. 956, subject to approval of transfers. Executive revises to distribute \$243.0 million to all CVTs that received a payment above \$4,500 in Sec. 950(2) of 2009 PA 128. CVTs would be eligible to receive a payment equal to 78.51044% of its payment received under Sec. 950(2) of 2009 PA 128 if transparency and accountability requirements are met. House retains current law due to retention of current funding levels. Senate retains \$5.8 million for 101 CVTs. Additionally, Senate includes \$116,000 GF/GP to increase the number of local units eligible for a CVT Revenue Sharing payment to include those that received a payment of at least \$1,000 in FY 2009-10. Current law and Executive and House proposals specify that a local unit must have received \$4,500 in FY 2009-10 to be eligible for a CVT Revenue Sharing payment. Conference concurs with Senate distribution.

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

Requires the county revenue sharing appropriation to be distributed so that each eligible county receives a payment (when coupled with the County Incentive Program payment) equal to 101.986% of the amount determined pursuant to the Glen Steil State Revenue Sharing Act of 1971. Executive modifies to reduce county payment to 100.986%. House concurs with Executive. Senate modifies payment to equal 102.986%. Conference modifies payment to 102% of full funding.

## **Major Boilerplate Changes From FY 2017-18**

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

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

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

Specifies distribution of \$6.2 million GF/GP appropriated in part 1 to support supplemental revenue sharing payments. Payments would be provided to CVTs on a per capita basis equal to \$0.81198 per person. Executive and Senate do not include funding for Supplemental CVT Revenue Sharing. House revises to distribute \$3.1 million GF/GP on a per capita basis equal to \$0.40599 per person. Conference retains program at current year funding level; per capita amount is revised to \$0.807929 to accommodate 50 new local units; revises language to require funds to be used to pay debt, pension, or OPEB obligations, applicable for the local unit.

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

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

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

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

Appropriates 1% of the Bureau of State Lottery’s prior fiscal year’s gross sales or \$30.0 million, whichever is less, for promotion and advertising. Executive revises to authorize the Bureau of State Lottery to spend 1% of the prior fiscal year’s gross sales for promotion and advertising. House retains current law. Senate and Conference concur with Executive.

## **TREASURY – CASINO GAMING**

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

Requires the Michigan Gaming Control Board to determine the actual regulatory costs of conducting race dates; it would limit reimbursement to actual expenses; and the language specifies that in the case of reduced revenues, race dates can be reduced, after consultation with certified horsemen’s organizations. Executive revises to eliminate 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 2018-19: DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT



## Summary: Conference Report Article VIII, Senate Bill 848 (S-1) CR-1

Analyst: Ben Gielczyk

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

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 5578 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 855 as passed by the Senate.

### Overview

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

### Major Budget Changes From FY 2017-18 YTD Appropriations

#### 1. Business Attraction and Community Revitalization

Executive reduces by \$5.1 million Gross (\$7.1 million GF/GP). The GF/GP reduction of \$7.1 million is partially offset by shifting \$2.0 million in 21<sup>st</sup> Century Jobs Trust Fund from Entrepreneurship Eco-System. House reduces by \$15.5 million Gross (\$20.0 million GF/GP). House reduction transfers \$2.0 million 21<sup>st</sup> Century Jobs Trust Fund from Entrepreneurship Eco-System to concur with Executive and transfers an additional \$2.5 million 21<sup>st</sup> Century Jobs Trust Fund from Pure Michigan to realize additional GF/GP savings. Section 1047 allocates \$500,000 of total to the Southern Michigan Center for Science and Industry for a new pilot program. Senate reduces by \$15.4 million Gross (\$17.4 million GF/GP). Conference reduces by \$10.1 million Gross (\$12.1 million GF/GP).

	FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Conference Change
<b>Gross</b>	<b>\$115,500,000</b>	<b>(\$10,120,100)</b>
Restricted	21,600,000	2,000,000
GF/GP	\$93,900,000	(\$12,120,100)

#### 2. Entrepreneurship Eco-System

Executive includes a net reduction of \$500,000 Gross and an increase of \$1.5 million GF/GP. Adjustment includes a reduction of \$2.0 million 21<sup>st</sup> Century Jobs Trust Fund which is moved to Business Attraction and Community Revitalization to partially offset GF/GP reduction in that line item and a reduction of \$1.0 million GF/GP in ongoing appropriations. Includes \$2.5 million GF/GP in FY 2018-19 one-time funds to support business accelerators. House includes a net increase of \$500,000 Gross and an increase of \$2.5 million GF/GP. House shifts \$1.0 million GF/GP from one-time to ongoing appropriations relative to Executive. House transfers \$1.0 million GF/GP from Project Rising Tide to augment Entrepreneurship Eco-System funding. Senate and Conference concur with Executive.

	FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Conference Change
<b>Gross</b>	<b>\$19,400,000</b>	<b>(\$500,000)</b>
Restricted	18,400,000	(2,000,000)
GF/GP	\$1,000,000	\$1,500,000

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>	
<b>3. Going Pro</b>		<b>Gross</b>	<b>\$41,908,300</b>	
<u>Executive</u> includes a net reduction of \$1.0 million Gross and an increase of \$24.0 million GF/GP. Adjustment includes the replacement of \$15.0 million in ongoing restricted Contingent Fund, Penalty and Interest Account funds with an equal amount of GF/GP. Replaces FY 2017-18 one-time appropriation of \$10.0 million Contingent Fund, Penalty and Interest Account with \$9.0 million GF/GP one-time appropriation in FY 2018-19. FY 2018-19 Executive Recommendation totals \$40.9 million Gross (\$25.0 million GF/GP). <u>House</u> reduces by \$4.6 million Contingent Fund, Penalty and Interest and increases by \$600,000 GF/GP for a net reduction of \$4.0 million Gross. \$3.0 million of the reduction is the result of moving the Jobs for Michigan Grads program to a separate standalone line item. See Item #4. Section 1070 was retained and allocates \$1.5 million of total to Graduation Alliance program. <u>Senate</u> concurred with Executive funding level, but maintained total funding with Contingent Fund, Penalty and Interest Account funds. \$3.0 million of total funding is earmarked for Jobs for Michigan Grads program. <u>Conference</u> concurs with House on Gross funding level, shifting \$3.0 million Contingent Fund (see Item #4), Penalty and Interest to a standalone line item, and allocating \$1.5 million of total line item to Dropout Support and Career Training grant for program for individuals 23 and over. <u>Conference</u> also reduces Contingent Fund, Penalty and Interest fund source by an additional \$12.0 million and replaces with \$11.0 million GF/GP which coupled with the removal of Jobs for Michigan Grads into a standalone line item equates to a net reduction of \$4.0 million Gross for Going Pro.	Restricted	\$41,908,300	<b>(\$4,000,000)</b>	
		GF/GP	\$1,000,000	\$11,000,000
<b>4. At-Risk Youth Grant Program (Jobs for Michigan Graduates)</b>		<b>Gross</b>	<b>NA</b>	<b>\$3,000,000</b>
<u>Executive</u> removes \$3.0 million GF/GP funding supporting program (See Item #11). <u>House</u> shifts \$3.0 million in Contingent Fund, Penalty and Interest funds from Going Pro line item to standalone At-Risk Youth Grant Program line item to support Jobs for Michigan Grads. FY 2017-18 funding for program was supported with \$3.0 million GF/GP included in Going Pro line item (See Item #11). <u>Senate</u> includes boilerplate earmark out of the Going Pro line item (See Item #3). <u>Conference</u> concurs with House.	Restricted	NA	NA	3,000,000
	GF/GP	NA	NA	\$0
<b>5. Pure Michigan</b>		<b>Gross</b>	<b>\$35,000,000</b>	<b>\$1,000,000</b>
<u>Executive</u> and <u>House</u> maintain FY 2017-18 funding at \$35.0 million Gross. <u>House</u> funds \$2.5 million of total with GF/GP appropriations. <u>Senate</u> increases by \$1.0 million GF/GP. <u>Conference</u> concurs with Senate.	Restricted	\$35,000,000	\$35,000,000	0
	GF/GP	\$0	\$0	\$1,000,000
<b>6. Project Rising Tide</b>		<b>Gross</b>	<b>\$2,000,000</b>	<b>(\$1,000,000)</b>
<u>Executive</u> maintains funding at FY 2017-18 level. <u>House</u> reduces by \$1.0 million GF/GP and transfers funds to Entrepreneurship Eco-System to increase investment in that line item. <u>Senate</u> eliminates funding for program. <u>Conference</u> concurs with House.	GF/GP	\$2,000,000	\$2,000,000	(\$1,000,000)
<b>7. Community Ventures</b>		FTE	7.0	0.0
<u>Executive</u> reduces by \$3.3 million Gross (\$306,700 GF/GP). Funds are shifted to Community College Skilled Trades Training Program debt service line item to offset GF/GP funds in that line item. FY 2018-19 line item is funded at \$5.0 million Contingent Fund, Penalty and Interest Account. <i>NOTE:</i> \$1.5 million Contingent Fund, Penalty and Interest Account and 7.0 FTEs are shifted to Workforce Program Administration to consolidate Talent Investment Agency (TIA) employees into one appropriation line item. <u>House</u> reduces by \$4.8 million Gross (\$306,700 GF/GP). <u>Senate</u> concurs with Executive. <u>Conference</u> reduces by \$4.3 million Gross (\$306,700 GF/GP). Shifts \$1.0 million of funds to augment Pure Michigan appropriations (see item #5).	Restricted	<b>\$9,806,700</b>	<b>\$9,806,700</b>	<b>(\$4,300,000)</b>
	GF/GP	\$306,700	\$306,700	(\$306,700)
<b>8. Arts and Cultural Grant Program</b>		<b>Gross</b>	<b>\$11,150,000</b>	<b>\$0</b>
<u>Executive</u> removes \$1.0 million GF/GP in one-time funds that augmented ongoing Arts and Cultural Grants. <u>House</u> , <u>Senate</u> , and <u>Conference</u> retain funding.	Private	100,000	100,000	0
	Federal	1,050,000	1,050,000	0
	GF/GP	\$10,000,000	\$10,000,000	\$0

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>9. Community College Skilled Trades Training Program Debt Service</b>	<b>Gross</b>	<b>\$4,600,000</b>	<b>\$0</b>
<u>Executive</u> replaces \$4.6 million GF/GP with an equal amount of Contingent Fund, Penalty and Interest (\$3.0 million of total shifted from Community Ventures) for a net change of \$0 Gross. <u>House</u> , <u>Senate</u> , and <u>Executive</u> concur with <u>Executive</u> .	Restricted	0	4,600,000
	GF/GP	\$4,600,000	(\$4,600,000)
<b>10. Land Bank Fast Track Fund Operations</b>	FTE	6.0	3.0
<u>Executive</u> reduces by \$1.0 million GF/GP to reflect reduced costs associated with Land Bank Fast Track Authority operations. Includes 3.0 FTE positions to align totals with the number of funded positions. <u>House</u> concurs with <u>Executive</u> and reduces by an additional \$500,000 GF/GP. <u>Senate</u> concurs with <u>Executive</u> . <u>Conference</u> concurs with <u>Executive</u> .	<b>Gross</b>	<b>\$5,259,100</b>	<b>(\$1,000,000)</b>
	Federal	1,000,000	0
	Restricted	298,400	0
	GF/GP	\$3,960,700	(\$1,000,000)
<b>11. Other One-Time Appropriations</b>	<b>Gross</b>	<b>\$14,200,000</b>	<b>(\$14,199,900)</b>
<u>Executive</u> removes a total of \$14.2 million GF/GP in one-time appropriations. Appropriations include DTED – grants (\$2.7 million GF/GP), Protect and Grow (\$1.0 million GF/GP), Talent Marketing (\$5.0 million GF/GP), Dropout Support and Career Training Grants included in the Going Pro line item (\$1.5 million GF/GP), Jobs for Michigan Grads program included in the Going Pro line item (\$3.0 million GF/GP), and a Van Andel Institute grant included in the Entrepreneurship Eco-System line item (\$1.0 million GF/GP). Includes new \$100 restricted for Drinking Water Declaration of Emergency placeholder to accommodate future transfer needs. <u>House</u> concurs with <u>Executive</u> . GF/GP funding used to support Dropout Support and Career Training Grants in FY 2017-18 was removed but \$1.5 million of total Going Pro line item was earmarked in boilerplate Section 1070 for program (See Item #3). GF/GP used to support Jobs for Michigan Grads in FY 2017-18 was removed but \$3.0 million Contingent Fund, Penalty and Interest was used to support program (See Item #5 and Section 1071). <u>Senate</u> and concurs with <u>Executive</u> . <u>Conference</u> concurs with <u>House</u> .	Restricted	0	100
	GF/GP	\$14,200,000	(\$14,200,000)
<b>12. Michigan Enhancement Grants</b>	<b>Gross</b>	<b>\$35,897,000</b>	<b>(\$35,897,000)</b>
<u>Executive</u> removes funding for one-time Michigan Enhancement Grants. <u>House</u> concurs with <u>Executive</u> . <u>Senate</u> includes \$7.4 million GF/GP for 27 new enhancement grants. <u>Conference</u> concurs with <u>Executive</u> . (See Item #13).	GF/GP	\$35,897,000	(\$35,897,000)
<b>13. Michigan Strategic Fund – Grants</b>	<b>Gross</b>	<b>NA</b>	<b>\$1,350,000</b>
Conference includes \$1.4 million GF/GP to fund the following grants: \$1.0 million for Van Andel Institute and \$350,000 for Rural Blight Elimination Program.	GF/GP	NA	\$1,350,000
<b>14. UIA Debt Payoff Placeholder</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
<u>Senate</u> includes \$100 GF/GP as a placeholder for a payment to pay off the UIA debt owed from the dissolved Inkster School District. <u>Executive</u> , <u>House</u> , and <u>Conference</u> do not include.	GF/GP	\$0	\$0
<b>15. Technical Fund Source Adjustments to Align with Available Revenues</b>	<b>Gross</b>	<b>NA</b>	<b>(\$1,653,900)</b>
<u>Executive</u> removes \$1.7 million Gross (\$0 GF/GP) in federal and state restricted appropriation authorization to align fund sources with actual revenues. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	Federal	NA	(1,622,100)
	Restricted	NA	(31,800)
	GF/GP	NA	\$0
<b>16. Workforce Development Programs</b>	<b>Gross</b>	<b>\$3,499,400</b>	<b>\$501,000</b>
<u>Executive</u> includes \$501,000 in Federal Department of Agriculture, Employment and Training funds to accommodate the receipt of a new federal award for the existing Food Assistance, Employment and Training workforce development program. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	Federal	3,499,400	501,000
	GF/GP	\$0	\$0
<b>17. Workforce Development GF/GP Replacement</b>	<b>Gross</b>	<b>\$385,822,900</b>	<b>\$0</b>
<u>Conference</u> includes \$10.0 million Contingent Fund, Penalty and Interest to offset corresponding amount of GF/GP in Workforce Development Programs.	Federal	370,124,500	0
	Local	500,000	0
	Restricted	3,796,400	10,000,000
	GF/GP	\$11,402,000	(\$10,000,000)

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>	<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>	
<b>18. Economic Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>\$2,693,700</b>
Reflects increased costs of \$2.7 million Gross (\$270,200 GF/GP) for negotiated salary and wage increases (2.0% ongoing), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur.	Federal	NA	1,622,100
	Private	NA	800
	Restricted GF/GP	NA	800,600
		NA	\$270,200

### **Major Boilerplate Changes From FY 2017-18**

#### **Sec. 983. Broadband Bonding Prohibition – NEW**

Prohibits the Michigan Strategic Fund and Michigan State House Development Authority from issuing or refinancing bonds for broadband construction, expansion, repairs, or upgrades. Senate includes as new section. Conference concurs with Senate.

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

Requires MSF to provide information included in MSF Act annual activities report to Legislature by March 15. House includes as new section. Executive and Senate do not include. Conference concurs with House.

#### **Sec. 1004. Waterway Economic Vitality Fund – NOT INCLUDED**

Creates the Waterway Economic Vitality Fund to provide grants for the dredging of waterways around harbors to maintain waterway access. States that fund is a revolving fund and shall be located in the Michigan Strategic Fund. Proceeds are received from Section 210 distribution of 3.33% of unassigned GF/GP fund balance. Requires Michigan Strategic Fund to ensure that grants awarded through the state and regional prosperity regions. Senate includes as new section. Executive, House, and Conference do not include.

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

Requires MSF to provide a report of prior year amendments to Michigan Business Development Program and Michigan Community Revitalization Program incentives by March 15. House includes as new section. Executive and Senate do not include. Conference concurs with House.

#### **Sec. 1007. Program Reporting Requirements – DELETED**

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

#### **Sec. 1007. Corporate Funding Reporting – NEW**

Requires MEDC/MSF to provide an activities report on programs and activities administered by the MEDC board and supported with corporate or investment revenues by March 15. House includes as new section. Executive and Senate do not include. Conference concurs with House.

#### **Sec. 1010. Jobs for Michigan Investment Fund Report – RETAINED**

Requires report on revenues and expenditures, including year-end balance of the Jobs for Michigan Investment Fund. Executive deletes section. House, Senate, and Conference retain current law.

#### **Sec. 1011. Disposition of Unexpended Funds – REVISED**

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

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

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

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

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



## **Major Boilerplate Changes From FY 2017-18**

### **Sec. 1040. MAIN System Reporting – REVISED**

Requires MSF to use MAIN or a DTMB-administered successor program to report encumbrances and expenditures. Executive deletes section. House and Senate retain current law and updates to reflect SIGMA as new statewide financial accounting system. Conference retains and updates to reflect SIGMA; moves boilerplate section to DTED (Section 984).

### **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 Enhancement Grants – DELETED**

Specifies individual grants included in the Michigan Enhancement Grant line item totaling \$35.9 million GF/GP: playground project in Commerce Township (\$100,000); Sanilac FFA "miracle of life" barn (\$35,000); St. Clair River seawall (\$500,000); St. Clair highway bridge (\$2,700,000); Oakland Hope (\$100,000); Michigan Works! retirement shortfall (\$800,000); Sault Sainte Marie Carbide Docks (\$1,000,000); Hillsdale Veteran Affairs Scholarship Program (\$12,000); Plymouth Township intersection upgrade (\$1,000,000); Albion Water Tower Upgrade (\$500,000); Holy Cross Services (\$1,500,000); Gianna House (\$100,000); Livonia Rotary Park accessible playground (\$300,000); Botsford Park upgrade to outdoor pool (\$70,000); Child Restraint Safety Program Awareness Campaign (\$300,000); Former Detroit House of Corrections demolition and cleanup (\$1,500,000); No Wrong Door Program – Wayne County (\$250,000); South Michigan Center for Science and Industry (\$800,000); Voss Park – baseball diamonds upgrades (\$300,000); Salem Township Urban Services District (\$10.0 million); Harvey Street woonerf project (\$1,000,000); Grand Rapids Civic Theatre (\$1,000,000); Lowell Showboat Replacement (\$1,000,000); Dixie Highway Federal Match (\$1,000,000); KVCC Healthy Living Campus (\$2,000,000); White Lake Township Road Infrastructure Improvement (\$750,000); Muskegon County/Coopersville Wastewater Treatment Improvement (\$2,500,000); Monroe County ISD Career Tech Equipment (\$40,000); Ida School District CAD equipment (\$70,000); Whites Bridge Rebuild – Ionia County (\$350,000); Village of Lexington Master Plan Study (\$120,000); Grand Rapids Dam Removal (\$1,500,000); Mackinaw Cutter Repainting (\$300,000); LSSU power grid improvements (\$300,000); Zeeland Interchange Upgrade (\$2,000,000); National Sportsman Caucus National Meeting – Traverse City (\$100,000). Executive and House delete section. Senate revises section by deleting FY 2017-18 enhancement grants and including 27 new enhancement grants for FY 2018-19. Conference deletes section (replaces with new Section 1047 reflecting MSF-Grants).

### **Sec. 1047. Southern Michigan Center for Science and Industry Grant Program – NOT INCLUDED**

Requires \$500,000 of funds appropriated in part 1 to support a grant to the Southern Michigan Center for Science and Industry for an employment enhancement pilot program. Requires report. House includes as new section. Executive, Senate, and Conference do not include.

### **Sec. 1047. MSF – Grants – NEW**

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

### **Sec. 1048. Van Andel Institute Grant – DELETED**

Appropriates \$1.0 million of funding appropriated for Entrepreneurship Eco-System in part 1 to the Van Andel Institute. Executive and House delete section and do not include funding. Senate deletes section and moves boilerplate earmark to Michigan Enhancement Grants (Section 1047). Conference deletes section; includes funding in Section 1047.

### **Sec. 1051. Talent Marketing Performance Measures – DELETED**

Requires department to identify specific performance measures for the Talent Marketing appropriations; provides two performance measures. Executive, House, Senate, and Conference delete section.

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

Requires department to identify specific performance measures for the Project Rising appropriations; provides two performance measures. Senate deletes section. Executive, House, and Conference retain current law.

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

Requires department to identify specific performance measures for the Arts and Cultural Grants appropriations; provides three performance measures. Executive deletes section. House and Senate retain current law and update dates. Conference concurs with House and Senate; includes section as new subsection (3) in Arts and Cultural Grants boilerplate section (Section 1035).

### **Sec. 1054. Protect and Grow Performance Measures – DELETED**

Requires department to identify specific performance measures for the Protect and Grow appropriations; provides two performance measures; includes reporting requirement. Executive, House, Senate, and Conference delete section.

### **Sec. 1055. City Park Development Project – DELETED**

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

## **Major Boilerplate Changes From FY 2017-18**

### **DTED – TALENT INVESTMENT AGENCY**

#### ***Sec. 1064. Going Pro Expenditure Report – NEW***

Requires the Talent Investment Agency 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. House includes as new section. Executive and Senate do not include. Conference concurs with House.

#### ***Sec. 1065. Going Pro Program – REVISED***

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

#### ***Sec. 1067. Helmets to Hardhats Program Grant – DELETED***

Requires \$200,000 GF/GP appropriated in part 1 for DTED - grants to be awarded to a national, nonprofit organization that connects National Guard, Reserve, retired, and transitioning active-duty military service members with skilled training and quality career opportunities in the construction industry. Funds must be used to recruit and assist military veterans transition into apprenticeship programs in the state of Michigan. Executive and House delete section. Senate deletes section and moves boilerplate earmark to Michigan Enhancement Grants, Section 1047(18). Conference deletes section.

#### ***Sec. 1069. Focus: Hope Grant – DELETED***

Requires \$2.0 million GF/GP appropriated in part 1 for DTED - grants to be awarded to Focus: Hope for programming needs. Executive, House, Senate, and Conference delete section.

#### ***Sec. 1070. Dropout Support and Career Training Grant – RETAINED***

Requires \$1.5 million of the funds appropriated for Going Pro to support a 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 and Senate delete section. House and Conference retain current law.

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

Requires \$3.0 million from the funds appropriated for Going Pro to be awarded to an existing dropout prevention and recover program for Michigan youth. Executive deletes section. House revises to allocate funds from new At-Risk Youth Grants line item. Senate retains current law. Conference concurs with House.

#### ***Sec. 1072. UIA Debt Payoff Placeholder – NOT INCLUDED***

Provides a placeholder for the payoff of unemployment insurance agency debt owed by the dissolved Inkster School District. Senate includes as new section. Conference does not include.

#### ***Sec. 1077. Fraudulent Claims Review Request for Proposals – NOT INCLUDED***

Requires the UIA to use \$300,000 of the funds appropriated in part 1 for a pilot project that uses an outside vendor for the analysis, review, and disposition of the high volume of fraudulent claims for the unemployment insurance agency. Requires the UIA to issue an RFP to contract with a vendor. Senate includes as new section. Conference does not include.

#### ***Sec. 1080. Community Ventures Matching Funds – RETAINED***

Stipulates that up to \$2.0 million funding in part 1 for the Community Ventures may be used for a matching program (\$1 for \$1) if private funds are raised. Executive and Senate delete section. House and Conference retain current law.

#### ***Sec. 1081. Statewide Data System Integration Performance Metrics – RETAINED***

Requires the Department to identify specific outcomes and performance metrics for the increased funds in part 1 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 and Senate delete section. House and Conference retain current law.

#### ***Sec. 1082. Sustainable Employment Pilot Program – RETAINED***

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

#### ***Sec. 1084. Going Pro Performance Measures – RETAINED***

Requires department to identify specific performance measures for the Going Pro appropriations; provides three performance measures. Executive deletes section. House, Senate, and Conference retain current law; update dates.

# FY 2018-19: DEPARTMENT OF HEALTH AND HUMAN SERVICES



## Summary: Conference Report Article X, Senate Bill 848 (S-1) CR-1

Analysts: Susan Frey, Kevin Koorstra, and Viola Wild

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

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 5578 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 856 as passed by the Senate.

### Overview

The Department of Health and Human Services (DHHS) includes programs and services to assist Michigan's most vulnerable families, including public assistance programs, protecting children and assisting families by administering foster care, adoption, and family preservation programs, and by enforcing child support laws, funding for behavioral health (mental health and substance use disorder), population health, aging, crime victim, and medical services programs, including Medicaid and the Healthy Michigan Plan.

### Major Budget Changes From FY 2017-18 YTD Appropriations

#### MEDICAID AND BEHAVIORAL HEALTH – GENERAL

##### 1. Traditional Medicaid Cost Adjustments

Executive provides increase of \$89.6 million Gross (\$72.3 million GF/GP) for traditional Medicaid program caseload, utilization, inflation, and financing adjustments. Total includes \$37.1 million GF/GP to offset decline in federal match rate from 64.78% to 64.45% due to relative growth in state's personal income. Compared to FY 2016-17 expenditures, State Budget Office forecasts an average annual increase of 3.9%. House revises average annual increase down to 3.5%, which provides a reduction of \$8.8 million Gross (increase of \$37.3 million GF/GP). Senate revises average annual increase down to 3.5%, which provides a reduction of \$1.3 million Gross (increase of \$36.8 million GF/GP). Conference revises average annual increase down to 2.5% based on the May caseload consensus between the State Budget Office, Senate Fiscal Agency, and House Fiscal Agency, which provides a reduction of \$201.9 million Gross (\$12.6 million GF/GP).

	FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Conference Change
<b>Gross</b>	<b>\$13,352,197,800</b>	<b>(\$201,921,100)</b>
Federal	8,659,726,100	(196,524,400)
Local	47,247,100	491,700
Private	2,100,000	0
Restricted	2,100,350,400	6,711,500
GF/GP	\$2,542,774,200	(\$12,599,900)

##### 2. Healthy Michigan Plan Cost Adjustments

Executive provides reduction of \$132.1 million Gross (increase of \$24.1 million GF/GP) for Healthy Michigan Plan caseload, utilization, inflation, and financing adjustments. Total includes \$33.0 million GF/GP to offset decline in federal match rate from 94.25% to 93.25%. Compared to FY 2016-17 expenditures, State Budget Office forecasts an average annual increase of 6%. House and Senate concur with the Executive. Conference revises average annual increase down to 4% based on the May caseload consensus between the State Budget Office, Senate Fiscal Agency, and House Fiscal Agency, which provides a reduction of \$368.4 million Gross (increase of \$7.1 million GF/GP).

	Gross	(\$368,396,000)
Federal	3,930,920,900	(384,444,600)
Local	651,100	328,600
Restricted	50,955,200	8,634,400
GF/GP	\$190,847,500	\$7,085,600

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>	<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>	
<b>3. Actuarial Soundness Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>\$140,080,000</b>
<u>Executive</u> includes \$140.1 million Gross (\$39.0 million GF/GP) to support an estimated 2% actuarial soundness adjustment for prepaid inpatient health plans (PIHPs) and an estimated 1.5% actuarial soundness adjustment for Medicaid health plans and Healthy Kids Dental. <u>House</u> concurs with the Executive. <u>Senate</u> adds 2 \$100 placeholders for both PIHP and Medicaid health plan actuarial soundness adjustments. <u>Conference</u> concurs with the Executive.	Federal	NA	101,086,800
	GF/GP	NA	\$38,993,200
<b>DEPARTMENTAL ADMINISTRATION</b>			
<b>4. Economic Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>\$32,774,900</b>
<u>Executive</u> reflects increased costs of \$32.8 million Gross (\$16.7 million GF/GP) for negotiated salary and wage increases (2.0% ongoing), actuarially required retirement contributions, worker's compensation, building occupancy charges for state-owned buildings, and other economic adjustments. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with the Executive.	IDG	NA	134,500
	TANF	NA	5,222,100
	Federal	NA	10,027,000
	Local	NA	150,400
	Private	NA	72,300
	Restricted	NA	442,600
	GF/GP	NA	\$16,726,000
<b>5. Property Management</b>	<b>Gross</b>	<b>\$64,339,500</b>	<b>\$859,300</b>
<u>Executive</u> includes increase of \$859,300 Gross (\$455,100 GF/GP), about 2%, for non-state-owned building lease costs for the Department; current year charges paid for state-owned buildings is \$19.8 million and \$44.5 million for non-state-owned buildings. \$767,300 of increased costs for state-owned buildings is included in "Economics Adjustments" item above. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with the Executive.	IDG	593,500	0
	TANF	10,314,200	183,400
	Federal	24,648,600	220,800
	Private	36,400	0
	Restricted	166,500	0
	GF/GP	\$28,580,300	\$455,100
<b>6. Merger Savings</b>	<b>Gross</b>	<b>\$7,502,800</b>	<b>(\$1,000,000)</b>
<u>House</u> assumes savings resulting from the 2015 merger creating the Department with a reduction to the departmental administration and management line item of \$2.0 million GF/GP. <u>Senate</u> does not include. <u>Conference</u> includes \$1.0 million GF/GP savings in the Worker's Compensation line item.	TANF	395,100	0
	Federal	1,858,300	0
	GF/GP	\$5,249,400	(\$1,000,000)
<b>7. Information Technology</b>	<b>Gross</b>	<b>\$159,088,200</b>	<b>\$4,108,600</b>
<u>Conference</u> provides \$4.1 million GF/GP to help address a GF/GP shortfall in the financing of DHHS information technology spending. This concern was reported in the June 1, 2018 letter to the Legislature under Public Act 2 of 2007, as a \$15 million shortfall in the current fiscal year, reduced to \$8.1 million by an offset of surpluses in other areas of the budget.	IDG	1,067,000	0
	TANF	23,935,900	0
	Federal	77,472,200	0
	Restricted	1,985,800	0
	GF/GP	\$54,627,300	\$4,108,600
<b>8. Census Related Services – One-Time Funding</b>	<b>Gross</b>	<b>\$0</b>	<b>\$2,500,000</b>
<u>Conference</u> includes \$2,500,000 Gross (\$500,000 GF/GP) to support outreach and preparation for citizen participation in the upcoming 2020 federal census to ensure an accurate citizen count and therefore ensure the state's fair share of federal funds having a population basis formula. \$4.00 of private match funding is required for every \$1.00 in state GF/GP to be spent. Sec. 1921 is related new boilerplate.	Private	0	2,000,000
	GF/GP	\$0	\$500,000
<b>HUMAN SERVICES</b>			
<b>9. Food Assistance Program Caseload Adjustments</b>	<b>Gross</b>	<b>\$2,348,117,400</b>	<b>(\$415,110,400)</b>
<u>Executive</u> reduces the federally funded Food Assistance Program (FAP) by \$415.1 million Gross (\$0 GF/GP) for caseload adjustments. Reduction based on caseload estimates decreasing from 854,072 cases at \$229.11 per month to 683,950 at \$235.52 per month. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with the Executive.	Federal	2,342,117,400	(415,110,400)
	Restricted	6,000,000	0
	GF/GP	\$0	\$0

		FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Conference Change
<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>			
<b>10. Other Public Assistance Caseload Adjustments</b>			
<u>Executive</u> reduces funding for other public assistance programs by \$3.0 million Gross (\$6.9 million GF/GP) as follows:	<b>Gross</b>	<b>\$152,200,000</b>	<b>(\$8,338,000)</b>
	TANF	54,040,700	3,799,100
	Restricted	15,411,700	102,900
	GF/GP	\$82,747,600	(\$12,240,000)
<ul style="list-style-type: none"> <li>Family Independence Program (FIP) is reduced \$2.2 million Gross (\$6.1 million GF/GP) adjusting the monthly caseload estimate from 18,200 cases at \$349.50 per month to 17,938 cases at \$344.38 per month.</li> <li>State Disability Assistance (SDA) is reduced by \$620,200 GF/GP adjusting the monthly caseload estimate from 3,600 cases at \$216.67 per month to 3,363 cases at \$216.57 per month.</li> <li>State Supplementation is reduced by \$135,900 GF/GP adjusting the monthly caseload estimate from 268,268 cases at \$18.79 per month to 266,672 cases at \$18.86 per month.</li> </ul>			
<u>House</u> concurs with the Executive. <u>Senate</u> concurs with the Executive for caseload adjustments for SDA and State Supplementation, but reduces FIP program funding by \$5.0 million Gross (\$8.1 million GF/GP). <u>Conference</u> revises funding estimates based on the May caseload consensus between the State Budget Office, Senate Fiscal Agency, and House Fiscal Agency.			
<b>11. Child Welfare Caseload Adjustments</b>			
<u>Executive</u> increases funding for child welfare programs by \$40.3 million Gross (\$30.2 million GF/GP) as follows:	<b>Gross</b>	<b>\$622,467,300</b>	<b>\$19,471,200</b>
	Federal	196,452,100	2,272,900
	TANF	103,537,500	(1,060,100)
	Local	14,244,900	2,938,600
	Private	2,929,800	(1,159,100)
	GF/GP	\$305,303,000	\$16,478,900
<ul style="list-style-type: none"> <li>Foster care payments are increased by \$36.5 million Gross (\$21.0 million GF/GP) from 5,800 cases at \$31,643 per year to 6,620 cases at \$33,244 per year.</li> <li>Adoption subsidies are reduced by \$5.7 million Gross (\$2.0 million GF/GP) from 23,406 cases at \$732.00 per month to 22,791 cases at \$731.00 per month.</li> <li>The Child Care Fund is increased by \$10.0 million GF/GP.</li> <li>Guardianship assistance payments are increased by \$1.2 million Gross (\$1.1 million GF/GP) from 1,200 cases at \$778.00 per month to 1,342 cases at \$768.61 per month.</li> <li>Family Support Subsidies (FSS) are reduced by \$1.7 million Gross (\$0 GF/GP) from 6,360 cases at \$222.11 per month to 5,716 cases at the same monthly rate.</li> </ul>			
<u>House</u> concurs with the Executive. <u>Senate</u> concurs with the Executive for caseload adjustments for Adoption and FSS, but decreases Foster Care Payments by \$18.3 million Gross (\$10.5 million GF/GP) and decreases the Child Care Fund by \$5.0 million GF/GP. <u>Conference</u> revises funding estimates based on the May caseload consensus between the State Budget Office, Senate Fiscal Agency, and House Fiscal Agency.			
<b>12. Foster Care Administrative Rate – Elimination of County Hold-Harmless Provision</b>			
<u>Executive</u> reduces state funding by \$8.0 million GF/GP to recognize the savings to the state of rescinding the county hold-harmless provisions that require DHHS to pay 100% of the foster care administrative rates to private agencies for all new cases beginning October 1, 2013 and 100% of the recent rate increases. Requires counties to pay 50% of all administrative rates for private foster care placing agencies paid for out of the Child Care Fund beginning in FY 2018-19. <u>House</u> concurs with the Executive. <u>Senate</u> and <u>Conference</u> retain current year funding and county hold-harmless payment structure.	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
	GF/GP	NA	\$0
<b>13. Crime Victim Advocates Funding Increase</b>			
<u>House</u> includes \$2.0 million GF/GP to increase grant funding in the Crime Victim Rights Services Grants line item to fund, train, and support additional crime victim advocates in the criminal justice system. <u>Senate</u> does not include funding. <u>Conference</u> concurs with the House, but funds the increase with available Crime Victim's Rights Fund revenue. New related boilerplate in Sec. 458.	<b>Gross</b>	<b>NA</b>	<b>\$2,000,000</b>
	Restricted	NA	2,000,000
	GF/GP	NA	\$0

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>14. Foster Care Relative Caregiver Licensure Payments</b>	<b>Gross</b>	<b>\$3,500,000</b>	<b>(\$1,500,000)</b>
<u>Executive</u> eliminates \$1.0 million GF/GP for increased payments to child placing agencies for the completed licensure of relative caregivers. Payments were increased in FY 2017-18. <u>House</u> concurs with the Executive to eliminate the recent increase and reduces funding by an additional \$500,000 GF/GP based on historic spending. <u>Senate</u> retains current year funding. <u>Conference</u> concurs with the House.	GF/GP	\$3,500,000	(\$1,500,000)
<b>15. Runaway and Homeless Youth Services Contracts</b>	<b>Gross</b>	<b>NA</b>	<b>\$500,000</b>
<u>House</u> includes \$750,000 GF/GP to increase funding to contracted providers that provide services and housing to runaway and homeless youth. <u>Senate</u> does not include additional funding. <u>Conference</u> includes \$500,000 GF/GP.	GF/GP	NA	\$500,000
<b>16. Children's Trust Fund (CTF)</b>	<b>Gross</b>	<b>\$3,327,700</b>	<b>\$1,000,000</b>
<u>Executive</u> includes \$800,000 restricted funding to enable the CTF Board to spend cash reserve balance for grants over the next 3 years. <u>House</u> concurs with the Executive and includes an additional \$200,000 GF/GP to increase funding for grants with the intent that half of the \$1.0 million increase be used for programs that help address substance use disorders. New related boilerplate in Sec. 508(3). <u>Senate</u> concurs with the Executive. <u>Conference</u> concurs with the House.	Federal	1,053,300	0
	Restricted	2,091,900	800,000
	GF/GP	\$182,500	\$200,000
<b>17. Adoptive Support Services Administration Rates</b>	<b>Gross</b>	<b>\$27,283,500</b>	<b>\$1,750,000</b>
<u>Senate</u> provides additional \$1.8 million Gross (\$1.0 million GF/GP) to fund a 10% rate increase to private agencies for adoption services. <u>Conference</u> provides \$1.8 million Gross (\$950,000 GF/GP) funding for increase.	TANF	1,368,000	0
	Federal	11,864,600	800,000
	GF/GP	\$14,050,900	\$950,000
<b>18. Actuarial Study on Adoption Incentive Rates</b>	<b>Gross</b>	<b>\$0</b>	<b>\$50,000</b>
<u>Conference</u> provides \$50,000 GF/GP to fund an actuarial study on the rates paid to private child placing agencies for adoption incentive payments. Related boilerplate in Sec. 503(2).	GF/GP	\$0	\$50,000
<b>19. Payments to Unlicensed Relative Foster Care Providers – Glisson Federal Court Decision</b>	FTEs	NA	3.0
<u>Conference</u> provides \$16.0 million GF/GP to fund 3.0 additional FTE positions, administrative costs, and additional foster care maintenance payments. The D.O. v. Glisson decision requires that the state must pay the foster care maintenance rate to unlicensed relative foster care caregivers. In addition to staffing costs, the increase will fund \$9.9 million GF/GP to reimburse counties for 50% of the maintenance payments, \$5.5 million GF/GP for administrative rate payments to private child placing agencies, and \$210,500 GF/GP for IT expenses. (Funding was requested in Executive Budget Revision 2019-3.)	<b>Gross</b>	<b>NA</b>	<b>\$16,024,000</b>
	GF/GP	NA	\$16,024,000
<b>20. Child Welfare Staff Training Increase</b>	FTEs	NA	6.0
<u>Conference</u> provides \$918,000 Gross (\$376,600 GF/GP) for 6.0 FTEs for additional department training staff to train private foster care child placing agency employees.	<b>Gross</b>	<b>NA</b>	<b>\$918,000</b>
	TANF	NA	350,000
	Federal	NA	191,400
	GF/GP	NA	\$376,600
<b>21. Family Independence Program (FIP) Inflationary Adjustment</b>	<b>Gross</b>	<b>\$82,350,800</b>	<b>\$960,000</b>
<u>Executive</u> includes additional \$1.0 million federal TANF funding to provide a 1.2% inflationary adjustment in benefits. The funding would increase benefits by approximately \$2.00 per person per month. <u>House</u> includes a \$100 GF/GP placeholder for the increase and uses the \$1.0 million TANF funding recommended by the Executive to offset GF/GP. <u>Senate</u> does not include additional funding. <u>Conference</u> provides \$960,000 TANF to increase the FIP children's clothing allowance.	TANF	54,040,700	960,000
	Restricted	11,259,000	0
	GF/GP	\$17,051,100	\$0

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>22. Heat and Eat Program Continuance</b>	<b>Gross</b>	<b>NA</b>	<b>(\$2,500,000)</b>
<u>Executive</u> eliminates the \$2.5 million GF/GP portion of the Heat and Eat program. The number of eligible cases not already receiving the enhanced FAP benefits is less than estimated and federal funding is available to fund the program without GF/GP support. Program provides energy assistance payments of \$20.01 to certain FAP cases making them potentially eligible for additional FAP benefits. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with the Executive.	Federal	NA	0
	GF/GP	NA	(\$2,500,000)
<b>23. Multicultural Integration Funding Increase – One-Time Funding</b>	<b>Gross</b>	<b>\$15,303,800</b>	<b>\$1,381,100</b>
<u>Executive</u> includes \$1.4 million GF/GP one-time funding for various multicultural organizations that provide social services programs to specific populations. YTD amount is current ongoing amount. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with the Executive.	TANF	421,000	0
	Federal	694,500	0
	GF/GP	\$14,188,300	\$1,381,100
<b>24. Family Support Subsidy (FSS)</b>	<b>Gross</b>	<b>\$16,951,400</b>	<b>\$494,200</b>
<u>Senate</u> provides additional \$1.0 million TANF funding to increase funding for the FSS program which provides monthly support payments to income-eligible families with severely disabled children. <u>Conference</u> provides additional \$494,200 TANF funding to provide a \$7.20 increase per month to eligible families.	TANF	16,951,400	494,200
	GF/GP	\$0	\$0
<b>25. Donated Funds Positions Reduction</b>	FTE	288.0	(50.0)
<u>Executive</u> eliminates 50.0 FTE authorizations from the Donated Funds Positions line item to better align FTE authorizations with the amount of currently-filled positions and funding available to support those FTEs. Reduces funding by \$5.7 million Gross (\$0 GF/GP). <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with the Executive.	<b>Gross</b>	<b>\$32,702,700</b>	<b>(\$5,675,900)</b>
	IDG	266,200	0
	TANF	1,661,300	0
	Federal	15,391,200	(3,540,000)
	Private	9,600,500	(379,000)
	Local	5,783,500	(1,756,900)
	GF/GP	\$0	\$0
<b>26. Centers for Independent Living</b>	<b>Gross</b>	<b>\$12,031,600</b>	<b>\$2,000,000</b>
<u>Senate</u> provides additional \$3.0 million GF/GP for the Centers for Independent Living program. <u>Conference</u> provides \$2.0 million GF/GP funding.	Federal	8,451,600	0
	Private	10,000	0
	GF/GP	\$3,570,000	\$2,000,000
<b>27. Adult Protective Services (APS) Court Appointed Guardians and Conservators</b>	<b>Gross</b>	<b>\$350,000</b>	<b>\$210,000</b>
<u>House</u> includes additional \$210,000 GF/GP to support an increase in the rate paid to APS guardianship providers. The increase would raise the current monthly rate from \$60 to \$83. Combined with similar revisions in Medicaid and Behavioral Health, the total recommended increase is \$1.3 million Gross (\$2.2 million GF/GP). <u>Senate</u> does not include additional funding. <u>Conference</u> concurs with the House funding for APS guardianship providers, but provides less funding for the Behavioral Health increase.	Federal	224,000	0
	GF/GP	\$126,000	\$210,000
<b>28. Human Services Program Eliminations</b>	<b>Gross</b>	<b>\$780,000</b>	<b>\$0</b>
<u>Executive</u> eliminates funding for several programs as follows: \$250,000 GF/GP for Adoptive Family Support Network, \$280,000 GF/GP for Muskegon Covenant Academy, and \$250,000 GF/GP for Supplemental Security Income (SSI) Advocacy Legal Services. <u>House</u> concurs with the Executive, but leaves a \$100 GF/GP placeholder for the Adoptive Family Support Network. <u>Senate</u> funds the Muskegon Covenant Academy at current year funding, increases the Adoptive Family Support Network by \$75,000 through boilerplate appropriation (Sec. 809) which directs funding from a staffing line item, and increases the SSI Advocacy Legal Services contract by \$250,000 GF/GP. <u>Conference</u> funds all three programs at current year funding levels.	GF/GP	\$780,000	\$0
<b>29. TANF Offset of GF/GP Funding</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>House</u> appropriates \$3.0 million TANF to the Family Independence Program (FIP) line item to offset \$3.0 million GF/GP. <u>Senate</u> offsets \$5.0 million GF/GP with TANF in both the FIP line item and the Public Assistance Field Staff line item for a total of \$10.0 million GF/GP savings. <u>Conference</u> concurs with the Senate.	TANF	NA	10,000,000
	GF/GP	NA	(\$10,000,000)

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>30. Federal Revenues Fund Source Identification</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>Executive</u> rolls up the "Capped Federal Revenues" fund source, the "Temporary Aid to Needy Families (TANF)" fund source, and the "Total Other Federal Revenues" fund source into one general "Other Federal Revenues" fund source throughout the bill. <u>House</u> , <u>Senate</u> , and <u>Conference</u> retain current year federal funding format.	TANF	NA	0
	Federal	NA	0
	GF/GP	NA	\$0
<b>BEHAVIORAL HEALTH</b>			
<b>31. Mental Health and Wellness Commission Recommendations</b>	<b>Gross</b>	<b>\$18,895,000</b>	<b>(\$9,500,000)</b>
<u>Executive</u> reduces \$7.5 million Gross (\$5.3 million GF/GP) for Mental Health and Wellness Commission Recommendations. Program would have \$11.4 million Gross (\$3.8 million GF/GP) in available ongoing funding for the psychiatric transitional unit and children's behavioral action team and other programming, in addition to available work project authorization. Reduction includes \$500,000 GF/GP transferred to Department of Education. <u>House</u> reduces \$9.5 million Gross (\$6.3 million GF/GP). <u>Senate</u> includes \$100 point of different to House reduction. <u>Conference</u> concurs with the House.	Federal	9,861,100	(3,241,500)
	GF/GP	\$9,033,900	(\$6,258,500)
<b>32. Sec. 298. Behavioral Health Integration Implementation</b>	FTEs	3.0	0.0
<u>House</u> reduces funding added in FY 2016-17 and FY 2017-18 for implementation costs of behavioral health integration pilot projects and demonstration model. Funding was added to support a project facilitator, project evaluations, actuarial rate setting, contractual services, and staffing. <u>Senate</u> and <u>Conference</u> retain current year funding.	<b>Gross</b>	<b>\$3,088,200</b>	<b>\$0</b>
	Federal	2,088,200	0
	GF/GP	\$1,000,000	\$0
<b>33. Psychiatric Bed Registry</b>	<b>Gross</b>	<b>\$0</b>	<b>\$150,000</b>
<u>Conference</u> includes \$150,000 to establish and administer an electronic inpatient psychiatric bed registry consistent with House Bill 5439.	GF/GP	\$0	\$150,000
<b>34. Student Outreach Services Grant Program</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
<u>Senate</u> includes \$10.0 million GF/GP to support a mental health and intervention grant program in schools. Grants would be available to public school districts or other local entities for the purposes of coordinating, improving, and providing responsive mental health services to students and families. <u>Conference</u> does not include.	GF/GP	\$0	\$0
<b>35. Medicaid Autism Services</b>	<b>Gross</b>	<b>\$105,097,300</b>	<b>(\$34,597,400)</b>
<u>House</u> reduces \$40.0 million Gross (\$13.9 million GF/GP) in Medicaid autism services by capping Medicaid autism reimbursement rates at 75% of the federal Department of Defense's TRICARE reimbursement rates. Sec. 924 is related boilerplate. <u>Senate</u> reduces \$19.7 million Gross (\$7.0 million GF/GP) by requiring DHHS to restrain costs through the use of second opinions when treatment costs would exceed a DHHS-specified dollar threshold and when the provider who performs the diagnosis would also be providing treatment services, and by requiring DHHS to make recommendations to reduce administrative overhead costs. Sec. 959 is related boilerplate. <u>Conference</u> reduces \$34.6 million Gross (\$12.3 million GF/GP) by establishing a fee schedule for autism services reimbursement and by reducing the behavioral technician reimbursement rate by 10% (or to \$50 per hour) of the 2017 autism fee schedule. Sec. 924 is related boilerplate.	Federal	69,687,600	(22,308,000)
	GF/GP	\$35,409,700	(\$12,289,400)
<b>36. Conference of Western Wayne Substance Use Disorder Pilot</b>	<b>Gross</b>	<b>\$0</b>	<b>\$500,000</b>
<u>House</u> provides \$500,000 GF/GP to Conference of Western Wayne for a 10-bed substance use disorder detoxification pilot project at St. Mary's that utilizes specialized trauma therapists, peer support specialists, and medication assisted treatments. <u>Senate</u> does not include. <u>Conference</u> concurs with the House.	GF/GP	\$0	\$500,000



<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>37. Non-Medicaid Mental Health Services</b>	<b>Gross</b>	<b>\$120,050,400</b>	<b>\$5,527,800</b>
<u>House</u> includes \$5.5 million GF/GP for non-Medicaid mental health services to ensure the revised FY 2018-19 funding distribution formula that utilizes population and poverty data also includes a hold harmless provision so that no local Community Mental Health Services Program's (CMHSP) allocation is reduced. Sec. 925 is related boilerplate. <u>Senate</u> does not include. <u>Conference</u> concurs with the House.	GF/GP	\$120,050,400	\$5,527,800
<b>38. CMHSP Court Appointed Guardians and Conservators</b>	<b>Gross</b>	<b>\$0</b>	<b>\$1,500,000</b>
<u>House</u> adds \$2.5 million GF/GP to reimburse counties for 50% of the cost to provide up to \$83 per month to court-appointed guardians and conservators to individuals who receive CMHSP services. Combined with Medicaid and Field Operations, the total increase is \$1.3 million Gross (\$2.2 million GF/GP). <u>Senate</u> does not include. <u>Conference</u> adds \$1.5 million GF/GP. Combined with Medicaid and Field Operations, the total increase is \$290,400 Gross (\$1.2 million GF/GP).	GF/GP	\$0	\$1,500,000
<b>39. CMHSP Direct Care Worker Wages</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
<u>Senate</u> includes \$100 placeholder to increase direct care worker wages. <u>Conference</u> does not include.	GF/GP	\$0	\$0
<b>40. State Psychiatrist Salary Increase</b>	<b>Gross</b>	<b>NA</b>	<b>\$1,394,800</b>
<u>Executive</u> provides \$1.4 million Gross (\$1.3 million GF/GP) to support a civil service salary increase for psychiatrists at the state psychiatric hospitals. Increase supports a minimum increase, by pay level, of at least 11%. The vacancy rate of state psychiatrist positions is approximately 50%. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with the Executive.	Federal	NA	136,200
	GF/GP	NA	\$1,258,600
<b>41. Behavioral Health Program Eliminations</b>	<b>Gross</b>	<b>\$1,005,000</b>	<b>(\$1,005,000)</b>
<u>Executive</u> eliminates behavioral health program funding for genomic opioid research in Kalamazoo (\$700,000 GF/GP) and pediatric and adult opioid abuse pilot project through Kids Kicking Cancer (\$305,000 GF/GP). <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with the Executive.	GF/GP	\$1,005,000	(\$1,005,000)
<b>42. Behavioral Health – One-Time Funding</b>	<b>Gross</b>	<b>\$1,165,000</b>	<b>\$30,000</b>
<u>Executive</u> increases one-time autism navigator funding \$460,000 GF/GP to assess statewide rollout of the Medicaid autism benefit and to help families with autistic children find services, reduces university autism funding \$250,000 GF/GP (or 50%), and eliminates Special Olympics funding. <u>House</u> concurs with the Executive. <u>Senate</u> retains current year autism navigator funding, eliminates university autism and Special Olympics funding, and includes \$100 placeholder for autism train the trainer. <u>Conference</u> increases one-time autism navigator funding \$460,000 GF/GP, eliminates university autism funding, eliminates Special Olympics funding, adds \$115,000 GF/GP for an opioid outreach coordinator through Growth Works, and adds \$55,000 GF/GP for autism train the trainer.	GF/GP	\$1,165,000	\$30,000
<b>POPULATION HEALTH</b>			
<b>43. Flint Drinking Water and Lead Exposure Emergency</b>	<b>Gross</b>	<b>\$21,541,700</b>	<b>(\$16,920,600)</b>
<u>Executive</u> reduces funding for assistance to residents exposed to lead in the City of Flint by \$16.9 million Gross (increase of \$2.9 million GF/GP) from year-to-date. One-time funding of \$4.6 million Gross (\$4.6 million GF/GP) is provided for food and nutrition services, health services at child and adolescent health centers and schools, lead abatement and investigation, lead poisoning prevention, and additional supports and services. YTD amount includes \$7.5 million transfer of November 2017. <u>House</u> concurs with the Executive on the reductions, but does not concur with \$2.9 million GF/GP increase, anticipating that available work project funding from prior fiscal years can be used as needed (\$22.8 million balance as of October 1, 2017). <u>Senate</u> concurs with the Executive. <u>Conference</u> concurs with the Executive on total funding and uses \$376,600 of state restricted Healthy Michigan Funds to offset a portion of the GF/GP increase. Sec. 1905 is related boilerplate.	TANF	3,500,000	(3,500,000)
	Restricted	16,361,700	(15,985,000)
	GF/GP	\$1,680,000	\$2,564,400

		FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Conference Change
<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>			
<b>44. PFAS Contamination Response – Annualize, Expand Local Grants</b>	FTEs	8.0	17.0
<u>Executive</u> increases funding by \$4.4 million GF/GP and 17.0 FTEs from YTD to address environmental contamination from perfluoroalkyl and polyfluoroalkyl substances (PFAS), first funded in FY 2017-18 supplemental Act 201, and to expand local grants to include other emerging issues:	<b>Gross</b>	<b>\$8,394,000</b>	<b>\$4,381,300</b>
	GF/GP	\$8,394,000	\$4,381,300
<ul style="list-style-type: none"> <li>Laboratory capacity and services – increase by \$1.4 million and 11.0 FTEs (total \$5,525,300 and 11.0 FTEs)</li> <li>Environmental health toxicology and response – increase by \$750,000 and 4.0 FTEs (total \$2,500,000 and 12.0 FTEs)</li> <li>Local health department response grants – increase by \$2.0 million and expand to support local health response to other emerging public health issues and threats (infectious and vector-borne disease outbreaks, vapor intrusion, lead exposure, drinking water contamination, etc.) as needed; and provide additional \$250,000 and 2.0 FTEs for state staff (total \$4,750,000 and 2.0 FTEs).</li> </ul>			
<u>House</u> concurs with the Executive. <u>Senate</u> concurs with the Executive on laboratory capacity funding, and on environmental health toxicology and response funding, but does not concur with any funding for the local health department response grants and state staff, removing YTD \$2.5 million and the proposed increase of \$2.25 million and 2.0 FTEs. <u>Conference</u> concurs with the Executive and the House.			
<b>45. Essential Local Public Health Services</b>	<b>Gross</b>	<b>\$40,886,100</b>	<b>\$4,533,200</b>
<u>Senate</u> provides a \$10.0 million GF/GP increase for essential local public health services, shifting \$4.75 million of local health response funding and proposed increase for PFAS and other emerging health threats (above), and adding \$5.25 million more. These services are governed under Section 1222, and Part 24 of the Public Health Code. Funding is targeted to 9 state and local cost-shared services: immunizations, infectious disease control, sexually transmitted disease control and prevention, hearing screening, vision services, food protection, public water supply, private groundwater supply, and on-site sewage management. <u>Conference</u> provides a \$4.5 million GF/GP increase.	Local	5,150,000	0
	GF/GP	\$35,736,100	\$4,533,200
<b>46. Primary Care Clinics</b>	<b>Gross</b>	<b>\$5,268,700</b>	<b>\$0</b>
<u>Executive</u> provides \$1.5 million GF/GP to continue support for primary care clinics and free health clinics at current year levels which are currently supported by federal bonus funding that is no longer available and will be fully expended as of FY 2017-18 year end. YTD amount shown is for Primary Care Services line item. <u>House</u> concurs with the Executive and also removes the federal authorization that is no longer available. <u>Senate</u> concurs with the Executive. <u>Conference</u> concurs with the House.	Federal	2,597,100	(1,504,500)
	Private	10,000	0
	GF/GP	\$2,661,600	\$1,504,500
<b>47. Population Health Program Reductions and Eliminations</b>	<b>Gross</b>	<b>\$2,000,000</b>	<b>\$0</b>
<u>Executive</u> eliminates GF/GP funding for bone marrow registry (\$250,000; Sec 1146) and outstate dental clinics (\$1.6 million; Sec. 1229), and reduces GF/GP funding for diabetes programming by \$200,000. <u>House</u> concurs with the Executive. <u>Senate</u> and <u>Conference</u> retain current year funding for all 3 programs.	GF/GP	\$2,000,000	\$0
<b>48. Early Primary Care Pilot Program</b>	<b>Gross</b>	<b>\$1,000,000</b>	<b>(\$500,000)</b>
<u>Executive</u> eliminates \$1.0 million early primary care pilot program, new in FY 2017-18, and related Sec. 1147 boilerplate. <u>House</u> does not concur with the Executive and retains current year funding and language. <u>Senate</u> concurs with the Executive. <u>Conference</u> reduces funding to \$500,000 GF/GP.	GF/GP	\$1,000,000	(\$500,000)
<b>49. Population Health – Healthy Michigan Fund Adjustment</b>	<b>Gross</b>	<b>\$4,178,500</b>	<b>\$0</b>
For recent population health initiatives, <u>Executive</u> replaces \$4.2 million of Healthy Michigan Fund (HMF) with GF/GP; expanded programs for childhood lead, drinking water and toxicology were funded with HMF in FY 2017-18 only, using available HMF balance. Combined with a similar fund adjustment in Medicaid, the total HMF to GF/GP fund adjustment proposed is \$0 Gross (\$14.2 million GF/GP). <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with the Executive.	Restricted	4,178,500	(4,178,500)
	GF/GP	\$0	\$4,178,500

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>50. Veteran's Health Pilot – One-Time Funding</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
<u>House</u> includes \$100 placeholder for a veteran's in-home health care pilot.	GF/GP	\$0	\$0
<u>Senate</u> includes \$200 placeholder as one-time funding, and Sec. 1918 boilerplate. Pilot includes health care coordination for veterans, and training of veterans as community health workers for the health care initiative.			
<u>Conference</u> does not include any funding for this project.			
<b>51. Laboratory Opioid Enhanced Testing</b>	<b>Gross</b>	<b>\$22,312,100</b>	<b>\$1,000,000</b>
<u>House</u> provides \$1.0 million GF/GP to enhance state laboratory and local and county medical examiner testing of opioids to enable accurate identification of prescription and non-prescription substances in cases of drug overdose or drug poisoning death. Sec. 1170 is related new boilerplate. <u>Senate</u> does not include. <u>Conference</u> concurs with the House, and revised Sec. 1170.	IDG	991,000	0
	Federal	3,840,100	0
	Restricted	10,633,400	0
	GF/GP	\$6,847,600	\$1,000,000
<b>52. School Children's Healthy Exercise Program</b>	<b>Gross</b>	<b>\$1,000,000</b>	<b>\$0</b>
<u>Senate</u> reduces funding from \$1.0 million to a \$100 placeholder for the school children's health exercise program incorporating evidence-based best practices to address childhood obesity, and revises related Sec. 1226. <u>Conference</u> retains current year funding.	GF/GP	\$1,000,000	\$0
<b>53. Traumatic Brain Injury Treatment</b>	<b>Gross</b>	<b>\$0</b>	<b>\$1,000,000</b>
<u>Senate</u> provides \$1.0 million to support use of traumatic brain injury assessment and treatment interactive decision support software in hospitals for pediatric cases, and related Sec. 1228 boilerplate. Funding was included in enrolled FY 2017-18 budget, but vetoed by the Governor. <u>Conference</u> concurs with the Senate.	GF/GP	\$0	\$1,000,000
<b>54. Alternative Pregnancy and Parenting Program</b>	<b>Gross</b>	<b>\$650,000</b>	<b>\$50,000</b>
<u>Executive</u> reduces funding for alternative pregnancy and parenting program, Real Alternatives, by \$550,000 Gross (increase of \$50,000 GF/GP), for total funding of \$100,000. Sec. 1307 is related boilerplate. <u>House</u> does not concur with the Executive and retains current year funding. <u>Senate</u> increases funding by \$50,000 GF/GP to \$700,000 total funding. <u>Conference</u> concurs with the Senate.	TANF	650,000	0
	GF/GP	\$0	\$50,000
<b>55. Prenatal Home Visiting Programs</b>	<b>Gross</b>	<b>\$15,856,100</b>	<b>\$1,000,000</b>
<u>Senate</u> increases funding by \$1.0 million for prenatal, maternal, infant, and early childhood home visiting programs to support at-risk women and families during pregnancy, birth and infancy, in communities with high infant mortality rates, and revises Sec. 1308. (YTD funding shown does not include alternative program listed above). <u>Conference</u> concurs with the Senate, but revises Sec. 1311 to direct half of the funding increase to the rural home visit program, currently funded at \$2,250,000. The remaining half supports the general statewide home visit program.	Federal	12,106,100	0
	GF/GP	\$3,750,000	\$1,000,000
<b>56. Infant Mortality Project – One-Time Funding</b>	<b>Gross</b>	<b>\$0</b>	<b>\$100,000</b>
<u>Senate</u> provides one-time funding of \$100,000 for an infant mortality program grant to Cradle Kalamazoo, and Sec. 1912 related boilerplate. <u>Conference</u> concurs with the Senate.	GF/GP	\$0	\$100,000
<b>57. Population Health - Elimination of One-Time Grants</b>	<b>Gross</b>	<b>\$1,300,000</b>	<b>(\$1,000,000)</b>
<u>Executive</u> eliminates one-time funding of \$150,000 (Sec. 1908) for prenatal diagnosis clearinghouse website, \$850,000 (Sec. 1915) for Oaklawn primary care hospital grant, and \$300,000 for primary care and dental health services (Sec. 1914). <u>House</u> concurs with the Executive. <u>Senate</u> retains \$200,000 for primary care hospital grant, and a \$100 placeholder for primary care and dental health services. <u>Conference</u> concurs with the Executive except retains current year funding for the one-time primary care and dental health services.	GF/GP	\$1,300,000	(\$1,000,000)
<b>58. Lead Poisoning Elimination Board – One-Time Funding</b>	<b>Gross</b>	<b>\$1,250,000</b>	<b>\$0</b>
<u>Executive</u> continues one-time funding of \$1.25 million GF/GP to implement November 2016 recommendations of the Child Lead Poisoning Elimination Board. Sec. 1907 is related boilerplate. <u>House</u> reduces funding by half to \$625,000 GF/GP. <u>Senate</u> and <u>Conference</u> concur with the Executive.	GF/GP	\$1,250,000	\$0

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>59. Medical Resident Loan Repayment Program – One-Time Funding</b>	<b>Gross</b>	<b>\$0</b>	<b>\$5,000,000</b>
<u>House</u> provides one-time funding of \$5.0 million GF/GP for a 5-year work project program to provide medical education loan repayment for physicians in primary care and other general subspecialties that commit to practicing for 2 years in a medically underserved community following completion of residency. Sec. 1917 is related new boilerplate. <u>Senate</u> does not include. <u>Conference</u> concurs with the House; boilerplate is Sec. 1918.	GF/GP	\$0	\$5,000,000
<b>60. Western Michigan University Unified Clinics – One-Time Funding</b>	<b>Gross</b>	<b>\$0</b>	<b>\$1,500,000</b>
<u>Senate</u> provides funding of \$2.0 million GF/GP for the Western Michigan University Unified Clinics, an outpatient multi-specialty group practice providing WMU student clinical training and health care to the campus community and local area, established in 1995. <u>Conference</u> provides funding of \$1.5 million GF/GP and includes Sec. 1909 related new boilerplate.	GF/GP	\$0	\$1,500,000
<b>AGING AND ADULT SERVICES</b>			
<b>61. Senior Volunteer Programs</b>	<b>Gross</b>	<b>\$4,465,300</b>	<b>\$300,000</b>
<u>House</u> increases funding by a total of \$300,000, including \$100,000 GF/GP for each of the 3 senior volunteer programs: foster grandparents, senior companions, and retired and senior volunteers. <u>Senate</u> does not include. <u>Conference</u> concurs with the House.	GF/GP	\$4,465,300	\$300,000
<b>62. Senior Community Services Programs</b>	<b>Gross</b>	<b>\$43,567,300</b>	<b>\$2,500,000</b>
<u>Senate</u> provides increased funding of \$3.0 million GF/GP for senior community services programs, including in-home services. <u>Conference</u> provides \$2.5 million GF/GP increase.	Federal	22,280,400	0
	GF/GP	\$21,286,900	\$2,500,000
<b>63. Alzheimer’s Disease and Dementia In-Home Care Program</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
<u>House</u> includes a \$100 placeholder for an Alzheimer’s disease and dementia in-home care program. <u>Senate</u> provides \$550,000 for Alzheimer’s Disease in-home care services in 11 counties, and related Sec. 1424 boilerplate. A 3-year 3-county pilot project was funded in FY 2014-15 through FY 2016-17. <u>Conference</u> does not include funding for this program.	GF/GP	\$0	\$0
<b>MEDICAL SERVICES</b>			
<b>64. Federal Medicaid Managed Care Final Rule Compliance</b>	FTE	NA	15.0
<u>Executive</u> includes \$1.7 million Gross (\$830,100 GF/GP) for 15.0 FTEs within Medical Services Administration for compliance and implementation of recent changes to the federal Medicaid managed care rules. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with the Executive.	<b>Gross</b>	<b>NA</b>	<b>\$1,660,200</b>
	Federal	NA	830,100
	GF/GP	NA	\$830,100
<b>65. Integrated Service Delivery</b>	FTE	42.0	15.0
<u>Executive</u> provides \$13.8 million federal and 15.0 FTEs for Integrated Service Delivery information technology project costs. \$4.6 million GF/GP is allocated from the Information Technology Investment Fund within Department of Technology, Management, and Budget to draw down these federal funds. <u>House</u> includes Executive funding and FTEs and reduces \$1.8 million GF/GP. <u>Senate</u> and <u>Conference</u> concur with the Executive.	<b>Gross</b>	<b>\$51,397,800</b>	<b>\$13,783,400</b>
	Federal	47,252,500	13,783,400
	GF/GP	\$4,145,300	\$0
<b>66. Child Welfare Psychotropic Oversight</b>	<b>Gross</b>	<b>\$618,200</b>	<b>\$0</b>
<u>Executive</u> moves \$618,200 Gross (\$559,100 GF/GP) for child welfare psychotropic medication oversight from the Children’s Services unit to Medical Services Administration. <u>House</u> removes the funding as Medical Services Administration has performed this oversight in previous fiscal years without utilizing these funds. <u>Senate</u> and <u>Conference</u> concur with the Executive.	Federal	59,100	0
	GF/GP	\$559,100	\$0
<b>67. Long-Term Care Study</b>	<b>Gross</b>	<b>\$0</b>	<b>\$100,000</b>
<u>House</u> adds \$100 GF/GP for a feasibility study and actuarial model of public, private, and public-private hybrid options to help individuals access and afford long-term care services. Sec. 1509 is related boilerplate. <u>Senate</u> does not include. <u>Conference</u> adds \$100,000 GF/GP. Sec. 1510 is related boilerplate.	GF/GP	\$0	\$100,000

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>	<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>	
<b>68. Special Hospital Payments</b>	<b>Gross</b>	<b>NA</b>	<b>\$194,177,600</b>
<u>Executive</u> increases \$111.2 million Gross (reduces \$13.5 million GF/GP) in net special hospital payment adjustments based primarily on changes required to comply with recent changes to federal Medicaid managed care rules that phase out "pass through" payments. The Hospital Rate Adjustment (HRA) is increased by \$190.0 million Gross (which reduces \$21.2 million GF/GP) with distribution tied to direct claims. The Rural and Sole Community Hospital and Obstetrical Stabilization "pass through" payments could not be restructured and instead the \$14.7 million GF/GP is provided to the hospitals without federal Medicaid reimbursement; the loss of \$26.6 million in federal Medicaid reimbursement is partially offset with \$7.0 million in additional GF/GP. The Medicaid Access to Care Initiative (MACI) is also adjusted based on projected allocations. <u>House</u> provides \$8.0 million GF/GP instead of \$7.0 million GF/GP to help offset loss of federal Medicaid reimbursement and adds \$100 federal point of difference. <u>Senate</u> provides \$10.0 million GF/GP instead of \$7.0 million GF/GP to help offset loss of federal Medicaid reimbursement. <u>Conference</u> increases \$194.2 million Gross (Reduces \$28.7 million GF/GP) based on special hospital payment cost estimates from the May caseload consensus between the State Budget Office, Senate Fiscal Agency, and House Fiscal Agency, increasing the HRA by \$190.0 million Gross, and providing \$10.0 GF/GP instead of \$7.0 million GF/GP to help offset loss of federal Medicaid reimbursement.	Federal	NA	139,270,200
	Restricted	NA	83,582,000
	GF/GP	NA	(\$28,674,600)
<b>69. MiDocs</b>	<b>Gross</b>	<b>NA</b>	<b>\$28,129,400</b>
<u>House</u> includes \$28.1 million Gross (\$5.0 million GF/GP) to increase primary care physician and other select specialty physician residency training programs in rural and urban underserved communities through MiDocs. Residents would also receive student loan repayment assistance for committing to practice in an underserved community post-residency. Sec. 1870 is related boilerplate. <u>Senate</u> concurs with House funding amount, with modified boilerplate Sec. 1870. <u>Conference</u> concurs with House and Senate funding amount, with modified boilerplate Sec. 1870.	Federal	NA	18,129,400
	Restricted	NA	5,000,000
	GF/GP	NA	\$5,000,000
<b>70. Psychiatric Residency Programs</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>Senate</u> includes \$100 placeholder to expand psychiatric residency training programming. <u>Conference</u> does not include.	GF/GP	NA	\$0
<b>71. Program of All-Inclusive Care for the Elderly (PACE) Expansion</b>	<b>Gross</b>	<b>\$106,289,100</b>	<b>\$41,359,700</b>
<u>Executive</u> adds \$41.4 million Gross (\$14.7 million GF/GP) to support approximately 950 additional enrollments within existing programs for an estimated statewide enrollment of 3,600. Increase is offset with assumed long-term care savings. Funding supports an annual per member per month increase of 2.0%. <u>House</u> includes \$100 point of difference. <u>Senate</u> and <u>Conference</u> concur with the Executive.	Federal	68,854,100	26,656,300
	GF/GP	\$37,435,000	\$14,703,400
<b>72. Neonatology Rate Increase</b>	<b>Gross</b>	<b>NA</b>	<b>\$2,841,100</b>
<u>House</u> provides \$2.8 million Gross (\$1.0 million GF/GP) to increase Medicaid neonatal rates from 64% to 75% of Medicare reimbursement rates. <u>Senate</u> does not include. <u>Conference</u> concurs with the House.	Federal	NA	1,831,100
	GF/GP	NA	\$1,010,000
<b>73. Personal Care Services Rate Increase</b>	<b>Gross</b>	<b>\$9,491,200</b>	<b>\$1,156,100</b>
<u>House</u> adds \$1.2 million Gross (\$411,000 GF/GP) to provide a \$32 per month increase for personal care services for individuals residing in a licensed adult foster care or licensed home for the aged. Rate increase would align rates with historic inflation-adjusted amounts. <u>Senate</u> and <u>Conference</u> concur with the House.	Federal	6,148,400	745,100
	GF/GP	\$3,342,800	\$411,000
<b>74. Medicaid Pharmacy Savings</b>	<b>Gross</b>	<b>\$366,015,600</b>	<b>\$0</b>
<u>Executive</u> assumes \$14.1 million Gross (\$5.0 million GF/GP) in Medicaid specialty pharmaceutical savings based on changes in how the state utilizes its preferred drug list. <u>House</u> assumes \$16.9 million Gross (\$6.0 million GF/GP) in Medicaid pharmaceutical savings. <u>Senate</u> concurs with the Executive. <u>Conference</u> does not assume any savings.	Federal	232,092,400	0
	GF/GP	\$133,923,200	\$0

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>75. Hospice Room and Board</b>	<b>Gross</b>	<b>\$3,318,000</b>	<b>\$0</b>
<u>Executive</u> removes \$3.3 million GF/GP for hospice room and board payments that are not eligible for federal Medicaid reimbursement. <u>House</u> , <u>Senate</u> , and <u>Conference</u> retain current year funding. Sec. 1856 is related boilerplate.	GF/GP	\$3,318,000	\$0
<b>76. Healthy Michigan Plan Healthy Behavior Incentives</b>	<b>Gross</b>	<b>NA</b>	<b>(\$1,745,000)</b>
<u>House</u> removes \$1.7 million Gross (\$117,800 GF/GP) to discontinue providing \$50 gift cards to Healthy Michigan Plan recipients, with incomes below 100% of federal poverty, who complete Health Risk Assessments. <u>Senate</u> does not include. <u>Conference</u> concurs with the House.	Federal	NA	(1,627,200)
	GF/GP	NA	(\$117,800)
<b>77. Healthy Michigan Plan Second Waiver Costs</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>Senate</u> removes \$60.0 million Gross (\$4.1 million GF/GP) by prohibiting funds be used for premium assistance payments through the federal health care exchange. Beginning April 1, 2018, Healthy Michigan Plan recipients, with income above 100% of federal poverty, who do not comply with healthy behavioral assessments are required to enroll in Medicaid coverage through the federal exchange, with state Medicaid financing requirements still applying (instead of the person qualifying for federal premium tax credits). Boilerplate Sec. 276 would require DHHS to submit a waiver to discontinue state Medicaid financing for premium assistance payments. <u>Conference</u> retains current year funding.	Federal	NA	0
	GF/GP	NA	\$0
<b>78. Insurance Provider Assessment MCO Rate Increase</b>	<b>Gross</b>	<b>NA</b>	<b>\$57,149,300</b>
<u>Conference</u> includes \$57.1 million Gross (\$0 GF/GP) to reflect the \$14.0 million in restricted revenue from the proposed Insurance Provider Assessment (IPA) (SBs 992-994) specifically set aside for actuarially sound capitation rates to Medicaid managed care organizations (MCOs). Pending federal CMS approval, the IPA would take effect October 1, 2018 and would replace the health insurance claims assessment (HICA).	Federal	NA	43,149,300
	Restricted	NA	14,000,000
	GF/GP	NA	\$0
<b>79. Adult Home Help Biometric Verification System</b>	<b>Gross</b>	<b>\$1,500,000</b>	<b>(\$1,500,000)</b>
<u>House</u> removes \$1.5 million Gross (\$149,900 GF/GP) and leaves \$100 placeholder for DHHS to develop a mobile biometric verification system within the adult home help program. Funding was added in FY 2017-18. <u>Senate</u> retains current year funding. <u>Conference</u> removes \$1.5 million Gross (\$150,000 GF/GP).	Federal	1,350,000	(1,350,000)
	GF/GP	\$150,000	(\$150,000)
<b>80. Adult Home Help Direct Care Wages</b>	<b>Gross</b>	<b>\$316,947,200</b>	<b>\$0</b>
<u>Senate</u> includes \$100 placeholder for a wage increase for adult home help providers. <u>Conference</u> does not include.	Federal	206,141,500	0
	GF/GP	\$110,805,700	\$0
<b>81. Ambulance Quality Assurance Assessment Program (QAAP)</b>	<b>Gross</b>	<b>\$54,438,000</b>	<b>(\$44,098,400)</b>
<u>Conference</u> revises ambulance QAAP cost estimates down \$44.1 million Gross (increases \$2.7 million GF/GP) based on the May caseload consensus between the State Budget Office, Senate Fiscal Agency, and House Fiscal Agency.	Federal	38,297,400	(30,372,000)
	Restricted	21,126,100	(16,386,300)
	GF/GP	(\$4,985,500)	\$2,659,900
<b>82. Sec. 1805 Graduate Medical Education (GME) Quality Data Withhold</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>House</u> removes \$666,100 Gross (\$236,800 GF/GP) based on 6 GME hospitals not providing required quality data. Sec. 1805 establishes a 25% withhold of a hospital's GME allocation if the quality data is not submitted. <u>Senate</u> and <u>Conference</u> retain current year funding.	Federal	NA	0
	GF/GP	NA	\$0
<b>83. Medical Services Program Reductions and Eliminations</b>	<b>Gross</b>	<b>NA</b>	<b>(\$7,249,600)</b>
<u>Executive</u> eliminates increased level of care determination funding (\$5.0 million Gross, \$2.5 million GF/GP), reduces Medicaid guardian and conservator rates to \$83 per month (\$1.4 million Gross, \$500,000 GF/GP), removes Healthy Michigan Plan medical literacy demonstration program (\$830,000 Gross, \$415,000 GF/GP), and removes dental registry funding (\$500,000 GF/GP). <u>House</u> concurs with the Executive. <u>Senate</u> retains funding for Medicaid guardian and conservator rates and for dental registry. <u>Conference</u> retains funding for dental registry.	Federal	NA	(3,834,600)
	GF/GP	NA	(\$3,415,000)

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>84. Federal Money Follows the Person Demonstration Grant</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>Executive</u> recognizes end of \$10.3 million federal Money Follows the Person demonstration grant used to increase use of home- and community-based services and to reduce institutionally-based services. Loss of grant funding is offset with state GF/GP and federal Medicaid matching funds. Over a 10 year period, Michigan received \$88.2 million. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with the Executive.	Federal	NA	(2,459,600)
	GF/GP	NA	\$2,459,600
<b>85. State Restricted Revenue Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>Executive</u> revises restricted revenues based on projected available revenue for a net decrease of \$29.8 million, which is offset with a like amount of GF/GP. Revisions include:	Restricted	NA	(29,824,400)
<ul style="list-style-type: none"> <li>Reducing Health Insurance Claims Assessment (HICA) fund balance utilization \$60.0 million.</li> <li>Increasing Medicaid Benefits Trust Fund \$38.3 million.</li> <li>Reducing Healthy Michigan Fund \$10.0 million (Combined with a similar fund adjustment in Population Health, the total HMF to GF/GP fund adjustment is \$14.2 million).</li> <li>Increasing Merit Award Trust Fund \$2.0 million.</li> </ul>	GF/GP	NA	\$29,824,400
<u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with the Executive.			
<b>86. Special Medicaid Reimbursements</b>	<b>Gross</b>	<b>NA</b>	<b>(\$2,602,600)</b>
<u>Executive</u> reduces special Medicaid reimbursements by \$11.6 million Gross (\$0 GF/GP) for Specialty Network Access Fee (SNAF), physician adjustor payments, dental adjustor payments, Graduate Medical Education innovations pool, and university disproportionate share hospital (DSH) payments. GF/GP is not used as state matching funds for these special Medicaid reimbursements. <u>House</u> and <u>Senate</u> concur with the Executive. <u>Conference</u> revises based on the May caseload consensus between the State Budget Office, Senate Fiscal Agency, and House Fiscal Agency.	Federal	NA	(6,727,100)
	Local	NA	(106,000)
	Restricted	NA	4,771,100
	GF/GP	NA	(\$540,600)
<b>87. Medical Services Program – One-Time Funding</b>	<b>Gross</b>	<b>\$6,724,000</b>	<b>(\$5,724,000)</b>
<u>Executive</u> eliminates one-time medical services funding for direct primary care pilot program (\$5.7 million Gross, \$2.0 million GF/GP) and University of Detroit Dental (\$1.0 million GF/GP). <u>House</u> eliminates direct primary care pilot program and retains University of Detroit Dental. <u>Senate</u> eliminates direct primary care pilot program and includes \$100 placeholder for University of Detroit Dental. <u>Conference</u> concurs with the House.	Federal	3,708,000	(3,708,000)
	GF/GP	\$3,016,000	(\$2,016,000)

## **Major Boilerplate Changes From FY 2017-18**

### **GENERAL SECTIONS**

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

Allows DHHS to charge and collect 1% per month interest for late payments to the Department. Executive adds new section. House concurs but revises to apply to quality assurance assessment payments that resulted from an overpayment by DHHS to a provider. Senate does not concur. Conference concurs with the Executive, but revises to establish when interest may be initiated under certain circumstances, and to limit total amount of penalty.

#### **Sec. 230. Report of Implementation of Funding Increases – NEW**

Senate requires DHHS to report by December 31 on the status of implementation of program funding increases from the previous fiscal year. Conference concurs with the Senate.

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

Senate requires DHHS to collaboratively revise the curriculum for 2 education health modules to include age-appropriate information about the importance of consent, setting and respecting personal boundaries, and prevention of child sexual abuse. Conference concurs with the Senate, and revises to add “if funds become available”.

#### **Sec. 273. Unclassified Salary Withhold for Waiver Submission and Approval – NOT INCLUDED**

Senate withholds 25% of unclassified salaries funding until waiver request is submitted to federal government (for Medicaid work requirements proposed in SB 897), and withholds another 25% until that waiver is approved by the federal government. Conference does not include.

## **Major Boilerplate Changes From FY 2017-18**

### ***Sec. 276. Healthy Michigan Plan Recipients and Expenditures – NOT INCLUDED***

Senate (1) prohibits Healthy Michigan Plan funding from being used to support Medicaid coverage or premium assistance on the federal health care exchange to a qualified Medicaid recipient, with submission of waiver if needed to implement; and (2) states legislative intent that completion of a healthy behavior does not qualify a Medicaid recipient for continued enrollment in the Healthy Michigan Plan. Conference does not include.

### ***Sec. 291. E-Verify – DELETED***

Requires DHHS to use the E-Verify system to confirm that new employees and new employees of contractors and subcontractors paid from the appropriations in Part 1 are legally present in the United States. Executive and House delete. Senate retains current law. Conference deletes.

### ***Sec. 293. TANF Spending Cap and Exception – NOT INCLUDED***

Executive sets cap of \$548.8 million for DHHS expenditures of federal TANF funds, and allows for additional spending of up to 3% more to offset GF/GP if notification is made to Legislature which includes an updated estimate of year end TANF balance. House, Senate, and Conference do not include.

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

Executive states that from the funds appropriated in Part 1, DHHS shall be responsible for legal costs of private attorneys defending DHHS employees in any legal action or investigations related to the City of Flint municipal water system. (Similar boilerplate is current law in Department of Environmental Quality budget as Sec. 237). House, Senate, and Conference concur, with minor revisions.

### ***Sec. 298. Behavioral Health Integration Pilot Projects – REVISED***

Requires DHHS to pilot the integration of behavioral health and physical health services, including: contract with a project facilitator, establish a pilot in Kent County with a willing CMHSP, establish up to 3 additional pilots with CMHSPs and Medicaid health plans, reinvest savings into behavioral health services in the pilot area, legislative intent for pilots, and contract with a university to evaluate pilots and replicability. Allocates \$3.1 million for implementation, requires a spending plan, report by DHHS, report by managing entities of pilots, and includes target dates. Executive revises language to require DHHS to continue to pursue and implement the pilot projects and other requirements outlined during FY 2017-18. House concurs with the Executive, and retains legislative intent and target dates and adds clinical data sharing to list of performance metrics. Senate concurs with the House, and retains barriers to implementation report, changes intended pilot design length from 2 to 3 years, and adds additional contractual provisions on the 3 pilot projects between the CMHSPs and Medicaid health plans that prohibit the requirement that the Medicaid health plans exclusively contract with the CMHSPs in the pilot project areas and that any NCQA function presently maintained by the Medicaid health plans remain the responsibility of the Medicaid health plan. Conference concurs with the House, and also retains barriers to implementation report and includes minor changes from the Senate bill.

## **COMMUNITY SERVICES AND OUTREACH**

### ***Sec. 453. Homeless Programs per Diem Increase – REVISED***

Requires DHHS to increase emergency shelter program per diem rates to \$16.00 per bed night. Executive and House revise language to retain current rates. Senate allocates \$100 as a placeholder to increase rates to \$20 per bed night. Conference concurs with Executive.

## **CHILDREN SERVICES – CHILD WELFARE**

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

Senate requires DHHS to conduct an actuarial study on the rates paid to private child placing agencies for finalizing adoptions. Conference revises Senate language and allocates \$50,000 for the study.

### ***Sec. 516. County Child Care Fund Indirect Cost Payments – NEW***

Senate requires the administrative or indirect 10% cost payment be distributed monthly to counties and prohibits a requirement to submit documentation to DHHS for any of the covered expenditures of the payment; also requires that pest control and vermin annihilation expenditures for juvenile detention facility licensure be considered a direct expenditure. Conference concurs with Senate, but does not include language requiring pest control-related costs be direct expenditures.

### ***Sec. 522. Fostering Futures Scholarship Program – REVISED***

Allocates \$750,000 to the Fostering Futures Scholarship Program for youth transitioning from foster care who are attending college. Executive retains current law. House revises language to include scholarships for foster care youth who are attending a career technical educational institution. Senate retains current law. Conference concurs with House.

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

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

### ***Sec. 532. Licensing and Contract Compliance Review – RETAINED***

Requires collaboration between DHHS and representatives of private child and family agencies to revise and improve contract compliance and licensing review processes; requires report. Executive and House delete. Senate and Conference retain current law.



## **Major Boilerplate Changes From FY 2017-18**

### **Sec. 537. Residential Bed Space Standards and Preferences – RETAINED**

Directs DHHS to collaborate with child caring institutions to develop a strategy to implement MCL 400.115o, which restricts out-of-state placements of youth and restricts placements of youth in state administered facilities over comparable private provider facilities; requires report. Executive and House delete. Senate and Conference retain current law.

### **Sec. 546. Foster Care Agency Administrative Rates – RETAINED**

Establishes foster care administrative rate of \$37 for private child placing agencies under contract with DHHS and increases the rate by \$9.20, provided that the county match rate is eliminated for this increase; requires payments for independent living plus services at the statewide per diem. Executive and House revise language to set the general foster care rate, independent living rate, and trial unification services rate all at \$46.20 and strike language requiring a \$9.20 administrative rate increase to private foster care providers and that the county match rate be eliminated. Senate and Conference retain current law.

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

Senate directs DHHS to hold a workgroup to determine methods to compensate private agencies for services to children for which they are not paid an administrative rate. Conference concurs with Senate.

### **Sec. 589. Foster Care Administrative Rate County Hold-Harmless Policy – RETAINED**

Requires DHHS to pay 100% of the administrative rate for all new cases referred to foster care services providers; requires monthly report on number of cases supervised by private agencies and by DHHS. Executive and House delete language requiring DHHS to pay 100% of the administrative rates. House changes to a quarterly report. Senate and Conference retain current law.

## **PUBLIC ASSISTANCE**

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

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

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

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

## **CHILDREN SERVICES – JUVENILE JUSTICE**

### **Sec. 708. County Spending Plan Required – REVISED**

Specifies that in order for counties to receive allocations from the Child Care Fund, they must submit a service spending plan for DHHS approval by October 1 of each year; requires DHHS to notify counties of any plan revisions; requires report. Executive revises language to change submission date to August 15, deletes requirement that DHHS cannot request additional plan revisions outside of those in revision notification, and includes language requiring counties to submit plan amendments by August 30 and payable estimates by September 15. House concurs with the Executive, but revises language to require counties to submit service spending plans by August 15. Senate and Conference revise language, but concur with spending plan date changes.

### **Sec. 721. Residential Facility of Last Resort – RETAINED**

If demand exceeds capacity at state-operated facilities, requires DHHS to post a request for proposals to contract with not less than 1 private provider to be a residential facility of last resort instead of increasing available occupancy at state-operated facilities. Executive and House delete. Senate and Conference retain current law.

## **FIELD OPERATIONS AND SUPPORT SERVICES**

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

States the purposes and expected outcomes of the Pathways to Potential Program, including reducing absenteeism, repeat grades, dropout rates, and increasing graduation rates. Executive and House revise language to eliminate expected percentage changes on the four listed outcomes. Senate retains current law. Conference revises language to require DHHS to establish performance objectives for each school and report on the percentage of schools that achieved improvement in each of the four outcomes.

## **DISABILITY DETERMINATION SERVICES**

### **Sec. 890. Medical Consultant Rates – NEW**

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

## **BEHAVIORAL HEALTH SERVICES**

## **Major Boilerplate Changes From FY 2017-18**

### ***Sec. 912. Salvation Army Harbor Light Program – RETAINED***

Requires DHHS to contract with the Salvation Army Harbor Light Program for providing non-Medicaid substance use disorder services, if program meets standard of care. Executive deletes. House, Senate, and Conference retain current law.

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

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

### ***Sec. 994. National Accreditation Review Criteria for Behavioral Health Services – RETAINED***

Requires DHHS to seek, if necessary, a federal waiver to allow a CMHSP, PIHP, or subcontracting provider agency that is reviewed and accredited by a national accrediting entity for behavioral health care services to be in compliance with state program review and audit requirements; requires a report that lists each CMHSP, PIHP, and subcontracting provider agency that is considered in compliance with state requirements; requires DHHS to continue to comply with state and federal law not initiate an action by negatively impacts beneficiary safety; defines "national accrediting entity." Executive and House delete. Senate and Conference retain current law.

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

Requires the PIHP to work to reduce administrative costs, take an active role in managing mental health care, ensure that direct care rate variances are related to the level of need or other quantifiable measures, and whenever possible promote fair and adequate direct care reimbursement. Executive and House add Community Mental Health Services Programs (CMHSPs) to also meet these requirements. Senate retains current law with technical revisions. Conference adds CMHSPs with technical revisions.

### ***Sec. 1009. Direct Care Wage Increase – REVISED***

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

### ***Sec. 1061. Caro Regional Mental Health Center – RETAINED***

Requires DHHS to only use the funds appropriated for the Caro Regional Mental Health Center to support a psychiatric hospital at its current location, includes legislative intent that the Caro Regional Mental Health Center remain open and operational at its current location and that any capital outlay funding be used for planning and construction at the current location instead of a new location. Executive deletes statement of legislative intent and adds language permitting funds be transferred, either through an administrative transfer or the legislative transfer process. House, Senate, and Conference retain current law.

## **POPULATION HEALTH**

### ***Sec. 1183. Luce County Allocation – NEW***

Senate allocates \$50,000 to the Luce County local health department for the purchase of water sampling laboratory equipment, from the PFAS and environmental contamination response line item. Conference concurs with the Senate and establishes the allocation as one-time.

### ***Sec. 1232. [Sec. 703. of PA 201]. Reimbursement for PFAS Environmental Contamination Response – CURRENT LAW***

Expresses intent of the Legislature that the United States Department of Defense shall reimburse the state for costs associated with PFAS and environmental contamination response at military training sites and support facilities. (Included in supplemental appropriations Act 201 of 2017). Executive and Senate delete. House and Conference retain current law.

### ***Sec. 1233. [Sec. 704. of PA 201]. Expenditure of Funding for PFAS Contamination Response – CURRENT LAW***

Prohibits expenditure of GF/GP and state restricted funding sources for PFAS and environmental contamination response when federal or private funding is available for the same purpose. (Included in supplemental appropriations Act 201 of 2017. Executive and Senate delete. House and Conference retain current law.

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

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

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

Senate allocates \$100 from the essential local public health services line item to local health departments to evaluate and inspect food service kitchens of state prisons. Conference concurs with the Senate with revisions, removes allocation, and adds "if funds become available from the Department of Corrections".

## **Major Boilerplate Changes From FY 2017-18**

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

House and Senate (1) prohibit DHHS from contracting for family planning and pregnancy prevention services with an entity that engages in abortion activities under PA 360 of 2002, if another entity applies to provide those services that is not already engaged in abortion activities; and (2) require DHHS to give a higher priority to a) contracting for services in counties where there are currently no contracts for services, before b) contracting for additional services by an entity that engages in abortion activities in a county where there are already services provided by an entity that does not engage in abortion activities. Conference concurs with the House and Senate.

### ***Sec. 1341. WIC Eligibility Guidance – NEW***

House requires DHHS and county offices to utilize federal income eligibility and verifications guidelines in determining eligibility of individuals for the special supplemental nutrition program for women, infants, and children (WIC). Senate does not include. Conference concurs with the House with modification to refer to current WIC policy.

## **MEDICAL SERVICES**

### ***Sec. 1504. Inspector General Recoveries from Medicaid Health Plans – NOT INCLUDED***

Senate requires the office of inspector general to only recover monies from Medicaid health plans equal to the amount the Medicaid health plans were able to recover from its provider network. Conference does not include.

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

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

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

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

### ***Sec. 1696. Traditional Medicaid and Healthy Michigan Plan Coverage Changes – NEW***

Senate prohibits an individual who received Medicaid coverage through traditional Medicaid in the previous fiscal year from receiving coverage in the current fiscal year through the Healthy Michigan Plan, if the individual is still eligible for traditional Medicaid. Conference revises Senate language to a statement of legislative intent.

### ***Sec. 1763. Actuarial Services Request for Proposal – NEW***

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

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

Senate requires DHHS to evaluate Medicaid health plan pharmacy encounter data through the first 2 quarters of the fiscal year to determine if rates, in consultation with the Medicaid health plans, need to be recertified. Conference requires DHHS to evaluate Medicaid health plan encounter data through the end of the previous fiscal year and provide a report on the evaluation to the legislature and the Medicaid health plans.

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

Senate requires DHHS to explore establishing a Medicaid provider type for providers of portable x-rays and ultrasounds, to consider this service as a Medicaid-covered service, and to provide a report. Conference revises Senate language to require DHHS to establish the provider type.

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

Requires DHHS to monitor progress in implementing the common formulary; requires DHHS to develop policies to operate the common formulary to ensure fair and full public participation; requires a report. Executive deletes requirement to monitor progress in implementing the common formulary and revises to maintain policies to ensure fair and full public participation. House requires Medicaid health plans to monitor and report on the implementation of the common formulary, for DHHS to report on any inconsistencies across the Medicaid health plans, and revises to maintain policies to ensure fair and full public participation. Senate concurs with the Executive. Conference requires Medicaid health plans to report on the implementation of the common formulary, for DHHS to report on any inconsistencies across the Medicaid health plans, and revises to maintain policies to ensure fair and full public participation.

## **Major Boilerplate Changes From FY 2017-18**

### ***Sec. 1810. Health Plan Encounter Data Reporting – REVISED***

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

### ***Sec. 1856. Hospice Room and Board Payments – RETAINED***

Requires DHHS expend funds to provide room and board payments to hospice residences that have been enrolled in Medicaid by October 1, 2014, requires a workgroup to determine how to streamline payment methodology; lists reporting requirements of the hospice residences, and states lapses go into general fund. Executive deletes. House requires the funds be disturbed through grants to hospices residences enrolled in Medicaid by October 1, 2017, for grant to be paid out monthly, lists reporting requirements, and requires the hospice residence to return to DHHS any remaining grant funding. Senate retains current law. Conference concurs with the House.

### ***Sec. 1861. [Sec. 702. of PA 201]. Nonemergency Medical Transportation Pilot – REVISED***

Requires DHHS to increase the number of counties in which a local public transportation entity is the primary administrator of the Medicaid nonemergency medical transportation benefit using a nonprofit as the transportation broker, lists purpose and performance outcomes. Executive deletes requirement that the local public transportation entity uses a nonprofit transportation broker. (Language revised in supplemental appropriations Act 201 of 2017). House revises to require continuation of pilot program. Senate includes technical revisions. Conference concurs with the House with technical revisions.

### ***Sec. 1875. Prior Authorization for Certain Drugs – REVISED***

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

## **INFORMATION TECHNOLOGY**

### ***Sec. 1904. MiSACWIS Modification – REVISED***

Requires DHHS to make partial Child Care Fund (CCF) reimbursements to counties for undisputed charges within 45 business days of receipt of required forms and documentation, and requires DHHS to make any information technology system modifications needed to meet this requirement by March 1. Executive strikes requirement for IT modifications by March 1 references to IT line item, and rennumbers to Sec. 595. House concurs with the Executive. Senate strikes requirement for IT modifications by March 1, and adds new subsection (2) to require information technology modifications be made by October 1 to the child welfare information system (MiSACWIS) to meet requirements described in Sec 117a (4)(a) of the Social Welfare Act. Conference concurs with the Senate but does not include new subsection (2).

## **ONE-TIME APPROPRIATIONS**

### ***Sec. 1905. Flint Drinking Water Declaration of Emergency – REVISED***

Allocates appropriated funds to address needs in the City of Flint under a declaration of emergency issued related to drinking water contamination, for food and nutrition services, education, nursing and case management, behavioral health and lead exposure care, access to care for children, breastfeeding education, epidemiological analysis, lead poisoning surveillance and abatement, Double Up Food Bucks program, and water testing at food service establishments. Executive and House retain current law. Senate adds new provisions to the Flint drinking water declaration of emergency funding in subsections (2) through (5): no funding to the Flint Continuation of Michigan Child Collaborative Care Program or the Parents as Teacher Program, allocations of \$500,000 to the Children’s Health Access Program (CHAP), and \$335,000 to the C.S. Mott Community College. Conference concurs with the Executive and House.

### ***Sec. 1913. Medicaid Direct Primary Care Pilot Program – REVISED***

Requires DHHS to apply for a federal waiver to implement a Medicaid direct primary care pilot program; outlines program requirements; requires quarterly reports; establishes unexpended funds as work project appropriation. Executive deletes. House revises to require DHHS to continue the program through available work project authorization, and retains quarterly reports. Senate and Conference concur with House with technical differences.

**FY 2018-19: DEPARTMENT OF INSURANCE  
AND FINANCIAL SERVICES**  
**Summary: Conference Report**  
**Article XI, Senate Bill 848 (S-1) CR-1**



**Analyst: Marcus Coffin**

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

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 5578 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 858 as passed by the Senate.

**Overview**

The Department of Insurance and Financial Services (DIFS) is responsible for regulating, licensing, examining, evaluating, and promoting the insurance and financial services industries operating within this state. The department also provides consumer protection by managing consumer information and inquiries and investigating consumer complaints. DIFS administers and enforces state statutes pertaining to state-chartered banks and credit unions; mortgage brokers, lenders, and servicers; consumer finance entities; insurance companies, agents, and products; and health maintenance organizations.

**Major Budget Changes From FY 2017-18 YTD Appropriations**

	FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Conference Change
<b>1. Economic Adjustments</b>	<b>Gross</b>	<b>NA</b>
<u>Executive</u> reflects increased costs of \$830,500 Gross (\$0 GF/GP) for negotiated salary and wage increases (2.0% ongoing), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	IDG	NA
	Federal	6,200
	Restricted	2,600
	GF/GP	821,700
		NA
		\$0
<b>2. Insurance Evaluation Enhancement</b>	<b>Gross</b>	<b>NA</b>
<u>Executive</u> does not include. <u>House</u> and <u>Senate</u> include additional one-time restricted funding for the department to complete a study, with the assistance of an actuarial firm, capable of supporting this state's pursuit of a state innovation waiver, available under section 1332 of the Patient Protection and Affordable Care Act. <u>Conference</u> includes as one-time funding, but changes the fund source to \$400,000 GF/GP.	Restricted	NA
	GF/GP	0
		NA
		\$400,000

**Major Boilerplate Changes From FY 2017-18**

**Sec. 207. Out-of-State Travel Requirements and Report – RETAINED**

Stipulates various limitations regarding the conditions when DIFS may send employees on out-of-state travel, further limits the expenditure of state funds on out-of-state professional development conferences, and requires a detailed report on out-of-state travel. Executive revises to strike sections delineating conditions for the permissibility of out-of-state travel and by heavily modifying the requirements of the report. House retains. Senate retains. Conference retains.

**Sec. 218. Communications with the Legislature – RETAINED**

Prohibits DIFS from taking disciplinary action against an employee for communicating with a member of the legislature or its staff. Executive deletes. House retains. Senate retains. Conference retains.

## **Major Boilerplate Changes From FY 2017-18**

### ***Sec. 219. Television and Radio Productions – RETAINED***

Prohibits DIFS from developing or producing television or radio productions. Executive deletes. House retains. Senate retains. Conference retains.

### ***Sec. 220. Healthy Michigan Plan Accounting Structure – RETAINED***

Requires DIFS, in conjunction with the Department of Health and Human Services (DHHS), to maintain accounting structures within this state's accounting system that will facilitate the identification of expenditures associated with the Healthy Michigan Plan. Executive deletes. House retains. Senate retains. Conference retains.

### ***Sec. 221. Appropriation for Healthy Michigan Plan Statutory Reporting Requirement – RETAINED***

Stipulates that the appropriation for Executive Director Programs from the General Fund shall only be expended on DIFS' reporting requirements pursuant to subsection 105d(9) of The Social Welfare Act of 1939. Executive deletes. House retains. Senate retains. Conference retains.

### ***Sec. 301. Health Insurance Rate Filings Report – REVISED***

Requires DIFS to submit a report based on the annual rate filings from health insurers and delineates the information to be included. Executive deletes. House revises to delete requirement that the report contain an estimated percentage of uninsured within this state. Senate revises to delete requirement that the report contain an estimate percentage of uninsured within this state. Conference revises to exclude the estimated percentage of uninsured requirement.

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

Requires DIFS to use one-time funding to have an actuarial firm complete a study capable of supporting this state's pursuit of a section 1332 state innovation waiver under the Patient Protection and Affordable Care Act. Executive does not include. House includes new language. Senate includes new language. Conference includes new language.

**FY 2018-19: JUDICIARY**  
**Summary: Conference Report**  
**Article XII, Senate Bill 848 (S-1) CR-1**



**Analyst: Robin R. Risko**

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

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 5578 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 859 as passed by the Senate.

**Overview**

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

**Major Budget Changes From FY 2017-18 YTD Appropriations**

**1. Judgeship Changes**

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

	FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Conference Change
<b>Gross</b>	<b>\$31,149,800</b>	<b>\$255,300</b>
Restricted	1,829,700	13,100
GF/GP	\$29,320,100	\$242,200

**2. Swift and Sure Sanctions Probation Program**

Executive reduces funding for the Swift and Sure Sanctions Probation Program by \$154,000 GF/GP. House concurs. Senate does not reduce funding. Conference does not reduce funding.

<b>Gross</b>	<b>\$4,000,000</b>	<b>\$0</b>
Restricted	1,729,400	0
GF/GP	\$2,270,600	\$0

**3. Expansion of Problem Solving Courts/Removal of One-Time Funding**

Executive reduces the budget by \$519,300 GF/GP to reflect the removal of one-time funding that was included in the FY 2017-18 budget. Specifically, \$300,000 was for the development of a pretrial risk assessment tool, and \$219,300 was for expansion of problem solving courts. House eliminates \$300,000 for the pretrial risk assessment tool, but retains \$219,300 and includes an additional \$780,700, for a total of \$1.0 million, for expansion of problem solving courts. Senate concurs with Executive. Conference eliminates \$300,000 for the pretrial risk assessment tool, but retains \$219,300 and includes an additional \$530,700, for a total of \$750,000, for expansion of problem solving courts.

FTE	11.0	0.0
<b>Gross</b>	<b>\$1,219,300</b>	<b>\$230,700</b>
GF/GP	\$1,219,300	\$230,700

		FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Conference Change
<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>			
<b>4. GF/GP Fund Source Shift and Technical Adjustment for BOC</b>			
<u>Executive</u> reduces GF/GP by \$500,000 in the circuit and probate court judges' salary line items and replaces it with a like amount of state restricted Court Fee Fund revenue. <u>House</u> reduces GF/GP by \$600,000 for the judges' salary lines, replaces it with a like amount of Court Fee Fund revenue, and transfers \$100,000 GF/GP to the Branchwide Appropriations line item to correct FY 2018-19 building occupancy charges that were incorrectly fund sourced to the Direct Trial Court Automaton line item for space in the Cadillac Place state office building. <u>Senate</u> concurs with <u>Executive</u> . <u>Conference</u> concurs with <u>House</u> .	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
	Local	NA	(100,000)
	Restricted	NA	600,000
	GF/GP	NA	(\$500,000)
<b>5. Non-GF/GP Fund Source Adjustments</b>			
<u>Executive</u> reflects a net reduction of \$190,900 Gross from adjusting authorization for various federal, local, and state restricted fund sources in order to more accurately reflect available revenue:	<b>Gross</b>	<b>NA</b>	<b>\$900</b>
	Federal	NA	(525,300)
	Local	NA	544,700
	Restricted	NA	(210,300)
	GF/GP	NA	\$191,800
<ul style="list-style-type: none"> <li>Federal fund source authorization - HHS, Access and Visitation Grant for SCAO reduced by \$147,900; HHS, Court Improvement Project for SCAO reduced by \$420,600; HHS, Title IV-D Child Support Program for SCAO reduced by \$231,800; and U.S. Department of Justice federal revenue for SADO increased by \$275,000.</li> <li>Local User Fee revenue for Direct Trial Court Automation Support increased by \$544,700.</li> <li>State restricted fund source authorization - Court of Appeals Filing/Motion Fee revenue for Swift and Sure Sanctions Probation Program reduced by \$191,800; Law Exam Fee revenue for Supreme Court Administration increased by \$63,000; Miscellaneous Revenue for SCAO reduced by \$34,600; and Miscellaneous Revenue for SADO reduced by \$46,900.</li> </ul> <u>House</u> concurs. <u>Senate</u> concurs with all adjustments except the reduction to the Swift and Sure Sanctions Probation Program. Instead of reducing funding for the program, <u>Senate</u> replaces reduced Court of Appeals Filing/Motion Fee revenue with GF/GP. <u>Conference</u> concurs with <u>Senate</u> .			
<b>6. Transfer Court of Claims Funding</b>			
<u>Executive</u> transfers \$511,900 GF/GP from the State Court Administrative Office line item to the Court of Appeals line item. This amount of funding is used by the Court of Appeals for cases handled by the Court of Claims, pursuant to Public Act 164 of 2013 that transferred jurisdiction for Court of Claims cases to the Court of Appeals. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	<b>Gross</b>	<b>\$511,900</b>	<b>\$0</b>
	GF/GP	\$511,900	\$0
<b>7. Economic Adjustments</b>			
<u>Executive</u> reflects increased costs of \$3.0 million Gross (\$2.8 million GF/GP) for negotiated salary and wage increases (2.0% ongoing), insurance rate increases, actuarially required retirement contributions, worker's compensation premium costs, building occupancy charges, and private rent costs. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	<b>Gross</b>	<b>NA</b>	<b>\$3,049,200</b>
	IDG	NA	700
	Federal	NA	48,600
	Local	NA	99,800
	Private	NA	12,000
	Restricted	NA	47,700
	GF/GP	NA	\$2,840,400
<b>8. Community Dispute Resolution</b>			
<u>Executive</u> retains current year funding levels. <u>House</u> includes an additional \$499,900 GF/GP for community dispute resolution centers to provide restorative justice programs to schools to help reduce suspensions and truancy, and to improve school climates. Funding may also be used for centers to expand existing restorative justice programming that targets juvenile offenders who have been charged with assault and battery, malicious destruction of property, or larceny offenses. <u>Senate</u> includes an additional \$500,000 GF/GP. <u>Conference</u> includes an additional \$425,000 GF/GP for community dispute resolution centers to provide community dispute resolution services.	<b>Gross</b>	<b>\$2,384,000</b>	<b>\$425,000</b>
	Restricted	2,384,000	0
	GF/GP	\$0	\$425,000



<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>9. Youthful Sex Offender Treatment Pilot Program</b>	<b>Gross</b>	<b>NA</b>	<b>\$75,000</b>
<u>Executive</u> does not make a recommendation. <u>House</u> includes a \$100 GF/GP placeholder to allow time to research the establishment of a diversionary treatment program for young sex offenders, which would be modeled after existing programs that have proven to be successful. <u>Senate</u> does not include. <u>Conference</u> includes a one-time appropriation of \$75,000 GF/GP for a pilot program in Kent County.	GF/GP	NA	\$75,000
<b>10. Juror Compensation Staff</b>	FTE	0.0	1.0
<u>Executive</u> does not make a recommendation. <u>House</u> includes authorization for 1.0 FTE position. Public Act 52 of 2017 authorizes SCAO to have one position within the office that provides technical assistance to all state trial courts on jury management. <u>Senate</u> does not include. <u>Conference</u> includes authorization for FTE position.	<b>Gross</b>	<b>\$6,600,000</b>	<b>\$0</b>
	Restricted	6,600,000	0
	GF/GP	\$0	\$0
<b>11. Problem Solving Courts</b>	<b>Gross</b>	<b>\$18,233,400</b>	<b>\$0</b>
<u>Executive</u> does not make a recommendation. <u>House</u> does not make a recommendation. <u>Senate</u> includes additional GF/GP funding for Drug Treatment Courts (\$28,700), Mental Health Courts (\$28,700), and Veterans Courts (\$96,800). <u>Conference</u> does not include additional funding in individual court line items (see #3).	IDG	1,500,000	0
	Federal	2,175,000	0
	Restricted	1,920,500	0
	GF/GP	\$12,637,900	\$0
<b>12. Pretrial Risk Assessment</b>	<b>Gross</b>	<b>\$305,700</b>	<b>\$0</b>
<u>Executive</u> does not make a recommendation. <u>House</u> does not make a recommendation. <u>Senate</u> transfers \$305,700 of ongoing funding included in the SCAO line item for Pretrial Risk Assessment to the One-Time Appropriations unit. <u>Conference</u> concurs with Senate.	GF/GP	\$305,700	\$0

### **Major Boilerplate Changes From FY 2017-18**

#### **Sec. 215. Disciplinary Action Against State Employees – RETAINED**

Prohibits the judicial branch from taking disciplinary action against employees for communicating with legislators or their staff. Executive deletes. House retains. Senate retains. Conference retains.

#### **Sec. 216. Input on Foster Care Cases – RETAINED**

Expresses legislative intent that judges presiding over hearings on foster care cases publicly acknowledge and request input from foster parent(s) during hearings. Executive deletes. House retains. Senate retains. Conference retains.

#### **Sec. 217. Changes to Foster Care Family Service Plans – RETAINED**

Expresses legislative intent that judges presiding over foster care cases provide explanations in court records for any changes made to foster care family service plans. Executive deletes. House retains. Senate retains. Conference retains.

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

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

#### **Sec. 219. Receipt and Retention of Required Reports – RETAINED**

Requires the judicial branch to receive and retain copies of all reports required; requires federal and state guidelines to be followed for short- and long-term retention of records; authorizes the judicial branch to electronically retain copies of reports unless otherwise required by federal and state guidelines. Executive deletes. House retains. Senate retains. Conference retains.

#### **Sec. 304. Judicial Data Warehouse – REVISED**

Authorizes members of the legislature to request data or reports from data collected in the judicial data warehouse; requires data to be made available to the public, unless disclosure is prohibited; requires data provided to be public and non-identifying information. Executive revises to require reports to be made available to the public, instead of all data from the warehouse. House concurs with Executive revisions. Senate concurs with Executive revisions. Conference concurs with Executive revisions.

## **Major Boilerplate Changes From FY 2017-18**

### ***Sec. 305. Community Dispute Resolution Centers – NEW***

Requires community dispute resolution centers to provide restorative justice programs to schools to help reduce suspensions and truancy, and to improve school climates; authorizes funding to be used by centers, in cooperation with local prosecutors, to expand existing restorative justice programming that targets juvenile offenders who have been charged with assault and battery, malicious destruction of property, or larceny offenses. Executive does not include. House includes new language. Senate does not include. Conference includes new language; revises it to refer to “community dispute resolution services” instead of “restorative justice programs”.

### ***Sec. 306. Collected and Uncollected Payments and Fees – RETAINED***

Requires SCAO to provide a statistical report, categorized by county, on collected and uncollected amounts of restitution payments, court fees, and other judgements placed on people within the counties. Executive deletes. House deletes. Senate retains. Conference retains.

### ***Sec. 312. Parental Rights Restoration Act – RETAINED***

Requires SCAO to report on the total number of petitions filed by minors seeking court-issued waivers of parental consent under the Parental Rights Restoration Act, and the total number of petitions granted. Executive deletes. House retains. Senate retains. Conference retains.

### ***Sec. 316. Pretrial Risk Assessment – REVISED***

Requires SCAO to pilot a pretrial risk assessment tool in an effort to provide relevant information to judges so they can make evidence-based bond decisions; requires SCAO to report on their plans for piloting the tool, including an implementation timeline; requires SCAO to report on costs associated with piloting the tool. Executive deletes requirement that SCAO report on plans for piloting the tool, and includes a new requirement that SCAO report on progress made toward implementing the tool, instead of on costs associated with piloting the tool. House deletes requirement that SCAO report on plans for piloting the tool, and includes a new requirement that SCAO report on progress made toward implementing the tool and the associated costs. Senate retains current law. Conference deletes requirement that SCAO report on plans for piloting the tool, and includes a new requirement that SCAO report on progress made toward implementing the tool and the associated costs.

### ***Sec. 317. Judicial Car Leases – RETAINED***

Prohibits funding from being used for permanent assignment of state-owned vehicles to justices, judges, or other judicial branch employees. Executive revises to exempt justices. House retains current law. Senate retains current law. Conference retains current law.

### ***Sec. 401. Veterans Courts – DELETED***

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

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

Requires funding to be allocated to Kent County for assessing sex offenders, between the ages of 17 and 24, for risk, and for providing treatment for eligible offenders for individual and group counseling sessions; duration of treatment will be determined and will depend on assessment-based level of identified risk; victims will approve of offenders’ enrollment in the program. Executive does not include. House does not include. Senate does not include. Conference includes new language.

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

Expresses legislative intent that FY 2018-19 appropriations are to be funded at the same level as FY 2017-18 appropriations, but adjusted for changes in caseloads, federal fund match rates, economic factors, and available revenues. Executive deletes. House retains and updates fiscal years to refer to FY 2019-20 appropriations. Senate retains and updates fiscal years to refer to FY 2019-20 appropriations. Conference retains and updates fiscal years to refer to FY 2019-20 appropriations.

**FY 2018-19: DEPARTMENT OF LICENSING  
AND REGULATORY AFFAIRS**  
Summary: Conference Report  
Article XIII, Senate Bill 848 (S-1) CR-1



**Analyst: Marcus Coffin**

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

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 5578 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 860 as passed by the Senate.

**Overview**

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

**Major Budget Changes From FY 2017-18 YTD Appropriations**

**1. Michigan Indigent Defense Commission Grants**

Executive includes \$61.3 million Gross (\$15.3 million state restricted reimbursements from partially indigent defendants and \$46.0 million GF/GP) to support grants made by the Michigan Indigent Defense Commission (MIDC). Grants will be made to local funding units, to support various provisions contained within approved compliance plans and cost analyses that will align indigent defense practices with four standards established by the MIDC. House concurs. Senate includes \$46.0 million in GF/GP funding, but does not include any restricted funding. Conference includes \$84.1 million in GF/GP funding and a \$100 restricted fund placeholder for partially indigent reimbursements.

	FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Conference Change
<b>Gross</b>	NA	<b>\$84,100,100</b>
Restricted	NA	100
GF/GP	NA	\$84,100,000

**2. First Responder Presumed Coverage Claims**

Executive provides an additional \$3.5 million in restricted funding from the First Responder Presumed Coverage Fund, in order to annualize revenues to support payments of First Responder Presumed Coverage claims. The increase will bring the total amount of the authorization to \$5.2 million (\$0 GF/GP). Funds are projected to be available for this purpose from revenues to the Medical Marijuana Excise Fund. House concurs. Senate concurs. Conference concurs.

<b>Gross</b>	<b>\$1,780,000</b>	<b>\$3,465,000</b>
Restricted	1,780,000	3,465,000
GF/GP	\$0	\$0

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>3. Medical Marihuana Operation and Oversight Grants</b>	<b>Gross</b>	<b>\$3,000,000</b>	<b>\$0</b>
<u>Executive</u> eliminates \$3.0 million in restricted funding that supported grants made to county law enforcement agencies, which were distributed proportionally based on the number of registry identification cards issued or renewed within a given county. Pursuant to 2016 PA 281, local governments now receive different grants, determined by statutory amounts due from the Medical Marihuana Excise Fund. <u>House</u> concurs. <u>Senate</u> retains the full \$3 million in restricted funding. <u>Conference</u> retains \$3 million in restricted funding, but, via boilerplate revision, dedicates counties as the grant recipients.	Restricted	3,000,000	0
	GF/GP	\$0	\$0
<b>4. Liquor Law Enforcement Grants Enhancement</b>	<b>Gross</b>	<b>\$7,200,000</b>	<b>\$1,200,000</b>
<u>Executive</u> provides for an increase of \$1.2 million in restricted funding for the amount available for the grants. Funding for the grants comes from retailers' liquor license fees and license renewal fees. Per statute, 55% of revenues from these license fees are to be distributed to the jurisdiction that collected them for the enforcement of the Liquor Control Code and associated rules. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Restricted	7,200,000	1,200,000
	GF/GP	\$0	\$0
<b>5. Fire Protection Grants Elimination</b>	<b>Gross</b>	<b>\$9,273,900</b>	<b>(\$9,273,900)</b>
<u>Executive</u> eliminates the \$9.3 million (\$773,900 GF/GP) authorization for Fire Protection Grants. The Executive has included a proposal to use funds from Local Community Stabilization Authority (LCSA) Tier 3 payments for nonessential services to provide a new funding mechanism for the grants. <u>House</u> concurs. <u>Senate</u> eliminates significant portion of funding, but retains a \$100 restricted fund placeholder. <u>Conference</u> eliminates all funding.	Restricted	8,500,000	(8,500,000)
	GF/GP	\$773,900	(\$773,900)
<b>6. Nurse Aide Training and Registration Program</b>	<b>Gross</b>	<b>NA</b>	<b>\$600,000</b>
<u>Executive</u> includes \$600,000 in restricted funding from the Nurse Aide Registration Fund to implement the Nurse Aide Training and Registration Program, pursuant to 2017 PA 172. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Restricted	NA	600,000
	GF/GP	NA	\$0
<b>7. Substance Use Disorder Programs</b>	<b>Gross</b>	<b>NA</b>	<b>\$500,000</b>
<u>Executive</u> includes \$500,000 in restricted funding from the Marihuana Regulatory Fund to support costs associated with the licensing of substance use disorder programs. Pursuant to 2016 PA 281, \$500,000 must be distributed from collected regulatory assessments for licensing substance use disorder programs. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Restricted	NA	500,000
	GF/GP	NA	\$0
<b>8. Elimination of Administrative Support for the Local Community Stabilization Authority</b>	<b>Gross</b>	<b>\$150,000</b>	<b>(\$150,000)</b>
<u>Executive</u> eliminates \$150,000 in funding that was supported by local revenues and which supported staff and operations of the Local Community Stabilization Authority. Responsibilities previously supported by these funds have been shifted to the Michigan Municipal Services Authority (MMSA). <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Local	150,000	(150,000)
	GF/GP	\$0	\$0
<b>9. Division on Deafness Fund Transfer</b>	<b>Gross</b>	<b>NA</b>	<b>\$93,400</b>
<u>Executive</u> includes \$93,400 in restricted funding to reflect the transfer of program functions from the Department of Civil Rights to LARA, pursuant to Executive Order No. 2017-8. The Executive Order transferred responsibility for the testing and certification of interpreters for the deaf to LARA. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Restricted	NA	93,400
	GF/GP	NA	\$0
<b>10. Removal of One-Time Appropriations</b>	<b>Gross</b>	<b>\$1,400,100</b>	<b>(\$1,400,100)</b>
<u>Executive</u> removes \$1.4 million Gross (\$1.4 million GF/GP) in FY 2017-18 one-time appropriations. Appropriations included \$1.4 million GF/GP for Fire Protection Grants Enhancement and \$100 in restricted funding for the Drinking Water Declaration of Emergency. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Restricted	100	(100)
	GF/GP	\$1,400,000	(\$1,400,000)

<u>Major Budget Changes From FY 2017-18 YTD Appropriations</u>		<u>FY 2017-18 Year-to-Date (as of 2/7/18)</u>	<u>FY 2018-19 Conference Change</u>
<b>11. Revenue Alignment and Reduction of Overstated Deducts</b>	<b>Gross</b>	<b>NA</b>	<b>(\$639,300)</b>
<u>Executive</u> reduces restricted fund authorizations for a net decrease of \$639,300, in order to accurately reflect fund availability and to align with revenue estimates. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Restricted	NA	(639,300)
	GF/GP	NA	\$0
<b>12. Economic Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>\$4,595,000</b>
<u>Executive</u> reflects increased costs of \$4.6 million Gross (\$577,600 GF/GP) for negotiated salary and wage increases (2.0% ongoing), actuarially required retirement contributions, worker's compensation, building occupancy changes, and other economic adjustments. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	IDG	NA	579,200
	Federal	NA	723,500
	Restricted	NA	2,714,700
	GF/GP	NA	\$577,600

### Major Boilerplate Changes From FY 2017-18

#### **Sec. 207. Out-of-State Travel Requirements and Report – RETAINED**

Stipulates various limitations regarding the conditions when LARA may send employees on out-of-state travel, further limits the expenditure of state funds on out-of-state professional development conferences, and requires a detailed report on out-of-state travel. Executive revises to strike sections delineating conditions for the permissibility of out-of-state travel and by heavily modifying the requirements of the report. House retains. Senate retains. Conference retains.

#### **Sec. 218. Communications with the Legislature – RETAINED**

Prohibits LARA from taking disciplinary action against an employee for communicating with a member of the legislature or its staff. Executive deletes. House retains. Senate retains. Conference retains.

#### **Sec. 219. Television and Radio Productions – RETAINED**

Prohibits LARA from developing or producing television or radio productions. Executive deletes. House retains. Senate retains. Conference retains.

#### **Sec. 220. Healthy Michigan Plan Accounting Structure – RETAINED**

Requires LARA, in conjunction with the Department of Health and Human Services (DHHS), to maintain accounting structures within this state's accounting system which will facilitate the identification of expenditures associated with the Healthy Michigan Plan. Executive deletes. House retains. Senate retains. Conference retains.

#### **Sec. 226. Regulatory and Statistical Report – RETAINED**

Requires LARA to submit an annual report that specifies and summarizes statistical information pertaining to fees, revenues, expenditures, application determinations, timeliness, examinations, complaints, investigations, enforcement actions, administrative hearings, and adjudications for each regulatory product administered by regulatory agencies within LARA. Executive deletes. House retains. Senate retains. Conference retains.

#### **Sec. 227. Departmental Employee Performance Monitoring Process – RETAINED**

Stipulates legislative intent that LARA establish a consistent employee performance monitoring process and submit a report pertaining to planned or implemented changes to that process. Executive deletes. House retains. Senate retains. Conference retains.

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

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

#### **Sec. 302. Fast Charging Stations Study – NEW**

Requires the Michigan Agency for Energy, in coordination with the Public Service Commission and the Michigan Department of Transportation, to prepare a study assessing aspects of fast charging stations. Executive does not include. House does not include. Senate includes new language. Conference includes new language.

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

Stipulates that funds from the Liquor Purchase Revolving Fund be used to invest in upgrades to mitigate delays in issuing licenses; legislative intent is expressed that the upgrades should utilize free software if it is available. Executive deletes. House deletes. Senate retains. Conference deletes.

## **Major Boilerplate Changes From FY 2017-18**

### ***Sec. 402. Investigation of Direct Shipments of Wine and Report – REVISED***

Stipulates the LCC shall use funds appropriated from the Direct Shipper Enforcement Fund – as required in the Michigan Liquor Control Code – to investigate illegal direct shipments of wine; requires the LCC to produce a report detailing activities to investigate the illegal shipping of wine. House revises to include a requirement that cases of out-of-state illegal shipping be referred to the Attorney General and that a notice be sent to entities shipping illegally. Senate revises to include a requirement that cases of out-of-state illegal shipping be referred to the Attorney General and that a notice be sent to entities shipping illegally. Conference revises, and renumbers as Sec. 401.

### ***Sec. 507. Medical Marihuana Program Report and Fees – RETAINED***

Requires LARA to submit a report pertaining to revenue, expenditures, application determinations, timeliness, and administration of the Medical Marihuana Program. Executive revises to delete reporting requirements. House retains. Senate retains. Conference retains, and renumbers as Sec. 505.

### ***Sec. 509. Regulatory Fees on Child and Adult Care Facilities – RETAINED***

Requires LARA to assess and collect fees on child care and adult foster care organizations in accordance with existing legislation; the department is required to report these collections to the fiscal agencies. Executive revises to exclude the requirement that the department report collected fees to the fiscal agencies. House retains. Senate retains. Conference retains.

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

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

### ***Sec. 702. Vocational Rehabilitation Matching Funds – RETAINED***

Requires BSBP to work collaboratively with service organizations and government entities to identify match dollars and maximize federal vocational rehabilitation funds. Executive deletes. House retains. Senate retains. Conference retains.

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

Requires the MIDC to identify and implement a performance metrics system that compares indigent defense services in Michigan to national standards and to issue a report on the metrics. Executive includes new language. House concurs. Senate concurs. Conference concurs.

### ***Sec. 805. Ethnic Affairs Commissions Activities – NEW***

Requires that expenditures for commission events directly relate to the commission's mission statement. Executive does not include. House includes new language. Senate includes new language. Conference includes new language.

### ***Sec. 901. Fire Protection Grants – DELETED***

Requires LARA to award appropriated fire protection grant funds to local units of government for fire protection services provided to state-owned facilities located within their jurisdictions, in accordance with 1977 PA 289. House deletes. Senate deletes. Conference deletes.

### ***Sec. 902. Medical Marihuana Registry Cards Report and Grants to County Law Enforcement – REVISED***

Stipulates LARA is to award Medical Marihuana Operation and Oversight Grants to county law enforcement offices; requires LARA to post a listing of available grant funds; requires reports be submitted by both county sheriffs' offices and LARA pertaining to the amounts, recipients, and uses of the grants; and permits county sheriffs' offices to distribute discretionary grants to municipal law enforcement agencies. Executive deletes. House deletes. Senate retains. Conference revises to do the following: stipulate that grants are to be distributed to counties for education and outreach regarding the Michigan Medical Marihuana Act, prohibit funding from being used for law enforcement purposes, and renumber as Sec. 901.

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

Specifies that MIDC grants shall not be distributed to locals unless the total amount appropriated from state resources for the grants is equal to the total cost for local indigent defense systems to comply with standards approved under the Michigan Indigent Defense Commission Act. Executive does not include. House does not include. Senate includes new language. Conference includes language stipulating that a defense system must only comply if they receive a grant in a sufficient amount, as determined by the MIDC Act.

# FY 2018-19: DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

## Summary: Conference Report Article XIV, Senate Bill 848 (S-1) CR-1



Analyst: Kent Dell

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

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 5578 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 861 as passed by the Senate.

### Overview

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

### Major Budget Changes From FY 2017-18 YTD Appropriations

#### 1. National Guard Tuition Assistance Fund – Deposit

Executive includes \$2.5 million GF/GP increase to the National Guard Tuition Assistance Fund, which would total \$6.5 million restricted authorization. The department estimates that 1,332 service members will utilize the National Guard Tuition Assistance Program in FY 2018-19, up from 433 participants in FY 2014-15, the first fiscal year in which the program was implemented. House concurs. Senate concurs. Conference concurs.

	FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Conference Change
<b>Gross</b>	<b>\$4,007,000</b>	<b>\$2,500,000</b>
GF/GP	\$4,007,000	\$2,500,000

#### 2. D.J. Jacobetti Home for Veterans – CMS Certification

Executive includes \$1.1 million GF/GP to support staffing, and operational changes to assist with obtaining Centers for Medicare and Medicaid Services certification, which will increase access to federal revenues for medical care for resident veterans. House does not include additional funds for CMS certification and restructures funding for the D.J. Jacobetti Home for Veterans by separating \$2.1 million ongoing GF/GP appropriated in previous fiscal years for CMS certification into a separate line item. Senate concurs with the Executive. Conference concurs with the Executive and Senate.

	FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Conference Change
<b>Gross</b>	<b>\$22,275,500</b>	<b>\$1,111,700</b>
Federal	8,396,100	0
Restricted	5,064,700	0
GF/GP	\$8,814,700	\$1,111,700

#### 3. Camp Grayling – Operation Northern Strike

Executive includes \$750,000 GF/GP to support the annual National Guard training operation, Northern Strike. Personnel support range control and operation, site maintenance, and logistics. House concurs and includes 8.0 FTEs. Senate concurs with the Executive. Conference concurs with the House.

	FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Conference Change
FTE	195.0	8.0
<b>Gross</b>	<b>\$33,956,100</b>	<b>\$750,000</b>
Federal	30,760,500	0
Restricted	1,617,800	0
GF/GP	\$1,577,800	\$750,000

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>4. National Guard Armory Sustainment, Restoration, and Modernization</b>	<b>Gross</b>	<b>\$15,000,000</b>	<b>\$5,000,000</b>
<u>Executive</u> includes \$5.0 million federal authorization in order to expend matching funds provided by the U.S. National Guard Bureau in support of ongoing improvements to Michigan National Guard armories. State funds for National Guard armory maintenance are matched at a 50-50 ratio by the U.S. Department of Defense. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Federal	15,000,000	5,000,000
	GF/GP	\$0	\$0
<b>5. National Guard Land Purchases and Acquisitions</b>	<b>Gross</b>	<b>\$2,000,000</b>	<b>\$900,000</b>
<u>Executive</u> includes \$900,000 restricted revenue authorization from the Michigan National Guard Construction Fund, in order to purchase, appraise, and survey land in support of continuing National Guard armory consolidation and improvement. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Restricted	2,000,000	900,000
	GF/GP	\$0	\$0
<b>6. Michigan Veterans' Facility Authority – Staffing</b>	<b>Gross</b>	<b>\$1,000,000</b>	<b>\$0</b>
<u>Executive</u> includes \$500,000 GF/GP to provide for staffing of the Michigan Veterans' Facility Authority as it becomes fully operational. <u>House</u> does not include. <u>Senate</u> concurs with the Executive. <u>Conference</u> concurs with the House.	GF/GP	\$1,000,000	\$0
<b>7. County Veteran Service Fund</b>	<b>Gross</b>	<b>NA</b>	<b>\$2,100,000</b>
<u>House</u> includes \$2.5 million GF/GP to support grants to county veteran services offices, in accordance with 2018 House Bill 5536. <u>Conference</u> includes \$2.1 million.	GF/GP	NA	\$2,100,000
<b>8. Armory Maintenance (One-Time)</b>	<b>Gross</b>	<b>\$2,500,000</b>	<b>(\$1,500,000)</b>
<u>Executive</u> removes \$2.5 million one-time GF/GP for armory sustainment, restoration, and modernization. <u>House</u> concurs with the Executive. <u>Senate</u> retains \$1.0 million one-time GF/GP. <u>Conference</u> concurs with the Senate.	GF/GP	\$2,500,000	(\$1,500,000)
<b>9. Vietnam Veteran Outreach (One-Time)</b>	<b>Gross</b>	<b>NA</b>	<b>\$600,000</b>
<u>Senate</u> includes \$1.0 million one-time GF/GP to support an outreach program targeted at Vietnam Era veterans to assist them in obtaining U.S. Department of Veterans Affairs benefits. <u>Conference</u> includes \$600,000 one-time GF/GP.	GF/GP	NA	\$600,000
<b>10. Grand Rapids Home for Veterans – Video Monitoring Pilot</b>	<b>Gross</b>	<b>NA</b>	<b>\$275,000</b>
<u>Senate</u> includes a \$100 GF/GP placeholder for an in-room video monitoring pilot program at the Grand Rapids Home for Veterans. <u>Conference</u> includes \$275,000 one-time GF/GP.	GF/GP	NA	\$275,000
<b>11. Technical Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>(\$145,000)</b>
<u>Executive</u> aligns authorizations with expected revenues available from state restricted and private sources; and provides for net-zero internal transfers. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Private	NA	(10,000)
	Restricted	NA	(135,000)
	GF/GP	NA	\$0
<b>12. Economic Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>\$1,468,200</b>
<u>Executive</u> reflects increased costs of \$1.5 million Gross (\$433,200 GF/GP) for negotiated salary and wage increases (2.0% ongoing), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	Federal	NA	836,100
	Local	NA	17,000
	Restricted	NA	181,900
	GF/GP	NA	\$433,200

#### **Major Boilerplate Changes From FY 2017-18**

##### **Sec. 210. Contingency Fund Authorization – REVISED**

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

##### **Sec. 215. Disciplinary Action Against State Employees – RETAINED**

Forbids the department from taking disciplinary actions against employees who communicate with the Legislature. Executive deleted. House retains. Senate retains. Conference retains.



## **Major Boilerplate Changes From FY 2017-18**

### ***Sec. 219. Intention to Sell Department Property – RETAINED***

Requires the department to notify the Legislature 60 days prior to publicly announcing the intention to sell department property. Executive deleted. House retains. Senate retains. Conference retains.

### ***Sec. 301. Unclassified Positions – RETAINED***

Establishes the unclassified positions within the department and requires the department to notify the Legislature 30 days prior to requesting changes in the unclassified positions from the Civil Service Commission. Executive deleted. House retains. Senate retains. Conference retains.

### ***Sec. 303. Michigan Youth ChalleNGe Academy – REVISED***

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

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

Provides for the service and care requirements of the state veterans homes. House revises to include additional standards for contractual mental health care services. Senate revises to include an in-room video monitoring pilot program at the Grand Rapids Home for Veterans. Conference concurs with the House and Senate, but also requires a feasibility study prior to implementing a video monitoring pilot program.

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

Requires increased funding for the D.J. Jacobetti Home for Veterans to be used toward achieving Centers for Medicare and Medicaid Services (CMS) certification standards. Executive revised to state that the purpose is to obtain CMS certification by October 1, 2018; previously June, 1 2018. House revises to state that the purpose is to obtain CMS certification by October 1, 2018 and includes additional reporting requirements if CMS certification is not obtained by the stated date. Senate concurs with the Executive. Conference concurs with the House.

### ***Sec. 406. MVAA Outreach Services – REVISED***

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

### ***Sec. 407. Grants to Veterans Service Organizations – REVISED***

Establishes the purpose and goals of grants issued by the Michigan Veterans Affairs Agency to veterans service organizations operating in the state to assist veterans receive U.S. Department of Veterans Affairs veterans' benefits. Executive revised to remove the fixed hourly reimbursement rate cap of \$34.00 per hour. House retains the fixed hourly reimbursement rate cap of \$34.00 per hour and includes additional oversight and reporting requirements for monitoring the use of grant funds provided to veterans service organizations. Senate concurs with the Executive. Conference includes an hourly reimbursement rate cap not to exceed \$34.00 per hour, and includes additional oversight and reporting requirements for monitoring the use of grant funds provided to counties and veterans service organizations.

### ***Sec. 601. Armory Maintenance – RETAINED***

Provides for the requirements of one-time appropriations for armory maintenance. Executive deleted. House concurs with the Executive. Senate retains. Conference retains

### ***Sec. 602. Vietnam Era Veterans Outreach – NEW***

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

### ***Sec. 701. Anticipated Appropriations – RETAINED***

Establishes the intent of the Legislature to provide appropriations in the subsequent fiscal year, with adjustments reflecting expected revenues as determined by the Consensus Revenue Estimating Conference. Executive deleted. House retains. Senate retains. Conference retains.

### ***Sec. 702. MVAA Outreach – RETAINED***

Establishes a goal of 100% contact with Michigan veterans and requires quarterly reporting to the appropriations subcommittees. Executive deleted. House retains. Senate retains. Conference retains.

### ***Sec. 703. MVAA Claims Services – RETAINED***

Requires the Michigan Veterans Affairs Agency to maintain a minimum of 50% fully developed benefits claims to the U.S. Department of Veterans Affairs. Executive deleted. House retains. Senate retains. Conference retains.

**FY 2018-19: DEPARTMENT OF NATURAL RESOURCES**  
**Summary: Conference Report**  
**Article XV, Senate Bill 848 (S-1) CR-1**



**Analyst: Austin Scott**

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

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 5578 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 862 as passed by the Senate.

**Overview**

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

**Major Budget Changes From FY 2017-18 YTD Appropriations**

**1. Wildlife Management**

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

House concurs with Executive.

Senate concurs with Executive and adds \$1.0 million from the Game and Fish Protection Fund.

Conference concurs with Executive.

	FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Conference Change
FTE	218.5	3.0
<b>Gross</b>	<b>\$42,932,700</b>	<b>\$1,600,000</b>
Federal	24,954,900	0
Private	315,700	0
Restricted	14,836,900	0
GF/GP	\$2,825,200	\$1,600,000

**2. General Law Enforcement – Conservation Officers**

Executive provides 10.0 FTEs and \$1.5 million GF/GP to support a Conservation Officer (CO) school and the 10 newly commissioned COs. There are 232 COs currently serving; these officers enforce natural resources (game, fish, forestry), environmental pollution, and outdoor recreation (boating, hunting, ORV, snowmobile safety) laws.

House provides 5.0 FTEs and \$750,000 GF/GP.

Senate concurs with Executive.

Conference provides 7.0 FTEs and \$1,050,000 GF/GP.

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

**3. Tribal Consent Decree Renegotiation and Implementation**

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

House provides 1.0 FTE and \$150,000 GF/GP.

Senate and Conference concur with Executive.

	FTE		
FTE	NA		1.0
<b>Gross</b>	<b>NA</b>		<b>\$277,500</b>
GF/GP	NA		\$277,500

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>4. Historical Facilities System – Mackinac Island State Park</b>	FTE	13.0	0.0
<u>Executive</u> adds \$200,000 GF/GP to increase support for maintenance costs at Mackinac Island State Park facilities.	<b>Gross</b>	<b>\$1,583,700</b>	<b>\$200,000</b>
<u>House</u> adds \$100,000 GF/GP.	Restricted	1,583,700	0
<u>Senate</u> and <u>Conference</u> concur with Executive.	GF/GP	\$0	\$200,000
<b>5. Long Lake Boat Launch (One-Time)</b>	<b>Gross</b>	<b>NA</b>	<b>\$142,500</b>
<u>House</u> adds \$142,500 in one-time GF/GP for a grant to develop a boat launch at Long Lake in Alpena County.	GF/GP	NA	\$142,500
<u>Senate</u> does not fund this grant.			
<u>Conference</u> concurs with House.			
<b>6. Grindstone Harbor Development Grant (One-Time)</b>	<b>Gross</b>	<b>NA</b>	<b>\$120,000</b>
<u>House</u> , <u>Senate</u> , and <u>Conference</u> add \$120,000 in one-time GF/GP for a grant to cover planning costs at Grindstone harbor in Huron County.	GF/GP	NA	\$120,000
<b>7. Wildlife and Fisheries Health Study (One-Time)</b>	<b>Gross</b>	<b>NA</b>	<b>\$115,000</b>
<u>House</u> adds \$114,900 GF/GP for a study to investigate the effect of PFAS contamination on Michigan’s wildlife and fisheries populations.	GF/GP	NA	\$115,000
<u>Senate</u> does not fund this study.			
<u>Conference</u> adds \$115,000 GF/GP for study and makes one-time.			
<b>8. Grand River Dredging Project (One-Time)</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>House</u> adds a \$100 placeholder of one-time GF/GP for a study on the depth of the Grand River from Lake Michigan to the city of Grand Rapids and the cost of dredging that section of the river to a depth sufficient for recreational boat traffic.	GF/GP	NA	\$0
<u>Senate</u> and <u>Conference</u> do not include this placeholder.			
<b>9. Swimmer’s Itch Pilot Program (One-Time)</b>	<b>Gross</b>	<b>\$250,000</b>	<b>\$0</b>
<u>Executive</u> deletes \$250,000 GF/GP for a pilot program to address swimmer’s itch in Michigan’s inland lakes.	GF/GP	\$250,000	\$0
<u>House</u> concurs with Executive.			
<u>Senate</u> and <u>Conference</u> continue funding for FY 2018-19.			
<b>10. Doane’s Landing Park Seawall (One-Time)</b>	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
<u>Senate</u> adds a \$100 placeholder of one-time GF/GP to fund a seawall at Doane’s Landing Park in Wayne County.	GF/GP	NA	\$0
<u>Conference</u> does not include placeholder.			
<b>11. Dam Management Grant Program (One-Time)</b>	<b>Gross</b>	<b>\$350,000</b>	<b>\$1,500,000</b>
<u>Conference</u> adds \$1.5 million in one-time GF/GP to the Dam Management Grant Program. These grants are used for the removal or maintenance of failing dams from private and state-owned land.	GF/GP	\$350,000	\$1,500,000
<b>12. Lake Level Assessments (One-Time)</b>	<b>Gross</b>	<b>NA</b>	<b>\$35,000</b>
<u>Conference</u> adds \$35,000 in one-time GF/GP to reimburse local units of government for costs related to lake level assessments.	GF/GP	NA	\$35,000
<b>13. Cooperative Resource Programs (One-Time)</b>	<b>Gross</b>	<b>\$1,567,900</b>	<b>\$35,000</b>
<u>Conference</u> adds \$35,000 in one-time GF/GP to Cooperative Resource Programs. This addition is appropriated to fund a soil mapping program in Wayne County.	Federal	710,500	0
	Private	124,500	0
	Restricted	510,400	0
	GF/GP	\$222,500	\$35,000
<b>14. Snowmobile Trail Groomer Pilot (One-Time)</b>	<b>Gross</b>	<b>NA</b>	<b>\$200,000</b>
<u>Executive</u> provides \$200,000 from the snowmobile trail improvement fund to pilot a program aimed at developing a new snowmobile trail groomer to maintain state snowmobile trails.	Restricted	NA	200,000
<u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.	GF/GP	NA	\$0

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>15. Increased Camping Fee Revenue and Recreation Passport Sales</b>		FTEs	NA
<u>Executive</u> provides 26.5 FTEs and \$4.1 million in additional restricted funding for departmental marketing and outreach, forest recreation and trails, recreational boating, state parks, and Recreation Passport local grants. Funding comes from increased camping fee revenue and Recreation Passport sales.		<b>Gross</b>	26.5
		Restricted	<b>\$4,075,000</b>
		GF/GP	4,075,000
<u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.			\$0
<b>16. Increased Off-road Vehicle Fee Revenue</b>		FTEs	NA
<u>Executive</u> provides 2.0 FTEs and \$1.3 million in additional off-road vehicle (ORV) trail improvement funding for departmental administration, law enforcement, and ORV trail improvement grants. Funding comes from increased ORV fee revenue.		<b>Gross</b>	2.0
		Restricted	<b>\$1,300,000</b>
		GF/GP	1,300,000
<u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.			\$0
<b>17. Removal of FY 2017-18 One-Time Funding</b>		<b>Gross</b>	<b>\$16,426,200</b>
<u>Executive</u> removes \$16.4 million Gross (\$15.4 GF/GP) for one-time projects included in the previous fiscal year's budget:		Restricted	<b>(\$16,426,200)</b>
		GF/GP	(1,000,000)
			(\$15,426,200)
State parks repair and maintenance	\$7,000,000		
Trail development	5,000,000		
Land ownership tracking system	2,900,000		
Bay City state recreation area, playscape reconstruction	400,000		
Onaway state park, pavilion reconstruction	400,000		
Shooting range construction, repair, and maintenance	250,000		
Snowmobile local grants program (one-time)	226,200		
Invasive species (one-time)	200,000		
Mineral extraction summit	50,000		
<u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.			
<b>18. Capital Outlay Project Adjustments</b>		<b>Gross</b>	<b>\$20,575,000</b>
<u>Executive</u> makes current services baseline adjustments to capital outlay projects by increasing federal and restricted funding for a net increase of \$17.6 million Gross. Adjustments include removing funding for East Tawas state harbor phase I as well as adding funding for forest development infrastructure, East Tawas state harbor phase III, Elmwood Township marina, Ottawa Brach marina, and Presque Isle Marina.		Federal	643,000
		Restricted	17,000,000
		GF/GP	\$0
<u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.			
<b>19. Technical Adjustments</b>		FTEs	NA
<u>Executive</u> increases DNR budget by 23.0 FTEs and \$12.8 million Gross (\$929,600 GF/GP) to align authorization with available funds and comply with organizational changes. Adjustments include transferring the Office of the Great Lakes from the DEQ to the DNR (Executive Order 2017-9) and transferring the Historical Marker program from the Michigan History Foundation.		<b>Gross</b>	23.0
		Federal	<b>\$12,814,700</b>
		Private	10,556,000
		Restricted	(15,000)
		GF/GP	1,344,100
<u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.			\$929,600
<b>20. Economic Adjustments</b>		<b>Gross</b>	<b>\$3,777,800</b>
<u>Executive</u> reflects increased costs of \$3.8 million Gross (\$542,300 GF/GP) for negotiated salary and wage increases (2.0% ongoing), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.		Federal	436,900
		Private	400
		Restricted	2,798,200
		GF/GP	\$542,300
<u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.			

### **Major Boilerplate Changes From FY 2017-18**

#### **Sec. 218. Retention of Reports – DELETED**

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

Executive, Senate, and Conference delete, House retains.

## **Major Boilerplate Changes From FY 2017-18**

### ***Sec. 220. Disciplinary Action Against State Employees – RETAINED***

Prohibits DNR from disciplining state employees for communicating with members of the Legislature and their staffs.  
Executive deletes, House, Senate, and Conference retain.

### ***Sec. 251. Invasive Species Initiative – RETAINED***

Requires \$3.6 million for the Invasive Species Initiative be allocated as grants for prevention, detection, eradication, and control of invasive species.

Executive deletes, House, Senate, and Conference retain.

### ***Sec. 404. Museum Store Revolving Fund – DELETED***

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

Executive, House, Senate, and Conference delete.

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

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

Executive, Senate, and Conference delete, House retains.

### ***Sec. 406. Historical Program Fees – DELETED***

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

Executive, Senate, and Conference delete, House retains.

### ***Sec. 408. Land Transactions – RETAINED***

Requires detailed report to Legislature on land purchases, sales, and exchanges.

Executive deletes, House, Senate, and Conference retain.

### ***Sec. 503. Invasive Species Order Enforcement – RETAINED***

Requires report on efforts taken to enforce the Natural Resources Commission's invasive species order concerning raising feral swine in Michigan.

Executive deletes, House, Senate, and Conference retain.

### ***Sec. 504. Cervid Operation Fees – RETAINED***

Requires report on the use of registration fees from privately owned cervid operations.

Executive deletes, House and Senate retain.

### ***Sec. 602. Water Control Structure Certification – RETAINED***

Directs Fisheries Division not to interfere with the certification process for dams and other water control structures.

Executive deletes, House, Senate, and Conference retain.

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

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

Executive, Senate, and Conference delete, House retains.

### ***Sec. 901. Snowmobile Law Enforcement Grants – RETAINED***

Provides snowmobile law enforcement grant funds to county law enforcement agencies in counties with state snowmobile trails.

Executive and House delete, Senate and Conference retain.

### ***Sec. 902. Marine Safety Grants – RETAINED***

Requires report on the Marine Safety Grant Program. Report to include watercraft registrations revenues; revenues and expenditures of the Marine Safety Fund; grant distribution methodology; and a list of grant awards by county.

Executive deletes, House, Senate, and Conference retain.

### ***Sec. 903. Conservation Officers – DELETED***

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

Executive, House, Senate, and Conference delete.

### ***Sec. 1002. Silver Lake Law Enforcement Reimbursement – NEW***

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

House and Conference add new section.

### ***Sec. 1201. Swimmer's Itch Pilot Program – RETAINED***

Designates \$250,000 GF/GP in part 1 to be distributed to a Michigan-based nonprofit organization for swimmer's itch mitigation and research and requires a progress report.

Executive and House deletes, Senate and Conference retain.

**Major Boilerplate Changes From FY 2017-18**

***Sec. 1202. Lake Level Assessment Reimbursements – NEW***

Designates \$35,000 from part 1 to reimburse qualifying costs related to lake level assessments.  
House and Conference add new section.

***Sec. 1203. Long Lake Boat Launch – NEW***

Requires the DNR to use funds appropriated in part 1 to develop a boat launch at Long Lake in Alpena County.  
House and Conference add new section.

***Sec. 1204. Grindstone Harbor Development Grant – NEW***

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

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

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

***Sec. 1206. Wildlife and Fisheries Health Study – NEW***

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

***Sec. 1207. Wayne County Soil Mapping Program – NEW***

Designates the cooperative resource program (one-time) appropriation in part 1 to fund the Wayne County soil mapping program.  
House and Conference add new section.

**FY 2018-19: DEPARTMENT OF STATE POLICE**  
**Summary: Conference Report**  
**Article XVI, Senate Bill 848 (S-1) CR-1**



**Analyst: Kent Dell**

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

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 5578 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 864 as passed by the Senate.

**Overview**

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

**Major Budget Changes From FY 2017-18 YTD Appropriations**

		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>1. FY 2017-18 Trooper Recruit School – Administrative Annualization Costs</b>	<b>Gross</b>	<b>NA</b>	<b>\$3,511,200</b>
	GF/GP	NA	\$3,511,200
<i>Executive</i> includes \$3.5 million GF/GP to support various department-wide expenses such as fleet leasing, equipment, and IT support costs related to the 150 new Troopers expected to graduate from the FY 2017-18 Trooper Recruit School, which is expected to begin in the summer of 2018. <i>House</i> concurs. <i>Senate</i> concurs. <i>Conference</i> concurs.			
<b>2. FY 2017-18 Trooper Recruit School – Salary and Benefits Annualization</b>	FTE	2,002.5	0.0
	<b>Gross</b>	<b>\$295,480,300</b>	<b>\$16,755,900</b>
	Federal	383,700	0
	Restricted	38,666,200	0
	GF/GP	\$256,430,400	\$16,755,900
<i>Executive</i> includes \$16.8 million GF/GP to support the full-year costs of salaries and benefits of the 150 new Troopers expected to graduate from the FY 2017-18 Trooper Recruit School, which is expected to begin in the summer of 2018. <i>House</i> concurs. <i>Senate</i> concurs. <i>Conference</i> concurs.			
<b>3. Medical Marihuana Regulation – Annualization Costs</b>	<b>Gross</b>	<b>NA</b>	<b>\$2,924,200</b>
	Restricted	NA	2,924,200
	GF/GP	NA	\$0
<i>Executive</i> includes \$2.9 million state restricted revenues from the Medical Marihuana Regulatory Fund to support the department-wide salary and benefits, fleet, and administrative costs of 51 medical marihuana regulation positions created in FY 2017-18. <i>House</i> concurs. <i>Senate</i> concurs. <i>Conference</i> concurs.			
<b>4. Wage Increase – Lieutenants and Laboratory Managers</b>	<b>Gross</b>	<b>NA</b>	<b>\$935,600</b>
	IDG/IDT	NA	8,000
	Federal	NA	33,400
	Restricted	NA	71,900
	GF/GP	NA	\$822,300
<i>Executive</i> includes \$935,600 Gross (\$822,300 GF/GP) to support wage increases for State Police Lieutenants and Laboratory Managers to improve recruitment and retention of personnel in these positions. Wage increases for these positions were recommended by the Office of the State Employer and finalized by the Civil Service Commission in December 2017. <i>House</i> concurs. <i>Senate</i> concurs. <i>Conference</i> concurs.			

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>5. Sexual Assault Evidence Kit Tracking and Reporting System</b>	FTE	NA	1.0
<u>Executive</u> includes \$158,900 GF/GP and 1.0 FTE to annualize the department-wide development and implementation costs of the Sexual Assault Evidence Kit Tracking and Reporting System included in supplemental appropriations 2017 PA 158. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	<b>Gross</b>	<b>NA</b>	<b>\$158,900</b>
	GF/GP	NA	\$158,900
<b>6. Medical Marihuana – MCOLES Administration</b>	FTE	17.0	0.0
<u>Executive</u> includes \$2.5 million state restricted from the Medical Marihuana Regulatory Fund to support the Michigan Commission on Law Enforcement Standards administrative costs, and reduce reliance on Michigan Justice Training Fund revenues, pursuant to 2016 PA 302. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	<b>Gross</b>	<b>\$9,889,100</b>	<b>\$2,500,000</b>
	Federal	175,700	0
	Restricted	8,561,400	2,500,000
	GF/GP	\$1,152,000	\$0
<b>7. Medical Marihuana – Standardized Field Sobriety Test</b>	FTE	180.5	0.0
<u>Executive</u> includes \$900,000 state restricted from the Medical Marihuana Regulatory Fund to support State Police Investigative Services in the implementation and administration of a standardized field sobriety test to assess individuals for intoxication, in accordance with 2016 PA 281. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	<b>Gross</b>	<b>\$33,824,800</b>	<b>\$900,000</b>
	IDG/IDT	6,871,600	0
	Federal	6,291,600	0
	Local	2,079,400	0
	Restricted	10,853,500	900,000
	GF/GP	\$7,728,700	\$0
<b>8. FY 2018-19 Trooper Recruit School (One-Time)</b>	<b>Gross</b>	<b>NA</b>	<b>\$4,751,300</b>
<u>Executive</u> includes \$3.1 million GF/GP one-time funding to support the training costs of the FY 2018-19 Trooper Recruit School, which is expected to graduate 50 new Troopers and begin in January 2019. <u>House</u> includes \$4.0 million GF/GP one-time funding and shifts the Trooper Recruit School start date to June 2019. The later Trooper Recruit School start date results in increased one-time costs by shifting additional salary, benefits, and administrative costs to the recruit school, while resulting in overall reduced costs for FY 2018-19 by shifting some ongoing salary, benefits, and administrative costs of the 50 new Troopers to FY 2019-2020. <u>Senate</u> includes \$6.4 million one-time GF/GP to graduate 100 new Troopers. <u>Conference</u> includes \$4.8 million one-time GF/GP to graduate 75 new Troopers.	GF/GP	NA	\$4,751,300
<b>9. FY 2018-19 Trooper Recruit School – Administrative Costs</b>	<b>Gross</b>	<b>\$40,942,200</b>	<b>\$722,100</b>
<u>Executive</u> includes \$722,100 GF/GP to support the department-wide fleet leasing and other partial-year administrative costs of the FY 2018-19 Trooper Recruit School, which is expected to graduate 50 new Troopers and begin in January 2019. <u>House</u> includes a technical adjustment, which shifts all administrative costs to the Post Operations line item. <u>Senate</u> concurs with the Executive. <u>Conference</u> concurs with the Executive and Senate.	IDG/IDT	211,800	0
	Federal	268,000	0
	Restricted	3,338,700	0
	GF/GP	\$37,123,700	\$722,100
<b>10. FY 2018-19 Trooper Recruit School – Salaries, Benefits, and Administrative Costs</b>	FTE	2,002.5	75.0
<u>Executive</u> includes \$3.1 million GF/GP to support the partial-year salaries and benefits of the 50 new Troopers expected to graduate from the FY 2018-19 Trooper Recruit School, which is expected to begin in January 2019. <u>House</u> includes \$1.5 million GF/GP and shifts the start date of the Trooper Recruit School to June 2019. The later Trooper Recruit School start date results in increased one-time costs by shifting additional salary, benefits, and administrative costs to the recruit school, while resulting in overall reduced costs for FY 2018-19 by shifting some ongoing salary, benefits, and administrative costs of the 50 new Troopers to FY 2019-2020. <u>Senate</u> includes \$3.7 million GF/GP to support 100 new Troopers. <u>Conference</u> includes \$3.4 million GF/GP to support 75 new Troopers.	<b>Gross</b>	<b>\$295,480,300</b>	<b>\$3,396,600</b>
	Federal	383,700	0
	Restricted	38,666,200	0
	GF/GP	\$256,430,400	\$3,396,600
<b>11. FY 2018-19 Trooper Recruit School – Attrition School (One-Time)</b>	<b>Gross</b>	<b>NA</b>	<b>\$3,000,000</b>
<u>Executive</u> includes \$3.0 million GF/GP one-time funding to support training and equipping 80 new Troopers that will replace personnel lost due to attrition. Ongoing salary, benefits, and administrative costs for the graduates will be supported by existing appropriations. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	GF/GP	NA	\$3,000,000



<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>12. Cyber Crime Unit Expansion</b>			
<u>Executive</u> includes \$618,400 GF/GP and 5.0 FTEs to provide for administration, support, and the operations of the Michigan Cyber Command Center. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	FTE	184.0	5.0
	<b>Gross</b>	<b>\$24,804,000</b>	<b>\$618,400</b>
	IDG/IDT	681,900	0
	Restricted	2,031,800	0
	GF/GP	\$22,090,300	\$618,400
<b>13. Public Safety Officers Benefit Program</b>			
<u>Executive</u> includes \$150,000 GF/GP to support one-time \$25,000 payments to survivors of public safety officers killed or totally and permanently disabled in the line of duty. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	FTE	1.0	0.0
	<b>Gross</b>	<b>\$151,100</b>	<b>\$150,000</b>
	GF/GP	\$151,100	\$150,000
<b>14. Equipment Lifecycle Replacement</b>			
<u>Executive</u> includes \$1.3 million GF/GP to support the implementation of a six-year lifecycle replacement schedule for vehicle-mounted cameras. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	FTE	2,002.5	0.0
	<b>Gross</b>	<b>\$295,480,300</b>	<b>\$1,252,500</b>
	Federal	383,700	0
	Restricted	38,666,200	0
	GF/GP	\$256,430,400	\$1,252,500
<b>15. Sexual Assault Prevention and Education Initiative (One-Time)</b>			
<u>Executive</u> retains \$600,000 GF/GP one-time funding to provide for grants to higher education institutions to support on-campus sexual assault prevention and education programs and projects. <u>House</u> includes \$400,000 GF/GP one-time funding, to bring total funding to \$1.0 million. <u>Senate</u> concurs with the Executive. <u>Conference</u> concurs with the House.	<b>Gross</b>	<b>\$600,000</b>	<b>\$400,000</b>
	GF/GP	\$600,000	\$400,000
<b>16. Forensic Science – Equipment Maintenance, Lifecycle Replacement, and Investment in Emergent Technology</b>			
<u>House</u> includes \$740,000 GF/GP to support forensic science equipment maintenance and lifecycle replacement, as well as to allow for investment in new forensic testing equipment. <u>Senate</u> includes \$175,000 GF/GP in order to acquire a TruNarc scanning device for each MSP crime lab. <u>Conference</u> includes \$500,000 GF/GP.	FTE	270.0	0.0
	<b>Gross</b>	<b>\$43,876,100</b>	<b>\$500,000</b>
	Federal	4,192,400	0
	Restricted	10,177,100	0
	GF/GP	\$29,506,600	\$500,000
<b>17. Michigan International Speedway Traffic Control (One-Time)</b>			
<u>Executive</u> removes \$725,000 GF/GP. <u>House</u> includes \$400,000 GF/GP one-time funding to provide matching funds in support of department traffic control operations at Michigan International Speedway events. <u>Senate</u> includes \$725,000 GF/GP. <u>Conference</u> concurs with the Senate.	<b>Gross</b>	<b>\$725,000</b>	<b>\$0</b>
	GF/GP	\$725,000	\$0
<b>18. OK2SAY – Additional Call Center Personnel</b>			
<u>Senate</u> includes \$150,000 GF/GP to support 1.0 additional FTE in the OK2SAY call center. <u>Conference</u> includes \$500,000 GF/GP and 3.0 FTEs to support the OK2SAY call center (\$350,000 GF/GP and 2.0 FTEs) and program operations (\$150,000 GF/GP and 1.0 FTE).	FTE	NA	3.0
	<b>Gross</b>	<b>NA</b>	<b>\$500,000</b>
	GF/GP	NA	\$500,000
<b>19. OK2SAY – Information Technology Upgrade Placeholder</b>			
<u>Senate</u> includes a \$100 one-time GF/GP placeholder for future funding to upgrade OK2SAY program-related software. <u>Conference</u> concurs.	<b>Gross</b>	<b>NA</b>	<b>\$0</b>
	GF/GP	NA	\$0
<b>20. Civil Air Patrol</b>			
<u>Executive</u> removes \$20,000 GF/GP and eliminates support for the training and resource costs of the Civil Air Patrol. <u>House</u> concurs with the Executive. <u>Senate</u> retains. <u>Conference</u> concurs with the Senate.	<b>Gross</b>	<b>\$20,000</b>	<b>\$0</b>
	GF/GP	\$20,000	\$0
<b>21. Advanced 9-1-1 (One-Time)</b>			
<u>Executive</u> removes \$2.2 million GF/GP. <u>House</u> includes \$200,000 GF/GP one-time funding to provide grants to local public safety answering points to support improved software, which allows the public to voluntarily provide additional health and safety information to first responders. <u>Senate</u> concurs with the Executive. <u>Conference</u> concurs with the Executive and Senate.	<b>Gross</b>	<b>\$2,200,000</b>	<b>(\$2,200,000)</b>
	GF/GP	\$2,200,000	(\$2,200,000)
<b>22. Forensic Science – Overtime Reduction Cost Savings</b>			
<u>Executive</u> realizes costs savings of \$274,400 GF/GP resulting from a reduction in overtime costs due to new forensic scientists finishing training and increasing staffing levels. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	FTE	270.0	0.0
	<b>Gross</b>	<b>\$43,876,100</b>	<b>(\$274,400)</b>
	Federal	4,192,400	0
	Restricted	10,177,100	0
	GF/GP	\$29,506,600	(\$274,400)

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>23. Impaired Driving Safety Commission Fund – Removal</b>	<b>Gross</b>	<b>\$250,000</b>	<b>(\$250,000)</b>
<u>Executive</u> removes \$250,000 GF/GP and eliminates the funding for the Impaired Driving Safety Commission Fund. 2016 PA 350 includes a sunset provision, whereby the act is repealed upon the Impaired Driving Safety Commission's final report being issued or upon two years after the Act's effective date, which would occur on March 21, 2019. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	GF/GP	\$250,000	(\$250,000)
<b>24. Emergency Management and Homeland Security – FTE Reduction</b>	FTE	67.0	(3.0)
<u>Executive</u> removes \$392,400 and 3.0 FTEs from the Emergency Management and Homeland Security Division. This adjustment approximately halves the FY 2017-18 increase in order to reprioritize GF/GP funding elsewhere. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	<b>Gross</b>	<b>\$16,021,800</b>	<b>(\$392,400)</b>
	Federal	11,952,400	0
	GF/GP	\$4,069,400	(\$392,400)
<b>25. Remove FY 2017-18 One-Time Appropriations</b>	<b>Gross</b>	<b>\$20,721,200</b>	<b>(\$17,196,200)</b>
<u>Executive</u> removes the following FY 2017-18 one-time appropriations:	GF/GP	\$20,721,200	(\$17,196,200)
<ul style="list-style-type: none"> <li>Disaster and Emergency Contingence Fund deposit (\$5.0 million GF/GP)</li> <li>Equipment Lifecycle Replacement (\$1.0 million GF/GP)</li> <li>Fair and Impartial Policing Training Grants (\$980,000 GF/GP)</li> <li>Forensic Science (\$730,000 GF/GP)</li> <li>Law Enforcement Job Task Analysis (\$200,000 GF/GP)</li> <li>FY 2017-18 Trooper Recruit School (\$9.3 million GF/GP)</li> </ul> <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.			
<b>26. Technical Adjustments</b>	FTE	NA	(1.0)
<u>Executive</u> removes supplemental appropriations, and administrative transfers; aligns authorizations with expected revenues from IDG/IDT, federal, local, private, and state restricted sources; reclassifies 9-1-1 related revenue between IDG/IDT and state restricted sources; adjusts FY 2017-18 lump-sum payment removals; and provides for various internal transfers, including a net-zero consolidation of the commercial vehicle regulation and commercial vehicle enforcement programs into a single line item. <u>House</u> also includes department requested technical adjustments to account for changes included in 2018 PA 51 and Legislative Transfer Request 2018-3, but does not concur with the consolidation of the commercial vehicle regulation and commercial vehicle enforcement line items. <u>Senate</u> concurs with the House, but consolidates the commercial vehicle regulation and commercial vehicle enforcement line items. <u>Conference</u> concurs with the Senate.	<b>Gross</b>	<b>NA</b>	<b>(\$9,937,800)</b>
	IDG/IDT	NA	(1,698,500)
	Federal	NA	(5,699,700)
	Local	NA	(716,000)
	Private	NA	(63,100)
	Restricted	NA	(1,601,600)
	GF/GP	NA	(\$158,900)
<b>27. Economic Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>\$4,786,800</b>
<u>Executive</u> reflects increased costs of \$4.8 million Gross (\$3.4 GF/GP) for negotiated salary and wage increases (2.0% ongoing), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>House</u> concurs. <u>Senate</u> concurs. <u>Conference</u> concurs.	IDG/IDT	NA	217,200
	Federal	NA	277,700
	Local	NA	27,600
	Restricted	NA	885,500
	GF/GP	NA	\$3,378,800

### **Major Boilerplate Changes From FY 2017-18**

#### **Sec. 216. Disciplinary Action Against State Employees – RETAINED**

Forbids the department from taking disciplinary actions against employees who communicate with the Legislature. Executive deleted. House retains. Senate retains. Conference retains.

#### **Sec. 220. Privatization Project Plans – RETAINED**

Requires the department to develop a project plan and present it to the Legislature 90 days prior to beginning any effort to privatize any department services. Executive deleted. House retains. Senate retains. Conference retains.

#### **Sec. 223. Training and Publication Fees – NEW**

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

## **Major Boilerplate Changes From FY 2017-18**

### ***Sec. 402. Criminal Justice Information Center – RETAINED***

Requires the department to maintain and ensure compliance with Criminal Justice Information Center databases and applications. Executive revised to remove the concealed weapon enforcement fund revenue reporting requirement. House retains. Senate retains. Conference retains.

### ***Sec. 407. School Safety Grants and Inspections – NEW***

House includes annual reporting requirements for school safety grants and inspections, which includes grant amounts awarded to each school district; safety grades assigned to school buildings; state and national incidents that occurred between the annual March 30 reporting date; recommended, emerging school safety practices and improvements; and expenses incurred by the School Safety Commission in performing its duties. Conference includes reporting requirements for school safety grants and improvements, incidents of school violence, OK2SAY activities, and best practices for safety measures at schools.

### ***Sec. 701. Special Operations – REVISED***

Specifies the department's specialized service requirements. Executive revised to require the department to increase the Michigan Cyber Command Center's casework by 25% above the activity level observed in FY 2017-18. House concurs. Senate concurs. Conference concurs.

### ***Sec. 704. Emergency Management and Homeland Security – RETAINED***

Specifies the department's role in coordinating emergency preparation and response efforts. Executive revised to remove quarterly reporting requirement on the status of infrastructure vulnerabilities in the state. House retains. Senate retains. Conference retains.

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

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

### ***Sec. 902. Advanced 9-1-1 – DELETED***

Provides requirements for the one-time appropriation for grants to public safety answering points to implement supplemental databases, which allow public safety answering points to view voluntarily disclosed supplemental health and safety information when receiving emergency calls. Executive deleted. House retains. Senate concurs with the Executive. Conference concurs with the Executive and Senate.

### ***Sec. 1001. Anticipated Appropriations – RETAINED***

Establishes the intent of the Legislature to provide appropriations in the subsequent fiscal year, with adjustments reflecting expected revenues as determined by the Consensus Revenue Estimating Conference. Executive deleted. House retains. Senate retains. Conference retains.

**FY 2018-19: DEPARTMENT OF TRANSPORTATION**  
**Summary: Conference Report**  
**Article XVII, Senate Bill 848 (S-1) CR-1**



**Analyst: William E. Hamilton**

IDG/IDT	FY 2017-18 YTD as of 2/7/18	FY 2018-19 Revised Executive	FY 2018-19 House	FY 2018-19 Senate	FY 2018-19 Conference	Difference: Conference	
						From FY 2017-18 YTD Amount	%
	\$4,039,300	\$4,092,500	\$4,092,500	\$4,092,500	\$4,092,500	\$53,200	1.3
<b>Federal</b>	1,340,301,200	1,318,271,700	1,318,271,700	1,318,271,700	1,318,271,700	(22,029,500)	(1.6)
<b>Local</b>	50,532,000	50,532,000	50,532,000	50,532,000	50,532,000	0	0.0
<b>Private</b>	100,000	900,000	900,000	900,000	900,000	800,000	800.0
<b>Restricted</b>	2,954,470,500	3,156,293,700	3,169,293,700	3,166,293,700	3,169,293,700	214,823,200	7.3
<b>GF/GP</b>	0	0	0	0	300,000,000	300,000,000	--
<b>Gross</b>	<b>\$4,349,443,000</b>	<b>\$4,530,089,900</b>	<b>\$4,543,089,900</b>	<b>\$4,540,089,900</b>	<b>\$4,843,089,900</b>	<b>\$493,646,900</b>	<b>11.3</b>
<b>FTEs</b>	2,826.3	2,826.3	2,727.3	2,826.3	2,824.3	(2.0)	(0.1)

Notes: (1) FY 2017-18 year-to-date figures include mid-year budget adjustments through February 7, 2018. The Legislature subsequently passed PA 82 of 2018 (House Bill 4321) which appropriated \$175.0 million GF/GP. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 5578 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 865 as passed by the Senate.

**Overview**

The state transportation budget supports state and local highway programs, public transportation programs, aeronautics programs, and administration of the Michigan Department of Transportation (MDOT). Historically, approximately two-thirds of the revenue in this budget has come from state restricted revenue, with approximately one-third from federal sources. Most of the state-restricted revenue in this budget is constitutionally restricted – from motor fuel taxes and vehicle registration taxes – and is first credited to the Michigan Transportation Fund (MTF) and then distributed in accordance with Public Act 51 of 1951 (Act 51) to other state transportation funds and programs, including the State Trunkline Fund (STF), the Comprehensive Transportation Fund (CTF), and local road agencies. Revenue from aviation fuel and registration taxes and from an earmark of the Airport Parking Tax is credited to the State Aeronautics Fund for aeronautics programs.

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>	<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>1. Reductions in STF-Funded FTE Positions</b>		
House eliminated 97.0 STF-funded FTE positions and reduced STF support by \$10.2 million in various department operating lines, as follows:	FTE 1,787.3	0.0
Unclassified salaries: (2.0 FTEs, \$210,000 STF)	<b>Gross NA</b>	<b>\$0</b>
Finance, contracts, support services: (5.0 FTEs, \$525,000 STF)	Restricted NA	0
Transportation planning: (7.0 FTEs, \$735,000 STF)	GF/GP NA	\$0
Design & engineering: (83.0 FTE positions, \$8.7 million STF)		

House redirects \$10.2 million STF to the State trunkline road and bridge construction program. (Item #2, below). [In addition to the reduction in STF-funded positions, the House bill also reduces FTEs in the Aeronautics services appropriation unit.] Senate does not reduce authorized FTE positions or related funding. Conference concurs with the Senate and does not reduce STF-funded FTE positions.

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>2. State Trunkline Road and Bridge Construction</b>	<b>Gross</b>	<b>\$1,140,756,800</b>	<b>\$81,432,700</b>
<u>Executive</u> reflects increases in anticipated federal and state restricted revenue sources, including: \$55.1 million increase in available STF revenue, and \$1.1 million increase in Blue Water Bridge Fund revenue for Blue Water Bridge capital projects. The STF increase reflects the anticipated increase in ongoing MTF revenue from motor fuel and vehicle registration taxes, as well as the STF share of \$150.0 million in Income Tax revenue that was earmarked to the MTF in the November 2015 Road Funding Package.	Federal	783,367,300	25,240,400
	Local	30,003,500	0
	Restricted	327,386,000	56,192,300
	GF/GP	\$0	\$0
<u>House</u> increases funding by \$10.2 million as compared to the Executive by redirecting STF revenue related to a reduction in 97.0 FTE positions in various MDOT operating line items. <u>Senate</u> concurs with Executive. <u>Conference</u> concurs with Senate.			
<b>3. MTF to Local Road Agencies</b>	<b>Gross</b>	<b>\$1,372,100,700</b>	<b>\$121,331,100</b>
<u>Executive</u> reflects an estimated \$121.3 million increase in the MTF distribution to county road commissions, and cities/villages. This increase reflects both an anticipated increase in ongoing MTF revenue from motor fuel and vehicle registration taxes, as well as the local road agency share of \$150.0 million in Income Tax revenue that was earmarked to the MTF in the November 2015 Road Funding Package. <u>House</u> and <u>Senate</u> concur with Executive. <u>Conference</u> concurs with House and Senate.	Restricted	1,372,100,700	121,331,100
	GF/GP	\$0	\$0
<b>4. Debt Service</b>	<b>Gross</b>	<b>\$228,939,400</b>	<b>(\$9,502,300)</b>
<u>Executive</u> included \$219.9 million for debt service, a reduction of \$9.5 million from current year, reflecting anticipated debt service schedules. [State transportation debt balance at September 30, 2017 was \$1.4 billion.]	Federal	37,783,300	(1,919,900)
	Restricted	191,156,100	(7,582,400)
	GF/GP	\$0	\$0
<u>House</u> and <u>Senate</u> concur with Executive. <u>Conference</u> concurs with House and Senate.			
<b>5. Services Provided by Other State Departments</b>	<b>Gross</b>	<b>\$47,428,400</b>	<b>\$966,200</b>
<u>Executive</u> would provide \$48.4 million for Interdepartmental grants (IDGs) that authorize the reimbursement of other state departments from restricted transportation funds for services provided to those transportation funds. Specific IDGs include \$20.0 million MTF for Department of State vehicle registration tax collection program, \$2.7 million MTF for Department of Treasury motor fuel tax collection program, and \$11.8 million STF for Michigan State Police Commercial Vehicle Enforcement program and Criminal Justice Information Center. The net increase across all IDG line items reflects economic increases and cost allocation adjustments.	Restricted	47,428,400	966,200
	GF/GP	\$0	\$0
<u>House</u> and <u>Senate</u> concur with Executive. <u>Conference</u> concurs with House and Senate.			
<b>6. Asset Management Council</b>	<b>Gross</b>	<b>\$3,876,400</b>	<b>(\$2,000,000)</b>
<u>Executive</u> includes \$1.9 million MTF for ongoing costs of Asset Management Council – primarily pavement condition data collection and analysis, as well as training and education. Budget eliminates one-time \$2.0 million for inspection and inventory of culverts on the local road system (added to current year through supplemental appropriation, Public Act 201 of 2017.)	Restricted	3,876,400	(2,000,000)
	GF/GP	\$0	\$0
<u>House</u> and <u>Senate</u> concur with Executive. <u>Conference</u> concurs with House and Senate.			
<b>7. Information Technology</b>	<b>Gross</b>	<b>\$33,465,900</b>	<b>\$2,000,000</b>
<u>Executive</u> increases STF support by \$2.0 million to provide for workstation replacement and application modernization. <u>House</u> and <u>Senate</u> concur with Executive. <u>Conference</u> concurs with House and Senate.	Federal	520,500	0
	Restricted	32,945,400	2,000,000
	GF/GP	\$0	\$0

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>
<b>8. Transportation Planning</b>	<b>Gross</b>	<b>\$36,245,200</b>	<b>\$2,750,000</b>
<u>Executive</u> provides \$2.7 million increase in federal authorization to reflect anticipated increase in Statewide Planning and Research (SPR) funds. <u>House</u> and <u>Senate</u> concur with <u>Executive</u> . <u>Conference</u> concurs with House and Senate.	Federal	19,250,000	2,750,000
	Restricted	16,995,200	0
	GF/GP	\$0	\$0
[In the House bill this change is exclusive of a reduction in FTE positions and related STF funding.]			
<b>9. Design and Engineering Services</b>	<b>Gross</b>	<b>\$161,253,100</b>	<b>\$2,000,000</b>
<u>Executive</u> includes \$2.0 million STF increase as part of \$10.0 million program of priority maintenance of critical state trunkline bridges. An additional \$8.0 million is included State trunkline maintenance. <u>House</u> and <u>Senate</u> concur with <u>Executive</u> . <u>Conference</u> concurs with House and Senate.	Federal	23,529,800	0
	Restricted	137,723,300	2,000,000
	GF/GP	\$0	\$0
[In the House bill this change is exclusive of a reduction in FTE positions and related STF funding.]			
<b>10. State Trunkline Maintenance</b>	FTE	793.7	0.0
<u>Executive</u> would provide \$20.3 million increase in STF support for: priority maintenance of critical state trunkline bridges program, \$8.0 million; priority maintenance of culverts, including rehabilitation or replacement, \$8.0 million; offset increased maintenance material costs and added state trunkline mileage, \$4.3 million. <u>House</u> and <u>Senate</u> concur with <u>Executive</u> . <u>Conference</u> concurs with House and Senate.	<b>Gross</b>	<b>\$317,593,400</b>	<b>\$20,337,600</b>
	Restricted	317,593,400	20,337,600
	GF/GP	\$0	\$0
<b>11. Local Agency Wetland Mitigation Fund Program</b>	<b>Gross</b>	<b>\$2,000,000</b>	<b>\$0</b>
<u>Executive</u> includes \$2.0 million MTF for this Act 51 earmark. <u>House</u> reduces funding to \$500,000 MTF and shifts \$1.5 million to new <i>Local grant program</i> line item in TEDF. <u>Senate</u> concurs with <u>Executive</u> . <u>Conference</u> concurs with Senate.	Restricted	2,000,000	0
	GF/GP	\$0	\$0
<b>12. Transportation Economic Development Fund (TEDF)</b>	<b>Gross</b>	<b>\$42,119,100</b>	<b>\$1,229,900</b>
<u>Executive</u> recommends permanent redirection of \$13.0 million in certain drivers' license fee revenue from TEDF, Target Industries, to the state General Fund. (Requires statutory change.) Also reflects increase in anticipated interest on fund balance.	Restricted	42,119,100	1,229,900
	GF/GP	\$0	\$0
<u>House</u> retains \$13.0 million in TEDF, Category A; includes an additional \$1.5 million MTF in a new Local grant program line. <u>Senate</u> retains \$10.0 million in driver's license fee revenue in this budget but shifts \$7.0 million to a new Community service infrastructure fund, \$7.0 million; and \$3.0 million for Salt storage shed (one-time). <u>Conference</u> retains all \$13.0 million in driver's license fee revenue in this budget; shifts \$3.0 million to new Community service infrastructure fund program within TEDF. The increase from current year reflects estimated increase in interest on fund balance.			
<b>13. Local Bus Transit</b>	<b>Gross</b>	<b>\$216,277,900</b>	<b>\$4,500,000</b>
<u>Executive</u> provides \$189.2 million CTF, an increase of \$1.0 million from current year, for local bus operating formula distribution to 81 local public transit agencies. Also recognizes \$2.0 million anticipated increase in federal transit grants to non-urban transit agencies. <u>House</u> includes an increase of \$4.0 million CTF, \$3.0 million more than the <u>Executive</u> ; also recognizes increased federal spending authority. <u>Senate</u> concurs with <u>Executive</u> . <u>Conference</u> includes increase of \$2.5 million CTF, \$1.5 million more than <u>Executive</u> , shifted from Rail operations and infrastructure.	Federal	26,027,900	2,000,000
	Local	2,000,000	0
	Restricted	188,250,000	2,500,000
	GF/GP	\$0	\$0
<b>14. Transit Capital</b>	<b>Gross</b>	<b>\$59,403,500</b>	<b>\$7,209,100</b>
<u>Executive</u> increases CTF support by \$7.2 million for program that provides matching funds on behalf of local transit agencies to access federal transit capital grants. <u>House</u> and <u>Senate</u> concur with <u>Executive</u> . <u>Conference</u> concurs with House and Senate.	Federal	15,300,000	0
	Local	1,250,000	0
	Restricted	42,853,500	7,209,100
	GF/GP	\$0	\$0

<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>		<b>FY 2017-18 Year-to-Date (as of 2/7/18)</b>	<b>FY 2018-19 Conference Change</b>	
<b>15. Service Initiatives</b>		<b>Gross</b>	<b>\$3,389,200</b>	<b>\$1,200,000</b>
<u>Executive</u> increases CTF support by \$1.2 million for program that funds transit-related research, training and development, and demonstration projects. <u>House</u> and <u>Senate</u> concur with Executive. <u>Conference</u> concurs with House and Senate.	Federal	1,650,000	0	0
	Local	325,000	0	0
	Restricted	1,414,200	1,200,000	1,200,000
	GF/GP	\$0	\$0	\$0
<b>16. Transportation to Work</b>		<b>Gross</b>	<b>\$3,700,000</b>	<b>\$175,000</b>
<u>Executive</u> increases CTF support, identified as for Blue Water Transportation Commission's Job Access/Reverse Commute project. <u>House</u> and <u>Senate</u> concur with Executive. <u>Conference</u> concurs with House and Senate.	Restricted	3,700,000	175,000	175,000
	GF/GP	\$0	\$0	\$0
<b>17. Detroit Wayne County Port Authority</b>		<b>Gross</b>	<b>\$200,000</b>	<b>\$218,200</b>
<u>Executive</u> included \$468,200 CTF, a \$268,200 increase as compared to current year. <u>House</u> provides same funding as current year, \$200,000 CTF; shifts \$168,200 to Rail operations and infrastructure, and \$100,000 to Marine passenger. <u>Senate</u> concurs with Executive. <u>Conference</u> provides \$418,200, \$50,000 less than the Executive which is shifted to Rail operations and infrastructure.	Restricted	200,000	218,200	218,200
	GF/GP	\$0	\$0	\$0
<b>18. Rail Operations and Infrastructure/Rail Freight Economic Dev.</b>		<b>Gross</b>	<b>\$124,759,700</b>	<b>(\$44,001,700)</b>
<u>Executive</u> includes \$7.5 million CTF increase for program that includes capital and operating support for rail passenger service in Michigan. Reduces federal funds by \$50.1 million to better align with anticipated federal grants. Executive budget also rolls two current lines, Rail operations and infrastructure, and Rail freight economic development, into a single line.	Federal	60,100,000	(50,100,000)	(50,100,000)
	Local	100,000	0	0
	Private	100,000	0	0
	Restricted	64,459,700	6,098,300	6,098,300
	GF/GP	\$0	\$0	\$0
<u>House</u> keeps two lines unrolled; includes \$4.5 million CTF baseline increase –\$3.0 million less than the Executive; also includes \$168,200 redirected from the Detroit Wayne County Port Authority line. <u>Senate</u> concurs with Executive in total funding for rail programs but shifts \$3.0 million from the Rail freight fund to create a new one-time line item "Ann Arbor/Traverse City rail project." <u>Conference</u> rolls up two current lines; shifts \$1.5 million CTF to Local bus operating, as compared to the Executive; also includes \$50,000 CTF shifted from the Detroit Wayne County Port Authority line item. (See Section 751)				
<b>19. Intercity Services</b>		<b>Gross</b>	<b>\$8,060,000</b>	<b>(\$700,000)</b>
<u>Executive</u> recognizes anticipated private funds made available for program that supports intercity bus service in Michigan. Reduces CTF support by \$1.5 million. <u>House</u> and <u>Senate</u> concur with Executive. <u>Conference</u> concurs with House and Senate.	Federal	4,500,000	0	0
	Local	160,000	0	0
	Private	0	800,000	800,000
	Restricted	3,400,000	(1,500,000)	(1,500,000)
	GF/GP	\$0	\$0	\$0
<b>20. Marine Passenger</b>		<b>Gross</b>	<b>\$400,000</b>	<b>\$0</b>
<u>Executive</u> recommends same funding as current year, \$400,000 CTF. <u>House</u> recommends \$500,000 CTF, \$100,000 more than the Executive using funds shifted from Detroit Wayne County Port Authority line. <u>Senate</u> concurs with Executive. <u>Conference</u> concurs with Senate.	Restricted	400,000	0	0
	GF/GP	\$0	\$0	\$0
<b>21. Aviation Services</b>		FTE	48.0	(2.0)
<u>Executive</u> budget included no substantive change. <u>House</u> unrolls into two lines: Aviation services, \$5.6 million with 36.0 FTE positions; and Airfleet operations and maintenance, \$1.8 million and 10.0 FTEs – a net decrease of \$300,000 in State Aeronautics Fund support and 2.0 FTE positions. House shifts the \$300,000 to the Airport Improvement Program line item, below. <u>Senate</u> concurs with Executive. <u>Conference</u> concurs with House in total, adjusts FTEs between the two lines.	<b>Gross</b>	<b>\$7,596,100</b>	<b>(\$300,000)</b>	<b>(\$300,000)</b>
	Restricted	7,596,100	(300,000)	(300,000)
	GF/GP	\$0	\$0	\$0
<b>22. Airport Improvement Program</b>		<b>Gross</b>	<b>\$93,943,000</b>	<b>\$870,200</b>
<u>Executive</u> increases State Aeronautics Fund support by \$570,200. <u>House</u> increases by \$870,000, using \$300,000 shifted from Aeronautics services appropriation unit. <u>Senate</u> concurs with Executive. <u>Conference</u> concurs with House.	Federal	79,000,000	0	0
	Local	12,508,500	0	0
	Restricted	2,434,500	870,200	870,200
	GF/GP	\$0	\$0	\$0

		FY 2017-18 Year-to-Date (as of 2/7/18)	FY 2018-19 Conference Change
<b>Major Budget Changes From FY 2017-18 YTD Appropriations</b>			
<b>23. Detroit Metropolitan Wayne County Airport</b>	<b>Gross</b>	<b>\$6,500,000</b>	<b>(\$975,000)</b>
<u>Executive</u> reduces Qualified Airport Fund support for Detroit Metro Airport by almost \$1.0 million to reflect revenue estimates. The Qualified Airport Fund was established through an amendment to the State Aeronautics Code made in the 2015 aviation funding package (Public Acts 258 through 262 of 2015). <u>House</u> and <u>Senate</u> concur with <u>Executive</u> . <u>Conference</u> concurs with House and Senate.	Restricted	6,500,000	(975,000)
	GF/GP	\$0	\$0
<b>24. GF/GP for Road Programs – One-Time</b>	<b>Gross</b>	<b>\$0</b>	<b>\$300,000,000</b>
Conference includes \$300.0 million GF/GP allocated as follows	GF/GP	\$0	\$300,000,000
State trunkline road and bridge construction \$117.3 million			
County road commissions \$117.3 million			
Cities and villages \$65.4 million			
<b>25. Economic Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>\$5,926,400</b>
<u>Executive</u> recognizes increased costs of \$5.9 million Gross (\$0 GF/GP) for negotiated salary and wage increases (2.0% ongoing), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>House</u> and <u>Senate</u> concur with <u>Executive</u> . <u>Conference</u> concurs with House and Senate.	IDG	NA	53,200
	Federal	NA	936,000
	Restricted	NA	4,937,200
	GF/GP	NA	\$0

#### **Major Boilerplate Changes From FY 2017-18**

##### **Sec. 215. Communication with the Legislature – RETAINED**

Prohibits the department from taking disciplinary action against an employee for communicating with a legislator or his/her staff. Executive deletes; House and Senate retain. Conference concurs with House and Senate.

##### **Sec. 217. Report on Proposed Federal Rule Changes – RETAINED**

Requires the department to notify the Legislature on proposed federal rule changes that would impact state law. Executive deletes; House and Senate retain. Conference concurs with House and Senate.

##### **Sec. 270. Remanufactured Parts – RETAINED**

Requires use of remanufactured parts for repair and maintenance of state motor vehicle fleet. Executive deletes; House and Senate retain. Conference concurs with House and Senate.

##### **Sec. 305. Lease of Space in Public Transportation Property – RETAINED**

Authorizes rental of department-owned public transportation properties at competitive market rates; requires that revenue from tenants be placed in an account to maintain/improve property. Executive deletes; House and Senate retain. Conference concurs with House and Senate.

##### **Sec. 319. Rest Area Maintenance – RETAINED**

Requires signs/telephone numbers for reporting unclean and unsafe conditions at rest areas. Executive deletes; House and Senate retain. Conference concurs with House and Senate.

##### **Sec. 353. Prompt Payment – RETAINED**

Directs department to review contractor payment process; references Special Provision 109.10. Executive deletes; House and Senate retain. Conference concurs with House and Senate.

##### **Sec. 357. Local Federal Aid Project Review – RETAINED**

Directs MDOT to complete project reviews within 120 days; requires system for monitoring review process. Executive deletes; House and Senate retain. Conference concurs with House and Senate.

##### **Sec. 375. MDOT Open Houses and Groundbreaking Ceremonies – RETAINED**

Prohibits MDOT from reimbursing contractors or consultants for groundbreaking ceremonies, receptions, open houses, or press conferences related to transportation projects funded from appropriations. Executive deletes; House and Senate retain. Conference concurs with House and Senate.

##### **Sec. 376. Prohibition on Studies of Highway Signs and Motorist Behavior – RETAINED**

Prohibits the department from studying the association between highway signs and motorist behavior. Executive deletes; House and Senate retain. Conference concurs with House and Senate.

##### **Sec. 381. E-Verify for Legal Status of Contractor/Subcontractor New Employees – RETAINED**

Requires the department to use the E-Verify system to verify legal status of contractor and subcontractor new hires. Provides reporting requirement. Executive deletes; House and Senate retain. Conference concurs with House and Senate.



## **Major Boilerplate Changes From FY 2017-18**

### ***Sec. 382. Finalize Local Agency Cost Sharing Agreements – RETAINED***

Requires the department to submit final bill to the local agency within two years of final payment to construction contractor. Executive deletes; House and Senate retain. Conference concurs with House and Senate.

### ***Sec. 386. Toll Credits – NEW***

House includes new section which directs department to use toll credits as a method in financing federal-aid highway projects; established priority in using toll credits; requires report on toll credits earned and year-end balance. Senate does not include. Conference includes modified reporting language.

### ***Sec. 387. Traffic Studies – NEW***

House includes new section requiring the department to post traffic study on the department website. Senate does not include. Conference includes modified language.

### ***Sec. 388. Review and Report on Performance Audit Standards – NOT INCLUDED***

House includes new section which directs department to review and report on costs and benefits of performance audits of local road agencies required under Public Act 298 of 2012. Senate does not include. Conference does not include.

### ***Sec. 389. Long-Term Obligations – NEW***

House includes new section which requires the department to notify Legislature within 30 days of entering into long-term agreements that obligate future payments. Senate does not include. Conference includes modified language.

### ***Sec. 390. Report on Restricted Funds and Accounts – NEW***

House includes new section which requires the department to report on statutory authority for, revenue source and distribution, and ending balances of restricted funds and accounts. Senate does not include. Conference includes modified language.

### ***Sec. 391. Prohibition on Motor Fuel Quality Testing – NEW***

House includes new section which prohibits the department from performing or assisting any other state agency in performing, motor fuel quality testing. Senate does not include. Conference concurs with House and includes.

### ***Sec. 393. Best Practices for Public Transportation – RETAINED***

Directs the department to promote best practices in public transportation, including transit vehicle rehabilitation to reduce life-cycle cost. Executive deletes; House and Senate retain. Conference concurs with House and Senate.

### ***Sec. 394. Priority of Preservation – RETAINED***

Directs the department and local road agencies to make preservation of the existing infrastructure a funding priority. Executive deletes; House and Senate retain. Conference concurs with House and Senate.

### ***Sec. 396. Assurance that Contractors Have Ability to Perform Work – RETAINED***

Requires department to obtain assurance that contractors, other than construction contractors, have ability to complete work. Executive deletes; House and Senate retain. Conference concurs with House and Senate.

### ***Sec. 397. Report on Work Project Balances and Federal Earmarks – DELETED***

Requires the department to report on work project balances and unexpended federal earmarks. Executive deletes; House and Senate retain. Conference does not include; includes as part of Sec. 390 report.

### ***Sec. 399. Community Service Infrastructure Fund – NEW (Senate)***

Senate includes new section establishing and defining new TEDF program. House does not include. Conference includes modified language.

### ***Sec. 403. Priority of Federal Transit Grants – RETAINED***

Establishes priority for federal Section 5310 transit grants. Executive deletes; House and Senate retain. Conference concurs with House and Senate.

### ***Sec. 606. Project on I-94/between M60 and Sargent Road in Jackson County – RETAINED***

Expresses Legislative intent with respect to project. Executive deletes. House concurs with Executive. Senate retains. Conference concurs with Senate and retains.

### ***Sec. 610. Dead Deer – RETAINED***

Describes legislative intent regarding priority of cleanup of dead deer and other large animal remains. Executive deletes; House and Senate retain. Conference concurs with House and Senate.

### ***Sec. 612. Incentive/Disincentive – RETAINED***

Requires department to establish guidelines for use of incentive/disincentive contracts; establishes a reporting requirement; report due January 1st of each year. Executive deletes; House and Senate retain. Conference concurs with House and Senate.

### ***Sec. 613. Report on Engineering Costs – MODIFIED***

Requires report on engineering costs including breakout of department and consultant costs, engineering as a percentage of construction costs. Executive deletes; House retains and adds "design life" as report element. Senate retains current year language. Conference concurs with House.

## **Major Boilerplate Changes From FY 2017-18**

### ***Sec. 660. Use of Alternative Materials – RETAINED***

Encourages the department to examine the use of alternative road surface materials; use of crumb rubber from tires. Executive deletes; House and Senate retain. Conference concurs with House and Senate.

### ***Sec. 703. Rail Abandonment Notice – RETAINED***

Requires notification of Legislature when railroad companies file for abandonment of lines. Executive deletes; House and Senate retain. Conference concurs with House and Senate.

### ***Sec. 704. Rail Operations and Infrastructure Report – MODIFIED***

Requires report on anticipated expenditures from the rail operations and infrastructure line item.

Executive deletes; House retains. Senate modifies to eliminate the requirement for a second, final report. Conference concurs with Senate.

### ***Sec. 750. Rail Economic Development – RETAINED***

Directs department to spend not less than \$2.5 million CTF from Rail freight economic development line for rail freight economic development. Executive deleted; House retains. Senate deletes. Conference concurs with House and retains.

### ***Sec. 751. State Rail Segment Earmark – NEW***

Conference includes \$2.0 million earmark from Rail operations and infrastructure line item for upgrades to a segment of state-owned rail line between Walton Junction and Traverse City.

### ***Sec. 752. Notice of Rail Grant and Loan Programs – NEW***

Conference requires the department to notify representatives of rail industry of rail grant and loan programs.

### ***Sec. 802. MDOT-Owned Airports – RETAINED***

Legislature encourages the department to find private entities or local public agencies to assume ownership and operating responsibility for department-owned airports. Executive deleted; House retains. Senate concurs with Executive and deletes. Conference concurs with House and retains.

### ***Sec. 803. MDOT-Owned Airplanes – DELETED***

Requires the department to request proposals for management of the state airfleet; also requires the department to sell one of two state-owned planes. Executive deletes; House retains subsections requiring the department to seek RFP for 3<sup>rd</sup> party management of the state airfleet. Senate deletes. Conference concurs with Senate and deletes.

### ***Sec. 804. Airfleet Operations and Maintenance – Contingent Appropriation – NEW***

House prohibits the department from spending funds appropriated for airfleet operations and maintenance if the department owns 5 or more aircraft; requires the department to notify when it owns four aircraft or fewer. Senate does not include. Conference concurs with House and retains.

### ***Sec. 1002. Rural Salt Storage Shed Projects – NOT INCLUDED***

Senate includes section establishing and defining new one-time \$3.0 million TEDF program. House does not include. Conference concurs with House and does not include.

### ***Sec. 1003. Ann Arbor/Traverse City Rail Passenger Project – NOT INCLUDED***

Senate includes section establishing and defining new one-time \$3.0 million rail passenger program. House does not include. Conference include modified language in Section 751, above.

**FY 2017-18: SUPPLEMENTAL APPROPRIATIONS**  
**Summary: Conference Report**  
**Article XX, Senate Bill 848 (S-1) CR-1**



HFA Director: Mary Ann Cleary  
 Supplemental Coordinator: Robin R. Risko

**FY 2017-18 APPROPRIATION SUMMARY**

Budget Area		FY 2017-18	FY 2017-18	% Change
		Year-to-Date Appropriations	Supplemental Change	
Agriculture	Gross	\$115,078,600	\$250,000	0.2
	GF/GP	\$66,251,800	\$250,000	0.4
Attorney General	Gross	\$102,798,800	\$1,126,200	1.1
	GF/GP	\$41,248,600	\$1,000,000	2.4
Capital Outlay	Gross	\$800	\$800	100.0
	GF/GP	\$800	\$800	100.0
Corrections	Gross	\$2,001,919,200	\$1,750,000	0.1
	GF/GP	\$1,946,633,600	\$1,750,000	0.1
Education	Gross	\$352,181,200	\$14,603,900	4.1
	GF/GP	\$81,677,400	\$0	0.0
Environmental Quality	Gross	\$551,505,200	\$20,070,000	3.6
	GF/GP	\$63,081,500	\$18,070,000	28.6
Health and Human Services	Gross	\$25,536,717,400	(\$681,378,100)	(2.7)
	GF/GP	\$4,380,531,400	(\$29,425,200)	(0.7)
Insurance and Financial Services	Gross	\$66,741,400	\$0	0.0
	GF/GP	\$150,000	\$0	0.0
Licensing and Regulatory Affairs	Gross	\$434,672,000	\$600,000	0.1
	GF/GP	\$44,416,600	\$0	0.0
Military and Veterans Affairs	Gross	\$179,504,400	\$3,766,700	2.1
	GF/GP	\$62,567,500	\$3,766,700	6.0
Natural Resources	Gross	\$414,292,200	\$8,450,000	2.0
	GF/GP	\$57,971,100	\$6,550,000	11.3
State	Gross	\$259,358,500	\$12,092,400	4.7
	GF/GP	\$24,139,000	\$135,400	0.6
State Police	Gross	\$715,396,300	\$30,000,000	4.2
	GF/GP	\$442,001,700	\$30,000,000	6.8
Talent & Economic Development	Gross	\$1,179,421,800	\$23,156,100	2.0
	GF/GP	\$205,099,400	\$23,156,100	11.3
Technology, Management, & Budget	Gross	\$1,412,643,200	\$21,618,200	1.5
	GF/GP	\$579,855,200	\$21,198,200	3.7
Transportation	Gross	\$4,529,088,000	\$30,000,000	0.7
	GF/GP	\$175,000,000	\$30,000,000	17.1
Treasury	Gross	\$630,509,900	\$1,898,500	0.3
	GF/GP	\$205,948,500	\$1,598,500	0.8
<b>TOTAL</b>	<b>Gross</b>	<b>\$38,481,828,900</b>	<b>(\$511,995,300)</b>	<b>(1.3)</b>
	<b>GF/GP</b>	<b>\$8,376,574,100</b>	<b>\$108,050,500</b>	<b>1.3</b>

**Overview**

Article XX in Senate Bill 848 contains supplemental appropriation adjustments to multiple budget areas for FY 2017-18. In sum, adjustments will decrease Gross appropriations in the state budget by \$512.0 million and increase GF/GP appropriations by \$108.1 million.

Appropriation and boilerplate priorities initiated by the Legislature and/or the State Budget Office in requests 2018-3 and 2018-7, and included in the bill, are identified below.

**Appropriation  
Change**

**FY 2017-18 Supplemental Appropriation Items**

**AGRICULTURE**

<b>1. Agriculture Equine Industry Development Fund Allocation</b>	<b>Gross</b>	<b>\$0</b>
Includes a net \$0 re-appropriation of state restricted Agriculture Equine Industry Development Fund revenue in order to include boilerplate that prioritizes allocation of revenue available after closure of Hazel Park Raceway (Sec. 301).	Restricted	0
	GF/GP	\$0
<b>2. Horse Racing – Purse Funding</b>	<b>Gross</b>	<b>\$250,000</b>
Includes \$250,000 GF/GP for horse racing purses.	GF/GP	\$250,000

**ATTORNEY GENERAL**

<b>3. OK2SAY Student Safety Program</b>	FTEs	2.0
Includes authorization for 2.0 FTE positions and \$1.0 million GF/GP to expand capabilities and student awareness of the multi-media student safety reporting program.	<b>Gross</b>	<b>\$1,000,000</b>
	GF/GP	\$1,000,000
<b>4. PACC - Case Management Computer System</b>	<b>Gross</b>	<b>\$126,200</b>
Includes \$126,200 Gross to complete software development, installation, and maintenance for the Prosecuting Attorneys Coordinating Council’s NextGen Case Management IT System.	Federal	41,200
	Local	85,000
	GF/GP	\$0

**CAPITAL OUTLAY – CONSTRUCTION AUTHORIZATIONS**

<b>5. Lake Superior State University – Center for Freshwater Research and Education</b>	<b>Gross</b>	<b>\$100</b>
Total project cost is \$13.2 million; state share is \$8.8; university share is \$4.4 million. Project cost is \$1.4 million more than the estimate at the time planning was authorized. The entire increase will be paid for by the university. Project includes a 17,664 sq. ft. building along the St. Mary’s River in Sault Ste. Marie, MI. Center will include Great Lakes Discover and Visitor Center, Discovery Classroom for flexible outreach and educational space, Discovery Lab for hands-on educational opportunities for 4 <sup>th</sup> through 12 <sup>th</sup> grade students and undergraduate labs, and research facilities for visiting scientists, LSSU researchers, and undergraduates. Project was authorized for planning in 2016 PA 268.	GF/GP	\$100

<b>6. Michigan State University – STEM Teaching and Learning Facility</b>	<b>Gross</b>	<b>\$100</b>
Total project cost is \$72.5 million; state share is \$29.9; university share is \$42.6 million. Project includes a new 117,300 sq. ft. facility and renovation of an additional 42,000 sq. ft. of existing space. Project will involve construction of a new 120,000 sq. ft. facility that primarily will provide laboratory-based instruction associated with undergraduate courses in science, technology, engineering, and mathematics. Labs will be modular and flexible in design and include modern building systems and technology. In addition to the wet labs, the new building will contain computer labs, informal study areas, breakout spaces, and potentially a campus-wide computerized testing center. The new facility will centralize dispersed teaching labs and provide necessary space and technology for changing curriculum and teaching methods associated with STEM. Project was authorized for planning in 2017 PA 107.	GF/GP	\$100

<b>7. Wayne State University – STEM Innovation Learning Center</b>	<b>Gross</b>	<b>\$100</b>
Total project cost is \$40.0 million; state share is \$14.8 million; university share is \$25.3 million. Project cost is estimated to be \$10.0 million more than the estimate at the time planning was authorized. The entire increase will be paid for by the university. Project involves renovation of 109,270 sq. ft. to provide a centralized STEM-focused academic facility for interdisciplinary classrooms and labs. Planned uses of the space include general purpose classrooms and instructional laboratories, living room spaces for student congregation, maker hacker labs for interdisciplinary exposure not possible in most instructional settings, and dedicated classroom and office space to a specific department to oversee building maintenance and operation. Renovations will allow for advanced technology and new teaching capabilities, in addition to advancing STEM course offerings currently offered in old buildings lacking newer technology. Mechanical penthouse and sub-basement will be re-worked to accommodate new mechanical, electrical, and plumbing systems. Project was approved for planning authorization in 2017 PA 107.	GF/GP	\$100

**Appropriation  
Change**

**FY 2017-18 Supplemental Appropriation Items**

**8. Alpena Community College – Center for Health Sciences and Student Success**

Total project cost is \$8.7 million; state share is \$3.4 million; community college share is \$5.3 million. Project cost is estimated to be \$2.0 million more than the estimate at the time planning was authorized. The entire increase will be paid for by the college. Project involves renovation of 24,709 sq. ft. and addition of 4,754 sq. ft. Entire building will receive mechanical, electrical, and technology upgrades, new windows, and exterior improvements, and restrooms will be upgraded to meet accessibility standards. Renovation of the east wing will include new classroom and lab space for the Nursing Department. Central wing upgrades include flexible classrooms with integrated technology, student collaboration spaces, and updated faculty space. Project includes the addition of a student center, technology updates throughout the building, heating, ventilation, and AC upgrades, restroom upgrades to meet ADA compliance, and improved building envelope. Project was approved for planning authorization in 2017 PA 107.

**Gross \$100**  
**GF/GP \$100**

**9. Grand Rapids Community College – Applied Technology Center Renovation and Expansion**

Total project cost is \$12.7 million; state share is \$6.4 million; community college share is \$6.4 million. Project includes renovation of approximately 43,066 sq. ft. and a two-story expansion of approximately 18,416 sq. ft. Project is designed to provide a teaching/learning environment that will support and promote active learning and experiential problem-solving, while providing a higher degree of visibility for the workforce training and IT curriculums. Specifically, the scope of the project will improve flexibility of classrooms and labs; redevelop entry; add new Data Center; expand and update Machine Tool Lab; redevelop material testing and hydraulics/pneumatics labs; right-size existing classrooms and labs; provide small project rooms; and add common areas for student and faculty interaction. New space will include computer labs, workforce training labs, departmental suites, student collaboration space, study space, and faculty offices. Project was approved for planning authorization in 2017 PA 107.

**Gross \$100**  
**GF/GP \$100**

**10. Mott Community College – Southern Lakes Branch Center Rehabilitation/Renovation**

Total project cost is \$8.1 million; state share is \$4.1 million; community college share is \$4.1 million. Project includes renovation of 31,300 sq. ft. of existing space. C Wing renovations will support the Law Enforcement Regional Training Academy (LERTA) by centrally locating operations in the newly renovated wing. Renovations include a new large classroom, space for fitness testing, relocated simulation lab, upgrades to toilets and lockers, new showering facilities, office suite for instructors, and the addition of a new lobby/muster room. B Wing renovations will support centrally locating the Occupational and Physical Therapy programs. Renovations will include a new office suite with visibility to the labs, occupational therapy lab, apartment for daily living demo lab, physical therapy lab for neurology/pediatrics, and a physical therapy lab for orthopedics/cardio. Project also will include upgrades to infrastructure, including replacement of fire suppression systems/controls, installation of new fire suppression water well, replacement of fire alarm system, replacement of emergency power generators, full HVAC replacement in C Wing, boiler and chiller replacement, and electrical circuit and lighting replacement. Project was approved for planning authorization in 2017 PA 107.

**Gross \$100**  
**GF/GP \$100**

**11. North Central Michigan College – AD/CL Classroom Renovation and Expanded Learning Space**

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

**Gross \$100**  
**GF/GP \$100**

<b>FY 2017-18 Supplemental Appropriation Items</b>		<b>Appropriation Change</b>
<b>12. Washtenaw Community College – Advanced Transportation Center</b>		
Total project cost is \$5.7 million; state share is \$2.0 million; community college share is \$3.7 million. Project cost is estimated to be \$1.7 million more than the estimate at the time planning was authorized. The entire increase will be paid for by the college. Project includes construction of a new 12,348 sq. ft. building for cyber security programming, data science, and related advanced transportation and advanced manufacturing technology courses in a laboratory setting. Facility will include a clean vehicle bay, large flexible multidiscipline clean vehicle laboratory, three large active-learning classrooms, a meeting/convening room and event space, interactive display and lobby space, and support and storage space. Project was approved for planning authorization in 2017 PA 107.	<b>Gross \$100</b> GF/GP \$100	
<b>CORRECTIONS</b>		
<b>13. Vocational Village</b>		
Includes \$1.8 million GF/GP for investment in and expansion of vocational village programming within correctional facilities.	<b>Gross \$1,750,000</b> GF/GP \$1,750,000	
<b>EDUCATION</b>		
<b>14. Child Development and Care (CDC) Caseload Adjustment</b>		
Increases Child Development and Care Caseload subsidy by \$14.6 million based on consensus caseload estimates.	<b>Gross \$14,603,900</b> Federal 14,603,900 GF/GP \$0	
<b>ENVIRONMENTAL QUALITY</b>		
<b>15. Water Withdrawal Assessment Program</b>		
Includes \$70,000 GF/GP to support the water withdrawal assessment program in accordance with House Bill 5638. Support is continued in the FY 2018-19 budget with \$110,000 in additional GF/GP for expansion of the program.	<b>Gross \$70,000</b> GF/GP \$70,000	
<b>16. Drinking Water Declaration of Emergency</b>		
Includes \$20.0 million Gross (\$18.0 million GF/GP) for service line replacement related to the Drinking Water Declaration of Emergency. Funding is intended to help meet requirements of the Concerned Pastors for Social Action settlement agreement.	<b>Gross \$20,000,000</b> Restricted 2,000,000 GF/GP \$18,000,000	
<b>HEALTH AND HUMAN SERVICES</b>		
<b>17. Traditional Medicaid Cost Adjustments</b>		
Reduces funding by \$315.2 million Gross (\$95.3 million GF/GP) for traditional Medicaid program caseload, utilization, and inflation adjustments. Compared to FY 2016-17 expenditures, May caseload consensus forecasts an annual increase of 4.7%.	<b>Gross (\$315,191,200)</b> Federal (219,876,700) GF/GP (\$95,314,500)	
<b>18. Healthy Michigan Plan Cost Adjustments</b>		
Reduces funding by \$477.1 million Gross (\$26.5 million GF/GP) for Healthy Michigan Plan caseload, utilization, and inflation adjustments. Compared to FY 2016-17 expenditures, May caseload consensus forecasts an annual increase of 9.8%.	<b>Gross (\$477,066,200)</b> Federal (450,586,300) GF/GP (\$26,479,900)	
<b>19. Affordable Care Act (ACA) Health Insurer Fee</b>		
Includes \$205.7 million Gross (\$54.4 million GF/GP) to support actuarial soundness payments for the one-year reinstatement of federal Affordable Care Act (ACA) health insurer fee.	<b>Gross \$205,747,600</b> Federal 151,318,900 GF/GP \$54,428,700	
<b>20. Federal Medicaid Managed Care Final Rule Compliance</b>		
Includes \$830,100 Gross (\$415,100 GF/GP) and authorization for 15.0 FTE positions within Medical Services Administration for compliance and implementation of recent federal Medicaid managed care rules. Funding will support FTE positions for half the fiscal year.	FTEs 15.0 <b>Gross \$830,100</b> Federal 415,000 GF/GP \$415,100	
<b>21. Special Hospital Payments</b>		
Increases Gross funding by \$370.4 million and reduces GF/GP funding by \$19.0 million GF/GP to reflect net special hospital payment adjustments based on May caseload consensus forecasts and changes required to comply with recent changes to federal Medicaid managed care rules that phase out “pass through” payments. The Hospital Rate Adjustment (HRA) is increased by \$190.0 million Gross (reduced by \$21.5 million GF/GP) with distribution tied to direct claims. The Rural and Sole Community Hospital and Obstetrical Stabilization “pass through” payments could not be restructured and instead the \$14.7 million GF/GP is provided to hospitals without federal Medicaid reimbursement; the loss of \$27.0 million in federal Medicaid reimbursement is partially offset with \$7.0 million in additional GF/GP. The Medicaid Access to Care Initiative (MACI) is also adjusted based on projected allocations.	<b>Gross \$370,362,600</b> Federal 307,259,100 Restricted 82,120,100 GF/GP (\$19,016,600)	

<b><u>FY 2017-18 Supplemental Appropriation Items</u></b>		<b>Appropriation Change</b>
<b>22. Nursing Facility Quality Assurance Assessment Program (QAAP) Quality Pool</b>	<b>Gross</b>	<b>(\$73,000,000)</b>
Removes \$73.0 million Gross and increases GF/GP by \$8.2 million based on the federal Centers for Medicare & Medicaid Services (CMS) rejecting the proposed allocation of this QAAP-funded quality incentive pool.	Federal	(47,289,400)
	Restricted	(33,954,300)
	GF/GP	\$8,243,700
<b>23. Ambulance Quality Assurance Assessment Program (QAAP) Implementation Delay</b>	<b>Gross</b>	<b>(\$51,853,200)</b>
Reduces QAAP-funded supplemental ambulance payments by \$51.9 million Gross (\$0 GF/GP) assuming the ambulance QAAP will be implemented by July 1, 2018 rather than at the start of FY 2017-18. The state retainer savings are also adjusted for partial year implementation, requiring an additional \$4.7 million GF/GP.	Federal	(36,360,900)
	Restricted	(20,176,000)
	GF/GP	\$4,683,700
<b>24. Federal Money Follows the Person Demonstration Grant</b>	<b>Gross</b>	<b>\$0</b>
Phases out federal Money Follows the Person demonstration grant funding used to increase use of home- and community-based services and to reduce institutionally-based services. Grant funding is offset with state GF/GP and federal Medicaid matching funds. Over a 10 year period, Michigan received \$88.2 million.	Federal	(563,500)
	GF/GP	\$563,500
<b>25. Special Medicaid Reimbursements</b>	<b>Gross</b>	<b>(\$13,774,300)</b>
Reduces special Medicaid reimbursements by \$13.8 million Gross (\$0 GF/GP) for Specialty Network Access Fee (SNAF), physician adjustor payments, dental adjustor payments, Graduate Medical Education innovations pool, and university disproportionate share hospital (DSH) payments. GF/GP is primarily not used as state matching funds for these special Medicaid reimbursements.	Federal	(17,258,800)
	Local	(119,700)
	Restricted	3,915,100
	GF/GP	(\$310,900)
<b>26. Food Assistance Program Caseload Adjustments</b>	<b>Gross</b>	<b>(\$418,506,300)</b>
Reduces the federally funded Food Assistance Program by \$418.5 million Gross (\$0 GF/GP) for caseload adjustments. Food assistance caseloads have been steadily declining since 2014.	Federal	(418,506,300)
	GF/GP	\$0
<b>27. Other Public Assistance Caseload Adjustments</b>	<b>Gross</b>	<b>(\$2,306,000)</b>
Reduces other public assistance programs by \$2.3 million GF/GP for caseload adjustments.	GF/GP	(\$2,306,000)
<b>28. Child Welfare Caseload Adjustments</b>	<b>Gross</b>	<b>\$19,179,800</b>
Increases child welfare programs by \$19.0 million Gross (\$14.2 million GF/GP) for caseload adjustments. Of this increase, \$16.3 million Gross (\$9.4 million GF/GP) is for the foster care program for which both caseloads and costs per case are increasing.	Federal	3,021,300
	TANF	419,800
	Local	2,682,500
	Private	(1,159,100)
	GF/GP	\$14,215,300
<b>29. Child Welfare Workgroup</b>	<b>Gross</b>	<b>\$25,000</b>
Provides \$25,000 GF/GP to fund a child welfare workgroup charged with updating child welfare training methods.	GF/GP	\$25,000
<b>30. Child Welfare Information Systems Updates</b>	<b>Gross</b>	<b>\$150,000</b>
Adds \$150,000 GF/GP for MiSACWIS changes to support the new payment processes between the state and the counties.	GF/GP	\$150,000
<b>31. PIHP Rate Adjustment</b>	<b>Gross</b>	<b>\$59,800,000</b>
Provides \$59.8 million Gross (\$17.1 million GF/GP) to support a one-time rate adjustment paid to the PIHPs based on a review of previous fiscal year data indicating the rate trends assumed for the cost of behavioral health services were too low.	Federal	42,746,300
	GF/GP	\$17,053,700
<b>32. Statewide PIHP Reimbursement Audit</b>	<b>Gross</b>	<b>\$1,500,000</b>
Adds \$1.5 million GF/GP to perform a statewide reimbursement audit of the PIHPs to identify any reimbursement outliers.	GF/GP	\$1,500,000
<b>33. Lakeshore Regional Entity PIHP Risk Sharing</b>	<b>Gross</b>	<b>\$6,974,000</b>
Provides \$7.0 million GF/GP to Lakeshore Regional Entity prepaid inpatient health plan (PIHP) for the state's share of the PIHP's FY 2016-17 liability. PIHPs are shared-risk managed care organizations where the PIHP is responsible for the first 5% of any liability, the second 5% of any liability is shared 50%/50% with the state, and any liability greater than 10% is the responsibility of the state. In total, Lakeshore Regional Entity's FY 2016-17 liability totaled 10.25%.	GF/GP	\$6,974,000
<b>34. University of Detroit Mercy Dental Clinic Program</b>	<b>Gross</b>	<b>\$250,000</b>
Adds \$250,000 GF/GP for University of Detroit Mercy to increase provision of dental services in Hamtramck.	GF/GP	\$250,000

<u>FY 2017-18 Supplemental Appropriation Items</u>		<u>Appropriation Change</u>
<b>35. Medicaid Direct Primary Care Pilot Program</b>	<b>Gross</b>	<b>\$0</b>
Includes a net \$0 re-appropriation of federal revenue in order to include revised boilerplate for the Medicaid direct primary care pilot program (Sec. 705).	Federal	0
	GF/GP	\$0
<b>36. Legal Services</b>	<b>Gross</b>	<b>\$3,000,000</b>
Provides \$3.0 million GF/GP for DHHS legal services arising from the Flint water emergency.	GF/GP	\$3,000,000
<b>37. Public Health Projects</b>	<b>Gross</b>	<b>\$1,500,000</b>
Provides \$1.5 million GF/GP for public health monitoring and testing in populated areas that are at a higher risk of contamination exposures.	GF/GP	\$1,500,000
<b>38. Title IX Regional Consortium Pilot Project</b>	<b>Gross</b>	<b>\$1,000,000</b>
Provides \$1.0 million GF/GP to develop a framework model to pilot a network of regional investigation centers for the review and investigation of sexual misconduct on college and university campuses. The regional centers would be an independent network of trained professional and investigators and would work with federal and/or state government, law enforcement, and higher education to independently review and resolve reports of misconduct.	GF/GP	\$1,000,000
<b>DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES</b>		
<b>39. Insurance Bureau Fund Allocation</b>	<b>Gross</b>	<b>\$0</b>
Includes a net \$0 re-appropriation of state restricted Insurance Bureau Fund revenue in order to include boilerplate that stipulates that Insurance Bureau Fund monies may be used to support legislative participation in insurance activities. (Sec. 751).	Restricted	0
	GF/GP	\$0
<b>LICENSING AND REGULATORY AFFAIRS</b>		
<b>40. Nurse Aide Training and Registration Program</b>	<b>Gross</b>	<b>\$600,000</b>
Authorizes \$600,000 in restricted funding from the Nurse Aide Registration Fund for the Bureau of Community and Health Systems' implementation of the Nurse Aide Training and Registration Program, pursuant to 2017 PA 172. Under the act, LARA is responsible for granting registrations to practice as a nurse aide and for granting permits to nurse aide trainers and nurse aide training programs.	Restricted	600,000
	GF/GP	\$0
<b>MILITARY AND VETERANS AFFAIRS</b>		
<b>41. National Guard Tuition Assistance Fund Deposit</b>	<b>Gross</b>	<b>\$2,500,000</b>
Includes \$2.5 million GF/GP for deposit into the National Guard Tuition Assistance Fund, which will total \$6.5 million in FY 2017-18. The department estimates that 1,332 service members will utilize the National Guard Tuition Assistance Program in FY 2017-18, up from 433 participants in FY 2014-15, when the program was first implemented.	GF/GP	\$2,500,000
<b>42. CMS Certification for D.J. Jacobetti Home for Veterans</b>	<b>Gross</b>	<b>\$1,266,700</b>
Includes \$1.3 million GF/GP to support staffing, resident safety, and security improvements to assist with obtaining Centers for Medicare and Medicaid Services certification at the D.J. Jacobetti Home for Veterans. Obtaining certification will increase access to federal revenues for medical care for resident veterans.	GF/GP	\$1,266,700
<b>NATURAL RESOURCES</b>		
<b>43. Enhancements to Vegetative Management System</b>	<b>Gross</b>	<b>\$1,900,000</b>
Authorizes \$1.9 million in restricted funding from the Forest Development Fund to be used to continue replacement of the old Timber Sale Management System with the new Vegetative Management System (VMS). Funding will support adjusting the VMS module to allow the system to function as a single application environment.	Restricted	1,900,000
	GF/GP	\$0
<b>44. Wildlife Disease Management</b>	<b>Gross</b>	<b>\$5,300,000</b>
Includes \$5.3 million GF/GP to address Chronic Wasting Disease (CWD) and Bovine Tuberculosis. Funding will be expended as follows: applied research to develop science-based CWD management plan (\$2.0 million); basic research to study CWD prion behavior and environmental persistence (\$1.5 million); extension and demonstration to develop new education materials relating to CWD (\$700,000); matching funds to seek federal, state, and private funds for CWD management (\$500,000); increased laboratory costs associated with increasing number of deer submitted for disease testing (\$300,000); and additional education, outreach, and public engagement regarding wildlife disease (\$300,000).	GF/GP	\$5,300,000



<b><u>FY 2017-18 Supplemental Appropriation Items</u></b>		<b>Appropriation Change</b>
<b>45. Nongame Fish and Wildlife Trust Fund</b>		<b>Gross \$1,000,000</b>
Includes \$1.0 million GF/GP to be transferred to the Kirtland Warbler's account within the Nongame Fish and Wildlife Trust Fund. This constitutional fund is used to support research and management of nongame species, as well as endangered animals and plants.		GF/GP \$1,000,000
<b>46. Invasive Species Prevention and Control</b>		<b>Gross \$250,000</b>
Includes \$250,000 GF/GP for expansion of the invasive species program. This program serves to prevent, detect, eradicate, and control invasive species statewide.		GF/GP \$250,000
<b>STATE</b>		
<b>47. Temporary Staff for Driver License Reinstatement</b>		FTE 100.0
Authorizes \$1.0 million in state restricted funding from the Transportation Administration Collection Fund and 100.0 FTE positions to support increased administrative responsibilities at branch offices related to elimination and amnesty of Driver Responsibility Fees provided in PAs 43 through 50 of 2018. Branch office personnel will be responsible for assisting drivers with getting their licenses that were suspended due to delinquent payments of Driver Responsibility Fees reinstated.		<b>Gross \$1,000,000</b>
		Restricted 1,000,000
		GF/GP \$0
<b>48. Motorcycle Safety Fees</b>		<b>Gross \$250,000</b>
Authorizes \$250,000 in state restricted funding from the Motorcycle Safety and Education Awareness Fund to be used to create and maintain the "Look Twice - Save a Life" program that promotes motorcycle awareness, safety, and education.		Restricted 250,000
		GF/GP \$0
<b>49. Help America Vote Act - Election Security</b>		<b>Gross \$11,242,400</b>
Authorizes receipt of \$10.7 million in federal election security grant funding awarded under the Help America Vote Act. Funding will be used to improve administration of elections for federal office by enhancing election system technology, cyber security, and improving election security.		Federal 10,707,000
		GF/GP \$535,400
<b>50. Election Administration and Services - Election Security Matching Funds</b>		<b>Gross (\$400,000)</b>
Reduces \$400,000 GF/GP from a one-time \$5.0 million GF/GP appropriation, authorized in 2017 PA 158 for voting machines, to help support the 5% state match requirement for receipt of the federal Help America Vote Act election security grant funding.		GF/GP (\$400,000)
<b>STATE POLICE</b>		
<b>51. OK2SAY Call Center and Grant Administration</b>		<b>Gross \$500,000</b>
Includes \$350,000 GF/GP to support the OK2SAY call center and \$150,000 GF/GP for grant program operations.		GF/GP \$500,000
<b>52. Disaster and Emergency Contingency Fund Deposit</b>		<b>Gross \$2,500,000</b>
Includes \$2.5 million GF/GP for deposit into the Disaster and Emergency Contingency Fund. The fund balance as of June 2018 is approximately \$7.7 million. Funds may be withdrawn for support of disaster or emergency remediation and grants to local units of government, if approved by the State Budget Office.		GF/GP \$2,500,000
<b>53. Training and Outreach Recruitment</b>		<b>Gross \$1,000,000</b>
Includes \$1.0 million GF/GP to support outreach, recruitment, and training towards increased diversity amongst State Police ranks.		GF/GP \$1,000,000
<b>54. School Safety Grants</b>		<b>Gross \$25,000,000</b>
Includes \$25.0 million GF/GP to administer and provide competitive grants to public and non-public schools, school districts, and ISDs to be used for improving safety measures at K-12 school buildings.		GF/GP \$25,000,000
<b>55. Information Technology – Combined Strategic Support Module</b>		<b>Gross \$1,000,000</b>
Includes \$1.0 million GF/GP to support in-vehicle automated vehicle location systems, real-time data feeds for digitally-fenced high crime and high traffic-crash areas, and augmented visualization technology to allow direct video streaming between department aircraft and Troopers on the ground.		GF/GP \$1,000,000
<b>TALENT AND ECONOMIC DEVELOPMENT</b>		
<b>56. Michigan Enhancement Grants</b>		<b>Gross \$21,975,000</b>
Includes \$22.0 million GF/GP to fund grants, which are specified in section 1101.		GF/GP \$21,975,000

<u>FY 2017-18 Supplemental Appropriation Items</u>	<u>Appropriation Change</u>
<b>57. Michigan Law Enforcement Officers Memorial Monument</b>	<b>Gross \$1,181,100</b>
Includes \$1.2 million GF/GP for the Michigan Law Enforcement Officers Memorial Monument project. Funding will support construction of a monument to honor the state's law enforcement officers who have died in the line of duty. Funding was appropriated in the FY 2014-15 Michigan Strategic Fund appropriation act and remaining funds have since lapsed. This would reappropriate the lapsed funds and remove the required match for state expenditures included in the original appropriation (\$2 state funds for every \$1 privately raised).	GF/GP \$1,181,100
<b>TECHNOLOGY, MANAGEMENT, AND BUDGET</b>	
<b>58. SBA Rent</b>	<b>Gross \$5,448,200</b>
Includes \$5.4 million GF/GP for the calculated annual debt service payment associated with the eight construction authorizations included in the Capital Outlay section above (items #5 through #12).	GF/GP \$5,448,200
<b>59. Enterprise Special Maintenance</b>	<b>Gross \$3,000,000</b>
Includes \$3.0 million GF/GP to support demolitions of surplus state-owned facilities, to include structures at the Caro Center Psychiatric Hospital.	GF/GP \$3,000,000
<b>60. Gubernatorial Transition Costs</b>	<b>Gross \$1,750,000</b>
Includes \$1.8 million GF/GP to support costs of the upcoming gubernatorial transition. Costs include office space leasing, office equipment and supplies contracts, and outgoing FTE accrued benefits, among other things.	GF/GP \$1,750,000
<b>61. Michigan Cyber Civilian Corps</b>	<b>Gross \$420,000</b>
Authorizes \$420,000 in state restricted funding from the Michigan Infrastructure Fund to be used to support expansion of members in the expert volunteer force, as well as updated training. The Cyber Civilian Corps (MiC3) was established to provide emergency responses to cyber security threats upon the request of a municipal, educational, non-profit, or business organization.	Restricted 420,000 GF/GP \$0
<b>62. Military Retirement Plan Investment</b>	<b>Gross \$11,000,000</b>
Authorizes \$11.0 million GF/GP to be used to fund retirement benefits for select National Guard members as prescribed in Senate Bill 747. Of the \$11.0 million, \$1.5 million would go toward the annual required contribution and \$9.5 million would be used to build plan assets and to secure a lower assumed rate of return.	GF/GP \$11,000,000
<b>TRANSPORTATION</b>	
<b>63. Community Infrastructure Investments</b>	<b>Gross \$30,000,000</b>
Includes \$30.0 million GF/GP to fund road improvement and other infrastructure projects, which are specified in section 1201.	GF/GP \$30,000,000
<b>TREASURY</b>	
<b>64. Protecting Local Government Retirement Benefits Act</b>	<b>Gross \$250,000</b>
Includes \$250,000 GF/GP to provide necessary administrative and processing requirements associated with the Protecting Local Government Retirement and Benefits Act, 2017 PA 202. Specifically, funding will be used to monitor, evaluate, and report on pension and retirement health benefit plans offered by approximately 1,400 local units of government. Funding will assist with development and implementation of the program.	GF/GP \$250,000
<b>65. Trial Court Funding Commission</b>	<b>Gross \$200,000</b>
Includes \$200,000 GF/GP to support efforts of the Trial Court Funding Commission established in 2017 PA 65. Duties of the commission include reviewing and recommending changes to the trial court funding system after determining how courts impose and allocate fees and costs. Members of the commission serve without pay, but are eligible for reimbursement for actual and necessary expenses incurred in the performance of their duties.	GF/GP \$200,000
<b>66. Driver Responsibility Fees Program Phase-Out</b>	<b>Gross \$250,000</b>
Includes \$250,000 in driver responsibility fee revenue for implementation and administration of the phase-out of the driver responsibility fee program. The program ends at the close of FY 2017-18, under 2018 PA 50.	Restricted 250,000 GF/GP \$0

<u>FY 2017-18 Supplemental Appropriation Items</u>		<u>Appropriation Change</u>
<b>67. Review of Tax Increment Financing Authority (TIFA) Report Data</b>	<b>Gross</b>	<b>\$1,148,500</b>
Includes \$1.1 million GF/GP to implement requirements of 2018 PA 57, which requires the Department of Treasury to collect data and TIFA reports and provide the legislature with analytical reviews of the data submitted. The act requires local TIFAs to submit standardized reports, subject to revenue collection penalties, and for the Department of Treasury to combine TIFA submissions into an annual report submitted to the legislature. The Department of Treasury is also required to monitor TIFA reporting and notify a TIFA that fails to comply with the requirements of the act.	GF/GP	\$1,148,500
<b>68. Genesee County Register of Deeds</b>	<b>Gross</b>	<b>\$50,000</b>
Includes \$50,000 from the Drinking Water Declaration of Emergency Reserve Fund to fund improved recording of service lines improvements in the City of Flint by the Genesee County Register of Deeds.	Restricted	50,000
	GF/GP	\$0
<b>69. Financial Data Analytic Tool Reimbursement Program</b>	<b>Gross</b>	<b>\$0</b>
Includes a net \$0 re-appropriation of state restricted revenue in order to revise boilerplate. New language will authorize regional councils of government to receive reimbursement, remove the RFP requirement, authorize vendors to carry out reimbursement requests for the local unit, and designate any remaining funds as work project appropriations (Sec. 1302).	Restricted	0
	GF/GP	\$0

**FY 2017-18 Supplemental Boilerplate Items**

**AGRICULTURE**

**Sec. 301. Agriculture Equine Industry Development Fund Allocation**

Specifies the priority order for allocation of the Agriculture Equine Industry Development Fund to be as follows: support administrative costs of Michigan Gaming Control Board, purses and supplements line item, and remainder to be prorated equally among the supplements, breeders' awards, and sire stakes awards to eligible race meeting licensees.

**Sec. 302. Horse Racing Purse Work Project**

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

**ATTORNEY GENERAL**

**Sec. 401. PACC Case Management Computer System Work Project**

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

**CAPITAL OUTLAY**

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

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

**ENVIRONMENTAL QUALITY**

**Sec. 601. Concerned Pastors for Social Action Settlement Agreement**

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

**Sec. 602. Drinking Water Declaration of Emergency Work Project**

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

**HEALTH AND HUMAN SERVICES**

**Sec. 701. Regional Consortium Pilot Program**

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

## **FY 2017-18 Supplemental Boilerplate Items**

### ***Sec. 702. Child Welfare Information Systems Updates***

By September 1, allocates \$150,000 GF/GP for MiSACWIS changes to support the new payment processes between the state and the counties, and requires any unexpended funds to be considered work project appropriations and carried forward.

### ***Sec. 703. Private Child Placing Agency Training Payments***

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

### ***Sec. 704. Child Welfare Training Workgroup***

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

### ***Sec. 705. Medicaid Direct Primary Care Pilot Program***

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

## **INSURANCE AND FINANCIAL SERVICES**

### ***Sec. 751. Insurance Bureau Fund Allocation***

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

## **NATURAL RESOURCES**

### ***Sec. 801. Wildlife Disease Management Work Project***

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

### ***Sec. 802. Enhancements to Vegetative Management System Work Project***

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

### ***Sec. 803. Nongame Fish and Wildlife Trust Fund***

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

## **STATE**

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

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

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

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

## **STATE POLICE**

### ***Sec. 1001. School Safety Grants***

Specifies requirements for grants to public and non-public schools, school districts, and ISDs under the School Safety Grants program; details authorized and unauthorized uses of grant funds, and maximum fund authorizations for schools, districts, and ISDs; stipulates that \$10.0 million of grant funds are to be made available without a matching fund requirement, and requires that \$15.0 million of grant funds be matched at 25% by local units of government; details the application and eligibility requirements of schools, school districts, and ISDs requesting grant funds; requires the department to issue grant guidance and application materials and to issue grants; stipulates that grant projects must be completed by September 2019; requires the department to report on grant activities; authorizes carry forward of unexpended and unencumbered funds at the end of the fiscal year.

## **FY 2017-18 Supplemental Boilerplate Items**

### **TALENT AND ECONOMIC DEVELOPMENT**

#### ***Sec. 1101. Michigan Enhancement Grants***

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

### **TECHNOLOGY, MANAGEMENT, AND BUDGET**

#### ***Sec. 1151. Gubernatorial Transition Costs Work Project***

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

#### ***Sec. 1152. Northern Satellite Psychiatric Facility Inspection***

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

#### ***Sec. 1153. Budget Stabilization Fund Pay-In***

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

### **TRANSPORTATION**

#### ***Sec. 1201. Community Infrastructure Investments***

Allocates the \$30.0 million appropriated for community infrastructure investments for the following road improvement and other infrastructure projects: (1) Dixie Highway, \$1,070,000; (2) Chaplin Road bridge, \$200,000; (3) Seymour Road, \$303,600; (4) Livernois Avenue, \$700,000; (5) South Boulevard, \$1,250,000; (6) Lamoreaux Road, \$1.0 million; (7) Portage Street, \$850,000; (8) Idaho Avenue, \$850,000; (9) Texas Drive, \$460,000; (10) Wellhouse Drive-Boulevard, \$55,000; (11) 8<sup>th</sup> Street Phase 2, \$300,000; (12) Beaverton Industrial Park Road, \$360,000; (13) Pleasant Lake Road bridge, \$800,000; (14) South Stony Creek Road, \$1.8 million; (15) Coleman Road, \$7.6 million; (16) Traverse Area Recreation and Transportation trails, \$2.4 million; (17) South Stony Creek Road (\$1,550,000); flood damage levee and pump repair in Monroe County (\$200,000); General Drive between Ann Arbor Road and Joy Road (\$500,000); Ford Road Boulevard planning study (\$750,000); US-223 access road to Adrian College (\$450,000); Mound Road turnaround (\$297,200); Van Dyke Avenue curb repairs (\$150,000); Summers Street repaving (\$100,000); Beal City infrastructure improvements (\$3,000,000); Lincoln Road improvements (\$600,000); and Zylman Road improvements (\$1,800,000); Lover's Lane realignment (\$600,000).

### **TREASURY**

#### ***Sec. 1302. Financial Data Analytic Tool Reimbursement Program***

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

**FY 2017-18 Supplemental Boilerplate Items**

**REPEALERS**

***Enabling section 1. Agriculture Equine Industry Development Fund Allocation***

Repeals section 802 of Article I of 2017 PA 107 and replaces it with section 301 of this article.

***Enabling section 2. Financial Data Analytic Tool Reimbursement***

Repeals section 936 of Article VIII of 2017 PA 107 and replaces it with section 1302 of this article.

***Enabling section 3. Medicaid Direct Primary Care Pilot Program***

Repeals section 1407 of 2017 PA 158 and replaces it with section 705 of this article.