



Senate Fiscal Agency
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BILL ANALYSIS



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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 CONFERENCE	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	2,322.3	2,322.3	0.0	0.0
GROSS	434,672,000	517,762,200	83,090,200	19.1
Less:				
Interdepartmental Grants Received	47,835,100	48,414,300	579,200	1.2
ADJUSTED GROSS	386,836,900	469,347,900	82,511,000	21.3
Less:				
Federal Funds	65,020,900	65,744,400	723,500	1.1
Local and Private	361,800	211,800	(150,000)	(41.5)
TOTAL STATE SPENDING	321,454,200	403,391,700	81,937,500	25.5
Less:				
Other State Restricted Funds	277,037,600	276,471,400	(566,200)	(0.2)
GENERAL FUND/GENERAL PURPOSE	44,416,600	126,920,300	82,503,700	185.7
PAYMENTS TO LOCALS	30,625,700	105,251,900	74,626,200	243.7

*As of May 3, 2018.

FY 2017-18 Year-to-Date Gross Appropriation	\$434,672,000
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Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

- 1. Annualize First Responder Presumed Coverage Fund.** The Governor, Senate, and House included an increase to this program to reflect a full year of revenue and expenditures to and from this program, totaling about \$5.5 million. The program provides worker's compensation benefits to first responders with certain diseases that are presumed to have been caused by hazards experienced in the line of duty. The Fund is capitalized with excise tax revenue from retail medical marijuana sales. 3,465,000
- 2. Law Enforcement Grants - Liquor Licenses.** The Governor, Senate, and House included an increase in grants to local law enforcement from liquor license revenue as required in the Liquor Control Code. The Code requires that 55% of liquor license revenue go to law enforcement. Increased license revenue has rendered the current appropriation for these grants insufficient to allow for the statutorily-required payments to go out. 1,200,000
- 3. Nurse Aide Training Program.** The Governor, Senate, and House included a supplemental request for \$600,000 from the Nurse Aide Training Fund, which was created under Public Act 172 of 2017. Funds would be used to administer a new nurse aide training and registration program as directed by Public Act 172 of 2017. 600,000
- 4. Substance Use Disorder Programs.** The Governor, Senate, and House included additional Medical Marijuana Regulatory Fund revenue to fund substance use disorder programs as required under Public Act 281 of 2016 (Medical Marijuana Facilities Licensing Act). The Act requires \$500,000 from the Fund to be allocated for this purpose. 500,000

- 5. **Administrative Support for the Local Community Stabilization Authority (LCSA).** The Governor, Senate, and House removed funding for administrative support for the LCSA. Responsibility for those services was transferred to the Michigan Municipal Services Authority effective October 1, 2017. (150,000)
- 6. **Division on Deafness Fund - Transfer from Department of Civil Rights (DCR) to LARA.** The Governor, Senate, and House included \$93,400 to reflect the transfer of the DCR's responsibilities under the Deaf Persons' Interpreters Act, including the Division on Deafness Fund, from DCR to LARA in accordance with Executive Order 2017-8. 93,400
- 7. **Reduce Overstated Restricted Funds.** The Governor, Senate, and House included reductions to a number of line items and restricted fund sources to reflect available revenue. (639,300)
- 8. **Remove FY 2017-18 One-time Appropriations.** The Governor, Senate, and House removed a \$100 placeholder from the Drinking Water Declaration of Emergency Reserve Fund, and \$1.4 million GF/GP for Fire Protection Grants. (1,400,100)
- 9. **Economic Adjustments.** Includes \$4,595,000 Gross and \$577,600 GF/GP for total economic adjustments, of which an estimated \$802,600 Gross and \$157,700 GF/GP is for legacy retirement costs (pension and retiree health). 4,595,000

Conference Agreement on Items of Difference

- 10. **Michigan Indigent Defense Commission Grants.** The Governor and House included additional funds for grants to local indigent defense systems to implement the four initial minimum standards established by the Commission. \$15.3 million would come from cost recovery for partially indigent defendants, with the remaining \$46.0 million coming from GF/GP. The Senate included \$46.0 million in GF/GP funding, but eliminated the \$15.3 million state appropriation from cost recoveries. The Conference added an additional \$38.1 million to the \$46 million in GF/GP funding recommended by the Governor and House, resulting in a total of \$84.1 million in GF/GP for MIDC grants. The Conference removed \$15,299,900 in restricted funds, leaving a \$100 placeholder. 84,100,100
- 11. **Fire Protection Grants.** The Governor and House removed \$773,900 in GF/GP support for fire protection grants. The elimination of Driver Responsibility fees resulted in the removal of the remaining \$8.5 million in funding for these grants. The Senate concurred but included a \$100 placeholder for fire protection grant funding. The Conference removed all funding and did not include a placeholder. (9,273,900)
- 12. **Medical Marijuana Operation and Oversight Grants.** The Governor and House eliminated and the Senate retained \$3 million in grants to county law enforcement for operation and oversight of the Michigan Medical Marijuana Act. The Senate retained the full \$3 million in grant funding. The Conference concurred with the Senate and included \$3 million in grant funding. 0
- 13. **Transfer of Radiation Safety Section to MIOSHA.** The Governor and the Senate rolled the Radiation Safety Section funding of \$3,299,300 and 21.4 FTEs into the Michigan Occupational Health and Safety Administration line item. The House maintained the separate Radiation Safety line item. The Conference concurred with the House and maintained the separate line item. 0

Total Changes	\$83,090,200
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FY 2018-19 Conference Report Ongoing/One-Time Gross Appropriation	\$517,762,200
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Amount Over/Under GF/GP Target:	\$0
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Boilerplate Changes from FY 2017-18 Year-to-Date:

Items Included by the Senate and House

- 1. **Out-of-State Travel Report.** The Governor replaced this report with a less detailed version that is consistent with the report found in most other Department budget bills. The new language also removes restrictions on out-of-state travel. The Senate and House retained the previous language. (Sec. 207)

2. **Communication with the Legislature.** The Governor removed and the Senate and House retained a prohibition against taking disciplinary action against Department employees who communicate with the Legislature. (Sec. 218)
3. **TV or Radio Productions.** The Governor removed and the Senate and House retained a prohibition against the Department producing radio or TV productions. (Sec. 219)
4. **Healthy Michigan Plan Accounting Structure.** The Governor removed and the Senate and House retained a section requiring LARA and DHHS to maintain an accounting structure allowing for identification of expenditures related to the administration of the Health Michigan Plan. (Sec. 220)
5. **Regulatory Activities Report.** The Governor removed and the Senate and House retained a report providing details on licensing/regulatory activities undertaken by each agency or bureau in the Department. (Sec. 226)
6. **Employee Performance Monitoring.** The Governor removed and the Senate and House retained a section stating the intent of the Legislature that the Department establish an employee performance monitoring process in addition to what is required by the Civil Service Commission. (Sec. 227)
7. **Public Service Commission.** The Governor, Senate, and House revised a section to reflect that the Public Service Commission now administers the Low-Income Energy Assistance Grants on behalf of the Department of Health and Human Services. (Sec. 301)
8. **Direct Shipper Enforcement Fund.** The Senate and House revised a section to require that cases of out-of-state illegal wine shipping be referred to the Attorney General. The Senate and House also revised the reporting requirements contained in this section to create additional specifications to be included in the Commission's reports of illegally shipped items. (Sec. 401)
9. **Medical Marihuana Report.** The Governor retained a report for this program, but removed the specifications for the report. The Senate and House retained the previous language. (Sec. 505)
10. **Child Care Facilities License Fees.** The Governor retained language allowing the Department to assess and collect fees for the licensing and regulation of child care facilities, but removed the reporting requirement of this section. The Senate and House retained the previous language. (Sec. 509)
11. **Michigan Automated Prescription System (MAPS) Reporting Requirements.** The Governor revised to create additional reporting requirements to include the number of health facilities that have integrated the MAPS system as well as the total number of delegate users registered. The Senate and House included this item. (Sec. 510)
12. **Bureau of Services for Blind Persons (BSBP) - Identify Federal Match.** The Governor removed and the Senate and House retained a requirement that BSBP work with service organizations to identify qualified Federal match dollars. (Sec. 702)
13. **Indigent Defense Metrics.** The Governor included a new section requiring the Michigan Indigent Defense Commission to establish metrics to assess the provision of indigent defense services, and to produce a report on these metrics. The Senate and House included this item. (Sec. 803)
14. **Ethnic Affairs Commissions.** The Senate and House included a new section which requires that commission expenditures on events be directly related to the commission's mission statement. (Sec. 805)

Conference Agreement on Items of Difference

15. **Event Registration Fees.** The House included language specifying that events sponsored by the department for which registration fees are charged be related to activities under the department's purview. The Conference included this language. (Sec. 223)
16. **Fast Charging Stations Study.** The Senate included language directing the Michigan Agency for Energy to prepare a statewide assessment of the optimal siting locations for direct current fast charging stations. The Conference included the item. (Sec. 302)
17. **Liquor License Delay Mitigation.** The Governor and House removed and the Senate retained a section requiring the Michigan Liquor Control Commission to utilize funds to invest in technology to mitigate delays in license issuance related to section 503 of the Michigan Liquor Control Code. The Conference removed the item. (Sec. 401)
18. **Medical Marihuana Operation and Oversight Grants.** The Governor and House removed boilerplate pertaining to medical marihuana operation and oversight grants to county law enforcement due to the elimination of the funding for these grants. The Senate included the grant funding and retained the associated boilerplate. The Conference retained the grant funding and revised the accompanying boilerplate to prohibit use of grants for law enforcement purposes and specified that the grants be given to county agencies for education and outreach programs relating to the Michigan medical marihuana program. (Sec. 901)

19. **Distribution of Michigan Indigent Defense Commission Grants.** The Senate included a new section that specifies that MIDC grants shall not be distributed to locals until the total amount appropriated for those grants is equal to the total costs to local indigent defense systems to comply with the Michigan Indigent Defense Commission Act standards. The Conference included new language specifying that local indigent defense systems are not required to implement or maintain standards if sufficient funding is not provided through grants as described in the Act. (Sec. 904)

Date Completed: 6-5-18

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