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Senate Bill 143 (S-1 as passed by the Senate)
Committee: Appropriations

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2018-19 YEAR-TO-DATE*	FY 2019-20 SENATE-PASSED	CHANGES FROM FY 2018-19 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	2,327.3	2,346.3	19.0	0.8
GROSS	552,356,700	571,864,840	19,508,140	3.5
Less:				
Interdepartmental Grants Received	48,414,300	49,014,200	599,900	1.2
ADJUSTED GROSS	503,942,400	522,850,640	18,908,240	3.8
Less:				
Federal Funds	91,213,900	95,852,500	4,638,600	5.1
Local and Private	411,800	351,800	(60,000)	(14.6)
TOTAL STATE SPENDING	412,316,700	426,646,340	14,329,640	3.5
Less:				
Other State Restricted Funds	276,471,400	303,125,900	26,654,500	9.6
GENERAL FUND/GENERAL PURPOSE	135,845,300	123,520,440	(12,324,860)	(9.1)
PAYMENTS TO LOCALS	105,251,900	102,451,400	(2,800,500)	(2.7)

*As of March 5, 2019.

	Gross	GF/GP
FY 2018-19 Year-to-Date Appropriation	\$552,356,700	\$135,845,300

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

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| <p>1. Marihuana Research. Governor included \$20.0 million in funding to support research on the use of marihuana to treat veterans' health conditions, as required by Initiated Law (IL) 1 of 2018, the Michigan Regulation and Taxation of Marijuana Act. Senate concurred.</p> | 20,000,000 | 0 |
| <p>2. Recreational Marihuana Regulation. Governor included an additional \$1.0 million and 30.0 FTEs to support the implementation and administration of IL 1 of 2018 and shifted \$5.0 million in funding from GF/GP to Restricted. Senate concurred.</p> | 1,000,000 | (5,000,000) |
| <p>3. Unaccompanied Refugee Minors. Governor included \$3.8 million in Federal funds to enable MONA's support of service providers who assist unaccompanied refugee minors. Senate concurred.</p> | 3,790,900 | 0 |
| <p>4. Child Care and Adult Foster Care Revenue. Governor included \$500,000 in restricted funds to reflect the availability of revenues to be collected from Child Day Care Centers and Homes, and \$410,000 in restricted funds to reflect the availability of revenues to be collected from Adult Foster Care facilities. Senate concurred.</p> | 910,000 | 0 |
| <p>5. Medical Marihuana Regulation. Governor included \$900,000 and eliminated 13.0 FTEs to reflect anticipated costs associated with the Medical Marihuana Facilities Licensing Act (Public Act 281 of 2016). Senate concurred.</p> | 900,000 | 0 |

6. Bureau of Fire Services. Governor included \$500,000 to allow for the receipt of Federal funds for firefighter training and fire prevention as well as \$289,900 in State Restricted funds to support new testing requirements for fire services members. Senate concurred.	789,900	0
7. One-Time Refugee Services Database Funding. Governor included \$520,000 in Federal funds for the development of a database for the Refugee Services Program within the Michigan Office for New Americans. Senate concurred.	520,000	0
8. Marihuana Regulatory Fund Adjustment. Governor included \$422,000 from the Marihuana Regulatory Fund for administrative functions. Senate concurred.	422,000	0
9. Firefighter Training Grants. Governor included an additional \$300,000 in restricted funds for Firefighter Training Grants. Senate concurred.	300,000	0
10. Indigent Defense Training Evaluation. Governor included funding for the Michigan Indigent Defense Commission (MIDC) for the implementation of a system to evaluate indigent defense training. Senate concurred.	205,200	205,200
11. Vehicle Supply Equipment Program. Governor included private funds to support the Light-Duty Zero Emission Vehicle Supply Equipment Program. This program is pursuant to the Volkswagen Settlement Beneficiary Mitigation Plan agreement. Senate concurred.	140,000	0
12. First Responder Presumed Coverage Fund Revenue. Governor removed \$5.4 million in restricted funds for the First Responder Presumed Coverage Fund. The enactment of IL 1 of 2018 resulted in the elimination of the Medical Marihuana Excise Tax, the Fund's only ongoing, dedicated revenue stream. Senate concurred.	(5,445,000)	0
13. MIDC Grants. Governor removed \$5.9 million in one-time GF/GP costs for Fiscal Year 2019 indigent defense compliance plans but retained \$2.8 million as ongoing funding. This included \$200,000 in local indigent defense reimbursements. Senate concurred.	(5,850,400)	(5,850,400)
14. Reversal of FY 2018-19 Adjustments. Governor removed \$1.2 million one-time supplemental funding for an opioid treatment and community resource locator and adjusted out a \$500,000 Federal fire services grant included in an FY 2018-19 contingency fund transfer. Senate concurred.	(1,700,000)	(1,200,000)
15. Refugee Services Transfers. Governor included an additional \$8,600 in Federal funds for the transfer of refugee services functions to the Michigan Office for New Americans for the Department of Health and Human Services through Executive order 2018-7. Governor also removed one-time funding of \$175,000 GF/GP for a refugee assistance grant. Senate concurred.	(166,400)	(175,000)
16. State Restricted Deducts. Governor made technical adjustments to align authorization levels to available revenues. Senate concurred.	(643,800)	0
17. Reductions to Various Line Items. Senate reduced GF/GP funding for a number of line items by approximately 1.9%. Items affected included the Bureau of Community and Health Systems, the Bureau of Professional Licensing, and the Workers' Compensation Agency. These reductions totaled \$747,660 GF/GP.	(747,660)	(747,660)
18. Economic Adjustments. Includes \$5,083,400 Gross and \$443,000 GF/GP for total economic adjustments, of which an estimated negative \$3,443,100 Gross and \$375,600 GF/GP is for legacy retirement costs (pension and retiree health).	5,083,400	443,000
19. Comparison to Governor's Recommendation. The Senate is \$747,660 Gross and \$747,660 GF/GP under the Governor.		
Total Changes	\$19,508,140	(\$12,324,860)
FY 2019-20 Senate-Passed Gross Appropriation	\$571,864,840	\$123,520,440

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

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 budget bills. The replacement section also removed restrictions on the circumstances for such travel. The Senate retained. (Sec. 207)
2. **Contingency Funds.** The Senate removed language appropriating contingency funds. (Sec. 210)
3. **Communication with the Legislature.** The Governor removed a prohibition against taking disciplinary action against Department employees who communicate with the Legislature. The Senate retained. (Sec. 218)
4. **TV or Radio Productions.** The Governor removed a prohibition against the Department producing radio or TV productions. The Senate retained. (Sec. 219)
5. **Healthy Michigan Plan Accounting Structure.** The Governor removed a section requiring LARA and DHHS to maintain an accounting structure allowing for identification of expenditures related with the administration of the Health Michigan Plan. The Senate retained. (Sec. 220)
6. **Regulatory Activities Report.** The Governor removed a report providing details on licensing/regulatory activities undertaken by each agency or bureau in the Department. The Senate retained. (Sec. 226)
7. **Employee Performance Monitoring.** The Governor removed 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. The Senate retained. (Sec. 227)
8. **Fast Charging Stations Study.** The Governor removed a section requiring the Michigan Agency for Energy to complete a study assessing optimal siting locations for direct current fast charging stations. The study is expected to be complete by September 30, 2019. The Senate concurred. (Sec. 302)
9. **Medical Marihuana Registry Program Report.** The Governor deleted language specifying information to be included in the Department's annual report to the Legislature regarding the State's medical marihuana program. The Senate retained. (Sec. 505)
10. **Child Care and Adult Foster Care Fee Revenue.** The Governor deleted a section requiring the Department to assess, collect, and report fees for the licensing and regulation of certain child care organizations and adult foster care facilities. The Senate retained. (Sec. 509)
11. **Department Reporting for Suspended Facilities.** The Governor deleted a section requiring the Department to serve an order of suspension to a licensed adult foster care home, home for the aged, or nursing home and notify legislators representing the district where the facility is located. The Senate retained. (Sec. 511)
12. **Bureau of Services for Blind Persons (BSBP).** The Governor removed a requirement that BSBP work with service organizations to identify qualified Federal match dollars. The Senate retained. (Sec. 702)
13. **First Responder Presumed Coverage Fund.** The Governor deleted a section appropriating excess funds for first responder presumed coverage claims. The ongoing dedicated revenue source for this Fund was eliminated by the passage of Initiated Law 1 of 2018. The Senate concurred. (Sec. 704)
14. **MIDC Performance Metrics.** The Governor deleted a section requiring the MIDC to develop and implement performance metrics. This language is included in Public Act 214 of 2018. The Senate concurred. (Sec. 803)
15. **MIDC Grant Compliance.** The Governor deleted a section stating that an indigent criminal defense system's obligation to comply with MIDC standards is contingent on sufficient state grant funding, as appropriations for funds were addressed by Public Act 214 of 2018. The Senate concurred. (Sec. 904)

Date Completed: 5-14-19

Fiscal Analyst: Elizabeth Raczkowski

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