

FY 2022-23: TOTAL GENERAL GOVERNMENT
Summary: As Reported by House Subcommittee
House Bill 5783 (H-1)



Analysts: Viola Bay Wild and Michael Crossen

	FY 2021-22 YTD as of 2/9/22	FY 2022-23 Executive	FY 2022-23 House	FY 2022-23 Senate	FY 2022-23 Conference	Difference: House From FY 2021-22 YTD	
						Amount	%
IDG/IDT	\$1,132,012,100	\$1,120,888,100	\$1,120,384,900	\$	\$	(\$11,627,200)	(1.0)
Federal	1,894,483,500	1,199,235,700	1,284,852,800			(609,630,700)	(32.2)
Local	26,260,700	26,240,800	25,690,800			(569,900)	(2.2)
Private	14,332,400	13,096,200	13,096,200			(1,236,200)	(8.6)
Restricted	2,500,444,800	2,629,362,400	2,608,747,800			108,303,000	4.3
GF/GP	2,653,803,700	2,176,171,500	2,778,350,200			124,546,500	4.7
Gross	\$8,221,337,200	\$7,164,994,700	\$7,831,122,700	\$	\$	(\$390,214,500)	(4.7)
FTEs	10,014.0	10,159.5	9,971.0			(43.0)	(0.4)

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

Currently, the following departmental and agency budgets are included in the General Government budget: Executive Office, Legislature, Legislative Auditor General, and the Departments of Attorney General, Civil Rights, State, Technology, Management, and Budget (including the former Departments of Civil Service and Information Technology, and State Building Authority rent costs), Treasury (including the Bureau of State Lottery, Michigan Gaming Control Board, State Building Authority, Revenue Sharing, and Debt Service), and Labor and Economic Opportunity (including Michigan Strategic Fund, Michigan State Housing Development Authority, 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 2021-22

Sec. 206. Disciplinary Action Against State Employees – RETAINED

Prohibits departments from taking disciplinary action against employees in the state classified civil service for communicating with legislators or their staff; stipulates disciplinary action may be taken if the communication is prohibited by law and disciplinary action is exercised as authorized by law. Executive deletes. House retains. (Governor declared this section unenforceable in FY 2021-22.)

Sec. 210. Countercyclical Budget and Economic Stabilization Fund – REVISED

Executive includes no countercyclical budget and economic stabilization fund deposit in FY 2022-23 but includes \$51.8 million as part of the FY 2021-22 supplemental recommendation. House provides a \$100.0 million pay-in FY 2022-23.

Sec. 216. FTE Vacancies and Remote Work Report – RETAINED

Requires departments and agencies to provide quarterly reports that provide FTE counts by classification and actual FTE position counts compared to authorized FTE position counts; requires report on number of employees engaged in remote work in 2021, number of employees authorized to work remotely, and actual number working remotely, estimated net cost savings from remote work, and reduced use of office space associated with remote work. Executive deletes. House retains.

Sec. 217. Work Project Expenditures – RETAINED

Prohibits appropriations from being expended in cases where existing work project authorization is available for the same expenditures. Executive deletes. House retains. (Governor declared this section unenforceable in FY 2021-22.)

Sec. 218. State Administrative Board Transfers – RETAINED

Authorizes legislature, by concurrent resolution adopted by majority of members elected to and serving in each house, to inter-transfer funds if State Administrative Board transfers funds. Executive deletes. House retains. (Governor declared this section unenforceable in FY 2021-22.)

Major Boilerplate Changes from FY 2021-22

Sec. 219. 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.

Sec. 220. Reporting Requirement on Policy Changes – RETAINED

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

Sec. 221. 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.

Sec. 222. Severance Pay Report – RETAINED

Requires department and agencies to report name and any amount of severance pay given to high-ranking department officials; requires department and agencies to maintain an internet site and post severance pay in excess of 6 weeks of wages for former department or agency employees; requires department and agencies to submit annual report on total amount of severance pay remitted to former employees during prior fiscal year and total number of those employees; defines “severance pay”. Executive deletes. House retains.

Sec. 223. Return to Work Requirement – NEW

Prohibits a department, agency, board, or commission from permitting state employees who were not working remotely prior to the COVID-19 pandemic to work remotely in FY 2022-23. Executive does not include. House adds.

Sec. 224. Purchase of Ownership Interest in a Casino - RETAINED

Prohibits use of appropriations to purchase an ownership interest in a casino enterprise or gambling operation. Executive transfers section to Treasury. House retains.

Sec. 225. Prohibitions on State Employer COVID-19 Vaccine Status Verifications – RETAINED

Prohibits various state government entities from requiring proof of COVID-19 vaccination as condition of accessing state services or facilities, producing COVID-19 vaccine passports, developing, or making existing databases public, accessing individuals COVID-19 vaccine status, and requiring proof of receiving COVID-19 vaccine as condition of employment; prohibits state entities from subjecting an individual to negative consequences because of COVID-19 vaccine status; allows an individual to provide proof of COVID-19 vaccine status with consent; exempts certain individuals from federally mandated vaccine policies. Executive deletes. House 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. Authorizes the auditor general to perform and charge for a subsequent audit to ensure that the initiatives related to savings and efficiencies have been implemented if the required report is not received within 6 months of the release of the audit. Executive deletes. House retains. (*Governor declared this section unenforceable in FY 2021-22.*)

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. Executive deletes. House retains.

Sec. 240. New Program Metrics – RETAINED

Requires the State Budget Office to provide a list of new programs and program enhancements that exceed \$500,000; requires use of program-specific measuring metrics in addition to metrics required under Section 447 of the Management and Budget Act. Requires a report on the metrics and performance progress of identified programs by September 30; expresses legislative intent that future program funding increases be based on prior performance. Executive deletes. House retains.

FY 2022-23: ATTORNEY GENERAL
Summary: House Subcommittee Chair's Recommendation
House Bill 5783 (H-1)



Analyst: Michael Crossen

IDG/IDT	FY 2021-22 YTD as of 2/9/22	FY 2022-23 Executive	FY 2022-23 House	FY 2022-23 Senate	FY 2022-23 Conference	Difference: House From FY 2021-22 YTD	
						Amount	%
	\$35,083,600	\$35,954,600	\$35,954,600	\$	\$	\$871,000	2.5
Federal	9,868,400	10,101,900	10,101,900			233,500	2.4
Local	0	0	0			0	--
Private	0	0	0			0	--
Restricted	20,390,800	20,786,700	21,451,700			1,060,900	5.2
GF/GP	43,056,000	60,044,800	55,569,700			12,513,700	29.1
Gross	\$108,398,800	\$126,888,000	\$123,077,900	\$	\$	\$14,679,100	13.5
FTEs	547.4	555.9	553.4			6.0	1.1

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

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

<u>Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations</u>		<u>FY 2021-22 YTD (as of 2/9/22)</u>	<u>House Change from YTD</u>
1. Prosecuting Attorneys Digital Evidence Storage (One-Time)	FTE	12.0	0.0
<u>Executive</u> provides \$10.0 million GF/GP to Prosecuting Attorneys Association of Michigan for improvements to computer equipment and data storage capacities to accommodate the growing amount of digital evidence involved in prosecuting cases. Funding would support equipment, software, and server upgrades to help reduce warrant review backlogs, charge and resolve cases faster, and process cases and discovery more efficiently. Funding would also support limited-term staff to expedite processing evidence accumulated during the pandemic. <u>House concurs.</u>	Gross	\$2,217,600	\$10,000,000
	Federal	121,200	0
	Restricted	419,600	0
	GF/GP	\$1,676,800	\$10,000,000
2. Job Specialty Court (One-Time)	Gross	NA	\$0
<u>Executive</u> provides \$5.0 million GF/GP to create a job court pilot program that would offer the option of dismissal of charges for pre-trial defendants who successfully secure and maintain gainful employment. The program would provide supervision and support to participants with the aim of assisting them while diverting prosecutorial caseloads and reducing criminal case backlogs. <u>House does not include.</u>	GF/GP	NA	\$0

Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations	FY 2021-22 YTD (as of 2/9/22)	House Change from YTD
3. Organized Retail Crime Unit	FTE	NA
<u>Executive</u> provides \$1.1 million GF/GP and 6.5 FTE positions to establish Organized Retail Fraud Unit to respond to the emergence of "smash-and-grab" organized retail crime activity and sales of stolen goods. Unit would work to reduce demand for stolen merchandise, limit opportunities to sell stolen merchandise, and reduce theft opportunities for drug users who are primary repeat offenders. <u>House</u> provides \$665,000 of state restricted revenue from the Attorney General's Operations Fund and 4.0 FTE positions and appropriates funding to the unit as its own line item.	Gross	NA
	Restricted	NA
	GF/GP	NA
		4.0
		\$665,000
		665,000
		\$0
4. Price Gouging Investigations	Gross	NA
<u>Executive</u> provides \$1.0 million GF/GP for the Consumer Protection Division to initiate additional investigations and file consumer protection actions in response to the high level of consumer complaints of price gouging during recent supply chain disruption and rising inflation following the pandemic. <u>House</u> does not include.	GF/GP	NA
		\$0
		\$0
5. PACC Online Training (One-Time)	FTE	12.0
<u>Executive</u> provides \$410,100 GF/GP and 2.0 FTE positions for training attorneys to expand online training opportunities for prosecution staff to assist them with responding to increased rates of violent crimes over the last two years. <u>House</u> moves funding to One-Time Appropriations and provides \$2.1 million GF/GP and 2.0 FTE positions and appropriates unexpended funds as a work project appropriation through to FY 2026-27.	Gross	\$2,217,600
	Federal	121,200
	Restricted	419,600
	GF/GP	\$1,676,800
		2.0
		\$2,050,000
		0
		0
		\$2,050,000
6. Removal of Current Year One-Time Funding	Gross	\$1,560,000
<u>Executive</u> and <u>House</u> eliminate \$1.6 million of one-time GF/GP funding appropriated in FY 2021-22:	GF/GP	\$1,560,000
<ul style="list-style-type: none"> \$1.1 million GF/GP for PACC NextGen case management \$500,000 GF/GP for address confidentiality program. 		(\$1,560,000)
		(\$1,560,000)
7. PAAM – Extradition Reimbursements (One-Time)	Gross	NA
<u>House</u> provides \$1.0 million GF/GP to be used for Prosecuting Attorneys Association of Michigan to reimburse local units of government for expenses incurred extraditing offenders that flee the state to avoid prosecution. <u>Executive</u> does not include.	GF/GP	NA
		\$1,000,000
		\$1,000,000
8. Operations Line Item Unrolling	FTE	498.4
Unrolls the Operations line item into 11 new line items totaling, \$29.2 million and 151.0 FTE positions, for a \$0 change:	Gross	\$96,025,900
<ul style="list-style-type: none"> Civil Rights Division - \$1.6 million and 7.0 FTE positions Clergy Abuse Investigation - \$368,300 and 3.0 FTE positions Consumer Protection Division - \$1.2 million and 6.0 FTE positions Corporate Oversight Division - \$5.9 million and 31.0 FTE positions Criminal Trials and Appeals Division - \$11.0 million and 56.0 FTE positions Elder Abuse Task Force - \$1.3 million and 7.0 FTE positions Flint Water Investigation - \$2.7 million and 14.0 FTE positions Hate Crimes and Domestic Terrorism Unit - \$326,600 and 2.0 FTE positions Licensing and Regulation Division - \$4.3 million and 22.0 FTE positions Opinions Review Board - \$284,600 and 2.0 FTE positions Payroll Fraud Enforcement Unit - \$200,000 and 1.0 FTE position 	IDG	35,083,600
	Federal	6,998,100
	Restricted	19,971,200
	GF/GP	\$33,973,000
		0.0
		\$0
		0
		0
		\$0

Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations	FY 2021-22 YTD (as of 2/9/22)	House Change from YTD	
9. Economic Adjustments	Gross	NA	\$2,524,100
<u>Executive</u> and <u>House</u> include increased costs of \$2.5 million Gross (\$1.0 million GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2022 and 0.5% to annualize the FY 2021-22 1.0% increase that began on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	NA	871,000
	Federal	NA	233,500
	Restricted	NA	395,900
	GF/GP	NA	\$1,023,700

Major Boilerplate Changes from FY 2021-22

Sec. 316. Sexual Assault Kit Testing – REVISED

Requires funding to be used to test sexual assault kits statewide in order to eliminate county backlogs, assist with prosecutions and investigations of viable cases, and provide victim services; requires annual report on number of untested kits, a work plan outlining actions to eliminate remaining untested kits, and a work and spending plan outlining anticipated litigation and expenditures resulting from test findings; allows funds to be used for retesting kits for DNA; stipulates funds to be used only for testing if there are remaining untested kits on January 31. Executive retains current law. House revises to require that appropriated funds not be spent until all existing work project balances for the same purpose are expended.

Sec. 320. Lawsuit Settlement Notification and Adherence to State Laws – REVISES

Requires notification of lawsuit settlements with a fiscal impact for the state of \$2.0 million or more; prohibits department from entering into a lawsuit that is contrary to state laws. Executive retains current law. House revises to reduce notification threshold to \$200,000.

Sec. 321. Attorney General Presentation on Federal Lawsuits – RETAINED

Requires department to submit report upon entering lawsuit against federal government, on estimated costs for participating in lawsuit and purpose of lawsuit. Executive deletes. House retains.

Sec. 322. Department Initiatives Expenditure Report – REVISED

Requires department to submit quarterly expenditure reports by line item and fund source for the following initiatives and activities: Catholic Church Investigation, Elder Abuse Task Force, Conviction Integrity Unit, Opioid Litigation, Hate Crimes Unit, Payroll Fraud Enforcement Unit, PFAS contamination, Human Trafficking, and Robocall Enforcement. Executive retains current law. House revises to eliminate Catholic Church Investigation, Elder Abuse Task Force, and Payroll Fraud Enforcement Unit from the reporting requirement to recognize greater transparency of those units through the unrolling of the Operations line item in part 1.

Sec. 323. PACC Case Management System – DELETED

Requires Prosecuting Attorneys Coordinating Council to continue to fund replacement of council's case and data management system with funds appropriated for NextGen Case and Document Management System. Executive deletes. House concurs.

Sec. 330. PAAM – Extradition Reimbursements – NEW

House requires one-time funding to be used for Prosecuting Attorneys Association of Michigan to reimburse local units of government for expenses incurred extraditing offenders that flee the state to avoid prosecution; requires quarterly expenditure report; appropriates unexpended funds as a work project. Executive does not include.

Sec. 331. PACC Training Attorneys – NEW

House appropriates unexpended funds for Prosecuting Attorneys Coordinating Council online training attorneys as a work project. Executive does not include.

FY 2022-23: CIVIL RIGHTS
Summary: House Subcommittee Chair’s Recommendation
House Bill 5783 (H-1)



Analyst: Michael Crossen

	FY 2021-22 YTD as of 2/9/22	FY 2022-23 Executive	FY 2022-23 House	FY 2022-23 Senate	FY 2022-23 Conference	Difference: House From FY 2021-22 YTD	
						Amount	%
IDG/IDT	\$298,900	\$0	\$298,900	\$	\$	\$0	0.0
Federal	2,850,700	2,890,900	2,890,900			40,200	1.4
Local	0	0	0			0	--
Private	18,700	18,700	18,700			0	0.0
Restricted	58,500	58,500	58,500			0	0.0
GF/GP	14,607,300	18,633,500	14,682,700			75,400	0.5
Gross	\$17,834,100	\$21,601,600	\$17,949,700	\$	\$	\$115,600	0.6
FTEs	115.0	115.0	115.0			0.0	0.0

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as “one-time.”

Overview

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

Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations	FY 2021-22 YTD (as of 2/9/22)	House Change from YTD
1. Complaint Investigation Backlog (One-Time)		
<u>Executive</u> provides \$3.2 million GF/GP to support the restructuring of current complaint investigation processes and 25.0 limited-term FTE positions to help eliminate a backlog of 2,500 complaint cases which accumulated due to the hiring freeze, employee turnover, and retirements. Elimination of backlog would secure additional federal revenues from Department of Housing and Urban Development through closure of housing complaints. <u>House</u> does not include.	FTE 40.0 Gross \$6,297,400	0.0 \$0
	IDG 298,900	0
	Federal 2,835,700	0
	Restricted 58,500	0
	GF/GP \$3,104,300	\$0
2. Indian Boarding School Study (One-Time)		
<u>Executive</u> provides \$500,000 GF/GP to conduct a statewide study of the number of Native American children forced to attend boarding schools to understand impacts of historical federal and state boarding school policies and removal of tribal children. Study would be accomplished through location and preservation of records and interviews with those impacted by the policies. Study would align with goals of Federal Indian Boarding School Initiative. <u>House</u> does not include.	Gross NA GF/GP NA	\$0 \$0
3. ADA FTE Position and Funding Shift		
<u>Executive</u> provides \$298,900 GF/GP and eliminates same amount of IDG funding to reflect retirement of two health and safety FTE positions supported with IDG funding from DTMB and replacement with two ADA compliance FTE positions that would be supported with GF/GP. <u>House</u> does not include.	Gross \$298,900 IDG 298,900 GF/GP \$0	\$0 0 \$0

<u>Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations</u>		<u>FY 2021-22 YTD (as of 2/9/22)</u>	<u>House Change from YTD</u>
4. Removal of Current Year One-Time Funding	Gross	\$250,000	(\$250,000)
<u>Executive</u> and <u>House</u> eliminate \$250,000 of one-time GF/GP funding appropriated in FY 2021-22 for discrimination outreach efforts.	GF/GP	\$250,000	(\$250,000)
5. Economic Adjustments	Gross	NA	\$365,600
<u>Executive</u> and <u>House</u> provide increased costs of \$365,600 Gross (\$325,400 GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2022 and 0.5% to annualize the FY 2021-22 1.0% increase that began on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	Federal	NA	40,200
	GF/GP	NA	\$325,400

Major Boilerplate Changes from FY 2021-22

Sec. 402. Training and Information Dissemination – RETAINED

Authorizes department to receive and expend local and private funds, up to a combined total of \$85,000, pertaining to employer training, publication and sale of informational material, copy and witness fees, mediation activities, workshops and seminars, and related staffing costs. Executive revises to eliminate \$85,000 cap to local and private funds. House retains current law.

Sec. 411. Museums Support – REVISED

Allocates \$500,000 each to Arab American National Museum in Dearborn, Charles H. Wright Museum of African American History in Detroit, and Holocaust Memorial Center in Farmington Hills. Executive retains current law. House revises to stipulate payments to museums be made directly.

Sec. 412. Discrimination Outreach – DELETED

Requires department to conduct outreach efforts to increase public awareness of violent criminal activity primarily motivated by discrimination and ethnic intimidation during COVID-19 pandemic. Executive deletes. House concurs.

Sec. 412. Indian Boarding School Study – NOT INCLUDED

Requires funds for Indian boarding school study to be used to research the number of Native America children forced to attend boarding schools, how they were impacted, to locate and preserve records, to work in concert with Federal Indian Boarding School Initiative, and to interview boarding school survivors and tribal representatives to fully understand immediate and long-term impacts of policies of Native American children removal; requires report to be completed by January 30, 2024. Executive adds section. House does not include.

Sec. 413. Complaint Investigation and Enforcement – NOT INCLUDED

Authorizes unexpended one-time funding appropriated for complaint investigation and enforcement as a work project; account to be used to eliminate complaint investigation and enforcement cases backlog by hiring up to 25.0 limited-term FTE positions. Executive adds section. House does not include.

FY 2022-23: EXECUTIVE OFFICE
Summary: House Subcommittee Chair’s Recommendation
House Bill 5783 (H-1)



Analyst: Viola Bay Wild

	FY 2021-22 YTD as of 2/9/22	FY 2022-23 Executive	FY 2022-23 House	FY 2022-23 Senate	FY 2022-23 Conference	Difference: House From FY 2021-22 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$	\$	\$0	--
Federal	0	0	0			0	--
Local	0	0	0			0	--
Private	0	0	0			0	--
Restricted	0	0	0			0	--
GF/GP	7,318,600	7,708,600	7,708,600			390,000	5.3
Gross	\$7,318,600	\$7,708,600	\$7,708,600	\$	\$	\$390,000	5.3
FTEs	89.2	89.2	89.2			0.0	0.0

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as “one-time.”

Overview

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

Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations	FY 2021-22 YTD (as of 2/9/22)	FY 2022-23 House Change
1. Executive Office Operations	FTE 89.2	0.0
Executive includes \$390,000 GF/GP for increased costs related to Executive Office staff and other operations. House concurs.	Gross \$7,318,600 GF/GP \$7,318,600	\$390,000 \$390,000

Major Boilerplate Changes from FY 2021-22

There are no major boilerplate changes for FY 2022-23.

FY 2022-23: LABOR AND ECONOMIC OPPORTUNITY
Summary: House Subcommittee Chair’s Recommendation
House Bill 5783 (H-1)



Analyst: Viola Bay Wild

IDG/IDT	FY 2021-22 YTD as of 2/9/22	FY 2022-23 Executive	FY 2022-23 House	FY 2022-23 Senate	FY 2022-23 Conference	Difference: House From FY 2021-22 YTD	
						Amount	%
	\$0	\$0	\$0	\$	\$	0	--
Federal	1,433,813,200	1,154,595,000	1,229,557,600			(204,255,600)	(14.2)
Local	10,900,000	10,700,000	10,700,000			(200,000)	(1.8)
Private	13,591,900	12,430,700	11,226,600			(2,365,300)	(17.4)
Restricted	273,852,900	245,920,400	275,222,400			1,369,500	0.5
GF/GP	1,517,995,600	881,925,400	184,340,900			(1,333,654,700)	(87.9)
Gross	\$3,250,153,600	\$2,305,571,500	\$1,711,047,500	\$	\$	(1,539,106,100)	(47.4)
FTEs	2,588.9	2,623.9	2,580.9			(8.0)	(0.3)

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as “one-time.”

Overview

The Department of Labor and Economic Opportunity (LEO) engages in economic development; community growth and development; affordable housing; tourism; job creation, retention, and training; and workforce development and preparedness. LEO includes the Michigan Strategic Fund (MSF)/Michigan Economic Development Corporation (MEDC), Bureau of Employment Relations, Bureau of Services for Blind Persons, Michigan Occupational Safety & Health Administration (MIOSHA), Workforce Development, Michigan Rehabilitation Services, Office of Global Michigan, Unemployment Insurance Agency (UIA), Workers’ Disability Compensation Agency, State Land Bank, and Michigan State Housing Development Authority (MSHDA).

Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations	FY 2021-22 YTD (as of 2/9/22)	FY 2022-23 House Change
1. Transformational Education Infrastructure Grants	Gross	\$0
<u>Executive</u> includes \$230.0 million GF/GP one-time funding to establish two grant programs for higher education institutions. The Medical Education and Health Care grant (\$100.0 million) would support a collaborative project to improve medical education, health infrastructure and access, and cancer research laboratories. The Electrification of the Automotive Industry grant (\$130.0 million) would support increased education opportunities on electric vehicles within a college of engineering and the development of an economic strategy plan for electric vehicles. <u>House</u> does not include.	GF/GP	\$0
2. Regional Empowerment Program	Gross	\$0
<u>Executive</u> includes \$200.0 million GF/GP one-time funding for a competitive grant program to support the development and growth of regional economies; communities may use funding to complete already planned projects with local economic impact. <u>House</u> does not include.	GF/GP	\$0
3. Pure Michigan and ARP – Pure Michigan	Gross	\$40,000,000
<u>Executive</u> includes an increase of \$5.0 million GF/GP for Pure Michigan and eliminates \$20.0 million one-time federal funding appropriated in FY 2021-22 for the ARP – Pure Michigan line item. <u>House</u> funds program at FY 2021-22 funding level of \$40.0 million Gross and replaces GF/GP with additional federal funding.	Federal	10,000,000
	Local	0
	Private	0
	GF/GP	(\$10,000,000)

Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations		FY 2021-22 YTD (as of 2/9/22)	FY 2022-23 House Change
4. Michigan Reconnect Program		Gross	\$55,000,000
<u>House</u> transfers \$55.0 million Gross (\$50.0 million GF/GP) for the Michigan Reconnect Program to the Community Colleges budget.		Restricted	(\$55,000,000)
		GF/GP	(5,000,000)
			(\$50,000,000)
5. Business Incubator Pilot Program		Gross	\$0
<u>House</u> includes \$30.0 million restricted funding for a competitive application-based grant program to organizations that help startup companies or individual entrepreneurs.		Restricted	\$30,000,000
		GF/GP	0
			\$0
6. Community Amphitheater Grant		Gross	\$0
<u>House</u> includes \$30.0 million federal funding for a grant for the Grand Rapids outdoor amphitheater project.		Federal	\$30,000,000
		GF/GP	0
			\$0
7. Watershed Phosphorous Source Discovery Grant		Gross	\$0
<u>House</u> includes \$500,000 federal funding to fund a grant for the Mona Lake Watershed Phosphorous Source Discovery project.		Federal	\$500,000
		GF/GP	0
			\$0
8. River Restoration Project		Gross	\$0
<u>House</u> includes \$13.0 million federal funding to fund a grant for a Battle Creek river restoration project.		Federal	\$13,000,000
		GF/GP	0
			\$0
9. Children and Teen Center		Gross	\$0
<u>House</u> includes \$1.0 million federal funding for renovations to a Boys and Girls Club facility.		Federal	\$1,000,000
		GF/GP	0
			\$0
10. Kids' Food Basket		Gross	\$0
<u>House</u> includes \$1.0 million federal funding for the nonprofit community-based Kids' Food Basket organization.		Federal	\$1,000,000
		GF/GP	0
			\$0
11. Arts Center Funding		Gross	\$0
<u>House</u> includes \$250,000 GF/GP for the Great Lakes Center for the Arts.		GF/GP	\$250,000
			\$0
12. Women's Mentoring Program Grant		Gross	\$0
<u>House</u> includes \$200,000 GF/GP for a grant to the Woman of Tomorrow Program.		GF/GP	\$200,000
			\$0
13. Graduation Alliance		Gross	\$1,500,000
<u>House</u> includes \$500,000 GF/GP increase to the Graduation Alliance program.		GF/GP	\$1,500,000
			\$500,000
14. Workforce Development		Gross	NA
<u>Executive</u> includes \$4.8 million federal MiSTAIR grant funding for improving registered apprenticeship programs. <u>House</u> concurs.		Federal	NA
		GF/GP	NA
			\$4,754,000
			4,754,000
			\$0
15. Office of Future Mobility and Electrification		Gross	\$0
<u>Executive</u> provides \$4.0 million GF/GP for the Office of Future Mobility and Electrification to support state efforts in mobility initiative. <u>House</u> does not include.		GF/GP	\$0
			\$0
16. Bureau of Services for Blind Persons Staff		FTE	113.0
<u>Executive</u> includes authorization for 3.0 additional FTE positions to provide pre-employment transition services to eligible blind and visually impaired students, to meet federal requirements. Additional staff would be supported with current appropriations. <u>House</u> concurs.		Gross	\$25,509,200
		Federal	19,201,500
		Local	100,000
		Private	111,800
		Restricted	350,000
		GF/GP	\$5,745,900
			3.0
			\$0
			0
			0
			0
			0
			\$0

Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations		FY 2021-22 YTD (as of 2/9/22)	FY 2022-23 House Change
17. Michigan State Housing Development Authority (MSHDA) Staffing	FTE	273.0	0.0
	Gross	\$46,699,600	\$0
<u>Executive</u> includes authorization for 26.0 additional FTE positions to help reach goal of providing an additional 75,000 new or renovated housing units within the next 5 years. Funding for additional FTEs exists within current budget authorization. <u>House</u> includes authorization for 10.0 limited-term FTEs through boilerplate language.	Restricted	46,699,600	0
	GF/GP	\$0	\$0
18. Workforce Development: Talent Retention and Expansion in Key Industries Program	Gross	\$0	\$0
	GF/GP	\$0	\$0
<u>Executive</u> includes \$20.0 million GF/GP one-time funding for employer-led collaboratives to help meet the talent needs of businesses. <u>House</u> does not include.			
19. Workforce Development: Barrier Removal and Employment Supports	Gross	\$0	\$0
	GF/GP	\$0	\$0
<u>Executive</u> provides \$15.0 million GF/GP one-time funding to support program to remove barriers to employment for low-income, poor, and working poor individuals. <u>House</u> does not include.			
20. Workforce Development: Young Professionals Plus Program	Gross	\$0	\$0
	GF/GP	\$0	\$0
<u>Executive</u> includes \$15.0 million GF/GP one-time funding for program to help prepare young people for self-sustaining employment. <u>House</u> does not include.			
21. International Talent Attraction	Gross	\$0	\$0
	GF/GP	\$0	\$0
<u>Executive</u> provides \$15.0 million GF/GP one-time funding for a competitive grant program to attract international businesses to locate corporate headquarters in Michigan. <u>House</u> does not include.			
22. Attainable Home Ownership and Apprenticeship Program	FTE	0.0	0.0
	Gross	\$0	\$100
	GF/GP	\$0	\$100
<u>Executive</u> includes an increase of \$11.0 million GF/GP one-time funding and authorization for 1.0 FTE position for a program to help individuals acquire, renovate, and sell properties in land banks; requires paid apprentices on each renovation site. <u>House</u> includes \$100 placeholder.			
23. Statewide Pre-Apprenticeship Program	Gross	\$8,000,000	(\$8,000,000)
	GF/GP	\$8,000,000	(\$8,000,000)
<u>Executive</u> includes additional \$2.0 million GF/GP one-time funding for the statewide pre-apprenticeship program to connect unemployed and underemployed individuals in underserved communities with training and resources to become employed. <u>House</u> does not include and eliminates \$8.0 million GF/GP current-year funding.			
24. Nature, Science, and Cultural Experiences Grant Program	Gross	\$0	\$0
	GF/GP	\$0	\$0
<u>Executive</u> includes \$75.0 million GF/GP one-time funding for a competitive grant program for projects that support Michigan's cultural diversity and natural beauty. <u>House</u> does not include.			
25. Public Sector Employment Marketing Campaign	Gross	\$0	\$0
	GF/GP	\$0	\$0
<u>Executive</u> includes \$10.0 million GF/GP one-time funding for a local heroes marketing campaign to highlight benefits of public sector work and attract workers to essential jobs. <u>House</u> does not include.			
26. State Historic Preservation Office (SHPO) Grant Program	Gross	NA	\$750,000
	Federal	NA	750,000
	GF/GP	NA	\$0
<u>Executive</u> includes \$750,000 federal one-time funding for a SHPO Resilient Lakeshore Heritage Grants Program to award grants for the rehabilitation of eligible rural properties along the great lakes. <u>House</u> concurs.			

Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations	FY 2021-22 YTD (as of 2/9/22)	FY 2022-23 House Change
27. Office of Global Michigan – Language Access Program	FTE 11.0	0.0
<u>Executive</u> includes \$700,000 GF/GP one-time funding to develop a statewide language access program to help individuals who have limited English proficiency have access to services. Includes \$268,700 on-going GF/GP and authorization for 2.0 FTE positions for program. <u>House</u> does not include.	Gross \$29,246,400	\$0
	Federal 28,769,000	0
	GF/GP \$477,400	\$0
28. Office of Global Michigan – Refugee Services	FTE 11.0	1.0
<u>Executive</u> includes \$9.6 million federal funding and authorization for 1.0 FTE position to recognize federal grant for refugee services. <u>House</u> concurs.	Gross \$29,246,400	\$9,600,000
	Federal 28,769,000	9,600,000
	GF/GP \$477,400	\$0
29. Construction Trades Training Program for Previous Military Members	Gross \$0	\$0
<u>Executive</u> includes \$500,000 GF/GP one-time funding to develop a Helmets to Hardhats training program for ex-military, reserve, and National Guard service members to connect them to skilled training in the construction field. <u>House</u> does not include.	GF/GP \$0	\$0
30. Michigan Women’s Commission	FTE 1.0	0.0
<u>Executive</u> includes an increase of \$1.1 million Gross (\$0 GF/GP) to provide funding for the commission’s initiatives. Includes a net-zero technical transfer of \$131,000 GF/GP and authorization for 1.0 FTE position from the unclassified salary line item to the Michigan Women’s Commission. <u>House</u> concurs.	Gross \$242,600	\$1,100,000
	Federal 0	100,000
	Private 0	1,000,000
	GF/GP \$242,600	\$0
31. Commissions on Middle Eastern American Affairs and Asian Pacific American Affairs	Gross \$262,400	\$0
<u>Executive</u> includes \$170,000 GF/GP to fund an increase of \$85,000 GF/GP for each commission. <u>House</u> does not include.	GF/GP \$262,400	\$0
32. Michigan Community Service Commission	FTE 14.0	0.0
<u>Executive</u> includes additional \$160,000 private authorization to reflect increased private revenues. <u>House</u> concurs.	Gross \$11,831,500	\$160,000
	Federal 10,826,000	0
	Private 44,100	160,000
	GF/GP \$961,400	\$0
33. Unemployment Benefit Claims Monitoring	Gross \$4,000,000	\$0
<u>Executive</u> removes \$4.0 million GF/GP removes \$4.0 million GF/GP that supports a third-party service that provides a proprietary identity document capture and verification solution. <u>House</u> retains funding.	GF/GP \$4,000,000	\$0
34. Michigan Rehabilitation Services	Gross \$134,227,900	\$3,600,000
<u>Executive</u> includes \$3.6 million federal funding for a multi-year Federal Disability Innovation Fund Grant for career development and job placement for individuals with disabilities. <u>House</u> concurs.	Federal 108,570,100	3,600,000
	Local 5,300,000	0
	Private 521,500	0
	Restricted 188,300	0
	GF/GP \$19,648,000	\$0
35. State Trade Export Program	Gross NA	\$3,000,000
<u>Executive</u> includes \$3.0 million federal funding to recognize a federal grant administered by the Michigan Strategic Fund (MSF) for the past nine years. This funding appropriation would authorize the grant program funding within the MSF budget. <u>House</u> concurs.	Federal NA	3,000,000
	GF/GP NA	\$0
36. Wage and Hour Program – Administrative Hearings Costs	Gross \$3,970,900	\$156,400
<u>Executive</u> includes an increase of \$156,400 restricted funding for increased expenditures in LEO for administrative hearings and rules expenditures in the LARA budget. <u>House</u> concurs.	Restricted 3,970,900	156,400
	GF/GP \$0	\$0

Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations	FY 2021-22 YTD (as of 2/9/22)	FY 2022-23 House Change
37. Technical Budget Adjustments	Gross	NA (\$17,666,000)
<u>Executive</u> includes a reduction of \$17.7 million Gross (\$5.0 million GF/GP) for technical adjustments to align appropriation authority with available funding estimates. <u>House</u> concurs.	Federal	NA (17,381,800)
	Local	NA (200,000)
	Restricted	NA (5,039,100)
	GF/GP	NA \$4,954,900
38. MiSTEM	FTE	NA 0.0
<u>Executive</u> includes \$600,000 GF/GP and authorization for 2.0 FTE positions to fund the MiSTEM Advisory Council which provides oversight to the MiSTEM Network. \$300,000 of funding and 2.0 FTE authorizations are transferred from the School Aid budget. <u>House</u> does not include.	Gross	NA \$0
	GF/GP	NA \$0
39. Flint Settlement Payments	Gross	\$35,000,000 (\$35,000,000)
<u>House</u> transfers \$35.0 million GF/GP for the Flint Settlement Payment to Treasury as requested by Executive Budget Revision Letter 2023-1.	GF/GP	\$35,000,000 (\$35,000,000)
40. Removal of Supplemental FY 2021-22 Appropriations	Gross	NA (\$1,176,324,500)
<u>Executive</u> includes a reduction of \$1.2 billion Gross (\$1.0 billion GF/GP) to remove FY 2021-22 supplemental funding appropriated in 2021 PA 132 (\$1.0 billion Gross) and 2021 PA 133 (\$176.3 million Gross). <u>House</u> concurs.	Federal	NA (151,698,400)
	Private	NA (350,200)
	Restricted	NA (\$1,021,951,000)
	GF/GP	
41. Removal of FY 2021-22 One-Time Appropriations	Gross	\$364,122,200 (\$355,962,200)
<u>Executive</u> removes funding for the following one-time appropriations:	Federal	118,750,000 (118,750,000)
• \$2.0 million GF/GP – Child Savings Accounts	Restricted	25,000,000 (25,000,000)
• \$1.8 million GF/GP – College Degree Enhancement Grant	GF/GP	\$220,372,200 (\$212,212,200)
• \$1.0 million GF/GP – Construction Career Center Grant		
• \$25.0 million restricted – Legacy Program: Futures for Frontliners		
• \$23.8 million Gross (\$5.0 million GF/GP) – Michigan Career and Technical Institute		
• \$1.0 million GF/GP – Poverty Task Force		
• \$6.0 million GF/GP – Reconnect and Futures for Frontliners Wraparound Services		
• \$100.0 million federal funding – ARP Community Revitalization and Placemaking Grants		
• \$146.9 million GF/GP – Michigan Enhancement Grants		
• \$48.0 million GF/GP – Michigan Infrastructure Grants		
• \$5.0 million GF/GP – Rural Jobs and Capital Investment		
• \$3.0 million GF/GP – Training Center Equipment Grants.		
• \$660,000 GF/GP – Reentry Employment Support		
<u>House</u> concurs, but retains the funding for Rural Jobs and Capital Investment (\$5.0 million GF/GP), Training Center Equipment Grants (\$3.0 million GF/GP), and Reentry Employment Support (funded at \$500,000 GF/GP).		
42. Economic Adjustments	Gross	NA \$9,872,500
<u>Executive</u> increases funding by \$9.9 million Gross (\$1.1 million GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2022 and 0.5% to annualize the FY 2021-22 1.0% increase that began on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>House</u> concurs.	Federal	NA 6,608,000
	Private	NA 3,700
	Restricted	NA 2,201,400
	GF/GP	NA \$1,059,400

Major Boilerplate Changes from FY 2021-22

DEPARTMENT LABOR AND ECONOMIC OPPORTUNITY (LEO)

Sec. 980. Contingency Funds – RETAINED

Appropriates \$15.0 million of federal, \$5.0 million of state restricted, \$1.0 million of private, and \$1.0 million of local contingency funds. Executive revises contingency fund authorizations to \$30.0 million federal, \$10.0 million state restricted, \$2.0 million local, and \$5.0 million private. House retains.

Sec. 983. Broadband Bonding Prohibition – REVISED

Prohibits LEO, the Michigan Strategic Fund (MSF), and the Michigan State Housing Development Authority (MSHDA) from issuing or refinancing bonds or using any funds for broadband construction, expansion, repairs, or upgrades. Executive deletes. House revises by deleting LEO from the prohibition.

Sec. 984. SIGMA System Reporting – RETAINED

Requires LEO to use SIGMA to report encumbrances and expenditures. Executive deletes. House retains.

Sec. 989. Update of Workers' Compensation Administrative Code – RETAINED

States intent of the legislature that the workers' compensation agency annually update R 418.10101 to R 418.101504 of the Michigan Administrative Code as required under the Worker's Disability Compensation Act. Executive deletes. House retains.

Sec. 989b. UIA Request for Solutions – RETAINED

Requires LEO to solicit proposals for UIA solutions through the state's procurement process by December 1, 2021. The solution must incorporate proven processes that correctly decipher between valid and fraudulent claims and expedite claims for payment. Executive deletes. House retains.

Sec. 989c. Broadband-Focused Employees – NEW

States legislative intent that all of the broadband-focused state employees be consolidated into the Department of Labor and Economic Opportunity. House includes new language.

LEO – MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY (MSHDA)

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

Requires Michigan State Housing Development Authority (MSHDA) to annually present a report on the status of the authority's housing production goals under all financing programs. Executive deletes. House retains.

Sec. 991. Housing and Rental Assistance Program Limited-Term Staff – NEW

Authorizes LEO to hire or contract for 10.0 limited-term employees to administer programs. House includes new language.

LEO – MICHIGAN STRATEGIC FUND (MSF)

Sec. 1004. Statutory Reporting Requirements Update – RETAINED

Requires MSF to provide information included in the MSF Act annual activities report to the legislature by March 15. Executive deletes. House retains.

Sec. 1005d. Pure Michigan Promotion – DELETED

Requires Pure Michigan campaign to prioritize sectors of the economy that were disproportionately impacted by the COVID-19 pandemic. Executive and House delete.

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

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

Sec. 1009. Land Purchase Provisions – RETAINED

Prohibits MEDC from purchasing land or land options unless the land is in an economically distressed area or purchase is at invitation of local unit of government and economic development agency; authorizes consideration of purchases where proposed use is consistent with a regional land use plan, will result in redeveloping an economically distressed area, can be supported with existing infrastructure, and will not cause population to shift from population centers; requires a report that lists all properties purchased, all options on land purchased, the location of the land purchased, and the purchase price if the fund purchases land or purchases options on land. Executive deletes. House retains.

Sec. 1013. Fundraising Activity – RETAINED

Prohibits MEDC staff involved in fundraising from being party to grant award, incentives, or tax abatement decisions. Executive deletes. House retains.

Major Boilerplate Changes from FY 2021-22

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

Requires annual activities report from the Michigan Film and Digital Media Office; requires report to 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. House retains.

Sec. 1035. Michigan Council for Arts and Cultural Affairs (MCACA) Grants – REVISED

Requires MCACA to administer an arts and cultural grant program that maintains an equitable geographic distribution of funding and utilizes past arts and cultural grant programs as a guideline; requires MCACA to publish application criteria; authorizes MCACA to charge a non-refundable application fee to be used to administer the programs; requires report. Executive revises by eliminating prohibition on appropriation being used to support administration of the program. Executive deletes. House retains and adds requirement that \$250,000 funding be allocated to the Great Lakes Center for the Arts.

Sec. 1037. Job Creation Services Report – NEW

Requires a biannual report on the fiscal year-to-date expenditures by division and program unit within the Job Creation Services line item. House includes new language.

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. House retains.

Sec. 1054. Employment Opportunity Program Funding Distribution – NOT INCLUDED

Appropriates tax capture revenues collected under the employment opportunity program and allows distribution of payments to qualified businesses pursuant to chapter 8F of the Michigan Strategic Fund Act. Executive includes new language. House does not include.

Sec. 1057. MiOSHA Records – NEW

Requires MiOSHA to maintain physical or virtual records of notes and documents for cases in which an employer was issued a citation or fine for a violation of the Michigan Occupational Safety and Health Act.

LEO – EMPLOYMENT SERVICES

Sec. 1056. MIOSHA Press Release Limitation – RETAINED

Prohibits MIOSHA from identifying specific employers by name in communications distributed to the press with respect to violations issued under emergency rules. Executive deletes. House retains.

Sec. 1057. Housing and Rental Assistance Program Limited-Term Staff – NEW

Authorizes LEO to hire or contract for 10.0 limited-term employees to administer programs. House includes new language.

Sec. 1069. Healthy Michigan Work Requirement Assistance – RETAINED

Authorizes funds appropriated for Workforce Development Program to be used for employment and training-related services and to assist Healthy Michigan plan recipients to secure and maintain training and employment; authorizes funds be used to hire additional department field staff to educate impacted Healthy Michigan Plan recipients on requirements and available services, make referrals, assess and address barriers to employment, and manage other caseload-related impacts; requires quarterly report. Executive deletes. House retains.

Sec. 1077. Unemployment Insurance Agency Branch Offices – RETAINED

Requires funds appropriated for UIA to be used to staff unemployment insurance agency branch offices for in-person appointments for claimant services. Executive deletes. House retains.

Sec. 1079. Interagency Agreement for TANF Funds – RETAINED

Requires LEO to provide reporting on the interagency agreement with DHHS for the use of TANF funds; requires report on use of TANF funds by LEO. Executive deletes. House retains.

Sec. 1083. Michigan Rehabilitation Services Funding for Disabled Agricultural Workers – RETAINED

Allocates \$50,000 from MRS appropriation line item along with federal matching funds for vocational rehabilitation services to disabled agricultural workers; requires report. Executive revises to strike \$50,000 allocation and make funding permissive. House retains.

Major Boilerplate Changes from FY 2021-22

Sec. 1085. Job Development and Community Employment-Related Contracts – RETAINED

Allocates \$6.1 million of MRS funding for service authorizations with accredited, community-based rehabilitation organizations for job development and employment-related services. Executive deletes. House retains.

LEO – COMMISSIONS

Sec. 1091. Ethnic Affairs Commissions' Spending – RETAINED

Requires expenditure of appropriated funds by the commissions to directly relate to mission statements. Executive deletes. House retains.

Sec. 1092. Office of Global Michigan Report – RETAINED

Requires Office of Global Michigan to report on activities of office; stipulates reporting requirements. Executive revises to reflect activities of the office. House retains.

LEO – ONE-TIME APPROPRIATIONS

Sec. 1094. Nature, Science, and Cultural Experiences Grant Program – NOT INCLUDED

Requires the Michigan Council for Arts and Cultural Affairs to establish a competitive grant program that awards grants for art, science, nature, history, and culture projects. Executive includes new language. House does not include.

Sec. 1094c. Grand Rapids Amphitheater – NEW

Requires LEO to award \$30.0 million to a county convention and arena authority for a community amphitheater. House includes new language.

Sec. 1094d. Business Incubator Pilot Program – NEW

Requires LEO to allocate \$30.0 million for a business incubator pilot program. Requires that \$22.0 million be used to develop and administer a competitive application-based grant program to organizations that help startup companies or entrepreneurs, \$100 be awarded to the Digital Health Innovation Corridor, and \$8.0 million be allocated to an economic development organization – Lakeshore Advantage SURGE Center. House includes new language.

Sec. 1094k. Boys and Girls Club – NEW

Requires LEO to award \$1.0 million for facility renovations to a charitable organization that operates a children and teen center. House includes new language.

Sec. 1094l. Kids' Food Basket – NEW

Requires LEO to award \$1.0 million to the Kids' Food Basket program. House includes new language.

Sec. 1094m. Women of Tomorrow – NEW

Requires LEO to award \$200,000 to the women's mentoring and scholarship program. House includes new language.

Sec. 1095. International Talent Attraction Program – NOT INCLUDED

Requires LEO to establish grant program to attract established and start-up businesses to locate or relocate their headquarters to Michigan; requires report. Executive includes new language. House does not include.

Sec. 1096. Michigan Regional Empowerment Program – NOT INCLUDED

Requires LEO to establish competitive grant program to fund economic projects that fulfil local strategic priorities and that are already in the planning stage and have a local economic impact; requires report. Executive includes new language. House does not include.

Sec. 1098. Transformational Education Infrastructure Grants – NOT INCLUDED

Requires LEO to establish competitive grant program for higher education institutions; requires one grant of no less than \$100.0 million to be awarded to improve medical education, health infrastructure and access, and cancer research laboratories; requires a second grant of no less than \$130.0 million to be awarded to improve electric vehicle teaching, training, and development in the state; requires report. Executive includes new language. House does not include.

Sec. 1099. Attainable Homeownership and Apprenticeship Program – NEW

Requires State Land Bank Authority to establish new program to support acquisition, renovation, and resale of properties in land bank inventories; requires report. Executive and House include new language.

Sec. 1100. Public Sector Employment Marketing Campaign – NOT INCLUDED

Requires LEO to develop a comprehensive statewide marketing campaign to promote public service careers. Executive includes new language. House does not include.

Major Boilerplate Changes from FY 2021-22

Sec. 1101. Talent Retention and Expansion Program – NOT INCLUDED

Requires funding to be used for sector strategies in key industries for the creation of jobs that address talent shortages and may fund employer-led collaboratives. Executive includes new language. House does not include.

Sec. 1102. Barrier Removal and Employment Supports – NOT INCLUDED

Requires funding to be used for employment, reemployment, and to remove barriers to employment for at-risk individuals. Executive includes new language. House does not include.

Sec. 1103. Young Professionals Plus Program – NOT INCLUDED

Requires funding to be used to provide work experience, career exploration, and career preparedness for individuals ages 14 to 24 from eligible low-income families. Executive includes new language. House does not include.

FY 2022-23: LEGISLATURE
Summary: House Subcommittee Chair's Recommendation
House Bill 5783 (H-1)



Analyst: Viola Bay Wild

IDG/IDT	FY 2021-22 YTD as of 2/9/22	FY 2022-23 Executive	FY 2022-23 House	FY 2022-23 Senate	FY 2022-23 Conference	Difference: House From FY 2021-22 YTD	
						Amount	%
	\$0	\$0	\$0	\$	\$	0	--
Federal	0	0	0			0	--
Local	0	0	0			0	--
Private	406,000	428,300	428,300			22,300	5.5
Restricted	4,706,800	4,965,700	4,965,700			258,900	5.5
GF/GP	181,535,400	178,605,900	179,355,900			(2,179,500)	(1.2)
Gross	\$186,648,200	\$183,999,900	\$184,749,900	\$	\$	(1,898,300)	(1.0)
FTEs	0.0	0.0	0.0			0.0	--

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

This budget provides funding for the Legislative branch of state government, including the Legislative Council and agencies it governs, the Legislative Retirement System, and Property Management. The legislature enacts the laws of Michigan, levies taxes, and appropriates funding from revenue collected for the support of public institutions and the administration of the affairs of state government. The Legislative Council provides a wide variety of essential services to members and staff of the legislature. The Michigan Legislative Retirement System provides retirement allowances, survivors' allowances, and other benefits for members of the legislature and their spouses, dependents, survivors, and beneficiaries. Property Management employees maintain, operate, and repair the Cora Anderson House of Representatives Office Building and 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 2021-22 Year-to-Date (YTD) Appropriations	FY 2021-22 YTD (as of 2/9/22)	FY 2022-23 House Change
1. Legislative Operations Adjustment	Gross \$175,997,100	\$8,002,800
<u>Executive</u> includes \$8.0 million Gross (\$7.7 million GF/GP) to fund increased costs related to legislative employees and other operations. <u>House</u> concurs.	Private 406,000	22,300
	Restricted 4,706,800	258,900
	GF/GP \$170,884,300	\$7,721,600
2. Independent Citizens Redistricting Commission (ICRC)	Gross \$3,108,900	(\$3,108,900)
<u>Executive</u> removes \$3.1 million GF/GP for the ICRC. The Michigan Constitution requires that the terms of the commissioners expire once the commission has completed its work for a census cycle. <u>House</u> concurs.	GF/GP \$3,108,900	(\$3,108,900)
3. Legislative IT Design Special Project	Gross \$7,542,200	(\$7,542,200)
<u>Executive</u> removes \$7.5 million GF/GP one-time appropriation for phase two of the IT system upgrade to the legislative computer system. <u>House</u> concurs.	GF/GP \$7,542,200	(\$7,542,200)
4. Legal Operations Reserve Fund	Gross \$0	\$750,000
<u>House</u> includes \$750,000 GF/GP one-time appropriation for the Legal Operations Reserve Fund which the legislature may use to legally defend the constitutionality of state laws.	GF/GP \$0	\$750,000

Major Boilerplate Changes from FY 2021-22

Sec. 616. Independent Citizens Redistricting Commission – DELETED

Requires council administrator to assist in administering compensation, benefits, and other personnel support for members, employees, staff, and consultants of the Independent Citizens Redistricting Commission. Executive deletes. House deletes.

Sec. 617. Independent Citizens Redistricting Commission Reporting – DELETED

Requires a quarterly expenditure and activities report from the Independent Citizens Redistricting Commission. Executive deletes. House deletes.

Sec. 618. Legislative IT Design Special Project Work Project – DELETED

Designates appropriation for the legislative IT design special project as a work project account. Executive deletes. House deletes.

Sec. 619. Legal Operations Reserve Fund – NEW

Authorizes the legislature to expend funding from the Legal Operations Reserve Fund to legally defend the constitutionality of state laws; designates unexpended funds as a work project appropriation. Executive does not include new language. House includes new language.

FY 2022-23: LEGISLATIVE AUDITOR GENERAL
Summary: House Subcommittee Chair’s Recommendation
House Bill 5783 (H-1)



Analyst: Viola Bay Wild

	FY 2021-22 YTD as of 2/9/22	FY 2022-23 Executive	FY 2022-23 House	FY 2022-23 Senate	FY 2022-23 Conference	Difference: House From FY 2021-22 YTD	
						Amount	%
IDG/IDT	\$6,345,200	\$6,654,800	\$6,654,800	\$	\$	309,600	4.9
Federal	0	0	0			0	-
Local	0	0	0			0	-
Private	0	0	0			0	-
Restricted	2,170,500	2,329,300	2,329,300			158,800	7.3
GF/GP	18,598,900	19,621,800	19,621,800			1,022,900	5.5
Gross	\$27,114,600	\$28,605,900	\$28,605,900	\$	\$	1,491,300	5.5
FTEs	0.0	0.0	0.0			0.0	-

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as “one-time.”

Overview

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

	FY 2021-22 Year-to-Date (as of 2/9/22)	FY 2022-23 House Change
Major Budget Changes from FY 2021-22 YTD Appropriations		
1. Auditor General Operations Increase	Gross \$27,114,600	\$1,491,300
<u>Executive</u> includes \$1.5 million Gross (\$1.0 million GF/GP) for increased costs related to auditor general staff and other operations. <u>House</u> concurs.	IDG 6,345,200	309,600
	Restricted 2,170,500	158,800
	GF/GP \$18,598,900	\$1,022,900

Major Boilerplate Changes from FY 2021-22

Sec. 624. Authorization to Charge and Collect Fees for Subsequent Audit – RETAINED

Authorizes the auditor general to charge and collect fees for a subsequent audit conducted pursuant to Section 229; states that fees and charges may not exceed cost of audit; provides for expenditure of funds. Executive deletes. House retains.

Sec. 625. Access to Confidential Information – RETAINED

Specifies legislative intent that the auditor general be authorized to access and examine confidential information of each branch, department, office, board, commission, agency, authority, and institution of the state subject to the same duty of confidentiality imposed by law on the entity providing the confidential information. Executive deletes. House retains.

FY 2022-23: STATE (DEPARTMENT)
Summary: House Subcommittee Chair's Recommendation
House Bill 5783 (H-1)



Analyst: Michael Crossen

	FY 2021-22 YTD as of 2/9/22	FY 2022-23 Executive	FY 2022-23 House	FY 2022-23 Senate	FY 2022-23 Conference	Difference: House From FY 2021-22 YTD	
						Amount	%
0	\$20,000,000	\$20,000,000	\$20,000,000	\$	\$	\$0	0.0
Federal	1,460,000	1,460,000	1,460,000			0	0.0
Local	0	0	0			0	--
Private	50,100	50,100	50,100			0	0.0
Restricted	218,218,600	221,007,300	217,966,800			(251,800)	(9.0)
GF/GP	12,435,600	13,746,600	12,444,800			9,200	0.1
Gross	\$252,164,300	\$256,264,000	\$251,921,700	\$	\$	(\$242,600)	(0.1)
FTEs	1,592.0	1,602.0	1560.0			(32.0)	(2.0)

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

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

Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations		FY 2021-22 YTD (as of 2/9/22)	House Change from YTD
1. Mobile Secretary of State Office Expansion	FTE	916.0	0.0
Provides \$1.1 million GF/GP and 10.0 FTE positions to support staffing of 7 mobile secretary of state office vans to provide easy access of services to rural areas and locations with high concentrations of customers vulnerable to COVID-19. <u>House</u> does not include.	Gross	\$91,785,500	\$0
	IDG	20,000,000	0
	Restricted	70,373,000	0
	GF/GP	\$1,412,500	\$0
	Gross	\$10,814,200	\$1,000,000
2. Enhanced Driver License Increase	Restricted	10,814,200	1,000,000
<u>Executive</u> authorizes \$1.0 million Gross (\$0 GF/GP) of state restricted enhanced driver license and enhanced personal identification card fee revenue to reflect increased level of customer transactions due to approaching date of federal REAL ID identification requirements for domestic air travel. <u>House</u> concurs.	GF/GP	\$0	\$0
	Gross	NA	\$300,000
3. State Contracted Security Costs	Restricted	NA	300,000
<u>Executive</u> provides \$300,000 Gross (\$0 GF/GP) to support increased costs statewide of contracted security services at secretary of state branch office locations. <u>House</u> concurs.	GF/GP	NA	\$0

Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations	FY 2021-22 YTD (as of 2/9/22)	House Change from YTD
4. Restricted Revenue Adjustments	Gross	\$2,730,300
<u>Executive</u> reduces state restricted revenue authorization by \$2.7 million to reflect a decrease in projected revenues due in part to changes from criminal justice reform legislation:	Restricted	(2,730,300)
	GF/GP	\$0
<ul style="list-style-type: none"> \$1.0 million – State Lottery Fund \$487,600 – Reinstatement Fees \$396,600 – Vehicle Theft Prevention Fund \$358,500 – Parking Ticket Court Fines \$308,200 – Driver Improvement Course Fund \$163,600 – Child Support Clearance Fees. <u>House</u> concurs.		
5. FTE and Funding Reduction	FTE	NA (30.0)
<u>House</u> reduces \$3.1 million Gross, \$34,500 GF/GP, and 30.0 FTE positions to align FTE authorization and funding to reflect a decrease in filled FTE positions in recent years. \$1.0 million and 10.0 FTE positions were reduced from Department Operations, Branch Operations, and Central Operations line items. <u>Executive</u> does not reduce.	Gross	NA (3,075,000)
	Restricted	NA (3,040,500)
	GF/GP	NA (\$34,500)
6. TACF/TASF Revenue Replacement	Gross	NA \$0
<u>House</u> includes \$19.0 million state restricted from the Transportation Administration Support Fund (TASF), created in Treasury under section 949I, to support expenses related to vehicle and driver services, and reduces corresponding amounts of Transportation Administration Collection Fund (TACF) authorization, resulting in a net \$0 Gross change. Revenue from TASF is provided to help address the long-term revenue shortfall anticipated for TACF. Revenue adjustments are :	Restricted	NA 0
<ul style="list-style-type: none"> \$461,700 for Executive Direction. \$2.7 million for Department Operations. \$1.1 million for Property Management. \$10,900 for Worker's Compensation. \$1.5 million for Legal Services. \$5.6 million for Branch Operations. \$3.4 million for Central Operations. \$4.4 million for Information Technology Services and Projects. <u>Executive</u> does not include.	GF/GP	NA \$0
7. Unclassified Reductions	FTE	6.0 (2.0)
<u>House</u> reduces \$300,000 GF/GP and 2.0 unclassified FTE positions. <u>Executive</u> does not include.	Gross	\$711,800 (\$300,000)
	GF/GP	\$711,800 (\$300,000)
8. Post-Election Audit Study	Gross	NA \$100,000
<u>House</u> provides \$100,000 GF/GP for the department of state to conduct a study on the effectiveness of the state's post-election audit processes compared to other states. <u>Executive</u> does not include.	GF/GP	NA \$100,000
9. Economic Adjustments	Gross	NA \$4,462,700
Reflects increased costs of \$4.5 million Gross (\$243,700 GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2022 and 0.5% to annualize the FY 2021-22 1.0% increase that began on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	Federal	NA 4,219,000
	GF/GP	NA \$243,700

Major Boilerplate Changes from FY 2021-22

Sec. 703. Commercial Look-Up Fees – RETAINS

Authorizes DOS to sell copies of records for various conveyances and to use revenue to finance expenses; requires revenue balance at fiscal year-end to be credited to Transportation Administration Collection Fund; requires department to provide quarterly report on number of records sold and revenue collected. Executive revises to increase record look-up fee from \$11 to \$15 per record, eliminate requirement to submit report within 15 days of close of quarter, and include number of records sold and revenues collected. House retains current law. **(NOTE: \$4 fee increase for record look-up would generate approximately \$19.0 million annually for deposit into the Transportation Administration Collection Fund (TACF) to address long-term revenue shortfalls. Revenue increase is not reflected under major budget changes as it aims to align revenue with current baseline TACF appropriations.)**

Sec. 703a. Bulk Records Sales – REVISED

Authorizes secretary of state to contract for sale of lists of driver and motor vehicle records and other records maintained under Michigan Vehicle Code in bulk, in addition to those lists distributed at cost or at no cost under this section for purposes permitted by and described in section 208c(3) of the Michigan Vehicle Code; requires secretary of state to require each purchaser of bulk records to execute written purchase contract; permits secretary of state to affix cost of not over \$35 per 1,000 records requested. Executive retains current law. House revises to reduce price to \$19 per 1,000 records from October 1, 2022 to March 31, 2023, and to \$20 starting April 1, 2023.

Sec. 714. Branch Office Closings or Consolidations – RETAINED

Requires legislature to be notified in writing at least 180 days prior to closing a branch office or 60 days prior to relocating a branch outside of its current local unit of government; notification to include analyses of branch transactions and revenue, citizen impact, and savings and costs. Executive deletes. House retains. *(Governor declared this section unenforceable in FY 2021-22.)*

Sec. 716. Mobile Branch Office Report – NEW

House requires a report on the activities, costs, and miles driven of all mobile office units and a list of locations at which the mobile offices served customers. Executive does not include.

Sec. 718. Full-Time Walk-In Branch Office Services – RETAINED

Requires department to maintain “adequate in-person services” as defined in the Michigan Vehicle Code, MCL 257.1a.; defined as “providing in-person service options, without the requirement of an advance appointment, on each day and at each location a secretary of state branch office is open for services in this state”. Executive deletes. House retains. *(Governor declared this section unenforceable in FY 2021-22.)*

Sec. 719. State HAVA Grant Report – NEW

House requires a report on reimbursements to counties, cities, and townships from the department's election security grant program funded by federal Help America Vote Act funding. Executive does not include.

Sec. 720. Election Mailings – RETAINED

Requires secretary of state, except for under certain conditions, to notify speaker of the house, senate majority leader, and relevant local government clerks of any election-related mailing to 20 percent or more of registered voters in any voting precinct and to provide a copy of planned mailing not later than 14 days before sending mailing. Executive deletes. House retains.

Sec. 721. Ballot Proposal 2 Cost Report – DELETED

Requires DOS to submit quarterly report on all expenditures associated with establishing Independent Citizens Redistricting Commission and its role as secretary of commission as required by constitutional amendment approved under Ballot Proposal 2 of 2018. Executive deletes. House concurs.

Sec. 721a. Ballot Proposal 3 Cost Report – REVISED

Requires DOS to submit quarterly report on all expenditures associated with implementing changes and new procedures and purchasing equipment needed for implementing same-day registration and no-reason absentee voting as required by constitutional amendment approved under Ballot Proposal 3 of 2018. Executive deletes. House revises to require biannual reporting on expenditures related to materials, equipment, personnel, grants, other administrative cost of absentee voting and same-day voter registration.

Sec. 722. Legacy Mainframes System Modernization – REVISED

Authorizes DOS to spend funds to modernize legacy mainframe systems; requires report of modernization project detailing costs and various updates on project. Executive deletes. House revises by requiring a report on ongoing costs the department's modernized automated IT system, the Customer and Automotive Records System (CARS), as it transitions from implementation to maintenance costs.

Major Boilerplate Changes from FY 2021-22

Sec. 722a. MERTS Election System Report – NEW

House requires a report describing the progress made on updating the Michigan Electronic Reporting and Tracking System (MERTS) and on contracting to modernize or replace the system, including a timeline towards completing the modernization, key implementation dates, and anticipated costs.

Sec. 730. Election Equipment Reserve Fund – NEW

Requires the department to issue grants to local issue grants to county, city, and township clerks to support 50% of their costs of maintaining and replacing election equipment on an as-needed basis; prohibits grantees from using funding from any private or non-profit source to support their share of equipment costs; designates unexpended funds as a work project appropriation. Executive does not include.

Sec. 731. Local Election Operation Reserve Fund – NEW

House requires the department of state to administer grants to county, city, and township clerks to support costs of updating voter rolls, election staff training, and expenses to improve the security of local election administration; prohibits grant funding to be used for bonuses or wage increases; conditions award of grant on applicants agreeing not to accept funding from any private or non-profit entity; requires grantees to submit annual expenditure reports and for the department to report that information; appropriate \$7.3 million to distribute to city and township clerk applicants and \$2.7 million to distribute to county clerk applicants; provides per capita formula for distribution of grant funding; designates unexpended funds as a work project appropriation. Executive does not include.

Sec. 732. Post-Election Audit Study and Report – NEW

House requires the department of state to conduct a study on the effectiveness of the state's post-election audit processes compared to other states; requires report on local units that have or have not complied with post-election audit training requirements. Executive does not include.

**FY 2022-23: TECHNOLOGY, MANAGEMENT, AND BUDGET
Summary: House Subcommittee Chair’s Recommendation
House Bill 5783 (H-1)**



Analyst: Michael Crossen

	FY 2021-22 YTD as of 2/9/22	FY 2022-23 Executive	FY 2022-23 House	FY 2022-23 Senate	FY 2022-23 Conference	Difference: House From FY 2021-22 YTD	
						Amount	%
IDG/IDT	\$1,057,210,900	\$1,047,125,600	\$1,046,778,500	\$	\$	(\$10,432,400)	(1.0)
Federal	10,129,800	5,217,200	10,871,700			741,900	7.3
Local	2,328,700	2,331,200	2,331,200			2,500	0.1
Private	234,700	137,400	137,400			(97,300)	(41.5)
Restricted	121,020,600	123,219,300	122,675,400			1,654,800	1.4
GF/GP	517,745,100	676,209,000	474,230,400			(43,514,700)	(8.4)
Gross	\$1,708,669,800	\$1,854,239,700	\$1,657,024,600	\$	\$	(\$51,645,200)	(3.0)
FTEs	3,147.0	3,183.0	3,143.0			(4.0)	(0.1)

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as “one-time.”

Overview

The Department of Technology, Management, and Budget (DTMB) is the centralized service agency for the executive branch. Its responsibilities include information technology services and project support for state departments and agencies; state facility and lease management; the state motor vehicle fleet; state purchasing and procurement; state retirement systems; internal audit; state budget development and monitoring; and state accounting and financial control systems. Autonomous units within DTMB include the following: State Budget Office, Office of the State Employer, Civil Service Commission, Office of Retirement Services, State Administrative Board, and the Office of Children’s Ombudsman.

Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations		FY 2021-22 YTD (as of 2/9/22)	House Change from YTD
1. ITIF Legacy IT System Projects (One-Time)	Gross	\$50,000,000	(\$5,000,000)
<u>Executive</u> provides a net increase of \$100.0 million GF/GP from FY 2021-22 with \$115.0 one-time GF/GP to Information Technology Investment Fund project portfolio (ITIF) to support new information technology legacy system modernization projects. ITIF would receive \$150.0 million GF/GP total, with recommended ongoing funding of \$35.0 million GF/GP, to support 13 projects including replacement of Unemployment Insurance Agency’s automated system (MiDAS). <u>House</u> decreases combined one-time and ongoing appropriations by \$5.0 million GF/GP.	GF/GP	\$50,000,000	(\$5,000,000)
2. State Facilities Special Maintenance (One-Time)	Gross	\$28,000,000	\$0
<u>Executive</u> provides an additional \$70.0 million in one-time GF/GP for maintenance, demolition, and infrastructure projects for 800 buildings and 5,000 structures that the state owns. With \$28.0 million GF/GP in the current year base, a total of \$98.0 million would be available for special maintenance projects. <u>House</u> does not include.	GF/GP	\$28,000,000	\$0
3. State Fleet Electric Vehicles (One-Time)	Gross	\$82,017,200	\$0
<u>Executive</u> provides \$10.0 million GF/GP to begin transitioning the state’s fleet of 7,000 vehicles to electric vehicles to demonstrate commitment to electric vehicle mobility and clean energy economy. <u>House</u> does not include.	IDG	82,017,200	0
	GF/GP	\$0	\$0

Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations		FY 2021-22 YTD (as of 2/9/22)	House Change from YTD
4. MiLogin Program Augmentation and Stabilization	FTE	17.0	0.0
<u>Executive</u> provides \$5.0 million GF/GP and 8.0 FTE positions to support increased use and adoption of the state's online single sign-on platform following workers' transition to remote work. <u>Executive</u> recommends corresponding \$2.5 million GF/GP increase for FY 2021-22. <u>House</u> does not include.	Gross	\$9,693,200	\$0
	GF/GP	\$9,693,200	\$0
5. Michigan Infrastructure Office	FTE	NA	0.0
<u>Executive</u> provides \$5.0 million GF/GP and 5.0 FTE positions to establish a new office that will coordinate efforts across department agencies to help ensure federal funding available to the state from the Infrastructure Investment and Jobs Act is used effectively and efficiently. \$5.0 million in federal State Fiscal Recovery Fund revenue was appropriated for the office in 2022 PA 53. <u>House</u> does not include.	Gross	NA	\$0
	GF/GP	NA	\$0
6. Energy Efficiency Revolving Fund (One-Time)	Gross	\$5,000,000	(\$5,000,000)
<u>Executive</u> continues FY 2021-22 one-time \$5.0 million GF/GP funding into FY 2022-23, for a \$0 change in FY 2022-23, for up-front financing of projects at state facilities that achieve energy efficiency or renewable energy; aims for re-investment of resources in new projects on continual basis to establish long-term funding aimed at reducing state's carbon footprint. <u>House</u> does not include.	GF/GP	\$5,000,000	(\$5,000,000)
7. Cyber Security and Infrastructure Protection Division	FTE	25.0	10.0
<u>Executive</u> provides \$3.1 million GF/GP and 19.0 FTE positions for additional staffing and resources for the state's cybersecurity protection office. FTE positions would be allocated as follows:	Gross	\$14,149,200	\$1,535,100
<ul style="list-style-type: none"> • 9.0 for Governance, Risk, and Compliance Program to perform security accreditation and risk assessments of all enterprise IT systems • 8.0 for security operations to support front-line program for monitoring critical IT systems for threats • 2.0 for security architecture to ensure legacy system replacements and upgrades have adequate security protocols. 	GF/GP	\$14,149,200	\$1,535,100
<u>House</u> provides \$1.5 million GF/GP and 10.0 FTE positions.			
8. State Office Space Realignment Assessment (One-Time)	Gross	NA	\$0
<u>Executive</u> provides \$1.0 million GF/GP to support office redesign and moving costs over upcoming years as state continues assessment of optimization of state office space and work options following workers' transition to remote work during the pandemic. <u>House</u> does not include.	GF/GP	NA	\$0
9. New Grand Rapids State Police Facility	Gross	\$95,451,500	\$2,000,000
<u>Executive</u> provides \$2.0 million Gross (\$0 GF/GP) to support building management and operational costs of the new State Police facility near Grand Rapids which opened in 2021. Costs cover maintaining the building, equipment, and grounds, overseeing building-related security, utilities, and parking, and asset and preventive maintenance planning. <u>House</u> concurs.	IDG	93,951,500	2,000,000
	GF/GP	\$1,500,000	\$0
10. Central Data Analytics Center	Gross	\$2,750,000	(\$750,000)
<u>Executive</u> reduces \$750,000 from one-time GF/GP funding in FY 2021-22 to provide an ongoing \$2.0 million GF/GP to support operations of new central data analytics center for research and information sharing among state departments. Funding would enable implementation and operation of data center that was initiated with current year one-time funding. <u>House</u> concurs.	GF/GP	\$2,750,000	(\$750,000)

Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations		FY 2021-22 YTD (as of 2/9/22)	House Change from YTD
11. Central Procurement IT Solicitation	FTE	104.0	2.0
<u>Executive</u> provides \$473,300 GF/GP and 2.0 FTE positions for new procurement software and to assist state agencies with IT contract development as procurement documents have increased in complexity to ensure data security and safeguarding provisions are properly included. <u>House</u> concurs.	Gross	\$13,471,100	\$473,300
	IDG	452,900	0
	Restricted	9,118,300	0
	GF/GP	\$3,899,900	\$473,300
12. Delegated Procurement Support	FTE	173.5	7.0
<u>Executive</u> provides \$872,100 Gross (\$0 GF/GP) and 7.0 FTE positions to support increasing workload in delegated procurement process for contracts under \$500,000 due to increases in delegated authority thresholds. <u>House</u> concurs.	Gross	\$26,156,400	\$872,100
	IDG	15,751,300	544,600
	Restricted	4,946,100	327,500
	GF/GP	\$5,459,000	\$0
13. DTMB Vehicle Fleet Rate Changes	Gross	\$82,017,200	\$3,622,500
<u>Executive</u> provides \$3.6 million in IDG funding to reflect increased vehicle travel and insurance service rate adjustments. <u>House</u> concurs.	IDG	82,017,200	3,622,500
	GF/GP	\$0	\$0
14. LMISI Private Funds Placeholder	Gross	\$5,989,900	(\$99,900)
<u>Executive</u> reduces current year private funding authorization by \$99,900 to provide \$100 to serve as placeholder for legislative contingency authorization transfers of potential private philanthropic grants revenue to programs under the Bureau of Labor Market Information and Strategic Initiatives. The Bureau received \$100,000 in private grant funding for the Data for the American Dream Initiative in FY 2021-22. <u>House</u> concurs.	Federal	4,943,900	0
	Local	35,000	0
	Private	100,000	(99,900)
	GF/GP	\$911,000	\$0
15. Annual IT IDG Baseline Adjustment	Gross	\$857,768,000	(\$22,605,100)
<u>Executive</u> reduces IDG funding authorization by \$22.6 million to reflect projects and service adjustments in other executive department and agency budgets, administrative cost allocation changes, and IT budgetary requests made by departments and agencies. Technology Service appropriation lines are prorated by department based on their total IT budget. <u>House</u> concurs.	IDG	857,768,000	(22,605,100)
	GF/GP	\$0	\$0
16. IT Personnel Transfer to Lottery	FTE	11.0	(11.0)
<u>Executive</u> transfers \$1.5 million Gross (\$0 GF/GP) and 11.0 FTE positions to Michigan Bureau of State Lottery to organize employees by tasks typically performed by agencies. <u>House</u> concurs.	Gross	\$1,459,300	(\$1,459,300)
	IDG	1,459,300	(1,459,300)
	GF/GP	\$0	\$0
17. Building Security Cost Increase and Funding Shift	Gross	\$1,500,000	(\$200,000)
<u>Executive</u> reduces \$1.5 million GF/GP and increases IDG authorization by \$1.3 million to shift funding for FY 2021-22 increased security costs at state-owned facilities to departments for a \$200,000 Gross decrease. <u>House</u> concurs.	IDG	0	1,300,000
	GF/GP	\$1,500,000	(\$1,500,000)
18. SWCAP Adjustment	Gross	NA	\$0
<u>Executive</u> reallocates fund sourcing associated with annual Statewide Cost Allocation Plan (SWCAP) for a net change of \$0 Gross and decrease of \$23,400 GF/GP. <u>House</u> concurs.	IDG	NA	(370,400)
	Restricted	NA	393,800
	GF/GP	NA	(\$23,400)
19. IT IDG Line Item Consolidation	Gross	NA	\$0
<u>Executive</u> consolidates funding for five IT IDG line items and FTE positions, totaling \$267.8 million, into Information Technology Services line item which would receive all department IT IDG funding of \$829.4 million, for a net \$0 change. Consolidations would reflect delivery of IT services being project-based instead of department-based. Consolidations by line item:	IDG	NA	0
	GF/GP	NA	\$0
<ul style="list-style-type: none"> • Education Services - \$5.0 million and 33.0 FTE positions • General Services - \$135.8 million and 356.5 FTE positions • Public Protection - \$64.1 million and 162.5 FTE positions • Resources Services - \$21.8 million and 154.5 FTE positions • Transportation Services - \$41.1 million and 99.5 FTE positions. <u>House</u> does not consolidate line items.			

Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations	FY 2021-22 YTD (as of 2/9/22)	House Change from YTD	
20. Civil Service Commission Transfers	FTE	NA	0.0
<u>Executive</u> transfers \$400,000 Gross (\$152,000 GF/GP) and 7.0 FTE positions for two separate requests to align staffing and funding with agency operations for a net \$0 and 0.0 FTE position change. Transfers include:	Gross	NA	\$0
	IDG	NA	0
	GF/GP	NA	\$0
<ul style="list-style-type: none"> \$400,000 from Executive Direction to Information Technology Services and Projects 2.0 FTE positions from Employee Benefits to Executive Direction 5.0 FTE positions from Human Resources Operations to Information Technology Services and Projects. 			
<u>House</u> concurs.			
21. Removal of Current Year One-Time Funding	Gross	\$42,050,000	(\$42,050,000)
<u>Executive</u> and <u>House</u> eliminate \$42.1 million Gross (\$37.1 million GF/GP) of one-time funding appropriated in FY 2021-22:	Federal	5,000,000	(5,000,000)
	GF/GP	\$37,050,000	(\$37,050,000)
<ul style="list-style-type: none"> \$20.0 million GF/GP for advanced cybersecurity threats \$12.3 million GF/GP for legal services \$1.7 million GF/GP for PPE stockpile warehouse operations \$1.0 million GF/GP for business incentive study \$1.0 million GF/GP for statewide PPE stockpile \$500,000 GF/GP for Indiana border survey cost study \$300,000 GF/GP for vendor data tracking \$250,000 GF/GP for state innovation waiver actuarial study \$5.0 million federal funding for COVID-19 Office of Accountability. 			
22. Business Incentive	Gross	NA	\$1,000,000
<u>House</u> provides \$1.0 million GF/GP to continue implementation of the Economic Development Incentive Evaluation Act (2018 PA 540) which requires the department to contract with a private entity, nonprofit entity, or academic institution for the evaluation of economic development incentives. This appropriation would retain FY 2021-22 funding noted as being removed in item number 21. <u>Executive</u> does not include.	GF/GP	NA	\$1,000,000
23. Vendor Data Tracking	Gross	NA	\$300,000
<u>House</u> includes \$300,000 GF/GP to support the continuation and expansion of a subscription for a supplier risk and information tracking system used for a pre-contract risk assessment program. This appropriation would retain FY 2021-22 funding noted as being removed in item number 21. <u>Executive</u> does not include.	GF/GP	NA	\$300,000
24. Geological Survey Repository for Research and Education	Gross	NA	\$6,000,000
<u>House</u> includes \$6.0 million federal State Fiscal Recovery Fund revenue for the Michigan Geological Survey to purchase a larger facility or expand its current facility in Kalamazoo. <u>Executive</u> does not include.	Federal	NA	6,000,000
	GF/GP	NA	\$0
25. FTE and Funding Reduction	FTE	0.0	(18.0)
<u>House</u> reduces \$2.0 million Gross, \$743,500 GF/GP, and 18.0 FTE positions to align FTE authorization and funding to reflect a decrease in filled FTE positions in recent years. \$550,000 and 5.0 FTE positions were each reduced from the Administrative Services, Bureau of Labor Market Information and Strategies, and Business Support Services line items and \$330,000 and 3.0 FTE positions were reduced from the Budget and Financial Management line item. <u>Executive</u> does not reduce.	Gross	NA	(\$1,980,000)
	IDG	NA	(347,100)
	Federal	NA	(345,500)
	Restricted	NA	(543,900)
	GF/GP	NA	(\$743,500)
26. Economic Adjustments	Gross	NA	\$11,696,100
Reflects increased costs of \$11.7 million Gross (\$3.2 million GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2022 and 0.5% to annualize the FY 2021-22 1.0% increase that began on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	NA	6,882,400
	Federal	NA	87,400
	Local	NA	2,500
	Private	NA	2,600
	Restricted	NA	1,477,400
	GF/GP	NA	\$3,243,800

Major Boilerplate Changes from FY 2021-22

Sec. 801. Contingency Funding – RETAINED

Appropriates up to \$2.0 million in federal, \$4.0 million in state restricted, \$75,000 in local, and \$50,000 in private contingency funds; authorizes expenditure of funds after legislative transfer to specific line items. Executive revises to appropriate up to \$4.0 million in federal, \$8.0 million in state restricted, \$150,000 in local, and \$2.0 million in private contingency funds. House retains current authorizations.

Sec. 815. Special Maintenance, Remodeling, and Additions for State Agencies – DOES NOT INCLUDE

Executive appropriates federal and restricted funds earned based on initiatives undertaken with the funds appropriated for Special Maintenance, Remodeling, and Additions for State Agencies; requires the state budget director to determine the appropriate manner for implementing this section; requires the department to notify the legislature within 10 days of effectuating appropriations authorized under this section. House does not include.

Sec. 816. Information Technology Investment Fund – DOES NOT INCLUDE

Executive appropriates federal and restricted funds earned based on initiatives undertaken with the funds appropriated for enterprise-wide information technology investments; requires the state budget director to determine the appropriate manner for implementing this section. House does not include.

Sec. 816. Privatization RFPs – RETAINED

Requires RFP issued for purpose of privatization to include all factors to be used in evaluating and determining price. Executive deletes. House retains. (*Governor declared this section unenforceable in FY 2021-22.*)

Sec. 821. Office of Retirement Services Report – REVISED

Requires the Office of Retirement Services (ORS) to produce a report on the Judges Retirement System, Military Retirement System, Michigan Public School Employees' Retirement System, State Employees' Retirement System, and State Police Retirement System showing tables and charts of the annual required contribution flow per fiscal year and a justification if the payroll growth assumption is maintained at or above 0% for any pension or OPEB plan; requires additional items to be reported for the Michigan Public School Employees' Retirement System; requires ORS to post the most recent year's CAFR for each plan. Executive retains current language. House revises to eliminate requirement to report on annual required contribution payment charts based on basis points less than the current annualized rate of return.

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

Requires a report on fee and rate schedules used by state departments and agencies for services to include changes in fees and rates and an explanation of the factors used to justify increased changes. Executive deletes. House retains.

Sec. 822n. Request for Proposals Website – DELETED

Requires DTMB to establish a request for proposals website that is searchable by department and agency. House retains.

Sec. 823. Paid Advertisements Deletion – REVISED

House deletes subsection authorizing receipt of revenue from selling advertisements on state websites. Executive does not include

Sec. 824. Spatial Information and Technical Services – REVISED

Authorizes DTMB to receive and expend funds for supplying spatial information and technical services to other state departments, local units of government, and other organizations; requires report of fund sources and expenditures. Revised to delete reporting requirement. Executive deletes. House retains.

Sec. 829. Life-Cycle of Hardware and Software – DELETED

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

Sec. 830. Enterprise IT Project Reporting – DELETED

Requires quarterly report on active and closed IT projects throughout all executive branch departments with information on schedule, budget, cost, project changes, project success scores, and number of completed projects that have exceeded their initial schedule and budget estimates. House concurs.

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.

Major Boilerplate Changes from FY 2021-22

Sec. 836. RFI for UIA Information System Rebid – DELETED

Requires department to use third-party vendor to compile business requirements to be incorporated into the RFP for rebid of unemployment insurance benefits system. Executive deletes. House concurs. (Governor declared this section unenforceable in FY 2021-22.)

Sec. 836. Required ITIF Projects – NEW

House requires three information technology project be funded from funds appropriated for the Information Technology Investment Fund. Executive does not include.

Sec. 838. Solar Energy Projects Selection Process – RETAINED

Authorizes requests for proposals or other arrangements for installation of solar energy projects at state-owned or leased facilities to consider the value of the lifecycle carbon emissions in manufacturing of solar equipment as part of selection process; requires DTMB to report on implementation of this section. Executive deletes. House retains.

Sec. 840. EPMO Performance Measures – RETAINED

Requires development and use of metrics for activities related to funds appropriated to Enterprise Portfolio Management Office. Executive deletes. House retains.

Sec. 862. Capital Outlay Required Reports – RETAINED

Requires DTMB to provide various detailed reports to Joint Capital Outlay Subcommittee and fiscal agencies with status of each planning or construction project financed by SBA. Executive deletes. House retains.

Sec. 863. Capital Outlay Rental Increase Approval – RETAINED

Requires proposed new or renewal rental spaces or facilities for which the annual base cost is more than \$500,000 to receive approval from the Joint Capital Outlay Subcommittee (JCOS) prior to being approved by the State Administrative Board; waives JCOS approval in emergency situations and requires department to notify JCOS within 5 days after executing agreement. Executive deletes. House retains. (Governor declared this section unenforceable in FY 2021-22.)

Sec. 863a. State Building Occupancy and Use Report – DELETED

Requires DTMB to submit report which evaluates office building and space usage by all state departments and develop a projection for future building occupancy; lists additional report requirements including projections of amounts of state-owned and leased buildings, comparisons of past occupancy levels with projected levels, plan for building occupancy efficiency, and projected costs to complete space optimization plan. Executive deletes. House concurs.

Sec. 866. State Facility Divestments – NEW

House requires the department to divest of state-owned buildings and office space identified as being unoccupied through office space optimization efforts; requires DTMB to provide a report with a list of expenditures and a description of each property, the benefit of each expenditure, and any additional state facilities recommended for divestment.

Sec. 890. Energy Efficiency Revolving Fund – DELETED

Creates Energy Efficiency Revolving Fund within Treasury; authorizes Treasury to receive money or other assets for deposit into fund and to credit interest and earnings into the fund; provides carry-forward authorization for unexpended funds at close of fiscal year; states that funds appropriated for Energy Efficiency Revolving Fund are deposited into the fund; describes department's responsibilities in administering the fund; directs money saved by projects from the fund to be deposited to the fund and appropriates those funds; requires an annual report that includes a list of all funded projects and savings realized from those projects. Executive retains current language. House deletes.

Sec. 891. Business Incentive Study – RETAINED

Requires one-time appropriated funds for Business Incentive Study to be used to implement Economic Development Incentive Evaluation Act (2018 PA 540). Executive deletes. House retains as section 890.

Sec. 891. Geological survey repository – NEW

House requires funds appropriated for the Michigan Geological Survey be used to purchase a larger facility or expand its current facility in Kalamazoo; appropriates unexpended funds as a work project. Executive does not include.

Sec. 892. Michigan-Indiana Border Survey – DELETED

Requires one-time appropriated funds for Michigan-Indiana Border Survey to be used to conduct a study and cost assessment of administration and remonumentation of Michigan-Indiana border; provides list of costs that must be estimated. Executive deletes. House concurs.

Major Boilerplate Changes from FY 2021-22

Sec. 893. State Innovation Waiver Actuarial Study – DELETED

Requires DTMB to contract with actuarial firm to conduct study that would support information needs of pursuing a state innovation waiver under Patient Protection and Affordable Care Act; lists requirements for proposed state waiver that information from study must be able to show; requires study to produce economic analysis regarding impact of waiver on health insurance coverage in Michigan. Executive deletes. House concurs.

Sec. 894. Statewide PPE Stockpile Procurement – DELETED

Requires one-time appropriated funds for Michigan-Indiana Border Survey to be used to issue request for information to ensure the state has sufficient data regarding optimal PPE needs and subsequently a request for proposal with the purpose of contracting for purchase of PPE and creating state-managed PPE reserve; lists eligibility requirements for contracted vendors. Executive deletes. House concurs.

Sec. 895. Supplier Risk Assessment Program – RETAINED 892

Requires DTMB to maintain a comprehensive supplier risk and information subscription used for the pre-contract risk assessment program described in 2017 PA 107. Executive deletes. House retains as section 892.

Sec. 901. Office Space Realignment Work Project Authorization – NEW

Designates unexpended funds appropriated for space realignment and optimization as a work project account; purpose of project is to assess state facility office space that aligns with workplace planning efforts. Executive adds new language. House does not include.

FY 2022-23: TREASURY
Summary: House Subcommittee Chair's Recommendation
House Bill 5783 (H-1)



Analyst: Viola Bay Wild

	FY 2021-22 YTD as of 2/9/22	FY 2022-23 Executive	FY 2022-23 House	FY 2022-23 Senate	FY 2022-23 Conference	Difference: House From FY 2021-22 YTD	
						Amount	%
IDG/IDT	\$13,073,500	\$11,153,100	\$10,698,100	\$	\$	(2,375,400)	(18.2)
Federal	436,361,400	24,970,700	29,970,700			(406,390,700)	(93.2)
Local	13,032,000	13,209,600	12,659,600			(372,400)	(2.9)
Private	31,000	31,000	31,000			0	0.0
Restricted	1,860,026,100	2,011,075,200	1,964,078,000			104,051,900	5.6
GF/GP	340,511,200	319,675,900	1,831,599,500			1,491,088,300	437.9
Gross	\$2,663,035,200	\$2,380,115,500	\$3,849,036,900	\$	\$	1,186,001,700	5.3
FTEs	1,934.5	1,990.5	1,929.5			(5.0)	(0.3)

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

Overview

The Department of Treasury is the chief fiscal agency of the state and the primary source of advice to the governor on tax and fiscal policy issues. The department's mission is to collect state taxes; to invest, control, and disburse state 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 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.

Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations	FY 2021-22 YTD (as of 2/9/22)	FY 2022-23 House Change
1. Constitutional Revenue Sharing	Gross \$912,040,500	\$52,544,900
<u>Executive</u> includes an increase of \$52.5 million of restricted sales tax revenue relative to the FY 2021-22 budget act appropriated amount. Appropriation represents a \$21.0 million decrease from January 2022 CREC estimates for FY 2021-22 payments. <u>House</u> concurs.	Restricted 912,040,500	52,544,900
	GF/GP \$0	\$0
2. City, Village, and Township (CVT) Revenue Sharing	Gross \$266,245,100	\$5,325,000
<u>Executive</u> increases funding by \$26.6 million of restricted sales tax revenue to provide a 5.0% ongoing and 5.0% one-time increase (10% total) for CVT revenue sharing payments. A CVT would be eligible for a payment equal to 110.0% of its FY 2021-22 eligible payment. <u>House</u> increases funding by \$5.3 million to provide a 1.0% ongoing and 1.0% one-time increase (2% total). A CVT would be eligible for a payment equal to 102.0% of its FY 2021-22 eligible payment.	Restricted 266,245,100	5,325,000
	GF/GP \$0	\$0
3. County Revenue Sharing	Gross \$231,516,700	\$4,637,800
<u>Executive</u> includes \$23.2 million of sales tax revenue to provide a 5.0% ongoing and 5.0% one-time increase (10% total) for all 83 counties. Each county would be eligible to receive 117.3115% of statutory full funding. Includes an additional \$376,000 of sales tax revenue for Emmet County, the last remaining county to deplete their local reserve fund, and Leelanau County which became eligible in FY 2021-22. County Incentive Program (CIP) is increased by \$69,300 sales tax revenue. <u>House</u> includes \$4.6 million for a 1.0% ongoing and 1.0% one-time increase (2% total) which would provide each county with 108.77964% of statutory full funding, and concurs with Executive on funding increase for CIP, and Emmet and Leelanau Counties.	Restricted 231,516,700	4,637,800
	GF/GP \$0	\$0

<u>Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations</u>	<u>FY 2021-22 YTD (as of 2/9/22)</u>	<u>FY 2022-23 House Change</u>	
4. Local Unit Municipal Pension Principal Payment Grants <u>House</u> includes \$900.0 million GF/GP for a grant program to award funding to qualified units of government to deposit into their qualified retirement systems with certain stipulations.	Gross GF/GP	\$0 \$0	\$900,000,000 \$900,000,000
5. Pension Best Practices and Debt Reduction Grant Program <u>House</u> includes \$250.0 million GF/GP for a grant program to award funding to qualified units of government to deposit into their retirement systems. Units must certify and attest to establishing pension best practices for their retirement system among other requirements.	Gross GF/GP	\$0 \$0	\$250,000,000 \$250,000,000
6. State Police Retirement System <u>House</u> includes \$350.0 million GF/GP to be deposited into the state police retirement system in addition to the actuarially determined contribution..	Gross GF/GP	\$0 \$0	\$350,000,000 \$350,000,000
7. Fire Fighter/EMA Signing Bonuses <u>House</u> includes \$5.0 million federal funding to fund a grant program to provide signing bonuses to new fire fighters and EMS personnel and fire fighters and EMS personnel that relocate to Michigan upon employment.	Gross Federal GF/GP	\$0 0 \$0	\$5,000,000 5,000,000 \$0
8. Fire Fighter/EMS Explorer and Job Shadowing Programs <u>House</u> includes \$5.0 million GF/GP for funding to local units to create or expand fire fighter/EMS explorer and job shadowing programs.	Gross GF/GP	\$0 \$0	\$5,000,000 \$5,000,000
9. Fire Fighter/EMS Quarantine Reimbursement <u>House</u> includes \$10.0 million GF/GP for a grant program to local units to reimburse fire fighter and EMS personnel for leave time they were required to use from March 18, 2020 to September 30, 2021 due to quarantine requirements.	Gross GF/GP	\$0 \$0	\$10,000,000 \$10,000,000
10. Fire Fighter/EMS Recruitment Marketing <u>House</u> includes \$2.0 million GF/GP for to establish a competitive grant program to develop targeted marketing and advertising campaign to recruit fire fighters and EMS personnel.	Gross GF/GP	\$0 \$0	\$2,000,000 \$2,000,000
11. Fire Fighter/EMS Retention Bonuses <u>House</u> includes \$5.0 million GF/GP for a grant program to local units to provide retention bonuses to fire fighters and EMS personnel.	Gross GF/GP	\$0 \$0	\$5,000,000 \$5,000,000
12. Fire Gear Initiative <u>House</u> includes \$10.0 million GF/GP for a competitive grant program to assist fire departments to purchase fire gear for fire fighters.	Gross GF/GP	\$0 \$0	\$10,000,000 \$10,000,000
13. Protect Our Protectors – Carbon Monoxide Monitors <u>House</u> includes \$1.0 million GF/GP for a competitive grant program to assist fire departments with purchasing carbon monoxide monitors to have on jump kits.	Gross GF/GP	\$0 \$0	\$1,000,000 \$1,000,000
14. Restricted Fund Appropriations <u>House</u> includes \$39.0 million GF/GP to deposit into three restricted funds: Transportation Administration Support Fund - \$19.0 million, Election Equipment Reserve Fund - \$10.0 million, Local Election Operations Reserve Fund - \$10.0 million.	Gross GF/GP	\$0 \$0	\$39,000,000 \$39,000,000
15. FTE Authorization Reduction <u>House</u> reduces 25.0 FTE authorizations and \$2.8 million Gross (\$594,000 GF/GP) related funding in 5 lines items to reduce FTE authorizations for unfilled positions.	FTE Gross Restricted Local GF/GP	NA NA NA NA NA	(25.0) (\$2,750,000) (1,601,500) (554,500) (\$594,000)

Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations	FY 2021-22 YTD (as of 2/9/22)	FY 2022-23 House Change	
16. General Obligation Debt Service	Gross	\$99,064,000	\$1,020,100
<u>Executive</u> includes \$1.0 million GF/GP to reflect anticipated increase in debt service costs for Clean Michigan Initiative, Great Lakes Water Quality, and Quality of Life general obligation bonds. <u>House</u> concurs.	GF/GP	\$99,064,000	\$1,020,100
17. Electric Vehicle and Charging Equipment Rebates	Gross	\$0	\$0
<u>Executive</u> includes \$50.0 million GF/GP one-time funding for point-of-sale rebates for electric vehicles and charging equipment. The program would provide rebates of up to \$2,000 for the purchase of a new electric vehicle and up to \$500 for charging equipment. <u>House</u> does not include.	GF/GP	\$0	\$0
18. Local Transition Support Grants	Gross	\$0	\$0
<u>Executive</u> includes \$40.0 million GF/GP one-time funding for a grant program to assist communities that experienced significant economic impacts from the departure or disinvestment of major employers or workforce due to the COVID-19 pandemic. No community recipient shall receive more than \$5.0 million from the grant program. <u>House</u> does not include.	GF/GP	\$0	\$0
19. Office of Postsecondary Financial Planning	FTE	NA	0.0
<u>Executive</u> includes \$2.9 million GF/GP and authorizes 5.0 FTE positions to support the administration of new scholarship programs and to fund outreach for student scholarships, including the Reconnect and Educator Recruitment programs. <u>House</u> does not include.	Gross	NA	\$0
	GF/GP	NA	\$0
20. Recreational Marihuana Grants	Gross	\$30,000,000	\$20,580,000
<u>Executive</u> includes an increase of \$20.6 million of restricted Marihuana Regulation Fund to increase the level of payments to locals based on revenues to the fund. Payments to locals are estimated at \$50.6 million for FY 2022-23. These payments are split evenly between counties and other municipalities and distributed proportionately based on the number of marihuana retail stores and microbusinesses within the municipality or county. <u>House</u> concurs.	Restricted	30,000,000	20,580,000
	GF/GP	\$0	\$0
21. Tax Program Changes – Support for Retirement Tax Repeal	Gross	NA	\$0
<u>Executive</u> includes \$1.2 million restricted one-time funding to administer the proposed plan to restore income tax exemptions on retirement income by 2025. <u>House</u> does not include.	Restricted	NA	0
	GF/GP	NA	\$0
22. Flow-Through Entity Tax Administration	FTE	NA	10.0
<u>Executive</u> includes \$1.4 million GF/GP and authorizes 10.0 FTE positions to provide administrative support to oversee the new flow-through entity tax established in 2021 PA 135. <u>House</u> concurs.	Gross	NA	\$1,376,900
	GF/GP	NA	\$1,376,900
231. Office of Organizational Development	FTE	0.0	0.0
<u>Executive</u> includes \$751,300 GF/GP and authorizes 5.0 FTE positions to establish an Office of Organizational Development to recruit, develop, and retain an inclusive and diverse workforce within the department. <u>House</u> does not include.	Gross	\$0	\$0
	GF/GP	\$0	\$0
24. Michigan Gaming Control Board (MGCB) – Staffing and IT Support	FTE	151.0	10.0
<u>Executive</u> includes an increase of \$3.3 million restricted funding and authorizes 25.0 FTE positions to MGCB to increase staff and IT support due to increased workload from higher than expected internet gaming activity. <u>House</u> includes \$1.3 million restricted funding and authorizes 10.0 FTE positions.	Gross	\$31,297,600	\$1,319,400
	Restricted	31,297,600	1,319,400
	GF/GP	\$0	\$0

Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations	FY 2021-22 YTD (as of 2/9/22)	FY 2022-23 House Change
25. MGCB – Staff Retention and Professional Development	FTE 151.0	0.0
<u>Executive</u> includes an increase of \$360,900 restricted funding for initiative to help retain staff through professional development programs. <u>House</u> does not include.	Gross \$31,297,600	\$0
	Restricted 31,297,600	0
	GF/GP \$0	\$0
26. MGCB – IT Network Speed Increase	FTE 0.0	0.0
<u>Executive</u> includes an increase of \$1.8 million restricted funding to increase IT support, network storage capacity, and network speeds in Detroit MGCB casino offices to support operations, including surveillance videos and the transfer of large regulatory files. <u>House</u> concurs.	Gross \$3,480,200	\$1,801,400
	Restricted 3,480,200	1,801,400
	GF/GP \$0	\$0
27. Responsible Gaming Advertisement Campaign	Gross NA	\$1,000,000
<u>Executive</u> includes \$3.0 million restricted one-time funding for advertising to promote responsible gaming, the use of the problem gambling hotline, and outreach to community organizations. <u>House</u> includes \$1.0 million restricted funding.	Restricted NA	1,000,000
	GF/GP NA	\$0
28. Lottery IT Support Transfer	FTE 0.0	0.0
<u>Executive</u> includes a net-to-zero technical transfer of 11.0 FTE authorizations into the Lottery budget from DTMB. These employees provide IT services to the Lottery and the funding for the positions is currently paid by Lottery to DTMB through an IDG transfer. Following this proposed transfer of FTE authorizations, the funding would remain in the Lottery budget. <u>House</u> does not include.	Gross \$1,459,300	\$0
	Restricted 1,459,300	0
	GF/GP \$0	\$0
29. Treasury – IT Maintenance	Gross \$43,687,200	\$0
<u>Executive</u> increases funding by \$1.3 million Gross (\$795,000 GF/GP) for additional ongoing support for two critical systems: the Revenue Sharing and Personal Property Tax IT system and the Motor Fuel and Tobacco Tax system (MiMats). <u>House</u> does not include.	IDG 407,300	0
	Federal 614,300	0
	Restricted 20,887,800	0
	GF/GP \$21,777,800	\$0
30. Flint Settlement Payment	Gross \$0	\$35,000,000
<u>House</u> includes \$35.0 million GF/GP funding for the Flint Settlement Payment transferred from the Department of Labor and Economic Development budget as requested by Executive Budget Revision Letter 2023-1.	GF/GP \$0	\$35,000,000
31. Other Technical Adjustments	Gross NA	\$8,310,300
<u>Executive</u> includes the following technical adjustments:	IDG NA	(2,518,500)
• Includes \$10.7 million restricted funding for the Convention Facility Development Distribution due to anticipated increased revenue	Federal NA	(2,542,500)
• Includes \$150,000 GF/GP for the Senior Citizen Cooperative Housing Tax Exemption Program for new facilities entering the program	Restricted NA	13,221,300
• Reduces federal authorization by \$2.3 million for Michigan Guaranty Agency which monitors and collects federal student loans because a portion was reassigned to the federal agency	GF/GP NA	\$150,000
• Removes \$4,400 federal funding for an economic adjustment for the Home Heating Assistance Program		
• Eliminates \$288,100 federal funding for the John R. Justice program that provides student loan assistance to public defenders and prosecutors; program is no longer active		
• Shifts \$2.5 million IDG funding for State Agency Collections Fees to restricted funding from Delinquent Tax Collection Fund.		
<u>House</u> concurs.		

<u>Major Budget Changes from FY 2021-22 Year-to-Date (YTD) Appropriations</u>	<u>FY 2021-22 YTD (as of 2/9/22)</u>	<u>FY 2022-23 House Change</u>
32. FY 2021-22 One-Time Appropriations	Gross \$44,033,000	(\$44,033,000)
<u>Executive</u> removes the following one-time GF/GP appropriations included in FY 2021-22:	GF/GP \$44,033,000	(\$44,033,000)
<ul style="list-style-type: none"> • \$18.0 million – Transportation Administration Support Fund • \$16.0 million – NextGen Infrastructure • \$5.0 million – Local First Responder Recruitment and Training Grants • \$4.6 million – Flow-Through Entity Tax Implementation • \$433,000 – Coronavirus Relief Local Government Grants Reimbursement 		
<u>House</u> concurs.		
33. Removal of Supplemental FY 2021-22 Appropriations	Gross NA	(\$484,000,000)
<u>Executive</u> includes a reduction of \$484.0 million Gross (\$75.0 million GF/GP) to remove FY 2021-22 supplemental funding appropriated in 2021 PA 132. <u>House</u> concurs.	Federal NA GF/GP NA	(409,000,000) (\$75,000,000)
34. Economic Adjustments	Gross NA	\$6,492,900
<u>Executive</u> includes \$6.5 million Gross (\$1.2 million GF/GP) for increased costs of negotiated salary and wage increases (5.0% on October 1, 2022 and 0.5% to annualize the FY 2021-22 1.0% increase that began on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>House</u> concurs.	IDG NA Federal NA Local NA Restricted NA GF/GP NA	143,100 151,800 177,600 4,852,100 \$1,168,300

Major Boilerplate Changes from FY 2021-22

TREASURY OPERATIONS

Sec. 901. Contingency Funds – RETAINED

Appropriates up to \$500,000 of federal, \$10.0 million of state restricted, \$100,000 of local, and \$20,000 of private contingency funds; authorizes expenditures after legislative transfer to specific line items. Executive revises to increase to \$1.0 million of federal, \$200,000 of local, and \$40,000 of private contingency funds. House retains current language.

Sec. 921. Revenue Bulletins, Notices, and Administrative Rules Notices – RETAINED

Requires the department to notify the legislature on any revenue bulletins, administrative rules involving tax administration or collection, or notices interpreting changes in law. Executive revises to require legislative notification no later than 5 business days after posting rather than the same day of posting. House retains current language.

Sec. 926. John R. Justice Grant – DELETED

Designates the John R. Justice grant appropriation as a work project appropriation. Executive deletes. House deletes.

Sec. 934. Expending of Authority Revenues – RETAINED

Authorizes the department to expend revenues under various authorities for operation expense and grants to Civil Service Commission and State Employee's Retirement Fund; requires maintaining records to facilitate reimbursement. Executive revises to eliminate reporting requirement. House retains.

Sec. 947. Financial Independent Teams – RETAINED

Stipulates that the financial independence teams shall cooperate with the Financial Responsibility Section to coordinate and streamline efforts in identifying and addressing fiscal emergencies in school districts and intermediate school districts. Executive deletes. House retains.

Sec. 949g. Equal Opportunity Program Funding Distribution – NOT INCLUDED

Appropriates tax capture revenues collected under the employment opportunity program and allows distribution of payments to qualified businesses pursuant to chapter 8F of the Michigan Strategic Fund Act. Executive includes new language. House does not include.

Major Boilerplate Changes from FY 2021-22

Sec. 949I. Transportation Administration Support Fund – RETAINED

Creates the Transportation Administration Support Fund in the Department of Treasury; requires funds to be carried forward and not lapse; subjects funds to appropriation; specifies that funds appropriated for the fund are to be deposited in the fund. Executive deletes. House retains.

Sec. 949n. Foster Futures Scholarship Trust Fund – NEW

Appropriates gifts or donations to the Fostering Futures Scholarship Trust Fund for the program. Executive and House include new language.

Sec. 949o. Election Equipment Reserve Fund – NEW

Creates the Election Equipment Reserve Fund in the Department of Treasury; requires funds to be carried forward and not lapse; subjects funds to appropriation; specifies that funds appropriated for the fund are to be deposited in the fund. House includes new language.

Sec. 949o. Local Election Operations Reserve Fund – NEW

Creates the Local Election Operations Reserve Fund in the Department of Treasury; requires funds to be carried forward and not lapse; subjects funds to appropriation; specifies that funds appropriated for the fund are to be deposited in the fund. House includes new language.

TREASURY - REVENUE SHARING

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

Specifies distribution of \$266.2 million to all CVTs that received a payment under Section 950(2) of 2009 PA 128 greater than \$1,000.00; eligible payment is equal to 102.0% of its FY 2020-21 eligible payment; any unexpended funds are directed to be deposited in the Financial Distressed CVTs program in Sec. 956, subject to approval of transfers; requires eligible CVTs to allocate an amount equal to their FY 2020-21 eligible payment increase to their unfunded pension liabilities if they have a pension that is considered to be in unfunded status. (CVTs are exempt if they have issued a municipal security to pay down their unfunded liability.) Executive revises to reflect eligible payment equal to 110.0% of FY 2021-22 eligible payment and strikes language requiring the eligible unit to dedicate increased funds to unfunded pension liabilities. House revises to reflect payment increase to 102.0% of previous year payments and retains unfunded pension language; requires CVTs must maintain public safety funding not less than FY 2018-19 levels to receive funding.

Sec. 955. County Revenue Sharing Payments – REVISED

Requires the county revenue sharing appropriation to be distributed so that each eligible county receives a payment (when coupled with the County Incentive Program payment) equal to 106.6435% of the amount determined pursuant to the Glenn Steil State Revenue Sharing Act; requires counties receiving a payment to allocate their FY 2020-21 eligible payment increase to their unfunded pension liabilities if they have a pension that is considered to be in unfunded status. (Counties are exempt if they have issued a municipal security to pay down their unfunded liability.) Executive revises to increase payments to counties by 10.0% which would represent 117.3115% of statutory full funding; strikes language requiring the eligible county to dedicate increased funds to unfunded pension liabilities. House revises to reflect payment increase to 108.77964% of previous year payments and retains unfunded pension language; requires CVTs must maintain public safety funding not less than FY 2018-19 levels to receive funding.

TREASURY – GAMING CONTROL BOARD

Sec. 972. Internet Gaming – NEW

Requires that after required gaming expenditures are made, any remaining funding in the Fantasy Contest Fund, the Internet Gaming Fund, and the Internet Sports Betting Fund are appropriated and shall be deposited into the School Aid Fund. Executive and House include new language.

Sec. 978. Racing Commission Regulatory Changes – RETAINED

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

Major Boilerplate Changes from FY 2021-22

Sec. 979. Millionaire Party Regulation – REVISED

Appropriates amount not to exceed the amount appropriated to the MGCB from the State Lottery Fund to support regulation and licensing of millionaire parties pursuant to Executive Order 2012-4; requires report. Executive revises to change the funding to the Internet Gaming Fund and to delete the reporting requirement. House concurs with the fund change and retains report.

Sec. 979d. Fire Fighter/EMA Signing Bonuses – NEW

Requires Treasury to distribute funding through a grant program to provide signing bonuses to new fire fighters and EMS personnel and fire fighters and EMS personnel that relocate to Michigan upon employment. Signing bonuses funded by program must not exceed \$5,000.00; designates unexpended funds as a work project appropriation. House includes new language.

Sec. 979e. Fire Fighter/EMS Explorer and Job Shadowing Programs – NEW

Requires Treasury to distribute funding to local units to create or expand fire fighter/EMS explorer and job shadowing programs; includes criteria for applicants to programs; designates unexpended funds as a work project appropriation. House includes new language.

Sec. 979f. Fire Fighter/EMS Quarantine Reimbursement – NEW

Requires Treasury to distribute funding to local units through a grant program to local units to reimburse fire fighter and EMS personnel for leave time they were required to use from March 18, 2020 to September 30, 2021 due to quarantine requirements; designates unexpended funds as a work project appropriation. House includes new language.

Sec. 979g. Fire Fighter/EMS Recruitment Marketing – NEW

Requires Treasury to establish a competitive grant program to develop targeted marketing and advertising campaign to recruit fire fighters and EMS personnel; designates unexpended funds as a work project appropriation. House includes new language.

Sec. 979h. Fire Fighter/EMS Retention Bonuses– NEW

Requires Treasury to establish a grant program to local units to provide retention bonuses to fire fighters and EMS personnel. Retention bonuses funded by program must not exceed \$5,000; designates unexpended funds as a work project appropriation. House includes new language.

Sec. 979i. Fire Gear Initiative – NEW

Requires Treasury to establish a competitive grant program to assist fire departments to purchase fire gear for fire fighters. Grants must not exceed \$10,000; designates unexpended funds as a work project appropriation. House includes new language.

Sec. 979j. Protect Our Protectors – Carbon Monoxide Monitors – NEW

Requires Treasury to establish a competitive grant program to assist fire departments with purchasing carbon monoxide monitors to have on jump kits; designates unexpended funds as a work project appropriation. House includes new language.