

FY 2021-22 GENERAL OMNIBUS BUDGET
Summary: House Floor Substitute
House Bill 4410 (H-2)



Mary Ann Cleary, Director

TOTAL APPROPRIATIONS BY BUDGET AREA

Budget Area [Summary Page]	FY 2021-22	
	Gross	GF/GP
Agriculture and Rural Development [2]	\$119,330,300	\$61,136,900
Corrections [6]	2,063,013,600	2,002,510,000
Education [20]	406,054,400	86,398,100
Environment, Great Lakes, and Energy [25]	604,275,600	69,700,400
General Government [33]		
Attorney General [36]	107,338,800	41,996,000
Civil Rights [40]	17,584,100	14,357,300
Executive Office [42]	7,318,600	7,318,600
Labor and Economic Opportunity [43]	1,635,877,600	211,843,100
Legislature [57]	177,943,200	172,830,400
Legislative Auditor General [59]	27,114,600	18,598,900
State [60]	270,164,300	12,435,600
Technology, Management, and Budget [64]	1,641,669,800	455,845,100
Treasury [71]	2,152,602,200	239,078,200
Subtotal: General Government	6,037,613,200	1,174,303,200
Health and Human Services [79]	31,193,598,000	5,206,290,700
Insurance and Financial Services [102]	72,987,600	0
Judiciary [106]	318,631,500	207,449,300
Licensing and Regulatory Affairs [112]	513,986,400	179,845,900
Military and Veterans Affairs [119]	217,688,100	75,594,300
Natural Resources [124]	463,841,400	48,112,500
State Police [130]	799,478,900	497,843,700
Transportation [138]	5,236,519,200	0
TOTAL	\$48,047,018,200	\$9,609,185,000

Budget Area [Summary Page]	FY 2020-21	
	Gross	GF/GP
Supplemental [148]	\$270,150,100	\$7,225,000
TOTAL	\$270,150,100	\$7,225,000

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

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
Summary: House Floor Substitute
Article 1, House Bill 4410 (H-2)

Analyst: William E. Hamilton

	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Executive	FY 2021-22 House	FY 2021-22 Senate	FY 2021-22 House Omnibus	Difference: House Omnibus From FY 2020-21 YTD	
						Amount	%
IDG/IDT	\$324,400	\$320,000	\$80,000	\$320,000	\$320,000	(\$4,400)	(1.4)
Federal	13,129,500	13,599,800	3,400,300	13,599,800	13,599,800	470,300	3.6
Local	0	0	0	0	0	0	--
Private	71,300	71,300	17,800	71,300	71,300	0	0.0
Restricted	44,153,000	44,377,300	11,051,200	44,152,300	44,202,300	49,300	0.1
GF/GP	63,616,800	57,883,900	13,172,900	64,133,900	61,136,900	(2,479,900)	(3.9)
Gross	\$121,295,000	\$116,252,300	\$27,722,200	\$122,277,300	\$119,330,300	(\$1,964,700)	(1.6)
FTEs	525.0	526.0	507.0	446.1	525.0	0.0	0.0

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 4394 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 77 as passed by the Senate.

*The majority of the appropriations in the House-passed version provided the equivalent of one-quarter of the annual appropriation.

Overview

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

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
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Major Budget Changes from FY 2020-21 YTD Appropriations

NOTE: House changes represent annualized appropriations for comparison purposes.

1. Unclassified Salaries

Executive increases unclassified salaries by \$18,000 GF/GP. House reduces funding to \$173,400 GF/GP and authorizes only 1.0 FTE position; Senate retains current year funding and FTE authorization. House Omnibus concurs with Executive.

FTE	6.0	0.0
Gross	\$599,900	\$18,000
GF/GP	\$599,900	\$18,000

2. Information Technology

Executive provides ongoing funding for support and maintenance of licensing and inspection systems. House, Senate, and House Omnibus concur with Executive.

Gross	\$2,068,200	\$254,900
IDG	3,200	0
Restricted	205,800	44,900
GF/GP	\$1,859,200	\$210,000

3. Michigan Animal Agriculture Alliance

Executive includes \$1.7 million GF/GP for a Michigan State University (MSU) animal agriculture research grant program, a \$1.3 million reduction from current year. House, Senate, and House Omnibus retain current-year funding level of \$3.0 million GF/GP.

Gross	\$3,000,000	\$0
GF/GP	\$3,000,000	\$0

AGRICULTURE AND RURAL DEVELOPMENT

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
4. Food Safety and Quality Assurance	FTE	103.0	0.0
<u>Executive</u> makes no baseline changes. <u>House</u> cuts baseline funding by \$1.5 million GF/GP and FTE authorization by 10.0 FTEs. Senate reduces baseline by \$100,000 GF/GP and reduces FTE authorization. [See Item 15, below, regarding Senate reductions in FTE authorization.] <u>House Omnibus</u> concurs with Executive and retains current-year funding and FTE authorization.	Gross	\$18,276,600	\$0
	Federal	2,698,000	0
	Restricted	6,319,800	0
	GF/GP	\$9,258,800	\$0
5. Milk Safety and Quality Assurance	FTE	103.0	0.0
<u>Executive</u> makes no baseline changes. <u>House</u> concurs with Executive. <u>Senate</u> increases GF/GP by \$50,000, cuts restricted by a like amount, adds 3.0 FTE positions. <u>House Omnibus</u> concurs with Executive and retains current-year funding and FTE authorization.	Gross	\$18,276,600	\$0
	Federal	2,698,000	0
	Restricted	6,319,800	0
	GF/GP	\$9,258,800	\$0
6. Local Conservation Districts	Gross	\$0	\$2,000,000
Senate includes new line item, funded at \$3.0 million GF/GP, to provide baseline funding for local conservation districts. <u>House Omnibus</u> includes the line at \$2.0 million GF/GP, includes related boilerplate Sec. 609.	GF/GP	\$0	\$2,000,000
7. Qualified Forest Program	FTE	9.0	0.0
<u>Executive</u> retains current year baseline funding. <u>House</u> reduces baseline funding by \$491,500 GF/GP and FTE authorization by 3.0. <u>Senate</u> concurs with Executive regarding funding, reduces FTE authorization (see Item 15, below). <u>House Omnibus</u> concurs with Executive and retains current-year baseline funding and FTE authorization.	Gross	\$2,662,800	\$0
	Restricted	1,080,100	0
	GF/GP	\$1,582,700	\$0
8. Laboratory Services	Gross	\$17,752,400	\$600,000
<u>Executive</u> recognizes a \$600,000 federal Health and Human Services/Food and Drug Administration grant to support integrated food safety system. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur with Executive. [This grant is also the subject of a current-year transfer request.]	IDG	227,800	0
	Federal	2,817,600	600,000
	Restricted	7,389,900	0
	GF/GP	\$7,317,100	\$0
9. Fair Food Network/Double Up Food Bucks	Gross	\$900,000	\$0
<u>Executive</u> retains current year funding level of \$900,000 GF/GP for program that increases purchasing power of Michigan residents who receive Supplemental Nutritional Assistance Program (SNAP) benefits. <u>Senate</u> does not include. <u>House</u> and <u>House Omnibus</u> concur with Executive and retain current-year funding level.	GF/GP	\$900,000	\$0
10. Food and Agriculture Investment Grant Program	Gross	\$2,470,600	\$0
<u>Executive</u> retains current year funding level of \$2.5 million GF/GP for program that provides grants for agri-business development projects. <u>Senate</u> increases by \$740,000 GF/GP, to \$3.2 million. <u>House</u> and <u>House Omnibus</u> concur with Executive and retain current-year funding level.	GF/GP	\$2,470,600	\$0
11. Office of Rural Development	FTE	0.0	0.0
<u>Executive</u> proposes using \$175,000 from the Rural Development Fund to support 1.0 FTE position, and related costs, in a new Office of Rural Development. [Executive also includes in current year supplemental request.] <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> do not include.	Gross	\$0	\$0
	Restricted	0	0
	GF/GP	\$0	\$0
12. County Fairs	Gross	\$500,000	\$0
<u>Executive</u> retains current year funding level of \$500,000 GF/GP. <u>Senate</u> increases baseline funding for county fair grant program to \$2.5 million GF/GP, a \$2.0 million increase. <u>House</u> increases baseline funding by \$491,500. <u>House Omnibus</u> concurs with Executive and retains current-year funding level.	GF/GP	\$500,000	\$0

AGRICULTURE AND RURAL DEVELOPMENT

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
13. Horse Racing Advisory Commission	Gross	\$0	\$0
<u>House</u> includes \$100 placeholder from the Agriculture Equine Industry Development Fund. <u>House Omnibus</u> does not include.	Restricted	0	0
	GF/GP	\$0	\$0
14. Farm Stress	Gross	\$0	\$0
<u>Senate</u> includes \$225,000 GF/GP for new farm stress program defined in boilerplate section 902. <u>House Omnibus</u> does not include.	GF/GP	\$0	\$0
15. Classified Full-Time Equated Position (FTE) Authorization	FTE	519.0	0.0
<u>Senate</u> reduces authorization for classified FTEs across a number of operating line items: Executive Direction, (4.2 FTEs); Food Safety, (17.7 FTEs); Animal Industry, (10.2 FTEs); Pesticide and Plant Pest Management, (15.1 FTEs); Environmental Stewardship/MAEAP, (6.6 FTEs); Farmland/Open Space, (2.3 FTEs); Intercounty Drain, (2.1 FTEs); Migrant Labor Housing, (0.5 FTEs); Qualified Forest Program, (0.9 FTEs); Right to Farm, (0.4 FTEs); Laboratory Programs, (19.2 FTEs); and Agriculture Development programs, (5.7 FTEs). <u>Senate</u> increases FTE authorization for Emergency Management, 2.6 FTEs; and Milk Safety, 3.4 FTEs. These changes result in a net reduction of 78.9 FTE positions as compared to the current year. Other than the reductions in Food Safety, and Qualified Forest Program, noted above, <u>House</u> does not reduce classified FTE positions. <u>House Omnibus</u> retains current-year FTE authorization across all line items.			
16. End of One-Time CREP Funding	Gross	\$4,400,000	(\$4,400,000)
<u>Executive</u> eliminated \$4.4 million GF/GP one-time appropriation for the Conservation Reserve Enhancement Program (CREP), a targeted environmental protection program. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur with <u>Executive</u> and do not include this one-time item in FY 2021-22 baseline.	GF/GP	\$4,400,000	(\$4,400,000)
17. Economic Adjustments	Gross	NA	(\$415,700)
<u>Executive</u> recommendation reflects net decrease of \$415,700 Gross (\$289,900 GF/GP). Budgeted increases for salaries and wages (negotiated 2.0% increase on October 1, 2021 and 1.0% on April 1, 2022), and increases related to actuarially required retirement contributions, worker's compensation, and building occupancy charges, are offset by a reduction in calculated contributions for retiree medical benefits. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur with <u>Executive</u> .	IDG	NA	(1,200)
	Federal	NA	(27,900)
	Restricted	NA	(96,700)
	GF/GP	NA	(\$289,900)

Boilerplate Changes from FY 2020-21

Sec. 210. Use of Contingency Fund Transfers – REVISED

Senate deletes section that provide for contingency fund transfers in accordance with the Management and Budget Act. House, and House Omnibus retain current-year language with language modification.

Sec. 215. Communication with the Legislature – RETAINED

Executive deletes section that prohibits department from taking disciplinary action against an employee for communicating with the Legislature. House, Senate, and House Omnibus retain.

Sec. 216. Report on FTE Positions and Remote Work – RETAINED

Executive deletes reporting requirement on staffing levels in relation to FTE authorization, employees authorized to work remotely, and related cost savings. House, Senate, and House Omnibus retain.

Sec. 217. Work Project Limits – RETAINED

Executive deletes section that requires that work project balances be exhausted before expenditure from part 1 appropriations. House, Senate, and House Omnibus retain.

Boilerplate Changes from FY 2020-21

Sec. 218. State Administrative Board Transfers – RETAINED

Executive deletes section that provides for the legislature to intertransfer funds within departmental budget if the State Administrative Board transfers funds from an appropriation within this departmental budget. House, Senate, and House Omnibus retain.

Sec. 220. Impact of New Legislation – RETAINED

Executive deletes section that requires a report on specific policy changes made to implement new public acts enacted in prior calendar year. House, Senate, and House Omnibus retain.

Sec. 221. Severance Pay Report – NEW

House includes new reporting requirements related to severance pay paid to department personnel upon the termination of employment. House Omnibus concurs with House.

Sec. 222. Prohibition on Covid-19 Passport – NEW

House includes restrictions on the use of Covid-19 “passports” to document vaccination status. House Omnibus concurs with House.

Sec. 609. Local Conservation Districts – NEW

Senate includes new language directing that the appropriation for local conservation district be distributed equally among local conservation districts. House Omnibus concurs with Senate.

Sec. 610. Farmland/Opens Space Tax Credit Processing – NEW

Senate includes new language requiring the department to coordinate with the Michigan Department of Treasury to improve timely processing of tax credits under farmland and open space preservation programs. House Omnibus concurs with Senate.

Sec. 902. Farm Stress Program – NOT INCLUDED

Senate includes language defining the purpose of the part 1 appropriation. House Omnibus does not include.

CORRECTIONS**DEPARTMENT OF CORRECTIONS
Summary: House Floor Substitute
Article 2, House Bill 4410 (H-2)****Analyst: Robin R. Risko**

	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Executive	FY 2021-22 House	FY 2021-22 Senate	FY 2021-22 House Omnibus	Difference: House Omnibus From FY 2020-21 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	196,370,900	5,364,100	808,364,100	5,364,100	5,364,100	(191,006,800)	(97.3)
Local	9,680,600	9,646,100	9,646,100	9,646,100	9,646,100	(34,500)	(0.4)
Private	0	0	0	0	0	0	--
Restricted	45,478,500	45,493,400	45,493,400	45,493,400	45,493,400	14,900	0.0
GF/GP	1,809,258,400	2,018,523,400	1,213,869,400	2,003,785,300	2,002,510,000	193,251,600	10.7
Gross	\$2,060,788,400	\$2,079,027,000	\$2,077,373,000	\$2,064,288,900	\$2,063,013,600	\$2,225,200	0.1
FTEs	13,702.8	13,500.4	13,495.4	12,605.7	13,500.4	(202.4)	(1.5)

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 4396 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 80 as passed by the Senate.

Overview

The Michigan Department of Corrections (MDOC) is responsible for operation and maintenance of the state's 28 correctional facilities that house felony offenders sentenced to prison. This includes provision of physical and mental health care, education, food service, transportation, and reintegration programming. The department is also responsible for supervision of all parolees and probationers under the department's jurisdiction and has oversight over community corrections programs and other programs designed to encourage alternatives to prison placement for appropriate offenders. As of June 1, 2021, the department was responsible for 77,157 Michigan offenders: 32,714 prisoners, 32,261 probationers, and 12,182 parolees. From 1 year ago, the total number of offenders decreased by 11,600, or by 13.1%. The number of prisoners decreased by 3,444, or 9.5%, the number of probationers decreased by 7,224, or 18.3%, and the number of parolees decreased by 932, or 7.1%.

Major Budget Changes from FY 2020-21 YTD Appropriations

1. John and Jane Does v Department of Corrections Settlement
Executive includes \$40.0 million GF/GP to support the final 2 payments of the *John and Jane Does v Department of Corrections* settlement agreement. The remaining payments will be made on October 15, 2021 (\$25.0 million) and on October 15, 2022 (\$15.0 million). The case involved approximately 1,300 members that were incarcerated October 2010 through the date of the settlement, March 2020. The lawsuits claimed a variety of injuries including sexual assault and harassment, inappropriate use of segregation, and deprivation of educational and rehabilitative experiences due to the young age of the members. The case settled for \$80.0 million total inclusive of attorney fees and costs. House does not include funding in the FY 2021-22 appropriations bill for the department, and, instead, proposes to include funding in a supplemental appropriations bill. Senate includes funding to support the payment due on October 15, 2021. House Omnibus includes funding to support the payment due on October 15, 2021.

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
Gross	NA	\$25,000,000
GF/GP	NA	\$25,000,000

CORRECTIONS**Major Budget Changes from FY 2020-21 YTD Appropriations****2. Restore GF for Payroll for Frontline Workers – Fund Shift**

Executive restores \$191.0 million GF/GP that was reduced from the FY 2020-21 budget and replaced with federal Coronavirus Relief Fund revenue. Federal funding was allocated to support payroll costs for frontline workers throughout the department, but primarily at correctional facilities. Federal funding has been exhausted and GF/GP needs to be restored for ongoing departmental payroll costs. House concurs. Senate concurs. House Omnibus concurs.

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
Gross	\$0	\$0
Federal	191,000,000	(191,000,000)
GF/GP	(\$191,000,000)	\$191,000,000

3. Savings from Closure of the Detroit Reentry Center

Executive reflects a net reduction of \$10.5 million GF/GP and 202.4 FTE positions resulting from closure of the Detroit Reentry Center on January 9, 2021. The savings amount is the net amount that results from reduced costs for operations and administration at the center, a shift of funding for the prisoner dialysis unit that was transferred to the Woodland Correctional Facility, and a shift of funding for the parole violators who were transferred to the Macomb Correctional Facility. House concurs. Senate concurs. House Omnibus concurs.

FTE	202.4	(202.4)
Gross	\$10,523,600	(\$10,523,600)
GF/GP	\$10,523,600	(\$10,523,600)

4. Training for New Custody Staff

Executive includes \$7.4 million GF/GP to train additional corrections officers in an effort to reduce the number of vacant positions and meet projected attrition needs. Funding supports salary and payroll costs of new officers while they participate in training, as well as costs for uniforms, training materials, certifications, food, travel, and lodging. In FY 2019-20, an average of 52 custody staff left the department each month. With \$7.4 million added to the FY 2020-21 base of \$13.9 million, and with expenditure of carried forward work project account funding from prior years, the department will be able to train an estimated 800 new officers in FY 2021-22. House concurs. Senate concurs. House Omnibus concurs.

Gross	\$13,850,100	\$7,373,700
GF/GP	\$13,850,100	\$7,373,700

5. Employee Wellness Programming

Executive includes \$809,400 GF/GP to support additional employee wellness resources and support services for department employees. House includes \$930,300 GF/GP and authorization for 1.0 additional FTE position to support expanded employee wellness resources and support services. Senate includes \$809,400 GF/GP. House Omnibus does not include additional funding.

FTE	6.0	0.0
Gross	\$1,190,600	\$0
GF/GP	\$1,190,600	\$0

6. Administrative Hearing Caseload Increase

Executive restores \$204,000 of GF/GP that was reduced from the FY 2020-21 budget as part of statewide budget reductions. Funding would be used to support departmental billings for administrative hearings through the LARA Michigan Office of Administrative Hearings and Rules. The number of hearings increased by over 9% from 2019 to 2020. House does not restore funding. Senate does not restore funding. House Omnibus does not restore funding.

Gross	\$3,200,300	\$0
GF/GP	\$3,200,300	\$0

7. Transportation Costs for Prison Industries

Executive includes an additional \$72,000 in state restricted funding authorization for Prison Industries Operations to cover increased transportation costs resulting from moving more MSI-made goods sold to correctional facilities. House concurs. Senate concurs. House Omnibus concurs.

Gross	NA	\$72,000
Restricted	NA	72,000
GF/GP	NA	\$0

CORRECTIONS

Major Budget Changes from FY 2020-21 YTD Appropriations		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
8. Economic Adjustments		Gross	NA (\$4,696,900)
<u>Executive</u> reflects a net reduction of \$4.7 million Gross (\$4.6 million GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2021 and 1.0% on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>House</u> concurs. <u>Senate</u> concurs. <u>House Omnibus</u> concurs.	Federal	NA	(6,800)
	Local	NA	(34,500)
	Restricted	NA	(57,100)
	GF/GP	NA	(\$4,598,500)
9. Eliminate Current Year One-Time Funding		Gross	\$15,000,000 (\$15,000,000)
<u>Executive</u> reduces the budget by \$15.0 million GF/GP to reflect elimination of one-time funding included in the FY 2020-21 budget. Eliminated funding was for the third payment of the <i>John and Jane Does v Department of Corrections</i> settlement agreement. <u>House</u> concurs. <u>Senate</u> concurs. <u>House Omnibus</u> concurs.		GF/GP	\$15,000,000 (\$15,000,000)
10. Technical Adjustments		Gross	NA \$0
<u>Executive</u> makes internal FTE adjustments, funding adjustments, and transfers throughout the budget, which have no overall Gross or GF/GP impact. Adjustments are made to more accurately reflect employee counts and where expenditures occur. <u>House</u> concurs. <u>Senate</u> concurs. <u>House Omnibus</u> concurs.		GF/GP	NA \$0
11. Coronavirus State Fiscal Recovery Funds for Payroll		Gross	NA \$0
<u>Executive</u> makes no recommendation. <u>House</u> includes \$764.0 million of federal Coronavirus State Fiscal Recovery Funds and reduces GF/GP by a like amount. Funding will be allocated to support payroll costs for frontline workers throughout the department, but primarily at correctional facilities. <u>Senate</u> does not include. <u>House Omnibus</u> does not include.	Federal	NA	0
	GF/GP	NA	\$0
12. Coronavirus State Fiscal Recovery Funds for Annual Leave		Gross	NA \$0
<u>Executive</u> makes no recommendation. <u>House</u> includes \$34.0 million of federal Coronavirus State Fiscal Recovery Funds to support costs of restoring personal sick and annual leave time for corrections officers and other affected field staff, consistent with provisions included in the Family First Coronavirus Response Act, Public Law 116-127, that were implemented for employer-required quarantines. <u>Senate</u> does not include. <u>House Omnibus</u> does not include.	Federal	NA	0
	GF/GP	NA	\$0
13. Coronavirus State Fiscal Recovery Funds for County Jails		Gross	NA \$0
<u>Executive</u> makes no recommendation. <u>House</u> includes \$5.0 million of federal Coronavirus State Fiscal Recovery Funds to reimburse county jails for housing offenders at county jails who otherwise would have been transferred to correctional facilities if not for Executive Order 2020-170. The order suspended transfers of offenders until all COVID-related risk reduction and testing protocols were met. <u>Senate</u> does not include. <u>House Omnibus</u> does not include.	Federal	NA	0
	GF/GP	NA	\$0
14. Unclassified Positions		FTE	16.0 0.0
<u>Executive</u> makes no recommendation. <u>House</u> reflects a savings of \$750,000 GF/GP from reducing the number of authorized unclassified positions by 5.0 positions. <u>Senate</u> reduces the number of authorized unclassified positions by 4.0 positions, but does not reduce funding. <u>House Omnibus</u> does not reduce funding or the number of positions.	Gross	\$1,971,300	\$0
	GF/GP	\$1,971,300	\$0
15. Public Safety Initiative		Gross	\$4,000,000 \$0
<u>Executive</u> retains current year funding. <u>House</u> reduces funding for the Public Safety Initiative line item by \$200,000 GF/GP. <u>Senate</u> does not reduce funding. <u>House Omnibus</u> does not reduce funding.		GF/GP	\$4,000,000 \$0

CORRECTIONS**Major Budget Changes from FY 2020-21 YTD Appropriations**

		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
16. Goodwill Flip the Script	Gross	\$1,250,000	\$0
<u>Executive</u> retains current year funding. <u>House</u> includes an additional \$250,000 GF/GP for the Goodwill Flip the Script program. <u>Senate</u> includes an additional \$250,000 GF/GP for the Goodwill Flip the Script program. <u>House Omnibus</u> retains current year funding.	GF/GP	\$1,250,000	\$0
17. Criminal Justice Reinvestment	Gross	\$3,748,400	\$0
<u>Executive</u> makes no recommendation. <u>House</u> includes an additional \$250,000 for the Criminal Justice Reinvestment line item, as well as boilerplate requiring the \$250,000 to be allocated to the EXIT program administered by the Muskegon County Jail. <u>Senate</u> does not include the additional funding. <u>House Omnibus</u> does not include the additional funding.	GF/GP	\$3,748,400	\$0
18. Budget and Operations Administration	FTE	241.0	0.0
<u>Executive</u> makes no recommendation. <u>House</u> reduces funding by \$120,900 and FTE position authorization by 1.0 and transfers the funding and FTE position to the Employee Wellness Programming line item. <u>Senate</u> does not reduce funding or FTE positions. <u>House Omnibus</u> does not reduce funding or FTE positions.	Gross	\$34,669,500	\$0
	GF/GP	\$34,669,500	\$0
19. Community Corrections	Gross	\$13,198,100	\$0
<u>Executive</u> makes no recommendation. <u>House</u> makes no recommendation. <u>Senate</u> reduces funding for the Community Corrections Comprehensive Plans and Services line item by \$300,000 GF/GP. <u>House Omnibus</u> does not reduce funding.	GF/GP	\$13,198,100	\$0
20. Chances for Life	Gross	NA	\$0
<u>Executive</u> makes no recommendation. <u>House</u> makes no recommendation. <u>Senate</u> includes a new line item and appropriates \$275,000 GF/GP for the Chances for Life program, an evidence-based mentoring program that emphasizes job training, life skills, and family reintegration. <u>House Omnibus</u> does not include new line item or funding.	GF/GP	NA	\$0
21. Kalamazoo County Post Release Care Pilot Program	Gross	NA	\$0
<u>Executive</u> makes no recommendation. <u>House</u> makes no recommendation. <u>Senate</u> includes \$300,000 GF/GP for a pilot program to provide care management post-release which may include the development of prerelease mental health discharge plans for parolees in Kalamazoo County. <u>House Omnibus</u> does not include funding for a new pilot program.	GF/GP	NA	\$0
22. Authorization for Classified FTE Positions	FTE	NA	0.0
<u>Executive</u> makes no recommendation. <u>House</u> makes no recommendation. <u>Senate</u> reduces authorization for vacant classified FTE positions by 890.7. <u>House Omnibus</u> does not reduce authorization for vacant classified FTE positions.	Gross	NA	\$0
	GF/GP	NA	\$0

Major Boilerplate Changes from FY 2020-21**GENERAL SECTIONS*****Sec. 206. Disciplinary Action Against State Employees and Prisoners – RETAINED***

Prohibits MDOC from taking disciplinary action against classified civil service employees or prisoners for communicating with legislators or their staff unless the communication is prohibited by law and MDOC is exercising its authority. Executive deletes. House retains. Senate retains. House Omnibus retains.

CORRECTIONS

Major Boilerplate Changes from FY 2020-21

Sec. 210. Contingency Funding – REVISED

Appropriates up to \$2.5 million in federal contingency funds; authorizes expenditure of funds after legislative transfer to specific line items. Executive revises to appropriate up to \$10.0 million in federal, up to \$10.0 million in state restricted, up to \$2.0 million in local, and up to \$2.0 million in private contingency funds. House retains current law, but refers to contingency "funds" as contingency "authorization". Senate deletes. House Omnibus retains current law, but refers to contingency "funds" as contingency "authorization".

Sec. 216. FTE Positions, Long-Term Vacancies, and Remote Work – RETAINED

Requires MDOC to report on the number of FTE positions in pay status by civil service classification, including an accounting of all vacant positions, all vacant and filled corrections officer positions by facility, all vacant healthcare-related positions, and all vacant positions being held open for temporarily non-active employees; requires a report on the number of full-time positions authorized compared to the actual number employed by line item, number of employees authorized to work remotely and number of employees working remotely, estimated cost savings achieved by remote work, and reduced use of office space associated with remote work. Executive deletes. House retains. Senate retains. House Omnibus retains.

Sec. 217. Coronavirus Relief Fund Appropriations – DELETED

Unappropriates any Coronavirus Relief Fund appropriations for which expenditures have not been incurred as of December 30 and reappropriates them for deposit into the Unemployment Compensation Fund to support costs incurred due to the COVID-19 pandemic. Executive deletes. House deletes. Senate deletes. House Omnibus deletes.

Sec. 218. State Administrative Board Transfers – RETAINED

Authorizes the legislature, by a concurrent resolution adopted by a majority of members elected to and serving in each house, to inter-transfer funds if the State Administrative Board transfers funds. Executive deletes. House retains. Senate retains. House Omnibus retains.

Sec. 219. Prison Telephone Contract and Program and Special Equipment Fund – REVISED

Requires prisoner telephone service contract to contain a condition that prisoner telephone fees be the same as those applying outside of institutions, except for surcharges needed to meet program and special equipment costs; requires revenue from surcharges to be used for prisoner programming, special equipment, and security projects; authorizes carry forward of unexpended revenue; requires a report on revenues and expenditures. Executive retains. House revises to require not less than 75% of surcharge revenue to be used for prisoner programming. Senate retains. House Omnibus revises to require not less than 75% of surcharge revenue to be used for prisoner programming.

Sec. 221. Receipt and Retention of Reports – RETAINED

Requires MDOC to follow federal and state guidelines for short-term and long-term retention of records; authorizes MDOC to electronically retain copies of reports unless otherwise required by federal and state guidelines. Executive deletes. House retains. Senate retains. House Omnibus retains.

Sec. 222. Report on Policy Changes Made to Implement Public Acts – RETAINED

Requires MDOC to report on each specific policy change made by the department to implement a public act affecting the department. Executive deletes. House deletes. Senate retains. House Omnibus retains.

Sec. 223. Severance Pay for Department Officials – NEW

Requires MDOC to report on any amounts of severance pay agreed to for a department director, deputy director, or other high-ranking department official; requires report to include name of the official and amount of severance pay; requires MDOC to maintain an internet site that posts any severance pay in excess of 6 weeks of wages for any former department employee receiving severance pay; requires report on total amount of severance pay remitted and total number of former employees that were remitted severance pay during the prior fiscal year; defines severance pay. Executive does not include new language. House includes new language. Senate does not include new language. House Omnibus includes new language.

Sec. 224. COVID-19 Vaccine Protocol – NEW

Prohibits any department, agency, board, commission, subdivision, or other executive branch entity or official of the state that receives funding from the bill from doing the following: requiring that an individual provide proof of receiving a COVID-19 vaccine as a condition of accessing state services or facilities; produce, develop, and issue a COVID-19 vaccine passport for the purposes of certifying that an individual has received a vaccine; provide information of an individual's vaccine status for inclusion in a vaccine passport. Executive does not include new language. House includes new language. Senate does not include new language. House Omnibus includes new language.

Major Boilerplate Changes from FY 2020-21***Sec. 225. Expending Available Work Project Authorization – RETAINED***

Prohibits appropriations that have unexpended work project authorization associated with them, to the extent possible, from being expended until all existing work project authorization for the same purpose is exhausted. Executive deletes. House retains. Senate deletes. House Omnibus retains.

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

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

Sec. 247. Compilation of Data for Swift and Sure Sanctions Program – RETAINED

Requires MDOC to provide the State Court Administrative Office with data sufficient to administer the Swift and Sure Sanctions program. Executive retains. House deletes. Senate retains. House Omnibus retains.

Sec. 248. Consensus Revenue Estimating Conference (CREC) – DELETED

Requires the Senate and House Fiscal Agencies and the State Budget Director, or the State Treasurer, to establish a projected prisoner population, and a projected number of available beds based on prisoner population, at the May 2021 CREC. Executive deletes. House deletes. Senate retains. House Omnibus deletes.

DEPARTMENTAL ADMINISTRATION AND SUPPORT***Sec. 302. Staff Retention Strategies – REVISED***

Requires MDOC to report on staff retention strategies, including how to improve employee engagement, how to improve employee wellness, how to offer additional training and professional development, metrics used by MDOC to measure success of employee wellness programming, mechanisms by which to receive employee feedback, how MDOC considers suggestions made by employees, and steps taken and future plans made for retention and improving employee wellness; requires MDOC to establish a Staff Recruitment and Retention Advisory Board to assist the department with shaping and enhancing effectiveness of staff recruiting and retention strategies; requires a status report on establishing the Staff Recruitment and Retention Advisory Board and on the board's initial plans. Executive revises to delete the listing of information that is to be included in the report and to delete the requirement to establish an advisory board. House retains current law. Senate revises to delete the requirement to establish an advisory board. House Omnibus revises to delete the requirement to establish an advisory board.

Sec. 304. Staff Suggestions – REVISED

Requires MDOC to maintain a staff savings initiative program for employees to submit suggestions for efficiencies for the department; requires MDOC to consider suggestions in a timely manner; requires a report on process improvements made based on suggestions. Executive deletes. House deletes. Senate revises to require the department to reward in compensation an employee whose suggestion is implemented; reward would be up to 1% of any savings that result from implementation of a suggestion, up to a maximum of \$2,000. House Omnibus revises to require the department to reward in compensation an employee whose suggestion is implemented; reward would be up to 1% of any savings that result from implementation of a suggestion, up to a maximum of \$2,000.

Sec. 308. Mental Health Awareness Training – RETAINED

Requires MDOC to provide training for all custody staff who handle prisoners with mental illness; requires mental health awareness training to be incorporated into training of new custody staff. Executive retains. House retains. Senate revises to include requirement that training include peer-to-peer training. House Omnibus retains current law.

Sec. 309. Maintenance and Utility Costs at Facilities – REVISED

Requires MDOC to report on maintenance and utility costs and plans for capital improvement costs for each correctional facility; for facilities closed prior to November 1, 2018, requires a list of costs associated with maintenance and upkeep of closed facilities, by facility, and estimated costs of demolition of closed facilities. Executive deletes. House revises to delete requirement of a list of costs associated with maintenance and upkeep of closed facilities, by facility, and estimated costs of demolition of closed facilities for facilities closed prior to November 1, 2018. Senate revises reporting on facilities closed prior to November 1, 2018 to reporting on facilities closed prior to January 1, 2021. House Omnibus revises to delete requirement of a list of costs associated with maintenance and upkeep of closed facilities, by facility, and estimated costs of demolition of closed facilities for facilities closed prior to November 1, 2018.

Sec. 310. Strategic Plan Reporting – RETAINED

Requires MDOC to report on progress made in achieving the strategic plan of the department, updates on strategic plan objectives, key statistics and information about the department's efforts to decrease the recidivism rate and to promote offender success. Executive retains. House deletes. Senate retains. House Omnibus retains.

CORRECTIONS

Major Boilerplate Changes from FY 2020-21

Sec. 312. PTSD Outreach and Employee Wellness – REVISED

Requires appropriation to be used for PTSD outreach, treating mental health issues, and providing mental health programming for all department staff; requires \$50,000 to be used for conducting a comprehensive follow-up study to the initial study conducted in FY 2018-19; requires MDOC to report on results of the study and on programs established, level of employee involvement, and expenditures made for employee wellness programming. Executive deletes. House revises to delete the requirement that \$50,000 be used for conducting a follow-up study and to delete reporting on results of the follow-up study. Senate deletes entire section. House Omnibus revises to delete the requirement that \$50,000 be used for conducting a follow-up study, to delete reporting on results of the follow-up study, and to add that funds also be used for treating mental health issues and for providing mental health programming for all department staff and former employees (combination of current section 312 and new section 312 below).

Sec. 312. Employee Wellness – REVISED

Requires MDOC to maintain employee wellness programming, including programming focused on post-traumatic stress disorder outreach. Executive includes new language. House does not include new language. Senate includes new executive language and adds that funds also be used for treating mental health issues and for providing mental health programming for all department staff and former employees. House Omnibus includes new language consolidated with current section 312 above.

Sec. 313. New Employee Schools – RETAINED

Requires MDOC to report on new employee schools, including number of schools that took place and location of each, number of recruits that started, number of recruits that graduated, and MDOC strategies to achieve a 5% or lower target corrections officer vacancy rate. Executive revises to include new requirement that MDOC work to hire and train new officers to address attrition and to decrease overtime and to strike reporting on strategies to achieve a 5% or lower target vacancy rate. House retains current law. Senate retains current law and includes executive revisions. House Omnibus retains current law.

Sec. 314. Staff Overtime Hours – RETAINED

Requires MDOC to report monthly on the number of overtime hours worked by all custody staff, by facility, including the number of mandatory overtime hours worked, number of voluntary overtime hours worked, reasons for overtime hours worked, and average number of overtime hours worked by active employees. Executive deletes. House retains. Senate revises monthly reporting to quarterly reporting. House Omnibus retains current law.

Sec. 315. 12-Hour Shifts for Corrections Officers – DELETED

Requires MDOC to conduct a survey of corrections officers at all facilities on whether officers want to have 12-hour shifts implemented; requires MDOC to report on results of the survey. Executive deletes. House deletes. Senate deletes. House Omnibus deletes.

Sec. 316. New Custody Staff Training – REVISED

Requires MDOC to target new custody staff training at hiring a minimum of 700 corrections officers to address higher than normal attrition and to decrease overtime costs. Executive deletes. House revises 700 to 800. Senate deletes. House Omnibus revises 700 to 800.

Sec. 317. New Corrections Officer Training Academy – DELETED

Requires MDOC to report on the status of the new training academy, including a listing of all structures and amenities on-site and expenditure data associated with structures and amenities on-site; lists all amenities the legislature intends for the new academy to have; requires a report on the projected cost of amenities that are listed but not included on-site; requires MDOC to name the facility and to solicit site name ideas from staff. Executive deletes. House deletes. Senate deletes. House Omnibus deletes.

Sec. 318. Professional Development and Training for Staff – RETAINED

Requires MDOC to report on programs that offer professional development and training opportunities for all levels of custody supervisors and first line managers, including an overview of existing programs, and a review of similar programs available in other organizations and in other states. Executive deletes. House retains. Senate revises to require trainings to include de-escalation techniques. House Omnibus retains current law.

Major Boilerplate Changes from FY 2020-21**OFFENDER SUCCESS ADMINISTRATION*****Sec. 402. Offender Success Expenditures – REVISED***

Requires MDOC to report on actual prior-year and planned current-year offender success expenditures and allocations. Executive revises to delete requirement to report on planned expenditures. House revises to delete requirement to report on planned expenditures. Senate retains current law and authorizes the department to collect cash or in-kind donations to supplement funds for prison education training, supplies, and materials necessary to complete academic- and job skills-related programs. House Omnibus retains current law and authorizes the department to collect cash or in-kind donations to supplement funds for prison education training, supplies, and materials necessary to complete academic- and job skills-related programs.

Sec. 405. Substance Abuse Testing and Treatment – DELETED

Requires MDOC to report on expenditures for substance abuse testing and treatment services, program objectives, outcome measures, and results, including the impact on offender and programmatic success. Executive deletes. House deletes. Senate revises to require that report include information on number of prisoners that received medication assisted therapies, length of time on the therapy, and number of prisoners that have been successfully weaned from their addiction. House Omnibus deletes.

Sec. 406. Wastewater Operator Certification Program – NEW

Requires MDOC to conduct a study, in consultation with the Department of Environment, Great Lakes, and Energy (DEGLE), to determine the feasibility of including prisoners nearing their earliest release dates in the Wastewater Operator Certification program administered by DEGLE; requires a report on the feasibility of training and certifying prisoners to become water, drinking water, wastewater, and stormwater operators; if determined to not be feasible, requires a report on the reasons for infeasibility. Executive does not include new language. House includes new language. Senate does not include new language. House Omnibus includes new language.

Sec. 408. Recidivism Measurement – REVISED

Requires MDOC to measure recidivism rates of offenders. Executive revises to require MDOC to measure the reincarceration recidivism rates of offenders based on available state data. House revises to require MDOC to measure the reincarceration recidivism rates of offenders based on available data. Senate revises to require MDOC to measure the reincarceration recidivism rates of offenders based on programming and available state data. House Omnibus revises to require MDOC to measure the reincarceration recidivism rates of offenders based on available data.

Sec. 409. Workforce Development Program – REVISED

Requires MDOC to work with the Department of Labor and Economic Opportunity and local entities to design services and offender success vocational education programs for prisoners in an effort to encourage employment of prisoners upon release from prison; requires a report on the results of the workforce development program. Executive revises to require MDOC to ensure that the program provides relevant professional development opportunities to prisoners that are high quality, demand driven, locally receptive, and responsive to the needs of the communities where prisoners are expected to reside upon release from prison, and to delete the reporting requirement. House deletes entire section. Senate revises to require MDOC to ensure that the program provides relevant professional development opportunities to prisoners that are high quality, demand driven, locally receptive, and responsive to the needs of the communities where prisoners are expected to reside upon release from prison, deletes reporting requirement, and adds requirement that department offer workforce development programming upon entry to any prisoner that expresses a commitment to rehabilitation. House Omnibus revises to require MDOC to ensure that the program provides relevant professional development opportunities to prisoners that are high quality, demand driven, locally receptive, and responsive to the needs of the communities where prisoners are expected to reside upon release from prison, and to delete the reporting requirement.

CORRECTIONS

Major Boilerplate Changes from FY 2020-21

Sec. 410. Community Corrections Comprehensive Plans and Services – REVISED

Specifies purpose of and requirements for community corrections comprehensive plans (e.g., reduce admissions to prisons, improve utilization of jail facilities, contribute to offender success); lists award criteria for community corrections planning and residential services funds (e.g., trends in prison commitment rates, jail utilization, community corrections program capacity and utilization; impact and outcome of policies and procedures of programs on offender success); limits residential services per diem reimbursement rate to \$55.50; lists allowable uses of program funding for Drunk Driver Jail Reduction and Community Treatment Program (e.g., reimbursing counties for transportation, treatment costs, housing felony drunk drivers during period of assessment for treatment and case planning); provides for reimbursement for housing at a rate of \$43.50 per day per offender for up to five days. Executive revises to delete purpose of and requirements for community corrections comprehensive plans and listing of award criteria for community corrections planning and residential services funds. House revises to delete purpose of and requirements for community corrections comprehensive plans and listing of award criteria for community corrections planning and residential services funds. Senate retains current law. House Omnibus revises to delete purpose of and requirements for community corrections comprehensive plans and listing of award criteria for community corrections planning and residential services funds.

Sec. 411. Comprehensive Corrections Plans – DELETED

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

Sec. 412. Community Corrections Biannual Report – RETAINED

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

Sec. 413. Public Safety Initiative – REVISED

Requires law enforcement agencies receiving funding to report annually on expenditures made from the appropriation; requires a report that includes the purpose for which expenditures were made, amounts of expenditures by purpose, specific services provided, and number of individuals served; authorizes Senate and House Subcommittees on Corrections to request law enforcement agencies to appear before subcommittees to discuss the report. Executive revises reporting requirement from annually to quarterly. House revises reporting requirement from annually to quarterly. Senate retains current law. House Omnibus revises reporting requirement from annually to quarterly.

Sec. 414(7). County Jail Cooperation with Federal Officials on Immigration Status of Individuals – DELETED

Prohibits eligibility for reimbursement from the state for housing offenders who otherwise would be sentenced to prison if a county enacts or enforces laws, ordinances, policies, or rules that limit or prohibit communication and cooperation with federal officials concerning the immigration status of individuals in the state. Executive deletes. House deletes. Senate deletes. House Omnibus deletes.

Sec. 417. Reports on Community Programs – REVISED

Requires MDOC to report on program objectives and outcome measures, the number of offenders completing programs, number of offenders successfully remaining in the community 3 years following completion, expenditures, impact on jail utilization, impact on prison admission, and other relevant information on the Drunk Driver Jail Reduction and Community Treatment Program and on any new initiatives aimed at controlling prison population growth. Executive deletes. House revises to delete specific reference to the Drunk Driver Jail Reduction and Community Treatment Program. Senate deletes. House Omnibus revises to delete specific reference to the Drunk Driver Jail Reduction and Community Treatment Program.

Sec. 418. State Identification/Birth Certificates/Military Documents for Returning Prisoners – RETAINED

Requires MDOC to collaborate with other state entities to develop processes to require courts to collect prisoners' documents at time of sentencing and to assist prisoners in obtaining state identification, birth certificates, and military documents if they don't already have them. Executive revises current law to require MDOC to maintain documents if documents are provided by prisoners and authorizes prisoners to work with entities to obtain their documents on their own. House retains current law. Senate revises current law to require MDOC to maintain documents if documents are provided by prisoners and authorizes prisoners to work with entities to obtain their documents on their own. House Omnibus retains current law.

Major Boilerplate Changes from FY 2020-21***Sec. 419. Offender Data Reports – REVISED***

Requires MDOC to provide weekly electronic mail reports on prisoner populations by security level by facility, prison facility capacities, and parolee and probationer populations; requires MDOC to provide monthly electronic mail reports on end-of-the month prisoner, probationer, and parolee populations, operating capacities at facilities, number of currently closed housing units by facility, populations in county jails, prisoner intakes, returns, and exits, prisoners classified as past their earliest release dates, and parole board activity. Executive revises to delete the requirement for weekly reports. House revises to change weekly reporting to monthly reporting. Senate revises to delete the requirement for weekly reports. House Omnibus revises to change weekly reporting to monthly reporting, to require MDOC to provide notification immediately upon knowing it will not meet reporting requirements included in the section, and to specify in the notice the reasons for not meeting the reporting requirements included in the section.

Sec. 423. Collaboration with Michigan Restaurant Association – RETAINED

Requires MDOC to collaborate with the Michigan Restaurant Association on job placement for individuals on probation and parole. Executive deletes. House retains. Senate deletes. House Omnibus retains.

Sec. 424. Enhanced Food Technology Program – NEW

Requires MDOC to maintain the Enhanced Food Technology program that provides on-the-job training in prison kitchens that will lead to food service training credentials recognized by the restaurant industry. Executive includes new language. House includes new language as Sec. 901. Senate includes new language. House Omnibus includes new language as Sec. 901.

Sec. 425. Medication-Assisted Treatment Offender Success Pilot Programs – REVISED

Requires MDOC to establish medication-assisted treatment offender success pilot programs to provide prerelease treatment and postrelease referral for opioid- and alcohol-addicted offenders; requires MDOC to collaborate with residential and nonresidential substance abuse treatment providers and with community-based clinics to provide postrelease treatment; requires programs to employ a multifaceted approach to treatment, including a long-acting nonaddictive medication; authorizes manufacturer to provide MDOC with samples of medication at no cost to the department; requires MDOC to provide participating offenders with one injection prior to release from custody and to connect offenders with an aftercare plan; requires program participants to attend substance abuse treatment programming and subjects them to routine drug and alcohol testing; requires MDOC to report follow-up information on offenders who receive injections. Executive retains. House retains. Senate revises to delete reference to "nonaddictive", to delete language authorizing manufacturer to provide MDOC with samples of medication at no cost to the department, to delete requirement that MDOC provide injections to participating offenders prior to release, and to add requirement that report include the number of offenders who are actively employed, or are continuing treatment, and if an offender is subsequently returned to prison, the number of months since original release. House Omnibus retains current law and adds requirement that department report on the number of offenders who are actively employed, or are continuing treatment, and if an offender is subsequently returned to prison, the number of months since original release.

FIELD OPERATIONS ADMINISTRATION***Sec. 602. Electronic Monitoring Contracts – DELETED***

Expresses intent of the legislature that MDOC not extend any contracts for electronic monitoring devices, and that a complete review of all providers and technology be conducted to determine efficacy. Executive deletes. House deletes. Senate deletes. House Omnibus deletes.

Sec. 603. Curfew Monitoring Program Costs – REVISED

Requires MDOC to administer curfew monitoring program intended to reduce prison admissions and improve jail utilization; requires MDOC to provide counties with curfew monitoring equipment and administrative oversight for a fee; prohibits access to program for counties with outstanding charges over 60 days. Executive revises language to coincide with recently enacted legislation. House revises language to coincide with recently enacted legislation. Senate revises language to coincide with recently enacted legislation. House Omnibus revises language to coincide with recently enacted legislation.

CORRECTIONS

Major Boilerplate Changes from FY 2020-21

Sec. 604. Criminal Justice Reinvestment – REVISED

Requires funding for criminal justice reinvestment to be used for data collection and evidence-based programs designed to reduce recidivism among probationers and parolees; allocates \$600,000 to an organization that provides programming and job training services to county jail inmates to prepare them for employment upon release from jail. Executive revises to delete the specific \$600,000 allocation. House retains but revises allocation amount to \$850,000. Senate retains current law and adds requirement that department report on programs, including reincarceration recidivism rates of participants, employment rates, participants completing the program, and cost of program per participant. House Omnibus retains current law and adds requirement that department report on programs, including reincarceration recidivism rates of participants, employment rates, participants completing the program, and cost of program per participant.

Sec. 605. Chance for Life Program – DELETED

Requires MDOC to allocate \$250,000 to issue a request for proposal for a vendor to provide evidence-based mentoring, employment soft skills training, and job placement assistance for offenders released from prison. Executive deletes. House retains. Senate deletes. House Omnibus deletes.

Sec. 611. Annual Program Reports – RETAINED

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

Sec. 612. Violators of Parole and Probation – RETAINED

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

Sec. 613. Placement of Parolees with Chronic Technical Violations – DELETED

Requires MDOC to give priority to placing parolees with chronic technical violations in intensive detention programs that offer specific programming to address behavioral needs and to work on a plan to help assure success of parolees upon release. Executive deletes. House deletes. Senate deletes. House Omnibus deletes.

Sec. 615. Inmates Sentenced to Life with Possibility of Parole – REVISED

Requires MDOC to report on the number of prisoners who have received life sentences with the possibility of parole and who are currently eligible for parole; lists specific prisoner-related information to be included in the report. Executive retains. House revises to delete list of specific prisoner-related information to be included in the report. Senate retains. House Omnibus revises to delete list of specific prisoner-related information to be included in the report.

Sec. 617. Residential Alternative to Prison Program – RETAINED

Requires MDOC to provide vocational, educational, and cognitive programming in a secure environment to enhance existing alternative sentencing options, increase employment readiness and successful placement rates, and reduce new criminal behavior for the West Michigan probation violator population; lists goals and metrics the department is required to meet. Executive revises to delete list of goals and metrics. House retains current law. Senate retains current law. House Omnibus retains current law.

HEALTH CARE

Sec. 802. Health Care Timeliness and Expenditures – REVISED

Requires MDOC to report on expenditures, allocations, status of payments, and projected expenditures from accounts for prisoner health care, mental health care, pharmaceutical services, and durable medical equipment; requires a report on pharmaceutical prescribing practices, including a detailed accounting of expenditures on antipsychotic medications and any changes made to prescription drug formularies. Executive deletes. House retains. Senate retains current law and adds requirement that MDOC provide a feasibility study on practices the department can implement to defray the cost of medications, including the feasibility of procuring medications directly from the manufacturer. House Omnibus retains current law and adds requirement that MDOC provide a feasibility study on practices the department can implement to defray the cost of medications, including the feasibility of procuring medications directly from the manufacturer.

Major Boilerplate Changes from FY 2020-21**Sec. 807. Hepatitis C – REVISED**

Requires funding for Hepatitis C to be used for purchase of specialty medication for treatment of Hepatitis C; requires report on amount spent on specialty medication, number of prisoners treated, amount of rebates received, and outstanding rebates expected to be received. Executive retains. House retains. Senate retains current law and adds requirement that MDOC report on number of offenders requiring treatment broken down by number that have been retreated while incarcerated and number that have been treated, released, and retreated upon reincarceration. House Omnibus retains current law and adds requirement that MDOC report on number of offenders requiring treatment broken down by number that have been retreated while incarcerated and number that have been treated, released, and retreated upon reincarceration.

Sec. 810. Kalamazoo County Post Release Care Pilot Program – NOT INCLUDED

Requires MDOC to initiate a pilot program to provide care management to parolees post-release, which may include the development of prerelease mental health discharge plans for parolees in Kalamazoo County. Executive does not include new language. House does not include new language. Senate includes new language. House Omnibus does not include new language.

Sec. 812. Medicaid Utilization by Prisoners – RETAINED

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

CORRECTIONAL FACILITIES ADMINISTRATION**Sec. 901. Enhanced Food Technology Program – REVISED**

Requires MDOC to expand the enhanced food technology education program to at least 700 inmates annually; requires inmates participating in the program to complete 408 hours of on-the-job training in a prison kitchen. Executive deletes. House revises to delete requirement on 700 inmates and 408 hours, and to require MDOC to maintain an enhanced food technology program that provides on-the-job training in prison kitchens that will lead to prisoners earning food service training credentials recognized by the restaurant industry. Senate deletes. House Omnibus revises to delete requirement on 700 inmates and 408 hours, and to require MDOC to maintain an enhanced food technology program that provides on-the-job training in prison kitchens that will lead to prisoners earning food service training credentials recognized by the restaurant industry.

Sec. 907a. Information for Prisoners on Academic and Vocational Education Programming – NEW

Requires MDOC to provide all prisoners, upon intake, with information on academic and vocational education programming that is available, how to access the programming, requirements for admittance to programming, and expected outcomes of participation. Executive does not include new language. House does not include new language. Senate includes new language. House Omnibus includes new language and adds that information be provided to prisoners on programming that is available to them in the facilities they are housed in (as section 909).

Sec. 908. Online High School Diploma and Career Certificate Program – DELETED

Authorizes MDOC to establish a pilot online high school diploma and career certificate program to serve up to 400 inmates through a provider that offers career-based online high school diplomas designed to prepare adult inmates for transition into the workplace. Executive deletes. House deletes. Senate retains. House Omnibus deletes.

Sec. 910. Braille Program – REVISED

Requires MDOC to allow Michigan Braille Transcribing Fund program to operate at G. Robert Cotton and Womens Huron Valley Correctional Facilities. Executive revises to reflect the proper name of the Womens Huron Valley Correctional Complex. House revises to delete references to specific locations. Senate retains current law. House Omnibus revises to delete references to specific locations.

Sec. 911. Critical Incidents in Prisons – REVISED

Requires MDOC to report annually on the number of critical incidents occurring each month by type, number, and severity of assaults, escape attempts, suicides, and attempted suicides at each prison facility. Executive retains. House retains current law, includes requirement for MDOC to also give 48 hour notice of incidents, and expands the definition of "critical incidents" to also include disturbances of any type involving multiple prisoners, substance use including overdoses and deaths, and prisoner deaths not caused by natural means. Senate retains current law. House Omnibus retains current law, includes requirement for MDOC to also give 72 hour notice of incidents, and defines "critical incidents" to mean prisoner assaults on staff that result in serious physical injury to staff, escapes and attempted escapes, prisoner disturbances that cause facility operation concerns, and unexpected deaths of prisoners.

CORRECTIONS

Major Boilerplate Changes from FY 2020-21

Sec. 912. Institutional Staffing – RETAINED

Requires MDOC to report quarterly on ratios of corrections officers to prisoners, shift command staff to line custody staff, and noncustody institutional staff to prisoners for each correctional institution. Executive revises to annual reporting. House retains quarterly reporting and revises to include reporting by shift. Senate retains current law. House Omnibus retains current law.

Sec. 913. Enrollment in and Completion of Various Programming – REVISED

Expresses legislative intent that prisoners who are required to complete sex offender, assaultive offender, violent offender, and Thinking for Change programming as a condition of parole be transferred to facilities where programming is available; requires MDOC to report on enrollment and completion of sex offender, assaultive offender, violent offender, and Thinking for Change programming, and on plans to address waiting lists for these programs. Executive retains current law but deletes legislative intent language, requiring prisoners to be transferred. House retains current law but deletes legislative intent language, requiring prisoners to be transported, and adds requirement that MDOC, to the greatest extent possible, provide programming for prisoners at or near the beginning of prisoners' terms of incarceration, particularly programs that could impact prisoners' behavior while incarcerated. Senate revises by deleting legislative intent language, requiring prisoners to be transferred. House Omnibus retains current law but deletes legislative intent language, requiring prisoners to be transported, and adds requirement that MDOC, to the greatest extent possible, provide programming for prisoners at or near the beginning of prisoners' terms of incarceration, particularly programs that could impact prisoners' behavior while incarcerated.

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

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

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

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

Sec. 943. Savings from Prison Closures – REVISED

Requires MDOC to report on actual and projected savings achieved by closing correctional facilities, starting with closure of the Pugsley Correctional Facility, which closed in September 2016. Executive deletes. House retains. Senate revises by requiring that reporting continue through closure of Detroit Reentry Center. House Omnibus revises by requiring that reporting continue for each facility closed after the closure of Pugsley.

Sec. 944. Economic Impact of Prison Closures – RETAINED

Requires MDOC, when planning to close a correctional facility, to consider the potential economic impact of the prison closure on the community where the facility is located. Executive deletes. House retains. Senate retains. House Omnibus retains.

Sec. 946. Investment in Communities After Facility Closure – REVISED

Expresses intent of the legislature that MDOC consult with the legislature and other appropriate state agencies to develop a framework to provide investment in communities that have former operational state correctional facilities that have been closed; requires framework to include plans to ensure that vacant state correctional facilities do not become a nuisance or danger to the community. Executive revises to delete "intent of the legislature" and require consultation. House revises to delete "intent of the legislature" and require consultation. Senate revises to delete "intent of the legislature" and require consultation. House Omnibus revises to delete "intent of the legislature" and require consultation.

MISCELLANEOUS

Sec. 1011. Religious Cable Programming – RETAINED

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

Sec. 1013. Faith-Based Reentry Programs – RETAINED

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

Major Boilerplate Changes from FY 2020-21

ONE-TIME APPROPRIATIONS

Sec. 1101. John and Jane Does v MDOC Settlement Work Project Designation – NOT INCLUDED

Designates unexpended funds as a work project appropriation; authorizes funds to carry forward and to be available for the same purpose in the following fiscal year. Executive includes new language. House does not include new language. Senate does not include new language. House Omnibus does not include new language.

DEPARTMENT OF EDUCATION
Summary: House Floor Substitute
Article 3, House Bill 4410 (H-2)

Analysts: Samuel Christensen, Emily Hatch, and Jacqueline Mullen

IDG/IDT	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Executive	FY 2021-22 House	FY 2021-22 Senate	FY 2021-22 House Omnibus	Difference: House Omnibus From FY 2020-21 YTD	
						Amount	%
	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	343,701,700	344,304,100	91,715,700	421,301,500	301,762,100	(41,939,600)	(12.2)
Local	5,872,100	5,870,300	5,870,300	5,870,300	5,870,300	(1,800)	(0.0)
Private	2,239,300	2,238,500	1,197,800	2,238,500	2,238,500	(800)	(0.0)
Restricted	9,815,500	9,785,400	3,327,700	10,181,700	9,785,400	(30,100)	(0.3)
GF/GP	90,067,100	168,893,100	33,271,500	90,627,000	86,398,100	(3,669,000)	(4.1)
Gross	\$451,695,700	\$531,091,400	\$135,383,000	\$530,219,000	\$406,054,400	(\$45,641,300)	(10.1)

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 5578 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 856 as passed by the Senate.

*The majority of the appropriations in the House-passed version provided the equivalent of one-quarter of the annual appropriation.

Overview

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

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
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Major Budget Changes from FY 2020-21 YTD Appropriations

NOTE: House changes represent annualized appropriations for comparison purposes.

1. Child Development and Care (CDC) – Public Assistance Funding Increase

Executive and House do not include. Senate provides \$77.0 million in federal funding for CDC Public Assistance by increasing the income entry threshold to 160% federal poverty guidelines, increasing the hourly reimbursement rate by 15%, and reducing the number of biweekly reimbursement blocks to part-time (1-55 hours) and full time (56-90 hours) blocks. House Omnibus does not include.

Gross	\$241,622,000	\$0
Federal	202,190,700	0
GF/GP	\$39,431,300	\$0

2. One-Time Appropriation – Child Care Investment Plan

Executive provides \$78.0 million GF/GP in one-time funding to continue implementing the child care investment plan from the FY 2020-21 Supplemental Recommendation noted below. House, Senate, and House Omnibus do not include.

Gross	NA	\$0
GF/GP	NA	\$0

EDUCATION (DEPARTMENT)

Major Budget Changes from FY 2020-21 YTD Appropriations

3. Teacher Recruitment Program

Executive provides \$2.9 million GF/GP and authorizes 0.5 FTE positions in the Educator Excellence Operations line item and provides MDE three allocations to address teacher recruitment as follows:

- Allocates \$1.8 million and 0.5 FTE positions to comply with boilerplate Sec. 233 that requires MDE to implement a training program for students in grades 9 to 12 who are interested in teaching and are members of groups underrepresented in the teaching profession. Eligible program expenses include, but are not limited to, tuition, stipends, scholarships, books, and transportation.
- Allocates \$800,000 for existing teachers to participate in a competitive grant program that would award up to \$8,000 per teacher to facilitate movement into high demand and critical shortage fields. Educator preparation institutions that participate would create a custom program for teachers to complete in one year.
- Allocates \$320,000 to cover the cost of up to 2,000 teaching license renewals for former teachers, and requires MDE to reduce the hours of professional learning required for returning teachers.

House, Senate, and House Omnibus do not include.

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
FTE	48.0	0.0
Gross	\$10,989,700	\$0
Federal	4,668,000	0
Restricted	4,295,100	0
GF/GP	\$2,026,600	\$0

4. State Aid to Libraries – Funding Increase

Executive and House do not include. Senate includes an increase of \$2.2 million GF/GP to State Aid to Libraries. House Omnibus does not include.

Gross	\$13,067,700	\$0
GF/GP	\$13,067,700	\$0

5. Special Education Remote Learning Library – Removal

House Omnibus removes \$1.5 million GF/GP for the Special Education Remote Learning Library, which provides funds for the creation of content for use by special education students, teachers, and others, as well as tools to measure the needs of special education students in remote learning environments. The funds are transferred to the School Aid budget.

FTE	47.0	0
Gross	\$10,813,100	(\$1,500,000)
Federal	8,723,500	0
Private	110,100	0
Restricted	46,800	0
GF/GP	\$1,932,700	(\$1,500,000)

6. Unclassified Reduction

Executive does not include. House reduces \$796,700 Gross (\$613,900 GF/GP) and 5.0 FTEs to Unclassified Salaries. The remaining funding includes \$225,900 GF/GP and 1.0 FTE position for the state superintendents' position. This change also includes a net zero fund source shift of \$72,400 between the Unclassified Salaries and State Board/Superintendent line items. Senate and House Omnibus do not include.

FTE	NA	0.0
Gross	NA	\$0
Federal	NA	0
Restricted	NA	0
GF/GP	NA	\$0

7. Special Education Remote Learning Library – Virtual Learning Tools

Executive and House do not include. Senate includes an increase of \$750,000 GF/GP to develop virtual learning tools for students with special needs in coordination with the Michigan Association of Administrators of Special Education. House Omnibus does not include.

Gross	\$1,500,000	\$0
GF/GP	\$1,500,000	\$0

8. One-Time Appropriation – School Board Member Training

Executive and House do not include. Senate provides \$400,000 Certification Fees for a new school board member training reimbursement program. House Omnibus does not include.

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

EDUCATION (DEPARTMENT)

Major Budget Changes from FY 2020-21 YTD Appropriations		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
9. Michigan's Poet Laureate		Gross NA	\$0
<u>Executive</u> provides \$100,000 GF/GP to support a Michigan Poet Laureate program with funding for travel and events to promote poetry, the spoken word, and the literary arts. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> do not include.		GF/GP NA	\$0
10. Office of Great Start Line Item Roll Up: Child Development and Care Contracted Services and T.E.A.C.H. Early Childhood Michigan Scholarship program		FTE 65.0	0.0
		Gross \$13,564,300	\$0
		Federal 11,394,400	0
		Private 250,000	0
		Restricted 64,600	0
		GF/GP \$1,855,300	\$0
<u>Executive</u> transfers \$17.4 million of federal funding from two line items, Child Development and Care Contracted Services (\$12.4 million) and T.E.A.C.H. Early Childhood Michigan Scholarship program (\$5.0 million), to the Office of Great Start Operations. Both of these programs were included as individual line items in the FY 2019-20 budget to separate their functions and appropriations from the Office of Great Start Operations. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> maintain current law.			
11. Child Development and Care (CDC) – State Matching Fund Decrease		Gross \$241,622,000	\$0
		Federal 202,190,700	1,019,600
		GF/GP \$39,431,300	(\$1,019,600)
<u>Executive</u> replaces \$1.0 million GF/GP with a corresponding amount of federal funds for the CDC program's matching funds in order to align GF/GP with the estimated amount needed to draw down the full federal Child Care Development Fund (CCDF) award. This represents an estimate because the final federal allocation for Michigan has not been appropriated at the federal level. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur with Executive.			
12. Child Development and Care (CDC) – CREC Adjustments		Gross \$241,622,000	(\$42,542,000)
		Federal 202,190,700	(42,542,000)
		GF/GP \$39,431,300	\$0
<u>Executive</u> , <u>House</u> , and <u>Senate</u> do not include. <u>House Omnibus</u> reduces by \$42.5 million federal funds for CREC caseload Adjustment.			
13. Economic Adjustments		Gross NA	(\$602,300)
		Federal NA	(417,200)
		Local NA	(1,800)
		Private NA	(800)
		Restricted NA	(33,100)
		GF/GP NA	(\$149,400)
<u>Executive</u> reflects decreased costs of \$599,300 Gross (\$149,400 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2021 and 1.0% on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>House</u> decreases by an additional \$1,800 federal for a total reduction of \$601,100 Gross. The reduction aligns the interdepartmental grant (IDG) that the Department of Licensing and Regulatory Affairs and Department of Health and Human Services receive through the MDE External Support line item. <u>Senate</u> concurs with all executive recommended economic adjustments except for the \$27,400 increase to Unclassified Salaries. The Senate does not include that increase. <u>House Omnibus</u> concurs with Executive.			

Boilerplate Changes from FY 2020-21

Executive DELETED but House, Senate, and House Omnibus RETAINED the following boilerplate sections:

- State Administrative Board Transfer (Sec. 218)
- Report on Policy Changes Made to Implement Public Acts Affecting Department (Sec. 221)
- Communication with the Legislature (Sec. 222)
- Records Retention (Sec. 223)
- Expending Available Work Project Authorization (Sec. 224)
- Federal Accountability Plans (Sec. 229)
- Nonpublic School Mandates (Sec. 230)
- Due Process Hearings (Sec. 409)
- Felony Conviction Files (Sec. 501)
- Early Childhood Investment Corporation Annual Report (Sec. 1003)
- CDC T.E.A.C.H. Early Childhood Michigan Scholarship Program (Sec. 1004)
- CDC Funding Changes (Sec. 1010)

Sec. 210. Contingency Funds – RETAINED

Appropriates \$5.0 million federal, \$400,000 state restricted, \$250,000 local, and \$1.5 million private in contingency funds, which must be transferred appropriately by the legislature prior to expenditure.

Executive revises the amount of contingency funds, which must be transferred by the legislature prior to expenditure as follows: revises federal from \$5.0 million to \$10.0 million; revises state restricted from \$400,000 to \$700,000; maintains local at \$250,000; and revises private from \$1.5 million to \$3.0 million. House and Senate delete this section. House Omnibus maintains current law.

Sec. 213. Department Scorecard – REVISED

Requires MDE to maintain on a publicly accessible website a department scorecard that identifies, tracks, and updates key metrics used to monitor and improve department performance.

Executive maintains current law. House revises this section to reference the MDE effectiveness survey required under Sec. 235. Senate and House Omnibus maintain current law.

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

Requires MDE to report data quarterly on full-time equated (FTE) positions, as well as a comparison of authorized FTEs and employed FTEs. Additionally, requires MDE to report by April 1, of the current fiscal year and semiannually thereafter data on the number of employees working remotely, as well as the cost savings and reduced work space associated with remote work.

Executive deletes this section. House and Senate maintain current law. House Omnibus revises to require MDE to report on FTEs semiannually, as well as to report on remote work by March 1 of the current fiscal year and annually thereafter.

Sec. 219. Kindergarten Entry Assessment Participation – DELETED

Requires MDE to ensure that the kindergarten entry assessment include a method for information to be provided regarding a child's participation in the Great Start Readiness Program.

Executive and House delete this section. Senate retains this section. House Omnibus concurs with House.

Sec. 225. Severance Pay Reporting – NEW

House requires MDE to report on any amounts of severance pay for high-ranking department officials within 14 days of the severance agreement signing, maintain a website that posts severance pay in excess of 6 weeks wages, and reports the total amount of severance pay for FY-2020-21. Senate does not include this section. House Omnibus concurs with House.

Sec. 227. Vaccine Passport – NEW

House requires that MDE not require proof of COVID-19 vaccination as a condition of accessing state services or facilities, produce a vaccine passport, or provide this information to an outside entity for the purpose of creating a vaccine passport. Senate does not include this section. House Omnibus concurs with House.

Sec. 231. Child Protection Law Reporting – RETAINED

Requires MDE to report to districts, ISDs, and PSAs task force recommendations for reducing child sexual abuse as required by section 12b of the Child Protection Law, MCL 722.632b.

Executive and House delete this section. Senate and House Omnibus retain this section.

EDUCATION (DEPARTMENT)

Boilerplate Changes from FY 2020-21

Sec. 233. Teacher Recruitment Program – DELETED

Requires MDE to implement a training program for pupils in grades 9 to 12 who are interested in teaching and are members of groups underrepresented in the teaching profession.

Executive revises the requirements MDE must do to implement a training program for students in grades 9 to 12 who are interested in teaching and are members of groups of underrepresented in the teaching profession as follows: revises from creating a process for nomination and admission of students to the program to recruiting districts to make the program available for their students and implementing a competitive grant to support program costs; maintains the requirement to advertise the program; revises to add that MDE would “provide districts with resources” to invite teacher preparation programs in Michigan to participate in the training program; revises to add that the required conferences for students in the program take place in at least three geographically convenient locations from providing no minimum number of locations; revises the recipients of available research and resources from students and postsecondary institutions to districts offering the training program. House, Senate, and House Omnibus delete this section.

Sec. 234. College Acceleration Program Report – DELETED

Requires MDE to complete a study by May 1, 2021 regarding issues of school enrollment, performance, and outcomes related to college acceleration programs.

Executive and House delete this section. Senate retains this section. House Omnibus deletes this section.

Sec. 235. Effectiveness Survey – NEW

House requires MDE to administer, and report on the results of, an effectiveness survey administered to educators and related stakeholders who interact with the department. Results must be updated on the MDE scorecard, as required under Section 213, on a monthly basis. Senate does not include this section. House Omnibus concurs with House, but removes the requirement for MDE to update the survey summary results on a monthly basis.

Sec. 251. Special Education Remote Learning Library – DELETED

Allocates \$1.5 million to an association for administrators of special education services to develop and make available content for use by special education students, teachers, and others. The funds may also be used for tools to measure the needs of students with special needs in remote learning environments, as well as to identify any available federal funds for research related to special education in remote learning.

House Omnibus deletes this section.

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

Requires MDE to set the entrance income threshold for the CDC program at 130% of the federal poverty guidelines from October 1, 2020 to December 31, 2020, and then revise the entrance income threshold to 150% of the federal poverty guidelines from January 1, 2021 to September 30, 2021.

Executive revises to increase the entrance income threshold for the CDC program from 150% of the federal poverty guidelines to 200%. (As noted above in Major Budget Changes this change would be funded through a combination of FY 2020-21 federal authorization appropriations and FY 2021-22 one-time GF/GP appropriations. The child care investment plan would increase the entrance income threshold from 150% to 200% of the federal poverty guidelines from April 1, 2021 to September 30, 2022, and then permanently set the threshold at 160% of the federal poverty guidelines in FY 2022-23.) House revises to increase the entrance income threshold for the CDC program from 150% of the federal poverty guidelines to 180%. Senate revise to increase the entrance income threshold for the CDC program from 150% of the federal poverty guidelines to 160%. House Omnibus maintains the entrance income threshold for the CDC program at 150% of the federal poverty guidelines.

Sec. 1100. School Board Training – NOT INCLUDED

Senate requires MDE to approve one or more eligible training programs for school board members. Areas of training include conflicts of interest, labor relations, education law, school finance, and board governance. House Omnibus does not include this section.

Sec. 1101. Educare – DELETED

Requires MDE to award funds from part 1 to an early childhood collaborative that serves students in Genesee County to continue the expansion of early childhood services because of a drinking water declaration of emergency.

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

DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY
Summary: House Floor Substitute
Article 4, House Bill 4410 (H-2)

Analyst: Austin Scott

	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Executive	FY 2021-22 House	FY 2021-22 Senate	FY 2021-22 House Omnibus	Difference: House Omnibus From FY 2020-21 YTD	
						Amount	%
IDG/IDT	\$3,337,700	\$3,544,900	\$885,900	\$3,544,900	\$3,324,900	(\$12,800)	(0.4)
Federal	171,973,000	171,889,200	42,972,300	171,889,200	226,739,200	54,766,200	31.8
Local	0	0	0	0	0	0	--
Private	1,412,800	1,411,200	352,700	1,411,200	1,411,200	(1,600)	(0.1)
Restricted	275,191,800	600,471,200	76,076,300	304,531,400	303,099,900	27,908,100	10.1
GF/GP	59,443,900	128,700,400	35,316,000	83,893,900	69,700,400	10,256,500	17.3
Gross	\$511,359,200	\$906,016,900	\$155,603,200	\$565,270,500	\$604,275,600	\$92,916,400	18.2
FTEs	1,424.0	1,466.0	1,424.0	1,424.0	1,424.0	0.0	0.0

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 4397 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 91 as passed by the Senate.

*The majority of the appropriations in the House-passed version provided the equivalent of one-quarter of the annual appropriation.

Overview

The Department of Environment, Great Lakes, and Energy (EGLE) is responsible for managing Michigan's air, land, water, and energy resources. Departmental functions include improving resource quality, reducing waste, and mitigating threats to Michigan's environment.

Major Budget Changes from FY 2020-21 YTD Appropriations	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
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NOTE: House changes represent annualized appropriations for comparison purposes.

1. High Water Infrastructure Grants (One-Time)

Executive provides \$30.0 million GF/GP for infrastructure grants to address flooding, erosion, and other coastal issues; provides \$10.0 million GF/GP for planning grants to address severe weather impacts and changing climate effects.

House does not provide funding.

Senate provides \$10.0 million GF/GP.

House Omnibus does not provide funding.

Gross	NA	\$0
GF/GP	NA	\$0

2. Contaminated Site Cleanup (One-Time)

Executive includes \$20.0 million GF/GP for the prioritization and remediation of newly contaminated properties statewide that emerge throughout the year.

House, Senate, and House Omnibus do not include.

Gross	NA	\$0
GF/GP	NA	\$0

3. Dam Safety Emergency Fund (One-Time)

Executive includes \$15.0 million GF/GP to create a new fund to respond to dam emergencies where the owner has not adequately maintained their dam.

House, Senate, and House Omnibus concur.

Gross	NA	\$15,000,000
GF/GP	NA	\$15,000,000

ENVIRONMENT, GREAT LAKES, AND ENERGY

Major Budget Changes from FY 2020-21 YTD Appropriations		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
4. MI Clean Water Plan (One-Time)			
<u>Executive</u> appropriates remaining authorization from the Strategic Water Quality Initiatives Fund to provide grants to local communities for water infrastructure facility projects (\$235.0 million), failing septic system eliminations (\$35.0 million), and public health mitigation projects (\$20.0 million).	Gross	NA	\$0
	Restricted	NA	0
	GF/GP	NA	\$0
House, Senate, and House Omnibus do not appropriate.			
5. Fee Increase – Land and Water Interface Permit Programs			
<u>Executive</u> proposes to raise rates and eliminate sunsets on Land and Water Permit fees that support programs in flood response, dam safety, construction permitting, and great Lakes Shorelands. Increased revenue would support the addition of 25.0 new FTE positions and \$5.3 million in restricted authorization, 10.0 FTE positions would be transferred from the Renewing Michigan's Environment Program.	FTE	84.0	0.0
	Gross	\$12,649,600	\$0
	IDG	1,338,700	0
	Federal	2,099,100	0
	Restricted	2,410,300	0
	GF/GP	\$6,801,500	\$0
House, Senate, and House Omnibus do not concur.			
6. Fee Increase – Surface Water and Environmental Health			
<u>Executive</u> proposes to raise rates and eliminate the sunset on Wastewater Operator Training Fees that support surface water programs in water quality monitoring, pollutant testing, and wastewater toxicity as well as environmental health programs in drinking water monitoring and emergency response. Increased revenue would support the addition of 1.0 FTE position and \$309,400 from the Wastewater Operator Training Fees Fund.	FTE	NA	0.0
	Gross	NA	\$0
	Restricted	NA	0
	GF/GP	NA	\$0
House, Senate, and House Omnibus do not concur.			
7. Fee Increase – NPDES Nonstormwater Program			
<u>Executive</u> proposes to raise rates and eliminate the sunset on National Pollutant Discharge Elimination System Fees and Stormwater (NPDES) Fees that support the regulation of hazardous discharges to Michigan waterways. Increased revenue would support the addition of 11.0 new FTE positions and \$194,900 from the NPDES Fees Fund; 4.0 FTE positions would be transferred from the Renewing Michigan's Environment Program.	FTE	83.0	0.0
	Gross	\$13,685,200	\$0
	Federal	6,902,400	0
	Restricted	4,305,100	0
	GF/GP	\$2,477,700	\$0
House, Senate, and House Omnibus do not concur.			
8. Fee Increase – Hazardous Waste Management Program			
<u>Executive</u> proposes to raise rates and eliminate the sunset on Hazardous Waste Site Identification Fees that support the processing of new sites for hazardous waste management. Increased revenue would support the addition of \$100,000 from the Environmental Pollution Prevention Fund.	Gross	\$5,851,200	\$0
	Federal	2,330,400	0
	Restricted	3,520,800	0
	GF/GP	\$0	\$0
House, Senate, and House Omnibus do not concur.			
9. Environmental Cleanup Support – Premcor Settlement			
<u>Executive</u> appropriates \$29.3 million from the Environmental Response Fund to cleanup petroleum contamination at former Premcor Refining Group gas station sites in accordance with legal settlement. Supplemental request 2021-5 includes \$5.0 million from the same fund for this ongoing project in FY 2020-21.	Gross	\$1,000,000	\$29,300,000
	Restricted	1,000,000	29,300,000
	GF/GP	\$0	\$0
House, Senate, and House Omnibus concur.			

ENVIRONMENT, GREAT LAKES, AND ENERGY

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
10. Laboratory Services	FTE	39.0	0.0
<u>Executive</u> appropriates \$1.5 million in available revenue from the Laboratory Services Fees Fund and authorizes 3.0 FTE positions to expand physical, chemical, and biological testing at environmental and drinking water laboratories.	Gross	\$6,995,400	\$0
	Restricted	6,995,400	0
	GF/GP	\$0	\$0
<u>House</u> concurs.			
<u>Senate</u> provides funding increase without additional FTE positions.			
<u>House Omnibus</u> does not provide funding.			
11. Brownfield Grants	Gross	NA	\$1,100,000
<u>Executive</u> reestablishes the Brownfield Grants appropriation for the remediation and redevelopment of contaminated sites supported by \$1.1 million from the Brownfield Development Fund.	Restricted	NA	1,100,000
	GF/GP	NA	\$0
<u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur.			
12. Environmental Support Projects	Gross	\$5,000,000	\$1,000,000
<u>Executive</u> appropriates \$1.0 million in available revenue from the Settlement Fund for environmental remediation at contaminated sites.	Restricted	5,000,000	1,000,000
	GF/GP	\$0	\$0
<u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur.			
13. Oil, Gas, and Mineral Services	FTE	57.0	0.0
<u>Executive</u> expands the Oil, Gas, and Mineral Services Program by adding 2.0 FTE positions and \$370,000 Gross to recognize the transfer of oversight of underground injection and gas storage wells from the Environmental Protection Agency to EGLE. Interdepartmental support from the Department of Licensing and Regulatory Affairs will provide for partnership between EGLE and the Public Service Commission to regulate gas storage wells.	Gross	\$11,312,600	\$0
	IDG	0	0
	Federal	0	0
	Restricted	6,901,100	0
	GF/GP	\$4,411,500	\$0
<u>House</u> concurs.			
<u>Senate</u> provides funding increase without additional FTE positions.			
<u>House Omnibus</u> does not provide funding.			
14. Scrap Tire Grants	Gross	\$6,500,000	(\$3,000,000)
<u>Executive</u> reduces scrap tire grant funding from the Scrap Tire Regulatory Fund by \$3.0 million to reflect available restricted revenue. These grants fund the removal of scrap tires from public lands.	Restricted	6,500,000	(3,000,000)
	GF/GP	\$0	\$0
<u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur.			
15. Removal of FY 2020-21 One-Time Funding	Gross	\$5,560,000	(\$5,560,000)
<u>Executive</u> removes \$5.6 million GF/GP for one-time programs included in the FY 2019-20 budget. Programs included the Blanchard Dam study, Cooperative Lakes Monitoring, Madison Heights Environmental Cleanup, Lead and Copper Rule Support, Michigan Geological Survey, Multistate Aquifer Study, Parchment Water Treatment Plant Project, and Watershed Council Grants.	GF/GP	\$5,560,000	(\$5,560,000)
<u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur.			
16. Renewing Michigan's Environment Program	FTE	128.0	0.0
<u>Executive</u> transfers 10.0 FTE positions to Land and Water Interface Permit Programs and 4.0 FTE positions to the NPDES Nonstormwater Program to meet departmental personnel needs.	Gross	\$70,060,200	\$0
	Restricted	70,060,200	0
	GF/GP	\$0	\$0
<u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> do not transfer.			

ENVIRONMENT, GREAT LAKES, AND ENERGY

Major Budget Changes from FY 2020-21 YTD Appropriations		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
17. Economic Adjustments	Gross	NA	(\$923,600)
<u>Executive</u> reflects decreased costs of \$923,600 Gross (\$183,500 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2021 and 1.0% on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments.	IDG	NA	(12,800)
	Federal	NA	(233,800)
	Private	NA	(1,600)
	Restricted	NA	(491,900)
	GF/GP	NA	(\$183,500)
<u>House</u> concurs but excludes increased building occupancy charges within Property Management.			
<u>Senate</u> and <u>House Omnibus</u> concur with Executive.			
18. Unclassified Salaries	FTE	6.0	0.0
<u>House</u> reduces funding for Unclassified Salaries by \$680,300 Gross (\$175,700 GF/GP) and 5.0 unclassified FTE positions.	Gross	\$828,600	\$0
	IDG	6,400	0
<u>Senate</u> reduces funding by \$25,100 Gross (\$6,500 GF/GP) to negate economic adjustments included by Executive.	Private	1,600	0
	Restricted	606,500	0
<u>House Omnibus</u> does not reduce funding.	GF/GP	\$214,100	\$0
19. Property Management	Gross	\$8,557,900	\$0
<u>House</u> reduces funding for Property Management by \$847,500 Gross (\$220,700 GF/GP) to decrease support for facility rents and building occupancy charges.	IDG	66,500	0
	Private	16,200	0
	Restricted	6,275,900	0
<u>Senate</u> and <u>House Omnibus</u> do not reduce funding.	GF/GP	2,199,300	\$0
20. Dam Safety Grant Program	Gross	NA	\$0
<u>House</u> provides \$1.0 million GF/GP to establish grants to address imminent threats or significant risks at publicly-owned or privately-owned dams.	GF/GP	NA	\$0
<u>Senate</u> does not provide.			
<u>House Omnibus</u> concurs with House.			
21. Funding Swap – Land and Water Interface Permit Programs	FTE	84.0	0.0
<u>House</u> decreases GF/GP and increases funding from land and water permit fees that support programs in flood response, dam safety, construction permitting, and great Lakes Shorelands.	Gross	\$12,649,600	\$0
	IDG	1,338,700	0
	Federal	2,099,100	0
<u>Senate</u> and <u>House Omnibus</u> do not swap.	Restricted	2,410,300	0
	GF/GP	\$6,801,500	\$0
22. PFAS and Emerging Contaminants (One-Time)	Gross	NA	\$0
<u>House</u> provides funding for grants to drinking water systems for PFAS contaminant remediation or alternate water system connection costs.	GF/GP	NA	\$0
<u>Senate</u> and <u>House Omnibus</u> do not provide.			
23. Water Use Advisory Council Recommendations (One-Time)	Gross	NA	\$0
<u>Senate</u> provides funding to implement recommendations made by the Water Use Advisory Council.	GF/GP	NA	\$0
<u>House Omnibus</u> does not provide funding.			
24. Superfund Cleanup – Spartan Chemical	Gross	NA	\$10,000,000
<u>House Omnibus</u> appropriates \$10.0 million in available federal funding to continue remediation and development at the Spartan Chemical site in Kent County.	Federal	NA	10,000,000
	GF/GP	NA	\$0
25. Water Infrastructure Improvements for the Nation Act	Gross	NA	\$45,000,000
<u>House Omnibus</u> reappropriates \$45.0 million in available federal funding for water treatment plant improvements, service line and water meter replacement, distribution system upgrades, corrosion control, and other infrastructure needs. Funding was originally appropriated in 2017 PA 33.	Federal	NA	45,000,000
	GF/GP	NA	\$0

Major Boilerplate Changes from FY 2020-21

Sec. 206. Disciplinary Action Against State Employees – RETAINED

Prohibits department from disciplining state employees for communicating with members of the legislature and their staffs, unless communication is prohibited by law.

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

Sec. 209. GF/GP Lapse – RETAINED

Requires report of estimated GF/GP appropriation lapses at close of previous year.

Executive and Senate revise due date to December 31.

House and House Omnibus retain November 30 due date.

Sec. 210. Contingency Fund Transfer Authority – RETAINED

Provides authority for contingency authority transfers of up to \$3.0 million restricted; authorizes expenditure after legislative transfer to specific line items.

Executive revises contingency authority to \$30.0 million federal, \$5.0 million restricted, and \$500,000 private.

House retains.

Senate deletes.

House Omnibus retains.

Sec. 215. Businesses in Economically Deprived or Depressed Communities – DELETED

Requires director to take reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts.

Senate and House Omnibus delete.

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

Requires department to report quarterly on the number of FTE positions filled, FTE vacancies, the number of employees working remotely, the number of employees authorized to work remotely, estimated cost savings from remote work, and reduction in office space due to working remotely.

Executive deletes, House and Senate retain.

House Omnibus revises to report twice yearly and moves report date from April 1 to March 1.

Sec. 217. Expending Available Work Project Authorization – RETAINED

Advises department not to expend appropriations until existing work project authorization for the same purpose has been expended.

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

Sec. 218. State Administrative Board Transfers – RETAINED

Authorizes legislature to adopt a concurrent resolution to intertransfer funds within the department's budget if the State Administrative Board transfers appropriated funds.

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

Sec. 219. Receipt and Retention of Reports – RETAINED

Requires department to receive and retain copies of all reports.

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

Sec. 220. Report on Policy Changes Made to Implement Public Acts Affecting Department – DELETED

Requires the department to report on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year by April 1.

Executive, Senate, and House Omnibus delete. House retains.

Sec. 221. Rule Promulgation – RETAINED

Requires report on any policy changes made to implement a public act; prohibits department from adopting a rule that applies to a small business if it has a disproportionate economic impact.

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

Sec. 225. Severance Reporting – NEW

Requires the department to report details of severance pay for certain departmental employees.

House and House Omnibus add new section. Senate does not include.

Sec. 226. COVID-19 Vaccine Disclosure – NEW

Prohibits state officials from requiring COVID-19 vaccine disclosure as a condition of receiving state services or developing a vaccine passport.

House and House Omnibus add new section. Senate does not include.

ENVIRONMENT, GREAT LAKES, AND ENERGY

Major Boilerplate Changes from FY 2020-21

Sec. 237. Employee Legal Costs Related to Drinking Water Declaration of Emergency – RETAINED

Requires department to be responsible for payment of current and former department employees' legal costs from legal actions taken related to drinking water declaration of emergency.

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

Sec. 301. Laboratory Services Revenue Carryforward – RETAINED

Authorizes carryforward of unspent interdepartmental laboratory revenue.

Senate deletes. House Omnibus retains.

Sec. 302. Contaminated Site Investigations Staffing Costs – NEW

Limits the department to expending not more than 3% of Contaminated Site Investigations appropriation on administration.

House and House Omnibus add new section, Senate does not.

Sec. 303. Contaminated Site Investigations Cleanup Site List – NEW

Requires list of cleanup sites addressed by Contaminated Site Investigations for the new fiscal year and closed sites from the preceding fiscal year.

House and House Omnibus add new section. Senate does not include.

Sec. 305. Refined Petroleum Fund Repayment – RETAINED

Expresses legislative intent to restore \$70.0 million Refined Petroleum Fund transferred to General Fund in FY 2006-07.

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

Sec. 306. Refined Petroleum Fund Cleanup Site List – RETAINED

Requires list of cleanup sites addressed by Refined Petroleum Product Cleanup Program for the new fiscal year and closed sites from the preceding fiscal year.

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

Sec. 308. Work Projects – Emergency Cleanup Actions and Refined Petroleum Product Cleanup Program – REVISED

Authorizes unexpended funds appropriated for Emergency Cleanup Actions and Refined Petroleum Product Cleanup Program to be considered work project appropriations and carried forward into succeeding fiscal year; program will perform contaminated site cleanups. Revised to add funds appropriated for Emergency Cleanup Support.

Executive revises. House, Senate, and House Omnibus concur.

Sec. 312. Work Project – Environmental Cleanup Support – NEW

Authorizes unexpended funds appropriated for Environmental Cleanup Support to be considered work project appropriations and carried forward into succeeding fiscal year; program will perform contaminated site cleanup at former Premcor Refining Group gas station sites.

Executive adds new section. House, Senate, and House Omnibus concur.

Sec. 351. Superfund Cleanup – NEW

Earmarks \$10.0 million of appropriation to be used for contaminated site cleanup at the Spartan Chemical site in Kent County; designates unexpended funding as a work project appropriation.

House Omnibus adds new section.

Sec. 401. Land and Water Interface Permit Programs Dam Safety Earmark – RETAINED

Earmarks \$350,000 and 2.0 FTE positions from Land and Water Interface Permit Programs for Dam Safety Programs.

Executive and Senate revise to exclude FTE positions earmark. House and House Omnibus retain.

Sec. 402. Dam Safety Grant Program – NEW

Directs expenditure of the dam safety grant program for projects to mitigate risky dams, requires annual report on program.

House and House Omnibus add new section. Senate does not.

Sec. 411. Chapaton Treatment Lagoon Report – NEW

Requires the department to report the information and materials needed to permit and regulate Chapaton open-air wastewater treatment lagoon in Macomb County.

House Omnibus adds new section.

Sec. 902. Scrap Tire Grants Earmark – DELETED

Earmarks \$3.0 million from Scrap Tire Grants for a project in Alpena.

Executive deletes. House, Senate, and House Omnibus concur.

Major Boilerplate Changes from FY 2020-21

Sec. 1004. Dam Safety Emergency Fund – NEW

Requires annual report on activities of the fund.

House and House Omnibus add new section. Senate does not include.

Sec. 1005. Private Well Testing – RETAINED

Directs expenditure if funding becomes available for private well testing to local health departments to provide water testing to private well owners; requires report on expenditures.

Executive deletes. House concurs.

Senate revises by removing "if funding becomes available" qualifier.

House Omnibus retains.

Sec. 1005. Work Project – Dam Safety Emergency Fund – DELETED

Authorizes unexpended funds appropriated for Dam Safety Emergency Fund to be considered work project appropriations and carried forward into succeeding fiscal year; program will address risks and threats to dam safety.

Executive adds new section. House concurs.

Senate and House Omnibus do not add new section.

Sec. 1006. Blanchard Dam Bond Inspection and Repair Needs Study – DELETED

Directs expenditure of funding for the Blanchard Dam bond inspection and repair needs study to conduct a study of repair needs and for inspection at Blanchard Dam in Isabella County.

Executive deletes. House, Senate, and House Omnibus concur.

Sec. 1006. High Water Emergency Infrastructure Grants – DELETED

Directs expenditure of funding for High Water Infrastructure Grants for grants to local communities for severe weather; caps individual grants at \$1.0 million and requires a 20% match.

Senate adds new section. House Omnibus does not.

Sec. 1007. Cooperative Lakes Monitoring Program – RETAINED

Directs expenditure of funding for Cooperative Lakes Monitoring Program to continue the program, which helps volunteers monitor local lake water quality and document changes over time.

Executive deletes. House concurs.

Senate and House Omnibus retain.

Sec. 1008. Environmental Cleanup Project (One-Time) – DELETED

Directs expenditure of funding for environmental cleanup project to support demolition costs of an electroplating services building in Madison Heights.

Executive deletes. House, Senate, and House Omnibus concur.

Sec. 1008. PFAS and Emerging Contaminants (One-Time) – DELETED

Directs expenditure of funding for grants to drinking water systems for PAS contaminant remediation or alternate water system connection costs; requires report on expenditures.

House adds new section. Senate and House Omnibus do not.

Sec. 1008. Prior Grant Awards Not Disqualifying Applicants – NEW

Prevents grant recipients from being disqualified for future grant awards on account of receiving previous grant awards.

Senate and House Omnibus add new section.

Sec. 1009. Lead and Copper Rule Support – DELETED

Directs expenditure of funding for lead and copper rule support for water line replacement in the City of Clare (\$2.5 million) and the City of Burton (\$250,000).

Executive deletes. House, Senate, and House Omnibus concur.

Sec. 1009. Dam Safety Emergency Fund – NEW

Directs expenditure of funding for Dam Safety Emergency Fund to remediate orphan dams (\$3.0 million) and to award dam safety grants for remediation (\$12.0 million); designates appropriation as a work project; requires annual report on program.

Senate and House Omnibus add new section.

Sec. 1010. Michigan Geological Survey – DELETED

Directs expenditure of funding for Michigan Geological Survey to support basic and applied geological research at Western Michigan University and designates funding as a work project account.

Executive deletes. House, Senate, and House Omnibus concur.

ENVIRONMENT, GREAT LAKES, AND ENERGY

Major Boilerplate Changes from FY 2020-21

Sec. 1011. Multistate Aquifer Study – DELETED

Directs expenditure of funding for multistate aquifer study for a study of the Michindoh Aquifer in Michigan, Indiana, and Ohio and designates funding as a work project account.

Executive deletes. House, Senate, and House Omnibus concur.

Sec. 1011. Michigan Water Use Advisory Council Recommendations – DELETED

Directs expenditure of funding for Michigan Water Use Advisory Council and designates appropriation as a work project.

Senate adds new section. House Omnibus does not add.

Sec. 1012. Water Treatment Plant Project – DELETED

Directs expenditure of funding for water treatment plant project for contamination remediation at a water treatment plant in Parchment.

Executive deletes. House, Senate, and House Omnibus concur.

Sec. 1013. Watershed Council Grants – RETAINED

Directs expenditure of funding for watershed council grants for grants to watershed councils for education, administration, and conservation efforts; caps individual grants at \$40,000; requires report on grant recipients and grant amounts by April 1.

Executive deletes. House concurs.

Senate and House Omnibus retain.

Sec. 1014. Water Infrastructure Improvements for the Nation Act – NEW

Re-establishes the appropriation for the Water Infrastructure Improvements for the Nation program as a work project account, which authorizes unspent funds at the end of the fiscal year to be carried forward into the following fiscal year. Funding was originally appropriated in 2017 PA 33.

House Omnibus adds new section.

GENERAL GOVERNMENT TOTALS

Summary: House Floor Substitute

Article 5, House Bill 4410 (H-2)

Analysts: Ben Gielczyk and Michael Cnossen

	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Executive	FY 2021-22 House	FY 2021-22 Senate	FY 2021-22 House Omnibus	Difference: House Omnibus From FY 2020-21 YTD	
						Amount	%
IDG/IDT	\$1,099,669,700	\$1,132,012,100	\$287,762,400	\$1,131,997,400	\$1,132,012,100	\$32,342,400	2.9
Federal	1,188,435,200	1,190,035,100	297,363,500	1,187,154,100	1,215,035,100	26,599,900	2.2
Local	26,297,200	26,260,700	6,565,300	26,260,700	21,260,700	(5,036,500)	(19.2)
Private	11,950,100	11,907,500	3,304,800	11,907,500	6,907,500	(5,042,600)	(42.2)
Restricted	2,432,301,600	2,425,356,200	1,756,016,900	2,447,599,400	2,488,094,600	55,793,000	2.3
GF/GP	1,403,539,900	1,430,603,200	723,042,200	1,210,641,200	1,174,303,200	(229,236,700)	(16.3)
Gross	\$6,162,193,700	\$6,216,174,800	\$3,074,055,100	\$6,015,560,300	\$6,037,613,200	(\$124,580,500)	(2.0)
FTEs	9,994.0	10,522.0	9,940.0	9,162.7	10,014.0	20.0	0.2

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 4398 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 82 as passed by the Senate.

*The majority of the appropriations in the House-passed version provided the equivalent of one-quarter of the annual appropriation.

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 (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). **Budget issues are listed by department on the following pages.**

Major Boilerplate Changes from FY 2020-21

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, Senate, and House Omnibus retain.

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

Executive includes no countercyclical budget and economic stabilization fund deposit in FY 2021-22. House, Senate, and House Omnibus concur.

GENERAL GOVERNMENT TOTALS

Major Boilerplate Changes from FY 2020-21

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

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 2020, 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 revises by requiring departments and agencies to submit information to DTMB for DTMB to compile and submit the report; requires DTMB to appear and testify to the Appropriations Subcommittees on General Government to present on ongoing cost savings achieved by remote work, the reduced use of office space, and the department's strategy to achieve future costs savings by remote work. Senate retains. House Omnibus revises by requiring departments and agencies to submit information to DTMB for DTMB to compile and submit the report, by requiring reports on FTE counts to be provided on a semiannual basis, and by requiring remote work report to be due on March 31.

Sec. 217. Work Project Expenditures – RETAINED

Prohibits appropriations from being expended in cases where existing work project authorization is available for the same purpose. Executive deletes. House, Senate, and House Omnibus retain.

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. House, Senate, and House Omnibus retain.

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

Requires departments to receive and retain copies of all reports required in this article; 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. House, Senate, and House Omnibus retain.

Sec. 220. Reporting Requirement on Policy Changes – RETAINED

Requires departments to report on policy changes made in order to implement enacted legislation. House, Senate, and House Omnibus retain.

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, Senate, and House Omnibus retain.

Sec. 222. Work Plan Changes for Coronavirus Relief Fund – DELETED

Requires state budget director to provide written notification on any changes in work planned spending categories for work projects containing Coronavirus Relief Funds for FY 2019-20 prior to expenditures occurring from new or increased spending categories. Executive deletes. House concurs. Senate retains. House Omnibus concurs with Executive.

Sec. 222. Severance Pay Report – NEW

Requires the department and agencies to report the name and any amount of severance pay given to any high-ranking department official; requires the department and agencies to maintain an internet site and post severance pay in excess of 6 weeks of wages for a former department or agency employee of any rank; requires the department and agencies to submit an annual report on the total amount of severance pay remitted to former employees during the prior fiscal year and the total number of those employees; defines "severance pay". House adds. Senate does not include. House Omnibus concurs with House.

Sec. 223. Coronavirus Relief Fund Transfer to Unemployment Trust Fund – DELETED

Requires any Coronavirus Relief Fund appropriations in part 1 for which expenditures have not been incurred as of December 30, 2020 to be deposited into the Unemployment Insurance Trust Fund. Executive deletes. House retains and revises the year to 2021. Senate and House Omnibus concur with Executive.

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

Prohibits various state government entities from requiring proof of COVID-19 vaccination as a condition of accessing any state services or facilities, producing COVID-19 vaccine passports, and providing information to other parties for inclusion in a COVID-19 vaccine passport. House adds. Senate does not include. House Omnibus concurs with House.

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, Senate, and House Omnibus retain.

Major Boilerplate Changes from FY 2020-21

Sec. 235. Federal Funding Contingency Plan – RETAINED

Requires the state budget director, in consultation with the appropriate department, to recommend a contingency plan for the federal funding reduction. Requires report by April 1. Executive deletes. House, Senate, and House Omnibus retain.

Sec. 240. New Program Metrics – RETAINED

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

DEPARTMENT OF ATTORNEY GENERAL

Summary: House Floor Substitute

Article 5, House Bill 4410 (H-2)

Analyst: Michael Cnossen

	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Executive	FY 2021-22 House	FY 2021-22 Senate	FY 2021-22 House Omnibus	Difference: House Omnibus From FY 2020-21 YTD	
						Amount	%
IDG/IDT	\$35,285,800	\$35,083,600	\$8,771,300	\$35,083,600	\$35,083,600	(\$202,200)	(0.6)
Federal	9,906,100	9,868,400	2,467,200	9,868,400	9,868,400	(37,700)	(0.4)
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	20,488,300	20,390,800	5,098,200	20,390,800	20,390,800	(97,500)	(0.5)
GF/GP	41,148,400	41,996,000	10,160,800	41,101,900	41,996,000	847,600	2.1
Gross	\$106,828,600	\$107,338,800	\$26,497,500	\$106,444,700	\$107,338,800	\$510,200	0.5
FTEs	543.4	547.4	542.4	522.1	547.4	4.0	0.7

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 4398 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 82 as passed by the Senate.

*The majority of the appropriations in the House-passed version provided the equivalent of one-quarter of the annual appropriation.

Overview

The attorney general serves as legal counsel for state departments, agencies, boards, and commissions, and their officers; brings actions and intervenes in cases on the state's behalf; and represents legislators and judges who may be sued while acting in their official capacities. The attorney general issues opinions on questions of law submitted by members of the legislature and others, serves as chief law enforcement officer of the state, 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.

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
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Major Budget Changes from FY 2020-21 YTD Appropriations

NOTE: House changes represent annualized appropriations for comparison purposes.

1. Clean Slate Criminal Record Expungement Implementation

Executive includes \$560,000 GF/GP and authorizes 4.0 FTE positions to support ongoing personnel costs of implementing the "Clean Slate" legislation package, 2020 PA 187-193. Additional FTE positions are authorized to handle the manual processing of applications to approve or oppose setting aside convictions. House concurs. Senate does not include. House Omnibus concurs with Executive.

FTE	0.0	4.0
Gross	\$0	\$560,000
GF/GP	\$0	\$560,000

2. Address Confidentiality Program

Executive includes \$500,000 GF/GP to establish an online system and database to register and safekeep survivors' personal information. The Address Confidentiality Program Act, 2020 PA 301, requires the department to create and maintain a computerized database containing participants information within two years of an appropriation being made to the Confidential Address Fund created in the act for the purpose of administering the program. House does not include. Senate and House Omnibus concurs with Executive.

Gross	\$0	\$500,000
GF/GP	\$0	\$500,000

GENERAL GOVERNMENT: ATTORNEY GENERAL

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
3. Public Safety Initiative	Gross	\$888,600	\$0
<u>House</u> reduces \$42,500 GF/GP for personnel costs related to prosecutorial services to reduce backlog of outstanding warrants in high-crime areas of the state and to increase prosecutions in recognition of sufficient program funding available from funds authorized to carry forward from the prior fiscal year through work project designation. <u>Senate</u> reduces \$25,000 GF/GP. <u>House Omnibus</u> does not include.	GF/GP	\$888,600	\$0
4. Sexual Assault Law Enforcement	Gross	\$1,459,500	\$0
<u>House</u> reduces \$457,200 GF/GP for personnel costs to support investigations and prosecutions in 6 cities resulting from evidence supplied by sexual assault kits. The reduction recognizes sufficient program funding available from money authorized to carry forward from prior fiscal years through work project designations. <u>Senate</u> reduces \$25,000 GF/GP. <u>House Omnibus</u> does not include.	GF/GP	\$1,459,500	\$0
5. Operations Reduction	FTE	498.4	0.0
<u>House</u> reduces \$240,100 GF/GP from the Operations line item to reflect administrative efficiencies. The funding reduction is distributed across 47 new line items created by the unrolling of the Operations line item as described in item number 10. <u>Senate</u> reduces \$1.6 million GF/GP and 25.3 FTE positions from the Operations line item and distributes funding across 6 new line items as described in item number 9. <u>House Omnibus</u> does not include.	Gross	\$96,003,900	\$0
	IDG	35,285,800	0
	Federal	7,024,400	0
	Restricted	20,068,500	0
	GF/GP	\$33,625,200	\$0
6. Unclassified Positions	FTE	6.0	0.0
<u>House</u> reduces \$853,400 GF/GP and 5.0 unclassified FTE positions for department administrative savings. <u>Senate</u> reduces \$24,900 to reflect Executive's economic adjustment increase. <u>House Omnibus</u> does not include.	Gross	\$828,500	\$0
	GF/GP	\$828,500	\$0
7. PACC NextGen Case Management IT System	Gross	\$2,228,500	\$0
<u>House</u> includes \$500,000 GF/GP of one-time funding to continue software development, implementation, and maintenance for the Prosecuting Attorneys Coordinating Council's NextGen case management IT system to replace the current 30-year old legacy state system to supplement potential grant support. The NextGen system will comply with federal Criminal Justice Information Systems standards, enhance information security, and improve connectivity among prosecutors and criminal justice stakeholders. <u>Senate</u> includes \$1.1 million to provide the full amount needed to complete the project. <u>House Omnibus</u> does not include.	GF/GP	\$2,228,500	\$0
8. General Fund Reductions	Gross	NA	\$0
<u>Senate</u> reduces \$469,200 GF/GP to three line items:	GF/GP	NA	\$0
\$125,000 for Child Support Enforcement \$75,000 for Prosecuting Attorneys Coordinating Council \$269,200 for Information Technology Services and Projects <u>Executive</u> , <u>House</u> , and <u>House Omnibus</u> do not include.			
9. Operations Line Item Unrolling	Gross	\$96,003,900	\$0
<u>House</u> unrolls the Operations line by division and initiative into 47 new line items for a \$0 net change. <u>Senate</u> unrolls the line into Operations and by 5 bureaus. <u>House Omnibus</u> does not include.	IDG	35,285,800	0
	Federal	7,024,400	0
	Restricted	20,068,500	0
	GF/GP	\$33,625,200	\$0

GENERAL GOVERNMENT: ATTORNEY GENERAL

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		<u>FY 2020-21 Year-to-Date (as of 2/11/21)</u>	<u>FY 2021-22 House Omnibus Change</u>
10. UIA Fraud Assistance	Gross	\$0	\$0
<u>Senate</u> includes \$750,000 GF/GP to provide legal assistance to individuals who have been denied unemployment insurance benefits due to false accusations of fraud. <u>Executive</u> , <u>House</u> , and <u>House Omnibus</u> do not include.	GF/GP	\$0	\$0
11. Economic Adjustments	Gross	NA	(\$549,800)
Reflects decreased costs of \$549,800 Gross (\$212,400 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2021 and 1.0% on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> include.	IDG	NA	(202,200)
	Federal	NA	(37,700)
	Restricted	NA	(97,500)
	GF/GP	NA	(\$212,400)

Major Boilerplate Changes from FY 2020-21

Sec. 301. Contingency Funding – RETAINED

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

Sec. 308. Appropriation of Litigation Expense Reimbursements – RETAINED

Appropriates up to \$500,000 from litigation expense reimbursements for court fees and legal costs assessed against the governor, the office of the governor, the attorney general, and the office of the attorney general when acting as the named party in litigation against the state; authorizes unexpended funding, up to \$250,000, to be carried forward. Executive revises by increasing appropriation from \$500,000 to \$1.0 million. House deletes. Senate and House Omnibus retain.

Sec. 309a. Prisoner Reimbursements Report – RETAINED

Requires department to submit report on total amount of reimbursements received under State Correctional Facility Reimbursement Act, amount paid to department to conduct investigations in determining reimbursements, and amount credited to general fund from reimbursements. Executive deletes. House, Senate, and House Omnibus retain.

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

Requires department to notify of lawsuit settlements with a fiscal impact for the state of \$2.0 million or more; prohibits department from entering a lawsuit that is contrary to state laws; requires department to enforce state laws. Executive deletes. House retains. Senate revises by deleting statement of legislative intent that any lawsuit settlement by the department must take into account the cost and tax dollar impact to Michigan taxpayers in the settlement negotiation process and by deleting the prohibition of entering into a lawsuit that is contrary to state laws; changes section number from 320 to 317. House Omnibus concurs with Senate but retains section number.

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

Requires department to submit notification upon entering lawsuit against federal government and estimated costs for participating in the lawsuit. Executive deletes. House retains. Senate revises to require a written report instead of notification and adds that the report must describe the purpose of the lawsuit; changes section number from 321 to 318. House Omnibus concurs with Senate but retains section number.

Sec. 320. Payroll Fraud Enforcement Unit Report – NOT INCLUDED

Requires the department to submit an annual report, and post on its website, on the activities and findings of the Payroll Fraud Enforcement Unit, including a listing of each complain received, the unit's finding on the validity of each complaint, and any enforcement action taken. House adds similar language as section 324. Senate adds. House Omnibus does not include.

Sec. 321. PACC Case Management System – NOT INCLUDED

States that with funds appropriated for NextGen case and document management system, the Prosecuting Attorneys Coordinating Council shall continue to fund the replacement of the council's case and data management. Senate adds. Executive, House, and House Omnibus do not include.

Major Boilerplate Changes from FY 2020-21

Sec. 322. Department Initiatives Quarterly 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, Michigan State University Investigation, PFAS contamination, Human Trafficking, and Robocall Enforcement. House revises by deleting Michigan State University Investigation and adding Payroll Fraud Enforcement Unit. Senate retains. House Omnibus revises by concurring with House and adding UIA Fraud Task Force.

Sec. 323. PACC Special Courts Prosecutors Pilot – NOT INCLUDED

Requires one-time funding for the PACC Special Courts Prosecutors Pilot to be used by the Prosecuting Attorneys Coordinating Council to establish a pilot program to issue two grants of \$120,000 to support two additional prosecutors to work on a county specialty court's caseload. House adds. Senate and House Omnibus do not include.

Sec. 323. UIA Fraud Assistance – NOT INCLUDED

Requires the department to provide legal assistance to individuals who have been denied unemployment insurance benefits due to false accusations of fraud; requires a report on the number of individuals the department has determined were affected by denial of unemployment insurance benefits due to false accusations of fraud. Senate adds. Executive, House, and House Omnibus do not include.

Sec. 328. Wayne County Juvenile Justice System Report – NOT INCLUDED

Requires the department to submit an annual report on the Juvenile Justice System in Wayne County that includes the number of youth referred to the department for care in the previous fiscal year and the first quarter of the current fiscal year, and the type of setting for each referred youth, any applicable performance outcomes, and identified financial costs or savings. House adds. Senate, and House Omnibus do not include.

Sec. 329. PACC Nursing Home Special Counsel – NOT INCLUDED

Requires an independent Special Counsel within the Prosecuting Attorneys Coordinating Council to investigate incidents or deaths related to the spread of the coronavirus at long-term care facilities and the policies established by the state in response to COVID-19; authorizes funds to be used for determining whether any violations of law may have contributed to the spread of the virus among nursing home residents, and facilities' compliance with federal COVID-19 guidelines and Michigan's Freedom of Information Act. House adds. Senate, and House Omnibus do not include.

DEPARTMENT OF CIVIL RIGHTS

Summary: House Floor Substitute

Article 5, House Bill 4410 (H-2)

Analyst: Michael Cnossen

	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Executive	FY 2021-22 House	FY 2021-22 Senate	FY 2021-22 House Omnibus	Difference: House Omnibus From FY 2020-21 YTD	
						Amount	%
IDG/IDT	\$299,800	\$298,900	\$74,700	\$298,900	\$298,900	(\$900)	(0.3)
Federal	2,868,200	2,850,700	712,800	2,850,700	2,850,700	(17,500)	(0.6)
Local	0	0	0	0	0	0	--
Private	18,700	18,700	4,700	18,700	18,700	0	0
Restricted	58,500	58,500	14,600	58,500	58,500	0	0
GF/GP	14,792,200	14,357,300	3,442,500	14,585,500	14,357,300	(434,900)	(2.9)
Gross	\$18,037,400	\$17,584,100	\$4,249,300	\$17,812,300	\$17,584,100	(\$453,300)	(2.5)
FTEs	116.0	115.0	110.0	75.3	115.0	(1.0)	(0.9)

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 4398 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 82 as passed by the Senate.

*The majority of the appropriations in the House-passed version provided the equivalent of one-quarter of the annual appropriation.

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.

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
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Major Budget Changes from FY 2020-21 YTD Appropriations

NOTE: House changes represent annualized appropriations for comparison purposes.

1. Transfer of Women's Commission to LEO

Executive removes \$366,800 GF/GP and 1.0 FTE position to reflect the transfer of the Michigan Women's Commission from the department to the Department of Labor and Economic Opportunity, as ordered under Executive Order 2020-171, to address concerns about economic security and gender pay equity. House, Senate, and House Omnibus concur.

FTE	2.0	(1.0)
Gross	\$3,159,200	(\$366,800)
GF/GP	\$3,159,200	(\$366,800)

2. Unclassified Positions

House reduces \$587,400 GF/GP and 5.0 unclassified FTE positions for department administrative savings. Senate reduces \$21,800 GF/GP and 0.6 unclassified FTE positions. House Omnibus does not include a reduction.

FTE	6.0	0.0
Gross	\$725,600	\$0
GF/GP	\$725,600	\$0

GENERAL GOVERNMENT: CIVIL RIGHTS**Major Budget Changes from FY 2020-21 YTD Appropriations****3. *Discrimination Outreach***

Senate provides \$250,000 GF/GP to conduct outreach efforts to increase public awareness of violent criminal activity primarily motivated by discrimination and ethnic intimidation during the COVID-19 pandemic. Executive, House, and House Omnibus do not include.

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
Gross	\$0	\$0
GF/GP	\$0	\$0

4. *FTE Authorization Reduction*

Senate reduces 39.1 FTE positions to 5 line items:

- 11.1 for Complaint Investigation and Enforcement
- 3.0 for Division on Deaf, Deafblind, and Hard of Hearing
- 12.0 for Executive Office
- 9.0 for Law and Policy
- 4.0 for Public Affairs

Executive, House, and House Omnibus do not include.

FTE	NA	0.0
Gross	NA	\$0
GF/GP	NA	\$0

5. *Economic Adjustments*

Reflects decreased costs of \$86,500 Gross (\$68,100 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2021 and 1.0% on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. Executive, House, Senate, and House Omnibus include.

Gross	NA	(\$86,500)
IDG	NA	(900)
Federal	NA	(17,500)
GF/GP	NA	(\$68,100)

Major Boilerplate Changes from FY 2020-21***Sec. 401. Contingency Authorization – RETAINED***

Appropriates up to \$1.0 million in federal and up to \$375,000 in private contingency authorization; authorizes expenditure of funds after legislative transfer to specific line items. Executive revises by authorizing up to \$2.0 million in federal contingency authorization and up to \$750,000 in private contingency authorization. House retains. Senate deletes. House Omnibus retains.

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 by eliminating cap of \$85,000. House, Senate, and House Omnibus retain.

Sec. 407. Discrimination Outreach – NOT INCLUDED

Requires the department to conduct outreach efforts to increase public awareness of violent criminal activity primarily motivated by discrimination and ethnic intimidation during the COVID-19 pandemic. Senate adds. Executive, House, and House Omnibus do not include.

EXECUTIVE OFFICE
Summary: House Floor Substitute
Article 5, House Bill 4410 (H-2)

Analyst: Ben Gielczyk

	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Executive	FY 2021-22 House	FY 2021-22 Senate	FY 2021-22 House Omnibus	Difference: House Omnibus From FY 2020-21 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	0	0	0	0	0	0	--
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	0	0	0	0	0	0	--
GF/GP	7,114,300	7,318,600	7,318,600	7,318,600	7,318,600	204,300	2.9
Gross	\$7,114,300	\$7,318,600	\$7,318,600	\$7,318,600	\$7,318,600	\$204,300	2.9
FTEs	89.2	89.2	89.2	89.2	89.2	0.0	0.0

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 4398 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 82 as passed by the Senate.

Overview

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

Major Budget Changes from FY 2020-21 YTD Appropriations

1. Executive Office Operations

Reflects increased costs of \$204,300 GF/GP related to Executive Office staff and other operations. Executive, House, Senate, and House Omnibus include.

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
FTE	89.2	0.0
Gross	\$7,114,300	\$204,300
GF/GP	\$7,114,300	\$204,300

Major Boilerplate Changes from FY 2020-21

There are no major boilerplate changes for FY 2021-22.

DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
Summary: House Floor Substitute
Article 5, House Bill 4410 (H-2)

Analyst: Ben Gielczyk

	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Executive	FY 2021-22 House	FY 2021-22 Senate	FY 2021-22 House Omnibus	Difference: House Omnibus From FY 2020-21 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	1,138,389,800	1,143,364,800	285,695,600	1,140,485,800	1,168,364,800	29,975,000	2.6
Local	10,900,000	10,900,000	2,725,000	10,900,000	5,900,000	(5,000,000)	(45.9)
Private	11,317,800	11,267,000	2,816,800	11,267,000	6,267,000	(5,050,800)	(44.6)
Restricted	272,389,100	243,502,700	63,176,000	273,225,700	243,502,700	(28,886,400)	(10.6)
GF/GP	251,367,600	421,143,100	47,469,100	234,453,200	211,843,100	(39,524,500)	(15.7)
Gross	\$1,684,364,300	\$1,830,177,600	\$401,882,500	\$1,670,331,700	\$1,635,877,600	(\$48,486,700)	(2.9)
FTEs	2,579.9	3,096.9	2,554.9	2,545.9	2,588.9	9.0	0.3

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 4398 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 85 as passed by the Senate.

*The majority of the appropriations in the House-passed version provided the equivalent of one-quarter of the annual appropriation.

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 2020-21 YTD Appropriations

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
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NOTE: House changes represent annualized appropriations for comparison purposes.

1. Michigan Reconnect Program

Executive includes \$120.0 million GF/GP (considered a one-time appropriation) and authorizes 20.0 FTE positions to provide Reconnect programming for FY 2021-22 and FY 2022-23. Reconnect provides a last-dollar scholarship to individuals over the age of 25 with a high school diploma seeking an associate degree or Pell-eligible skill certificate. House eliminates funding and FTE positions. Senate retains. House Omnibus retains current-year Gross funding amount but funds with GF/GP instead of restricted Talent Investment Fund.

FTE	12.0	0.0
Gross	\$30,000,000	\$0
Restricted	30,000,000	(30,000,000)
GF/GP	\$0	\$30,000,000

2. Futures for Frontliners

Executive includes \$39.1 million GF/GP (considered a one-time appropriation) to support existing frontliner population and an expansion of the program to include workers who are newly employed between November 1, 2020 and January 31, 2021, in industries disproportionately impacted by COVID-19. House, Senate, and House Omnibus do not include.

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

GENERAL GOVERNMENT: LABOR AND ECONOMIC OPPORTUNITY

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
3. Reconnect and Futures for Frontliners Wraparound Services			
<u>Executive</u> includes \$6.0 million GF/GP (considered a one-time appropriation) to provide services to single parents participating in the programs. Services could include childcare, personalized advising, tutoring, career counseling, and assistance with transition to a 4-year program. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> do not include.	Gross GF/GP	\$0 \$0	\$0 \$0
4. Flint Settlement Debt Service			
<u>Executive</u> includes \$35.0 million GF/GP for annual debt service costs associated with anticipated bond issuance pursuant to the Flint Settlement. Payments would continue for the planned 30-year term of the bond issuance. <u>House</u> does not include. <u>Senate</u> and <u>House Omnibus</u> concur with <u>Executive</u> .	Gross GF/GP	\$0 \$0	\$35,000,000 \$35,000,000
5. Business Attraction and Community Revitalization			
<u>House</u> reduces by \$5.9 million GF/GP for a total program appropriation of \$94.1 million Gross. <u>Executive</u> , <u>Senate</u> , and <u>House Omnibus</u> retains current-year funding.	Gross Restricted GF/GP	\$100,000,000 59,350,000 \$40,650,000	\$0 0 \$0
6. Pure Michigan			
<u>Executive</u> and <u>House</u> retain current-year funding. <u>Senate</u> increases by \$15.0 million GF/GP. <u>House Omnibus</u> retains current-year Gross funding amount, but funds entirely with federal Coronavirus State Fiscal Recovery Fund resources.	Gross Federal Local Private GF/GP	\$25,000,000 0 5,000,000 5,000,000 \$15,000,000	\$0 25,000,000 (5,000,000) (5,000,000) (\$15,000,000)
7. Arts and Culture Grants			
<u>Senate</u> increases by \$1.5 million GF/GP. <u>Executive</u> , <u>House</u> , and <u>House Omnibus</u> retain current-year funding.	Gross Federal Private GF/GP	\$9,500,000 1,050,000 100,000 \$8,350,000	\$0 0 0 \$0
8. At-Risk Youth Grants			
<u>Senate</u> increases by \$1.3 million GF/GP. <u>Executive</u> , <u>House</u> , and <u>House Omnibus</u> retains current-year funding.	Gross GF/GP	\$3,750,000 \$3,750,000	\$0 \$0
9. Biomedical Research Support Grant			
<u>Executive</u> removes funding. <u>House</u> retains \$1.0 million GF/GP (considered a one-time appropriation) for a grant award for Van Andel Institute. <u>Senate</u> and <u>House Omnibus</u> remove funding.	Gross GF/GP	\$1,000,000 \$1,000,000	(\$1,000,000) (\$1,000,000)
10. Child Care Provider Preservation and Expansion Grants			
<u>House</u> provides \$1.0 million GF/GP (considered a one-time appropriation) for a grant program to defray costs associated with starting a child care provider business. Eligible costs would include licensing fees, infrastructure upgrades, background checks, training, equipment purchases, and other costs associated with meeting state requirements. Costs incurred over prior three years would be eligible and grants would be capped at \$2,000. <u>Executive</u> , <u>Senate</u> , and <u>House Omnibus</u> do not include.	Gross GF/GP	\$0 \$0	\$0 \$0
11. Michigan Career and Technical Institute Upgrades			
<u>House</u> provides \$1.0 million GF/GP (considered a one-time appropriation) for infrastructure improvements, including mechanical, plumbing, and electrical projects at the Michigan Career and Technical Institute. <u>Executive</u> , <u>Senate</u> , and <u>House Omnibus</u> do not include.	Gross GF/GP	\$0 \$0	\$0 \$0

GENERAL GOVERNMENT: LABOR AND ECONOMIC OPPORTUNITY

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
12. Reduced Recidivism Employment Supports	Gross	\$0	\$0
<u>House</u> provides \$660,000 GF/GP (considered a one-time appropriation) to a nonprofit that operates a program provides services to parolees and probationers assessed by MDOC as moderate or high-risk to recidivate. The program would provide job readiness training, transitional employment, job coaching and placement, and postplacement retention services. <u>Senate</u> includes \$662,000 GF/GP, which is included in the Michigan Enhancement Grants line item. <u>Executive</u> and <u>House Omnibus</u> do not include.	GF/GP	\$0	\$0
13. Rural Jobs and Capital Investment Fund	Gross	\$1,500,000	(\$1,500,000)
<u>Executive</u> removes funding. <u>House</u> increases grant to Rural Jobs and Capital Investment Fund by \$500,000 GF/GP. <u>Senate</u> increases by \$3.5 million for a total deposit of \$5.0 million, which is included in the Michigan Enhancement Grants line item. <u>House Omnibus</u> concurs with Executive and removes funding.	GF/GP	\$1,500,000	(\$1,500,000)
14. Small Business Development Centers	Gross	\$0	\$0
<u>House</u> includes \$200,000 GF/GP to provide grants to small business development centers operating in a prosperity region that does not include the main campus of a four-year university. Grants are capped at \$100,000 and funds must be used by the grantee to leverage additional matching dollars. <u>Executive</u> , <u>Senate</u> , and <u>House Omnibus</u> do not include.	GF/GP	\$0	\$0
15. Going Pro	Gross	\$28,670,700	\$0
<u>Executive</u> includes \$15.0 million GF/GP (considered a one-time appropriation) to provide a total of \$43.7 million for Going Pro, of which \$28.7 million is ongoing. Program primarily funds employer-based training grants. <u>House</u> does not include the one-time increase. <u>Senate</u> increases by \$11.3 million GF/GP for a total appropriation of \$40.0 million Gross (\$30.5 million GF/GP). <u>House Omnibus</u> concurs with House.	Restricted	9,540,800	0
	GF/GP	\$19,129,900	\$0
16. Statewide Pre-Apprenticeship Program	Gross	\$0	\$0
<u>Executive</u> includes \$3.0 million GF/GP for a statewide pre-apprenticeship program that would connect individuals that are unemployed or underemployed with training and resources to advance careers in the building and construction trades. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> do not include.	GF/GP	\$0	\$0
17. Workforce Training Equipment Purchase Grants	Gross	\$0	\$0
<u>House</u> includes \$1.5 million of contingent fund, penalty and interest account for equipment grants to qualified training providers for employer-driven workforce training programs. Individual grants are capped at \$90,000. <u>Executive</u> , <u>Senate</u> , and <u>House Omnibus</u> do not include.	Restricted	0	0
	GF/GP	\$0	\$0
18. Housing and Community Development Program	Gross	\$0	\$0
<u>Executive</u> includes \$10.0 million GF/GP (considered a one-time appropriation) for deposit in MSHDA's Housing and Community Development Fund. The fund supports development and coordination of public and private resources to meet low-income household affordable housing needs and revitalize downtowns. The fund last received an appropriation as part of the National Mortgage Settlement in 2012. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> do not include.	GF/GP	\$0	\$0

GENERAL GOVERNMENT: LABOR AND ECONOMIC OPPORTUNITY

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
19. Child Care Facilitator Pilot Project			
<u>Executive</u> and <u>House</u> include \$2.2 million GF/GP (considered a one-time appropriation) to continue childcare facilitator pilot project established in FY 2020-21 with \$1.0 million appropriation serving three locations. Program is administered by LEO in consultation with MDE. Program utilizes both state and business support. <u>Senate</u> includes increase of \$1.5 million GF/GP, which is included in the Michigan Enhancement Grants line item. <u>House Omnibus</u> does not include project.	Gross	\$1,000,000	(\$1,000,000)
	GF/GP	\$1,000,000	(\$1,000,000)
20. Child Savings Accounts			
<u>Executive</u> provides \$2.0 million GF/GP (considered a one-time appropriation) to allocate \$1.0 million for grants to organizations that can deploy funds to build child savings account program to improve financial literacy, boost educational attainment for low-income children, and support wealth building in low-income families and \$1.0 million for two pilot programs (rural and urban) where funds are used as matching grants for family contributions or to match philanthropic or community donations to child savings accounts. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> do not include.	Gross	\$0	\$0
	GF/GP	\$0	\$0
21. Mobility Futures Initiative			
<u>Executive</u> includes \$25.0 million GF/GP (considered a one-time appropriation) for a multi-agency effort to advance mobility initiatives in the state. The initiative would be centrally coordinated through LEO's Office of Future Mobility and Electrification and involve the Departments of Environment, Great Lakes, and Energy (EGLE) and Transportation (MDOT). Of the total, the funds would be allocated as follows: \$15.0 million to LEO for long-term planning, innovative technology deployment, electric charging infrastructure, new economic sector development, and workforce training and credentialing in emerging industries \$8.0 million to EGLE for electric charging infrastructure and vehicle fleet conversion \$2.0 million to MDOT for on-demand service pilots in underserved areas for regional mobility and addressing systemic inequity <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> do not include.	Gross	\$0	\$0
	GF/GP	\$0	\$0
22. Poverty Task Force – Research and Planning			
<u>Executive</u> includes \$1.0 million GF/GP (considered a one-time appropriation) for research and planning that would increase effectiveness of state benefit programs. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> do not include.	Gross	\$0	\$0
	GF/GP	\$0	\$0
23. Focus: HOPE Grant			
<u>Executive</u> includes \$1.0 million GF/GP (considered a one-time appropriation) for the nonprofit's workforce, youth development, and community empowerment and advocacy efforts. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> do not include.	Gross	\$0	\$0
	GF/GP	\$0	\$0
24. Brownfield Redevelopment Fund Creation and Increase			
<u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> include \$1.1 million Gross (\$0 GF/GP) to support community development projects authorized under 2012 PA 502. Revenues exists from captured brownfield tax increment finance revenue pursuant to the act. Also transfers \$50,000 in fund source authorization from special project advances for a total authorization of \$1.2 million.	Gross	\$50,000	\$1,125,000
	Restricted	50,000	1,125,000
	GF/GP	\$0	\$0

GENERAL GOVERNMENT: LABOR AND ECONOMIC OPPORTUNITY

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
25. Federal Fund Authorization Increases	Gross	NA	\$13,075,000
<u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> include the following federal fund appropriation authorization increases to reflect new federal awards:	Federal	NA	13,075,000
	GF/GP	NA	\$0
\$6.0 million for Michigan Learning and Education Advancement Program (MiLEAP) to help jobseekers transition from education and training to employment through customized training and support \$4.0 million for Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) to increase the number of low-income students prepared to enter postsecondary education \$3.1 million for Workforce Development H-1B grants to reflect two new grants to prepare the workforce for middle- to high-skilled positions currently filled by H-1B workers and to connect employers with skilled healthcare workers in rural communities			
26. Workforce Development Programs Fund Shift	Gross	\$381,636,000	\$0
<u>Senate</u> offsets \$5.0 million GF/GP with a corresponding amount of Contingent Fund, Penalties and Interest. <u>Executive</u> , <u>House</u> , and <u>House Omnibus</u> do not include.	Federal	360,057,100	0
	Local	500,000	0
	Private	3,796,400	0
	Restricted	10,999,900	0
	GF/GP	\$6,282,600	\$0
27. Michigan Works! State Identification Support	Gross	NA	\$0
<u>Senate</u> includes \$2.5 million GF/GP to provide funding for assisting state residents with state identification cards. <u>Executive</u> , <u>House</u> , and <u>House Omnibus</u> do not include.	GF/GP	NA	\$0
28. State Historic Preservation Office (SHPO)	Gross	\$0	\$2,100,000
<u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> include \$2.1 million Gross (\$0 GF/GP) for office operations. Includes \$1.9 million in federal fund sourcing and \$200,000 in new restricted fees and charges as a result of authorization included in 2020 PA 343 which allowed SHPO to collect fees for the historic tax credit program. Senate includes in standalone line item.	Federal	0	1,900,000
	Restricted	0	200,000
	GF/GP	\$0	\$0
29. Michigan Women's Commission Transfer from Civil Rights	FTE	0.0	2.0
<u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> include \$366,800 GF/GP and authorizes 2.0 FTE positions to reflect the transfer of the Michigan Women's Commission from the Department of Civil Rights to the Department of Labor and Economic Opportunity, as ordered under Executive Order 2020-171. The Women's Commission works to address concerns about economic security and gender pay equity. Includes 1.0 FTE as an unclassified position.	Gross	\$0	\$366,800
	GF/GP	\$0	\$366,800
30. Bureau of Employment Relations	FTE	22.0	0.0
<u>Senate</u> reduces FTE positions and funding by 20%. <u>Executive</u> , <u>House</u> , and <u>House Omnibus</u> do not include.	Gross	\$4,452,000	\$0
	Restricted	4,452,000	0
	GF/GP	\$0	\$0
31. Unemployment Insurance Benefits Claim Monitoring	Gross	\$0	\$0
<u>House</u> includes \$4.0 million GF/GP to support ongoing costs related to unemployment insurance benefit claims monitoring and fraud detection through the use of a third-party service that provides a proprietary identity document capture and verification solution. <u>Executive</u> , <u>Senate</u> , and <u>House Omnibus</u> do not include.	GF/GP	\$0	\$0

GENERAL GOVERNMENT: LABOR AND ECONOMIC OPPORTUNITY

		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>			
32. Unemployment Insurance Agency Staffing	FTE	736.0	0.0
<u>Executive</u> includes authorization for an additional 500.0 FTE positions to align with increased federal administrative revenues. Up to 500.0 FTE positions were previously authorized for up to 6 months in 2020 PA 123. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> do not include.	Gross	\$299,363,800	\$0
	Federal	276,626,400	0
	Restricted	22,737,400	0
	GF/GP	\$0	\$0
33. Current Services Baseline Technical Adjustments	Gross	NA	\$1,769,000
<u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> include \$1.8 million Gross (\$78,100 GF/GP) to accommodate technical adjustments related to defined calculations, federal match requirements, and federal and restricted revenue estimates.	Federal	NA	1,680,400
	Restricted	NA	10,500
	GF/GP	NA	\$78,100
34. Removal of FY 2020-21 One-Time Appropriations	Gross	\$96,288,800	(\$96,288,800)
<u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> remove funding for the following one-time appropriations:	Federal	10,000,000	(10,000,000)
\$27.8 million GF/GP – Michigan Enhancement Grants \$10.0 million Federal – Coronavirus Relief Fund Grants \$3.5 million GF/GP – Michigan Stages Survival Grants \$55.0 million GF/GP – Small Business Survival Grants	GF/GP	\$86,288,800	(\$86,288,800)
35. Executive Direction Reorganization	FTE	NA	7.0
<u>Executive</u> transfers \$1.1 million GF/GP from Workforce Development Programs to Executive Direction and Operations and includes new authorization for 7.0 FTE positions. This request would allow for additional centralized financial staff and flexible funding to support core operations of the department. <u>House</u> does not include. <u>Senate</u> and <u>House Omnibus</u> concur with <u>Executive</u> .	Gross	NA	\$1,100,000
	GF/GP	NA	\$1,100,000
36. MIOSHA Staffing Reduction	FTE	197.0	0.0
<u>House</u> reduces by \$1.5 million of restricted funds to reflect the reduction of 10.0 FTE positions in the MIOSHA line item. <u>Senate</u> reduces FTEs and funding by 20%. <u>Executive</u> and <u>House Omnibus</u> do not include.	Gross	\$30,425,700	\$0
	Federal	12,385,300	0
	Restricted	18,040,400	0
	GF/GP	\$0	\$0
37. Independent Living	Gross	\$15,531,700	\$0
<u>House</u> includes \$100 GF/GP placeholder for additional support for Centers for Independent Living services. <u>Senate</u> includes \$3.0 million GF/GP. <u>Executive</u> and <u>House Omnibus</u> maintain current-year funding.	Federal	8,451,600	0
	Private	10,000	0
	GF/GP	\$7,070,100	\$0
38. Unclassified Salaries	FTE	34.5	0.0
<u>House</u> reduces by \$750,000 Gross (\$65,900 GF/GP) and 5.0 FTE unclassified positions. <u>Senate</u> reduces funding and FTE position authorization by 20%. Unrolls UIA Administrator unclassified position into standalone line item. <u>Executive</u> and <u>House Omnibus</u> maintain current-year funding.	Gross	\$4,073,100	\$0
	Federal	1,435,700	0
	Restricted	2,279,600	0
	GF/GP	\$357,800	\$0
39. Economic Adjustments	Gross	NA	(\$2,133,700)
Reflects net decrease of \$2.1 million Gross (\$180,600 GF/GP). Budgeted increases for salaries and wages (negotiated 2.0% increase on October 1, 2021 and 1.0% on April 1, 2022), and increases related to actuarially required retirement contributions, worker's compensation, and building occupancy charges, were offset by a reduction in calculated contributions for retiree medical benefits. <u>Executive</u> , <u>House</u> , and <u>House Omnibus</u> include. <u>Senate</u> concurs, but does not include upward economics adjustment for unclassified salaries.	Federal	NA	(1,680,400)
	Private	NA	(800)
	Restricted	NA	(271,900)
	GF/GP	NA	(\$180,600)

Major Boilerplate Changes from FY 2020-21

DEPARTMENT LABOR AND ECONOMIC OPPORTUNITY (LEO)

Sec. 203. UIA Director – NOT INCLUDED

Requires only funds appropriated for the UIA director to be expended for the salary and/or compensation of the director or acting director of the UIA. Senate includes as new section. Executive, House, and House Omnibus do not include.

Sec. 980. Contingency Funds – RETAINED

Appropriates \$15.0 million of federal contingency funds, \$5.0 million of state restricted contingency funds, \$1.0 million of private contingency funds, 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 private, and \$2.0 million local. House and House Omnibus retains current law. Senate deletes.

Sec. 983. Broadband Bonding Prohibition – RETAINED

Prohibits Department of Labor and Economic Opportunity (LEO), the Michigan Strategic Fund (MSF), and the Michigan State House Development Authority (MSHDA) from issuing or refinancing bonds or using any funds for broadband construction, expansion, repairs, or upgrades. Executive deletes section. House, Senate, and House Omnibus retain current law.

Sec. 984. SIGMA System Reporting – RETAINED

Requires LEO to use SIGMA to report encumbrances and expenditures. Executive deletes section. House, Senate, and House Omnibus retain current law.

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 section. House, Senate, and House Omnibus retain current law.

Sec. 989a. Employee Union Activities Prohibition – NOT INCLUDED

Prohibits the funds appropriated in part 1 from being expended for training, promotion, education, or other activities related to the establishment or development of an employee union. House includes as new section. Executive, Senate, and House Omnibus do not include.

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 section. House, Senate, and House Omnibus retain current law.

LEO – MICHIGAN STRATEGIC FUND (MSF)

Sec. 1003. Pure Michigan Study – NOT INCLUDED

Requires Pure Michigan to conduct a research study to identify potential funding mechanisms to augment or reduce the amount of general fund expenditures for Pure Michigan promotional campaign. Senate includes as new section. Executive, House, and House Omnibus do not include.

Sec. 1004. Statutory Reporting Requirements Update – RETAINED

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

Sec. 1005a. Pure Michigan Appropriations – RETAINED

Requires GF/GP appropriated in part 1 for Pure Michigan to be appropriated for certain specified purposes. Authorizes fund to contract any of the authorized activities. Authorizes fund to work with local units of government, non-profit entities, and private entities on Pure Michigan promotion campaigns. Senate revises to includes match market campaigns funded from local or private promotion funds as an authorized use of general fund appropriations. Executive, House, and House Omnibus retain current law.

Sec. 1005d. Pure Michigan Promotion – NOT INCLUDED

Requires Pure Michigan campaign to prioritize sectors of the economy that were disproportionately impacted by the COVID-19 pandemic. House includes as new section. Executive, Senate, and House Omnibus do not include.

GENERAL GOVERNMENT: LABOR AND ECONOMIC OPPORTUNITY

Major Boilerplate Changes from FY 2020-21

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

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

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. If land or options on land are purchased, the section 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 options on land or land by March 15. Executive deletes section. House, Senate, and House Omnibus retain current law.

Sec. 1013. Fundraising Activity – RETAINED

Prohibits MEDC staff involved in fundraising from being party to grant award, incentives, or tax abatement decisions. Executive deletes section. House, Senate, and House Omnibus retain current law.

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

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

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

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 for expenses necessary to administer the programs; requires a report to the legislature. Executive revises by eliminating prohibition on part 1 appropriation being used to support administration of the program. House, Senate, and House Omnibus retain current law.

Sec. 1040. Business Attraction and Community Revitalization Competitive Grant – NOT INCLUDED

Requires the MSF to develop a competitive grant program for facility and equipment upgrades for current Michigan businesses for the business to maintain operations in this state. Requires length of time the business has been in the state as one of the main factors for grant award determination. Senate includes as new section. Executive, House, and House Omnibus do not include.

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

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

Sec. 1046. Business Attraction and Community Revitalization Rural MI Small Business Development Centers – NOT INCLUDED

Requires \$200,000 of the funds appropriated for Business Attraction and Community Revitalization to be awarded as matching funds for rural Michigan small business development centers. Specifically, the funds must be awarded to prosperity regions operating a small business development center that does not have a 4-year university main campus in their region. Senate includes as new section. Executive, House, and House Omnibus do not include.

Major Boilerplate Changes from FY 2020-21

Sec. 1047. Michigan Enhancement Grants – DELETED

Specifies one-time appropriation in part 1 for Michigan Enhancement Grants shall be awarded to the following: (1) ERecording Commission (\$600,000), (2) Western Upper Peninsula Workforce Development Retirement Shortfall (\$1.1 million), (3) Holy Cross Services (\$1.0 million), (4) Rural Jobs Investment Fund (\$1.5 million), (5) McLaren – Cheboygan (\$3.0 million), (6) McLaren – Greenlawn (\$5.0 million), (7) Michigan Center for Civic Education (\$220,000), (8) Naval Museum Infrastructure Grant (\$200,000), (9) Governor Warner Historic Mansion Renovation (\$85,000), (10) Sloan Museum (\$1.0 million), (11) Langley Covered Bridge (\$750,000), (12) North Flint Food Market (\$506,800), (13) Helmets to Hardhats (\$250,000), (14) United Methodist Community House (\$1.0 million), (15) Michigan Aerospace Manufacturers Association (\$500,000), (16) Pershing High School Military Training (\$300,000), (17) Detroit Public Schools Air Filters (\$250,000), (18) Kent County Youth Sex Offender Diversion Program (\$75,000), (19) Statewide Pre-apprenticeship Program (\$3.0 million), (20) US 131 Interchange Kalamazoo County Planning and Design (\$1.8 million); (21) UCAN Addiction Recovery (\$200,000), (22) Amity Foundation (\$750,000), (23) Grand Traverse County Railway Improvements (\$500,000), (24) Chippewa County Railway Improvements (\$200,000), (25) Alcona County Railway Improvements (\$300,000), (26) Gaylord/Otsego County Railway Improvements (\$154,000), (27) Arenac County Railway Improvements (\$41,000), (28) Bay County Railway Improvements (\$94,000), (29) Gratiot County Railway Improvements (\$211,000), (30) Forest Road Roundabout (\$1.7 million), (31) Child Care Pilot Project (\$1.0 million), (32) Allegan County Bridge Repairs (\$3.0 million), and (33) Van Andel Institute (\$1.0 million). Executive and House delete section. Senate revises to provide three awards: Child Care Pilot - \$2.5 million; Center for Employment Opportunities - \$662,000; and Rural Jobs and Capital Investment Fund - \$5.0 million. House Omnibus deletes section.

Sec. 1047. Health Care Business Incubator Pilot Project – NOT INCLUDED

Requires \$100 of Entrepreneurship Eco-System line item to be allocated to a health care business incubator pilot program that emphasizes entrepreneurial engagement with hospitals and health systems in the development of new technology and care models. House includes as new section. Executive, Senate, and House Omnibus do not include.

Sec. 1048. Michigan Enhancement Grants Grant Agreements – DELETED

Requires MSF to execute a grant agreement with certain requirements for each Michigan Enhancement Grant awarded; requires quarterly updates on grant status; requires recipients to respond to reasonable requests. Executive and House delete section. Senate retains section. House Omnibus deletes section.

Sec. 1052. Coronavirus Relief Fund Grants – DELETED

Specifies one-time appropriation in part 1 for Coronavirus Relief Fund Grants shall be awarded to the following for eligible expenses: (1) Wolverine Human Services (\$2.4 million), Spectrum Human Services (\$1.9 million), Orchard's Children Services (\$81,900), Oakland Family Services (\$77,100), Ennis Center (\$85,800), Hospital UV Air Cleaner Grant Program (\$2.0 million), Michigan Tech COVID Testing Facility (\$400,000), and Rapid COVID Testing (\$3.0 million). Executive, House, Senate, and House Omnibus delete section.

Sec. 1053. Good Jobs for Michigan Appropriation Authority – NEW

Appropriates the funds transferred from the General Fund for deposit into the Good Jobs for Michigan Fund for calculated payments to eligible recipients. Executive, House, Senate, and House Omnibus include as new section.

LEO – EMPLOYMENT SERVICES

Sec. 1055. MIOSHA Fines Repayment – NOT INCLUDED

Requires the Michigan Occupational Safety and Health Administration (MIOSHA) to return fines levied on employers between April 30, 2020 and October 13, 2020 that were levied due to COVID-19 violations. House includes as new section. Executive, Senate, and House Omnibus do not include.

Sec. 1056. MIOSHA Press Release Limitation – NOT INCLUDED

Prohibits MIOSHA from identifying specific employers by name in communications distributed to the press with respect to violations issued under emergency rules. House includes as new section. Executive, Senate, and House Omnibus do not include.

GENERAL GOVERNMENT: LABOR AND ECONOMIC OPPORTUNITY

Major Boilerplate Changes from FY 2020-21

LEO – WORKFORCE DEVELOPMENT AND UNEMPLOYMENT

Sec. 1066. Going Pro Administration – RETAINED

Requires Going Pro to be administered according to specific guidelines outline in boilerplate. Allows up to \$5.0 million of funds appropriated for Going Pro to be used for matching funds when federal funds requiring a match become available. The intent of the funds is increasing the skill level of employees in skilled trades and to address in-demand talent needs in Michigan. Executive revises to eliminate legislative notification related to program goal, solution, or guidance changes. Adds language authorizing up to \$250,000 to be used for award to national, nonprofit program that connects National Guard, reserve, retired, and transitioning active-duty military service members with skilled training and quality career opportunities in the construction industry. House retains current law. Senate retains current law; adds subdivision authorizing up to \$4.0 million of the funds to be used for matching funds for equipment upgrades for qualified applicants as determined by the department. House Omnibus retains current law.

Sec. 1067. Going Pro Talent Fund – DELETED

Authorizes funds appropriated for Going Pro in part 1 to be deposited into the Going Pro Talent Fund. States that if the funds are deposited, they are considered available for expenditure under the Going Pro Talent Fund Act. Executive and House delete section. Senate retains section. House Omnibus deletes section.

Sec. 1069. Healthy Michigan Work Requirement Assistance – RETAINED

Allows funds appropriated in part 1 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. Provides that funds may be used to hire additional department field staff to educate impacted Healthy Michigan plan recipients on the requirements and available services, make referrals, assess and address barriers to employment, and manage other caseload-related impacts. Requires quarterly report. Executive revises by striking reporting requirement. House, Senate, and House Omnibus retain current law.

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

Requires \$1.5 million of the funds appropriated for Going Pro to support a pilot program to assist adults over the age of 23 in obtaining high school diplomas and placement in career training programs. Provides requirements to qualify as an eligible program provider. Provides detailed reimbursement rates for certain performance measures. Executive deletes section. House retains current law. Senate concurs with Executive. House Omnibus concurs with House.

Sec. 1070. Unemployment Insurance Agency Branch Operations – NOT INCLUDED

Requires the funds appropriated in part 1 for UIA branch operations to be used to staff UIA branch offices for in-person appointments for UIA claimant services. Senate includes as new section. Executive, House, and House Omnibus do not include.

Sec. 1071. Dropout Prevention and Recovery Program for Michigan Youth – RETAINED

Requires \$3.8 million from the funds appropriated for At-Risk Youth Grants to be awarded to the Michigan franchise holder of the national Jobs for America's Graduates program. Executive deletes section but retains funding in part 1. House retains current law section; retains funding in part 1. Senate retains section; adds subsection requiring up to \$1.3 million to be allocated to match private contributions to the Jobs for Michigan Graduates program. House Omnibus concurs with House.

Sec. 1072. High School Equivalency-to-School Program Guidelines – RETAINED

Stipulates that \$250,000 appropriated in part 1 for the program are to be used to cover the cost of a high school equivalency test free of charge to individuals meeting certain requirements. Requires LEO to develop procedures, provide program information, provide full-year cost estimate, and provide a report. Executive deletes section; retains funding in part 1. House, Senate, and House Omnibus retain current law section; retain funding in part 1.

Sec. 1073. Statewide Pre-Apprenticeship Program – NOT INCLUDED

Requires funds appropriated in part 1 for the Statewide Pre-Apprenticeship Program to be awarded to a nonprofit with demonstrated effectiveness in the administration of an apprenticeship readiness program that increases the state's building trades and construction talent pool; requires program to enroll Michigan residents with the goal of achieving employment in the building trades and construction industry; requires program to prioritize economically distressed communities and target residents from underrepresented populations. Executive includes as new section. House, Senate, and House Omnibus do not include section.

Major Boilerplate Changes from FY 2020-21

Sec. 1074. Michigan Reconnect Grant Program – REVISED

Provides requirements for the Michigan Reconnect grant program; requires the department to allocate 10.0 FTE positions for navigators who provide support services and 2.0 FTE positions for oversight and implementation of the program. Executive and House delete section. Senate retains section. House Omnibus revises to reflect GF/GP appropriation.

Sec. 1074. Unemployment Insurance Agency Expenditure Report – NOT INCLUDED

Requires Unemployment Insurance Agency to provide a report at least quarterly that includes fiscal year-to-date expenditures by division and program unit. Requires report to be transmitted within 30 days of the end of the quarter. House includes as new section. Executive, Senate, and House Omnibus do not include.

Sec. 1075. Unemployment Insurance Agency Claimants and Trust Fund Reporting – REVISED

Requires the department to provide a monthly report that provides 4-week average number of unique claimants, 4-week average number of eligible claimants with certification, 4-week average number of claims paid, total amount of standard unemployment insurance payments paid for the month, total amount of unemployment insurance tax generated for the quarter, and balance of the Michigan unemployment trust fund at the end of the quarter. Executive revises to make report quarterly. House retains current law. Senate revises to make report quarterly and due within 15 days of the end of the quarter. House Omnibus concurs with Senate.

Sec. 1077. Michigan Works! State Identification Cards – NOT INCLUDED

Requires \$2.0 million appropriated for Michigan Works! to be used to assist Michigan residents with obtaining further identification documents. Senate includes as new section. Executive, House, and House Omnibus do not include.

Sec. 1077. Unemployment Insurance Agency Federal Funds – NOT INCLUDED

Authorizes appropriation and expenditure of USDOL federal funds received in excess of the gross appropriation in part 1 for the Unemployment Insurance Agency; requires notification to State Budget Director and legislative subcommittees prior to expenditure. Executive includes as new section. House, Senate, and House Omnibus do not include section.

Sec. 1077. Unemployment Insurance Agency Branch Offices – NOT INCLUDED

Requires Unemployment Insurance Agency to provide full-time, in-person services at all existing unemployment insurance local offices. House includes as new section. Executive, Senate, and House Omnibus do not include.

Sec. 1077. Unemployment Insurance Agency Term-Limited Employee Authorization – NEW

Authorizes the UIA to hire up to 500.0 term-limited employees or contractors if UIA local offices offer full-time, in-person services by October 1, 2021. House Omnibus includes as new section.

Sec. 1077a. Michigan Works! State Identification Card Barrier Removal – NOT INCLUDED

Requires \$500,000 appropriated for Michigan Works! to be used to remove barriers for Michigan residents to obtain proper Michigan state ID. Senate includes as new section. Executive, House, and House Omnibus do not include.

Sec. 1077a. Unemployment Insurance Agency Benefit Claims Monitoring – NOT INCLUDED

Requires funds appropriated in part 1 for Unemployment Insurance Agency Benefit Claims Monitoring to be used to support ongoing costs related to unemployment insurance benefit claims monitoring and fraud detection through the use of a third-party service that provides a proprietary identity document capture and verification solution. House includes as new section. Executive, Senate, and House Omnibus do not include.

Sec. 1078a. Unemployment Insurance Agency Conditions – NOT INCLUDED

Prohibits UIA from expending funds for activities, partnerships, contracts, or any other activities done in coordination with Michigan Works! Agencies unless the agency maintains full-time, in-person services; requires UIA to enforce work search requirements under section 28 of the Michigan Employment Security Act. House includes as new section. Executive, Senate, and House Omnibus do not include.

Sec. 1079. Interagency Agreement for TANF Funds – REVISED

Requires LEO to extend into an interagency agreement with DHHS for the use of TANF funds. Requires report on use of TANF funds by LEO. Executive deletes section. House revises to require LEO to provide reporting on the interagency agreement with DHHS from requiring LEO to extend the interagency agreement. Senate retains current law; inserts opening phrase to tie section to funds appropriated in part 1. House Omnibus concurs with House.

GENERAL GOVERNMENT: LABOR AND ECONOMIC OPPORTUNITY

Major Boilerplate Changes from FY 2020-21

LEO – REHABILITATION SERVICES

Sec. 1082. Michigan Rehabilitation Services Report – RETAINED

Requires annual status and outcome report on efforts taken to remedy and improve the MRS. Executive deletes section. House and Senate retain current law; Senate insert opening phrase (technical) to tie section to funds appropriated in part 1. House Omnibus concurs with Senate.

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 allocation permissive. House, Senate, and House Omnibus retain current law.

Sec. 1084. Michigan Rehabilitation Services Order of Selection and Local Collaboration – RETAINED

States legislative intent that MRS not implement an order of selection for vocational and rehabilitative services; requires legislative notification if program is at risk of implementing an order of selection. States legislative intent that LEO coordinate with MRS, Michigan Works!, local technology and trade schools, local community mental health, and other local entities to fully utilize available MRS program space regardless of eligibility criteria. Executive revises to remove legislative intent that MRS not implement an order of selection for vocational and rehabilitative services. House, Senate, and House Omnibus retain current law.

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 section. House, Senate, and House Omnibus retain current law.

Sec. 1086. Centers for Independent Living – RETAINED

Requires that all funds appropriated within the Independent Living appropriation line item be used to support Centers for Independent Living in underserved areas and to build capacity; requires report. Executive revises to remove limit of \$5.5 million on funds appropriated that may be used to leverage federal funds. House, Senate, and House Omnibus retain current law.

LEO – COMMISSIONS

Sec. 1091. Ethnic Affairs Commissions' Spending – RETAINED

Requires expenditure of appropriated funds by the commissions to directly relate to mission statements. Executive and House delete section. Senate and House Omnibus retain current law.

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, Senate, and House Omnibus retain current law.

Sec. 1093. Office of Global Michigan Immigrant and Refugee Resource Center – NOT INCLUDED

Requires \$500,000 of funds appropriated in part 1 for Office of Global Michigan to be for a competitive grant program for the development of an immigrant and refugee resource community center located in West Michigan. Senate includes as new section. Executive, House, and House Omnibus do not include.

LEO – ONE-TIME APPROPRIATIONS

Sec. 1093. Michigan Housing and Community Development Program – NOT INCLUDED

Requires part 1 appropriation to be deposited into the Michigan Housing and Community Development Fund; designates all funds in the fund as appropriated and available for expenditure for statutory purposes. Executive includes as new section. House, Senate, and House Omnibus do not include.

Sec. 1093. Reduced Recidivism Employment Supports – NOT INCLUDED

Requires funds appropriated in part 1 to be awarded to a nonprofit that provides services to parolees and probationers assessed by MDOC as moderate or high-risk to recidivate. The program would provide job readiness training, transitional employment, job coaching and placement, and postplacement retention services. Authorizes the Michigan Strategic Fund to receive and expend funds from MDOT, DNR, and EGLE to support the program. House includes as new section. Executive, Senate, and House Omnibus do not include.

Major Boilerplate Changes from FY 2020-21

Sec. 1094. Focus: HOPE Grant – NOT INCLUDED

Permits part 1 appropriation to be awarded for education and workforce development programming, early childhood education, youth development, food assistance, or community empowerment and advocacy. Executive includes as new section. House, Senate, and House Omnibus do not include.

Sec. 1094. Rural Jobs and Capital Investment Fund – NOT INCLUDED

Requires funds appropriated in part 1 to be deposited in the Rural Jobs and Capital Investment Fund. States that funds in the Rural Jobs and Capital Investment Fund are appropriated and available for expenditure pursuant to statute. House includes as new section. Executive, Senate, and House Omnibus do not include.

Sec. 1095. Child Care Facilitator Project – NOT INCLUDED

Requires part 1 appropriation to be awarded for the project; requires LEO to administer program in consultation with the Michigan Department of Education. Executive includes as new section. House, Senate, and House Omnibus do not include.

Sec. 1095. Biomedical Research Support Grant – NOT INCLUDED

Requires funds appropriated in part 1 to be awarded to the Van Andel Institute. House includes as new section. Executive, Senate, and House Omnibus do not include.

Sec. 1096. Mobility Futures Initiative – NOT INCLUDED

Requires funds appropriated in part 1 to support a multi-agency program to invest in mobility and electrification industries, infrastructure, and workforce opportunities. Requires LEO Office of Future Mobility and Electrification to coordinate efforts with EGLE and MDOT; allocates specific amounts to LEO (\$15.0 million), EGLE (\$8.0 million), and MDOT (\$2.0 million) for specific purposes; requires report. Executive includes as new section. House, Senate, and House Omnibus do not include.

Sec. 1096. Michigan Career and Technical Institute – NOT INCLUDED

Requires funds appropriated in part 1 to be awarded for critical infrastructure improvements, including mechanical, plumbing, and electrical projects at the Michigan Career and Technical Institute associated with Michigan Rehabilitation Services. House includes as new section. Executive, Senate, and House Omnibus do not include.

Sec. 1097. Reconnect and Futures for Frontliners Wraparound Services – NOT INCLUDED

Requires funds appropriated in part 1 to be expended by LEO to provide childcare, broadband access, transportation, or other services enrolled in Michigan Reconnect or Futures for Frontliners to remove barriers to employment and improve student success. Executive includes as new section. House, Senate, and House Omnibus do not include.

Sec. 1097. Small Business Development Centers – NOT INCLUDED

Requires funds appropriated in part 1 to be used for grants to small business development centers operating in a prosperity region that does not include the main campus of a four-year university. Grants would be capped at \$100,000 and would be required to be used to leverage additional matching dollars. House includes as new section. Executive, Senate, and House Omnibus do not include.

Sec. 1098. Child Savings Accounts – NOT INCLUDED

Requires funds to be expended in partnership with philanthropic and nonprofit organizations to support recommendations of the Michigan Poverty Task Force; authorizes up to \$1.0 million to be allocated as grants to organizations able to demonstrate ability to deploy funds to build child savings account programs to improve financial literacy, boost educational attainment for low-income children, and support wealth building in low-income families; authorizes up to \$1.0 million to support matching grant pilot programs that utilize family contributions, philanthropic, or community donations to child savings accounts with one award to a rural community and one award to an urban community. Executive includes as new section. House, Senate, and House Omnibus do not include.

Sec. 1098. Child Care Facilitator Pilot Project – NOT INCLUDED

Requires funds appropriated in part 1 to be used to continue the child care facilitator project originally initiated and funded in section 1047 of Article 5 of 2020 PA 166; requires funds to be used to expand the child care facilitator pilot project to at least two new facilitator hubs; requires new facilitators to be a nonprofit, limited liability company, C-corporation, S-Corporation, or a sole proprietor; caps administration costs at \$100,000. House includes as new section. Executive, Senate, and House Omnibus do not include.

Sec. 1099. Poverty Task Force – Research and Planning – NOT INCLUDED

Requires part 1 appropriation to be used for implementation of the recommendations of the Michigan Poverty Task Force, including conducting research and planning related to the effectiveness of state benefits programs. Executive includes as new section. House, Senate, and House Omnibus do not include.

GENERAL GOVERNMENT: LABOR AND ECONOMIC OPPORTUNITY

Major Boilerplate Changes from FY 2020-21

Sec. 1099a. Workforce Training Equipment Grants – NOT INCLUDED

Requires funds appropriated in part 1 to be used by the Michigan Strategic Fund to create a grant program to provide equipment grants to qualified training providers for employer-driven workforce training programs provided to a qualified training provider that provides workforce training for employers and individuals; defines workforce training; requires funds to be distributed consistent with the small business grants distributed in 2020 PA 123; defines qualified employer and qualified training provider; caps grants at \$90,000; requires funds not awarded by January 31, 2022 to revert to the Michigan Strategic Fund for redistribution; requires report. House includes as new section. Executive, Senate, and House Omnibus do not include.

Sec. 1100. Michigan Reconnect Grant Program – NOT INCLUDED

Requires part 1 appropriation to be expended according to statutory requirements; designates unexpended funds as work project. Executive includes as new section. House, Senate, and House Omnibus do not include.

Sec. 1101. Futures for Frontliners – NOT INCLUDED

Requires funds appropriated in part 1 to be used for last-dollar tuition costs, mandatory fees, and contact hours at community colleges for Michigan residents that are eligible frontline workers. Requires funds to be used to expand the eligible population to include individuals who became newly unemployed between November 1, 2020, and January 31, 2021, in industries disproportionately impacted by COVID-19; designates unexpended funds as work project. Executive includes as new section. House, Senate, and House Omnibus do not include.

LEGISLATURE

Summary: House Floor Substitute

Article 5, House Bill 4410 (H-2)

Analyst: Ben Gielczyk

	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Executive	FY 2021-22 House	FY 2021-22 Senate	FY 2021-22 House Omnibus	Difference: House Omnibus From FY 2020-21 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	--
Federal	0	0	0	0	0	0	--
Local	0	0	0	0	0	0	--
Private	400,000	406,000	406,000	406,000	406,000	6,000	1.5
Restricted	4,637,300	4,706,800	4,706,800	4,706,800	4,706,800	69,500	1.5
GF/GP	170,702,600	177,830,400	174,774,400	172,825,200	172,830,400	2,127,800	1.2
Gross	\$175,739,900	\$182,943,200	\$179,887,200	\$177,938,000	\$177,943,200	\$2,203,300	1.3

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 4398 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 82 as passed by the Senate.

Overview

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

		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
Major Budget Changes from FY 2020-21 YTD Appropriations			
1. Legislative Operations Adjustment			
Reflects increased costs of \$2.6 million Gross (\$2.5 million GF/GP) related to legislative staff and other operations. <u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> include.	Gross	\$172,250,500	\$2,583,800
	Private	400,000	6,000
	Restricted	4,637,300	69,500
	GF/GP	\$167,213,200	\$2,508,300
2. Census Tracking			
<u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> remove \$340,000 GF/GP that supported one-time costs related to equipment, supplies, and services needed for tracking and reporting census and reapportionment information for the state of Michigan.	Gross	\$340,000	(\$340,000)
	GF/GP	\$340,000	(\$340,000)
3. Independent Citizens Redistricting Commission			
<u>Executive</u> reduces by \$40,500 GF/GP to reflect constitutionally required appropriation. The Michigan Constitution requires the appropriation of an amount equal to not less than 25% of the GF/GP budget for the Secretary of State for Independent Citizens Redistricting Commission operations. <u>House</u> reduces by \$218,400 GF/GP. <u>Senate</u> reduces by \$45,700 GF/GP. <u>House Omnibus</u> reduces by \$40,500 GF/GP to align with Department of State GF/GP appropriations.	Gross	\$3,149,400	(\$40,500)
	GF/GP	\$3,149,400	(\$40,500)

GENERAL GOVERNMENT: LEGISLATURE

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
4. Capital Security Improvements	Gross	\$0	\$0
<u>Executive</u> provides \$5.0 million GF/GP (considered a one-time appropriation) to provide enhanced security measures at the Michigan State Capitol Building. Funding would support security staffing, infrastructure improvements, and equipment, which may include x-ray machines, magnetometers, and video and audio equipment necessary to implement a weapons ban. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> do not include.	GF/GP	\$0	\$0
5. Office of Children's Ombudsman	Gross	NA	\$0
<u>House</u> includes \$2.1 million GF/GP to effectuate the transfer of the Office of Children's Ombudsman from DTMB to the Legislative Council. <u>Executive</u> , <u>Senate</u> , and <u>House Omnibus</u> do not include.	GF/GP	NA	\$0
6. State Employee Ombudsman	Gross	NA	\$0
<u>House</u> includes \$100 GF/GP placeholder for State Employee Ombudsman under House Bill 4064. <u>Executive</u> , <u>Senate</u> , and <u>House Omnibus</u> do not include.	GF/GP	NA	\$0

Major Boilerplate Changes from FY 2020-21

Sec. 613. Senate Census Tracking/Reapportionment Work Project – DELETED

Provides that funds appropriated in part 1 are work project appropriations; the purpose of the funds is to purchase equipment, supplies, and services needed for tracking and reporting census and reapportionment information for the state of Michigan; estimated cost of the project is \$170,000; tentative completion date is September 30, 2025. Executive, House, Senate, and House Omnibus delete.

Sec. 614. House of Representatives Census Tracking/Reapportionment Work Project – DELETED

Provides that funds appropriated in part 1 are work project appropriations; the purpose of the funds is to purchase equipment, supplies, and services needed for tracking and reporting census and reapportionment information for the state of Michigan; estimated cost of the project is \$170,000; tentative completion date is September 30, 2025. Executive, House, Senate, and House Omnibus delete.

Sec. 618. Capitol Security Improvements – NOT INCLUDED

Requires funds appropriated in part 1 for Capitol Security Improvements to be used for security staffing; infrastructure improvements; and equipment, including, but not limited to, x-ray machines, magnetometers, and video and audio equipment necessary to implement a weapons ban. Executive includes as new section. House, Senate, and House Omnibus do not include.

Sec. 618. State Employee Ombudsman – NOT INCLUDED

Requires the funds appropriated in part 1 for the State Employee Ombudsman to be used to effectuate the provisions of HB 4064, including the investigation and evaluation of reports of suspected misconduct in state departments and agencies; prohibits funds to be used if HB 4064 is not enacted into law. House includes as new section. Executive, Senate, and House Omnibus do not include.

LEGISLATIVE AUDITOR GENERAL

Summary: House Floor Substitute

Article 5, House Bill 4410 (H-2)

Analyst: Ben Gielczyk

	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Executive	FY 2021-22 House	FY 2021-22 Senate	FY 2021-22 House Omnibus	Difference: House Omnibus From FY 2020-21 YTD	
						Amount	%
IDG/IDT	\$6,250,400	\$6,345,200	\$6,345,200	\$6,345,200	\$6,345,200	\$94,800	1.5
Federal	0	0	0	0	0	0	--
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	2,139,500	2,170,500	2,170,500	2,170,500	2,170,500	31,000	1.4
GF/GP	18,324,000	18,598,900	18,598,900	18,598,900	18,598,900	274,900	1.5
Gross	\$26,713,900	\$27,114,600	\$27,114,600	\$27,114,600	\$27,114,600	\$400,700	1.5

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 4398 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 82 as passed by the Senate.

Overview

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

Major Budget Changes from FY 2020-21 YTD Appropriations		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
1. Auditor General Operations Increase	Gross	\$26,713,900	\$400,700
Reflects increased costs of \$400,700 Gross (\$274,900 GF/GP) related to Auditor General Staff and other operations. <u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> include.	IDG	6,250,400	94,800
	Restricted	2,139,500	31,000
	GF/GP	\$18,324,000	\$274,900

Major Boilerplate Changes from FY 2020-21

Sec. 625. Access to Confidential Information – REVISED

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 section. House retains. Senate revises by removing intent language and states that the auditor general shall not be denied access to examine confidential information; subjects them to the same duty of confidentiality imposed by law on the entity providing the information. House Omnibus concurs with Senate.

DEPARTMENT OF STATE

Summary: House Floor Substitute

Article 5, House Bill 4410 (H-2)

Analyst: Michael Cnossen

	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Executive	FY 2021-22 House	FY 2021-22 Senate	FY 2021-22 House Omnibus	Difference: House Omnibus From FY 2020-21 YTD	
						Amount	%
IDG/IDT	\$20,000,000	\$20,000,000	\$5,000,000	\$20,000,000	\$20,000,000	\$0	0.0
Federal	1,460,000	1,460,000	365,000	1,460,000	1,460,000	0	0.0
Local	0	0	0	0	0	0	--
Private	50,100	50,100	12,600	50,100	50,100	0	0.0
Restricted	220,189,900	218,218,600	54,554,600	210,318,600	236,218,600	16,028,700	7.3
GF/GP	12,597,500	12,435,600	2,931,000	12,414,900	12,435,600	(161,900)	(1.3)
Gross	\$254,297,500	\$252,164,300	\$62,863,200	\$244,243,600	\$270,164,300	\$15,866,800	6.2
FTEs	1,592.0	1,592.0	1,585.0	1,309.0	1,592.0	0.0	0.0

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 4398 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 82 as passed by the Senate.

*The majority of the appropriations in the House-passed version provided the equivalent of one-quarter of the annual appropriation.

Overview

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

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
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Major Budget Changes from FY 2020-21 YTD Appropriations

NOTE: House changes represent annualized appropriations for comparison purposes.

1. Motorcycle Safety Fund

Executive authorizes an additional \$300,000 of state restricted Motorcycle Safety Fund revenue to reflect an increase in an earmark to the fund from motorcycle registration fees authorized under 2017 PA 115. Revenue from the fund supports grants to local governments and schools for motorcycle safety training. House, Senate, and House Omnibus concur.

Gross	\$1,800,000	\$300,000
Federal	300,000	0
Restricted	1,500,000	300,000
GF/GP	\$0	\$0

2. Reinstatement Fee Reduction

Executive reduces state restricted fund authorization by \$1.2 million to reflect an anticipated decrease in revenue from driver reinstatement fees following the elimination of driver responsibility fees and other criminal justice reform legislation. House, Senate, and House Omnibus concur.

Gross	\$4,704,300	(\$1,204,300)
Restricted	4,704,300	(1,204,300)
GF/GP	\$0	\$0

3. Operations Line TACF Reduction

House reduces \$500,000 of state restricted Transportation Administration Collection Fund revenue and 2.0 FTE positions for department administrative efficiencies. Executive, Senate, and House Omnibus do not include.

FTE	110.0	0.0
Gross	\$26,233,200	\$0
Restricted	26,232,900	0
GF/GP	\$300	\$0

GENERAL GOVERNMENT: STATE (DEPARTMENT)

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
4. MERTS Upgrade and TACF Increase		Gross	\$38,918,000
<u>House</u> provides \$500,000 of state restricted Transportation Administration Collection Fund revenue to the Information Technology Services and Projects line to support costs of modernizing the Michigan Electronic Reporting and Tracking System, the state's campaign finance disclosure software system, to improve user experience and service. <u>Executive</u> , <u>Senate</u> , and <u>House Omnibus</u> do not include.	Restricted	37,430,800	0
	GF/GP	\$1,487,200	\$0
5. Unclassified Positions		FTE	6.0
<u>House</u> reduces \$711,800 GF/GP and 5.0 unclassified FTE positions for department administrative savings. <u>Senate</u> reduces \$20,700 GF/GP and 3.0 FTE positions. <u>Executive</u> and <u>House Omnibus</u> do not include.	Gross	\$691,100	\$0
	GF/GP	\$691,100	\$0
6. Economic Adjustments		Gross	NA (\$1,228,900)
Reflects decreased costs of \$1.2 million Gross (\$161,900 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2021 and 1.0% on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> include.	Restricted	NA	(1,067,000)
	GF/GP	NA	(\$161,900)
7. TACF Reduction		Gross	NA
<u>Senate</u> reduces \$7.9 million from the state restricted Transportation Administration Collection Fund from two lines: \$5.1 million from Branch Operations and \$2.8 million from Central Operations. <u>Executive</u> , <u>House</u> , and <u>House Omnibus</u> do not include.	Restricted	NA	0
	GF/GP	NA	\$0
8. FTE Authorization Reduction		FTE	NA
<u>Senate</u> reduces 280.0 FTE positions from 6 lines: 9.0 FTE positions for Executive Direction 7.0 FTE positions for Department Operations 22.0 FTE positions for Legal Services Operations 150.1 FTE positions for Branch Operations 77.6 FTE positions for Central Operations 1.0 FTE positions for Motorcycle Safety Education Administration 13.3 FTE positions for Election Administration and Services <u>Executive</u> , <u>House</u> , and <u>House Omnibus</u> do not include.	Gross	NA	\$0
	GF/GP	NA	\$0
9. Transportation Administration Auxiliary Fund		Gross	NA
<u>House Omnibus</u> includes \$18.0 million state restricted from the Transportation Administration Auxiliary Fund created in Treasury under section 949I to support expenses related to vehicle and driver services. The funding increase is distributed as follows: \$437,400 for Executive Direction. \$2.5 million for department Operations. \$1.0 million for Property Management. \$8,200 for Worker's Compensation. \$1.4 million for Legal Services. \$5.2 million for Branch Operations. \$3.2 million for Central Operations. \$4.2 million for Information Technology Services and Projects. <u>Executive</u> , <u>House</u> , and <u>Senate</u> do not include.	Restricted	NA	18,000,000
	GF/GP	NA	\$0

GENERAL GOVERNMENT: STATE (DEPARTMENT)

Major Boilerplate Changes from FY 2020-21

Sec. 701. Contingency Authorization – RETAINED

Appropriates up to \$2.0 million in federal, \$2.5 million in state restricted, \$25,000 in local, and \$50,000 in private contingency authorization; authorizes expenditure of funds after legislative transfer to specific line items. Executive revises by appropriating up to \$2.0 million in federal, \$7.5 million in state restricted, \$50,000 in local, and \$100,000 in private contingency authorization. House and House Omnibus retain. Senate deletes.

Sec. 702. Branch Office Walk-in Services – NOT INCLUDED

Requires the department to offer in-person services without an appointment for a minimum of 25 hours per week. The department would be allowed to continue to offer appointments in addition to in-person services without an appointment, provided the in-person without an appointment provisions are implemented. House includes similar new language under section 718. Senate adds. House Omnibus does not include.

Sec. 703. Record Look-Up Fees – RETAINED

Authorizes DOS to sell copies of records, at \$11 per record, 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 DOS to provide quarterly report on number of records sold and revenue collected. Executive revises by increasing the record look-up fee from \$11 to \$15 per record. House, Senate, and House Omnibus retain.

Sec. 703a. Bulk Records Sales – NOT INCLUDED

Authorizes the department to contract for the sale of lists of driver and motor vehicle records and other records maintained under the Motor 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 Motor Vehicle Code. Senate adds. Executive, House, and House Omnibus do not include.

Sec. 710. State-Issued Identification Card Workgroup – NOT INCLUDED

Requires the department to establish a collaborative stakeholder work group consisting of department and legislature appointed members to review strategic approaches to expand access to state-issued identification cards; requires a report on the activities and recommendations of the workgroup. Senate adds. Executive, House, and House Omnibus do not include.

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, Senate, and House Omnibus retain.

Sec. 717. Accept Gifts to Support Department Activities – REVISED

Authorizes DOS to accept non-monetary gifts to support licensing, regulation, and safety functions; prohibits acceptance if conditioned on future state spending; requires report. Executive revises by striking “nonmonetary” and by authorizing revenue received to be expended for departmental functions relating to licensing, regulation, or safety. House revises by retaining current language and adding that gifts and donations must be of a de minimis value. Senate retains. House Omnibus concurs with House.

Sec. 717a. Election-Related Contracts Report – NOT INCLUDED

Requires the department to report contracts for election-related services or activities to the legislature. Senate adds. Executive, House, and House Omnibus do not include.

Sec. 718. Full-Time, Walk-In Branch Office Services – NOT INCLUDED

Requires the department to maintain full-time, in-person services at each secretary of state branch office and must not require an appointment to receive such service. House adds. Senate does not include but adds similar new language under section 702. House Omnibus does not include.

Sec. 719. High School Voting Machines – RETAINED

Requires DOS to make available at least 1 voting machine to at least 1 high school per Michigan Prosperity Region for familiarizing students with voting procedures; requires machines to be made available at no cost to the high school or school district in which machine is placed. Executive includes. House deletes. Senate and House Omnibus retain.

Sec. 719. Branch Office Restricted Fund Savings – NOT INCLUDED

Requires cost savings to be achieved through efficiencies at secretary of state branch offices if the amount of revenue collected in the Transportation Administration Collection Fund is less than the amount needed to support costs related to implementing the Michigan Vehicle Code. House adds. Senate and House Omnibus do not include.

Major Boilerplate Changes from FY 2020-21

Sec. 719a. State Appropriation of Federal Election-Related Funds – NOT INCLUDED

Prohibits federal dollars for election-related purposes to be spent prior to state appropriation; requires federal funds for election-related purposes to be returned to the federal government if the state does not appropriate them within 90 days of the department receiving the funds. Senate adds. Executive, House, and House Omnibus do not include.

Sec. 720. Election Mailings – NOT INCLUDED

Requires the secretary of state to not send absentee voter election applications to electors; requires notification of any election-related mailing to 20 percent or more of registered voters in any voting precinct and a copy of the planned mailing not later than 14 days before sending the mailing. House adds. Executive, Senate, and House Omnibus do not include.

Sec. 721. Ballot Proposal 2 Cost Report – RETAINED

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, Senate, and House Omnibus retain.

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

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, Senate, and House Omnibus retain.

Sec. 722. Legacy Mainframes System Modernization – RETAINED

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, Senate, and House Omnibus retain.

Sec. 724. MERTS Upgrade – NOT INCLUDED

Appropriates \$125,000 to support costs of modernizing the Michigan Electronic Reporting and Tracking System, the state's campaign finance disclosure software system, to improve user experience and service. House adds. Senate and House Omnibus do not include.

Sec. 726. Initiative Petition Canvassing – NOT INCLUDED

Requires the Bureau of Elections to complete the canvass of initiative petitions within 90 days of the petition being filed and within 120 days if the petition is filed within 45 days or fewer before a November general election. House adds. Senate does not include. Executive, Senate, and House Omnibus do not include.

DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET

Summary: House Floor Substitute

Article 5, House Bill 4410 (H-2)

Analyst: Michael Cnossen

	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Executive	FY 2021-22 House	FY 2021-22 Senate	FY 2021-22 House Omnibus	Difference: House Omnibus From FY 2020-21 YTD	
						Amount	%
IDG/IDT	\$1,024,720,900	\$1,057,210,900	\$264,302,800	\$1,057,196,200	\$1,057,210,900	\$32,490,000	3.2
Federal	8,389,300	5,129,800	1,282,500	5,129,800	5,129,800	(3,259,500)	(38.9)
Local	2,337,700	2,328,700	582,200	2,328,700	2,328,700	(9,000)	(0.4)
Private	134,600	134,700	33,700	134,700	134,700	100	0.1
Restricted	123,046,400	121,020,600	30,255,000	121,018,600	121,020,600	(2,025,800)	(1.6)
GF/GP	516,326,100	513,945,100	293,264,800	449,984,800	455,845,100	(60,481,000)	(11.7)
Gross	\$1,674,955,000	\$1,699,769,800	\$589,721,000	\$1,635,792,800	\$1,641,669,800	(\$33,285,200)	(2.0)
FTEs	3,139.0	3,147.0	3,127.0	2,644.6	3,147.0	8.0	0.3

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 4398 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 82 as passed by the Senate.

*The majority of the appropriations in the House-passed version provided the equivalent of one-quarter of the annual appropriation.

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 2020-21 YTD Appropriations

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
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NOTE: House changes represent annualized appropriations for comparison purposes.

1. Advanced Persistent Cyber Security Threats

Executive provides \$20.0 million GF/GP in one-time funding to invest in a variety of tools and measures, such as emergency response, threat intelligence, and vulnerability assessments, to enhance Michigan's cyber security defense capabilities against persistent and sophisticated threats from hostile countries and actors. House provides \$15.0 million. Senate provides \$12.0 million. House Omnibus does not include.

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

2. Information Technology Investment Fund (ITIF)

Executive provides \$17.5 million GF/GP (\$15.0 million one-time funding) for the department's portfolio of information technology legacy system modernization projects for a total funding amount of \$50.0 million GF/GP in FY 2021-22 to support 8 new projects. House provides \$15.0 million GF/GP in one-time funding for the Michigan Child Support Enforcement System IT project within ITIF. Senate and House Omnibus do not include.

Gross	\$32,500,000	\$0
GF/GP	\$32,500,000	\$0

GENERAL GOVERNMENT: TECHNOLOGY, MANAGEMENT, AND BUDGET

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
3. State Psychiatric Facilities Special Maintenance	Gross	\$15,000,000	(\$15,000,000)
<u>Executive</u> maintains \$15.0 million GF/GP in one-time funding to the Enterprisewide Special Maintenance program to support deferred maintenance projects at each of the state's five inpatient psychiatric hospitals and centers. This request would fulfil the original request of \$30.0 million, of which \$15.0 was appropriated in FY 2020-21. The psychiatric hospitals include the Walter Reuther Psychiatric Hospital in Westland, the Kalamazoo Psychiatric Hospital in Kalamazoo, the Caro Center in Caro, the Center for Forensic Psychiatry in Ann Arbor, and the Hawthorn Center in Northville. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> do not include.	GF/GP	\$15,000,000	(\$15,000,000)
4. Green Revolving Fund	Gross	\$0	\$0
<u>Executive</u> provides \$5.0 million GF/GP in one-time funding to capitalize a fund for providing up-front financing for projects at state facilities that achieve energy efficiency or renewable energy; would allow for the re-investment of resources in new projects on a continuous basis to establish a long-term funding project aimed at reducing the state's carbon footprint. <u>House</u> and <u>House Omnibus</u> do not include. <u>Senate</u> includes a \$100 placeholder.	GF/GP	\$0	\$0
5. Legal Services	Gross	NA	\$4,600,000
<u>Executive</u> provides \$5.0 million GF/GP in one-time funding to support various potential future litigation costs on major statewide issues not unique to a single agency. Funding in prior years has been supported with balances in work project accounts, the last of which will expire in FY 2020-21. <u>House</u> provides a \$100 placeholder. <u>Senate</u> does not include. <u>House Omnibus</u> provides \$4.6 million.	GF/GP	NA	\$4,600,000
6. SIGMA Data Storage	Gross	NA	\$1,650,000
<u>Executive</u> provides \$1.7 million GF/GP to support ongoing operational costs related to data storage for SIGMA, the state's centralized accounting and enterprise resource planning tool. These ongoing costs are currently supported from work project funding authorized for SIGMA implementation which will expire this year. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur.	GF/GP	NA	\$1,650,000
7. Office of the Children's Ombudsman	FTE	14.0	0.0
<u>Executive</u> provides \$200,000 GF/GP to fill a vacant position and support ongoing costs for the office's computerized complaint system to address findings of a 2019 performance audit of the office by the Office of the Auditor General. Initial funding of \$100,000 GF/GP is being requested in FY 2020-21 to integrate the Complaint Investigation System with MiSACWIS and the Michigan Vital Records System in an effort to improve the state's child welfare system. <u>House</u> concurs with <u>Executive's</u> increase and transfers the office to the Legislative Council. <u>Senate</u> reduces \$300 GF/GP and 4.0 FTE positions. <u>House Omnibus</u> does not include.	Gross	\$1,931,400	\$0
	GF/GP	\$1,931,400	\$0
8. Veterans Homes Accounting Services	FTE	165.5	8.0
<u>Executive</u> authorizes receipt of \$1.1 million in IDG funding from the Department of Military and Veterans Affairs and 8.0 FTE positions to increase accounting and financial services for the Michigan Veterans Homes. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur.	Gross	\$25,279,200	\$1,051,900
	IDG	14,750,800	1,051,900
	Restricted	5,042,700	0
	GF/GP	\$5,485,700	\$0

GENERAL GOVERNMENT: TECHNOLOGY, MANAGEMENT, AND BUDGET

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
9. Public Safety Officer Survivor Benefits		Gross	NA
<u>Executive</u> provides \$43,000 GF/GP to support costs of providing up to five years of health care insurance for the surviving spouse and dependents of public safety officers who have died in the line of duty in accordance with 2016 PA 284. <u>Senate</u> provides \$6,700 GF/GP. <u>House</u> and <u>House Omnibus</u> concur.		GF/GP	NA
			\$43,000
			\$43,000
10. Defined Contribution Deferred Compensation Funding		Gross	\$25,451,200
<u>Executive</u> provides \$400,000 of state restricted Deferred Compensation funds to support services associated with administering the state's Defined Contribution plans. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur.		Restricted	25,374,200
		GF/GP	\$77,000
			\$400,000
			400,000
			\$0
11. MPSCS Police Radio Leases		Gross	\$48,505,600
<u>Executive</u> reflects the transfer of \$157,500 GF/GP from the Michigan State Police (MSP) to the Michigan Public Safety Communication System (MPSCS) to support radio leases for MSP and other public safety agencies. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur.		Local	2,281,500
		GF/GP	\$46,224,100
			\$157,500
			0
			\$157,500
12. FY 2021-22 IT IDG Baseline Adjustment		Gross	NA
<u>Executive</u> authorizes \$33.1 million in IDG funding to reflect projects and service adjustments in other executive department and agency budgets, administrative cost allocation changes, and IT budgetary requests made by departments and agencies. Technology Service appropriation lines are prorated by department based on their total IT budget. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur.		IDG	NA
		GF/GP	NA
			\$33,138,500
			33,138,500
			\$0
13. State Police Retirement System Supplemental Payments		Gross	\$77,000
<u>Executive</u> reduces supplemental payments by \$27,000 GF/GP as required by 2015 PA 168 to produce an annual retirement allowance of \$16,000 to each retiree or beneficiary. <u>Senate</u> does not include. <u>House</u> and <u>House Omnibus</u> concur.		GF/GP	\$77,000
			\$0
			\$0
14. Removal of Current Year One-Time Funding		Gross	\$56,855,000
<u>Executive</u> eliminates \$56.9 million Gross (\$51.5 million GF/GP) of one-time funding appropriated in FY 2020-21: \$37.2 million for Venture Michigan II voucher purchase, \$14.3 million for statewide broadband, \$2.1 million in state restricted funding for retirement services Customer Relationship Management system replacement, and \$3.3 million in federal funds for the COVID-19 Office of Accountability. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur.		Federal	3,250,000
		Restricted	2,100,000
		GF/GP	\$51,505,000
			(\$56,855,000)
			(3,250,000)
			(2,100,000)
			(\$51,505,000)
15. SWCAP Adjustment		Gross	NA
<u>Executive</u> reallocates fund sourcing associated with annual Statewide Cost Allocation Plan (SWCAP) for a net change of \$0 Gross and decrease of \$212,600 GF/GP. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur.		IDG	NA
		Restricted	NA
		GF/GP	NA
			\$0
			10,600
			202,000
			(\$212,600)
16. Business Incentive Study		Gross	\$0
<u>House</u> provides \$1,000,000 GF/GP to implement 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. <u>Senate</u> and <u>House Omnibus</u> do not include.		GF/GP	\$0
			\$0
			\$0

GENERAL GOVERNMENT: TECHNOLOGY, MANAGEMENT, AND BUDGET

Major Budget Changes from FY 2020-21 YTD Appropriations		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
17. Property Management Reduction	Gross	\$8,059,900	\$0
<u>House</u> reduces \$825,000 GF/GP from the Property Management line which supports costs of DTMB-occupied space in private and state-owned buildings. <u>Senate</u> and <u>House Omnibus</u> do not include.	IDG	1,283,800	0
	Federal	172,200	0
	Local	21,200	0
	Restricted	1,154,300	0
	GF/GP	\$5,428,400	\$0
18. Enterprisewide Special Maintenance for State Facilities	Gross	\$28,000,000	\$0
<u>House</u> reduces \$825,100 GF/GP from funding for maintenance, demolition, and upkeep projects at all state-owned properties. <u>Senate</u> reduces \$2.8 million GF/GP. <u>House Omnibus</u> does not include.	GF/GP	\$28,000,000	\$0
19. Unclassified Positions	FTE	6.0	0.0
<u>House</u> reduces \$326,200 GF/GP and 5.0 unclassified FTE positions for department administrative savings. <u>Senate</u> reduces \$0, but does not include Executive's economic adjustment increase, and reduces 3.0 FTE positions. <u>House Omnibus</u> does not include.	Gross	\$946,600	\$0
	IDG	490,600	0
	Restricted	65,500	0
	GF/GP	\$390,500	\$0
20. Economic Adjustments	Gross	NA	(\$2,444,100)
Reflects decreased costs of \$2.4 million Gross (\$186,900 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2021 and 1.0% on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>Executive</u> , <u>House</u> , and <u>House Omnibus</u> include. <u>Senate</u> concurs but does not include \$28,400 Gross (\$11,700 GF/GP) for economics adjustment increase for Unclassified Salaries.	IDG	NA	(1,711,000)
	Federal	NA	(9,500)
	Local	NA	(9,000)
	Private	NA	100
	Restricted	NA	(527,800)
	GF/GP	NA	(\$186,900)
21. Vendor Data Tracking	Gross	NA	\$0
<u>Senate</u> includes \$300,000 GF/GP to support the continuation of a subscription for a supplier risk and information tracking system used for a pre-contract risk assessment program. <u>Executive</u> , <u>House</u> , and <u>House Omnibus</u> do not include.	GF/GP	NA	\$0
22. General Fund Reductions	FTE	NA	0.0
<u>Senate</u> reduces \$10.7 million GF/GP and 153.3 FTE positions to 13 line items:	Gross	NA	\$0
\$4.6 million and 34.0 FTE positions for Michigan Public Safety Communication System. \$420,000 and 28.3 FTE positions for Administrative Services. \$90,000 and 14.0 FTE positions for Bureau of Labor Market Information. \$389,000 and 31.3 FTE positions for Business Support Services. \$30,300 and 4.0 FTE positions for Executive Operations. \$85,000 for and 8.0 FTE positions for Office of the State Employer. \$969,000 for Enterprise Identity Management. \$100,000 for Homeland Security Initiative/Cyber Security. \$516,000 and 17.2 FTE positions for Civil Service Commission Agency Services. \$405,000 and 9.0 FTE positions for Civil Service Commission Executive Direction \$1.4 million and 7.5 FTE positions for Civil Service Commission Human Resources Operations. \$132,000 for Civil Service Commission Information Technology Services and Projects. \$1.6 million for DTMB Information Technology Services and Projects.	GF/GP	NA	\$0
<u>Executive</u> , <u>House</u> , and <u>House Omnibus</u> do not include.			

GENERAL GOVERNMENT: TECHNOLOGY, MANAGEMENT, AND BUDGET

		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
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Major Budget Changes from FY 2020-21 YTD Appropriations

23. FTE Adjustments

Senate reduces \$0 GF/GP and 345.1 FTE positions to 11 line items.

- 20.7 FTE positions for Budget and Financial Management.
- 21.3 FTE positions for Building Operation Services.
- 5.2 FTE positions for Motor Vehicle Fleet.
- 7.0 FTE positions for Education Services IT.
- 46.5 FTE positions for General Services IT.
- 68.5 FTE positions for Health and Human Services IT.
- 63.5 FTE positions for Public Protection IT.
- 76.5 FTE positions for Resources Services IT.
- 16.5 FTE positions for Transportation Services IT.
- 18.4 FTE positions for Retirement Services.
- 1.0 FTE position for Employee benefits.

and adds 3.0 FTE positions for Design and Construction Services.

Executive, House, and House Omnibus do not include.

FTE	NA	0.0
Gross	NA	\$0
GF/GP	NA	\$0

Major Boilerplate Changes from FY 2020-21

Sec. 801. Contingency Authorization – RETAINED

Appropriates up to \$2.0 million in federal, \$4.0 million in state restricted, \$75,000 in local, and up to \$50,000 in private contingency authorization; authorizes expenditure of funds after legislative transfer to specific line items. Executive revises by appropriating up to \$4.0 million in federal, \$8.0 million in state restricted, \$150,000 in local, and \$100,000 in private contingency authorization. Senate deletes. House and House Omnibus retain.

Sec. 803. Statewide Administrative and Support Services – REVISED

Provides for receipt and expenditure of funds for various administrative and support services provided to state departments and agencies. Executive revises by including project oversight among services authorized for receipt and expenditure of funds and universities and community colleges among entities that may receive support services; authorizes unexpended fee revenue collected to carry forward at the close of the fiscal year. House concurs with adding project oversight but does not include universities and community colleges. Senate retains. House Omnibus concurs with Executive.

Sec. 809. Computer Contracts – RETAINED

Requires DTMB to report revisions that increase or decrease current contracts for computer software development, hardware acquisition, or quality assurance by more than \$250,000, individually or in aggregate. Executive revises by raising reporting threshold from \$250,000 to \$500,000. House, Senate, and House Omnibus retain.

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

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. Executive adds. House, Senate, and House Omnibus do not include.

Sec. 815. Procurement Tail Spend Pilot Program – NOT INCLUDED

Requires the department to conduct a 12-month pilot program to reduce tail spend expenditures by issuing a request for proposal for a procurement system; provides criteria for the required procurement system; requires the department to use the new system for purchases when it produces a lower price than the current procurement system. Senate adds. Executive, House, and House Omnibus do not include.

Sec. 816. Information Technology Investment Fund – NOT INCLUDED

Appropriates federal and restricted funds earned based on initiatives undertaken with the funds appropriated for enterprisewide information technology investments; requires the State Budget Director to determine the appropriate manner for implementing this section. Executive adds. House, Senate, and House Omnibus do 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, Senate, and House Omnibus retain.

Major Boilerplate Changes from FY 2020-21

Sec. 819. Supplier Risk Assessment Program – NOT INCLUDED

Requires DTMB, with funds appropriated for the Budget and Financial Management line, to maintain a comprehensive supplier risk and information subscription used for a pre-contract risk assessment program and to make the subscription services available to all executive branch departments. House adds. Senate does not include but adds similar language under section 830. House Omnibus does not include.

Sec. 821. Office of Retirement Services Report – RETAINED

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 deletes. House, Senate, and House Omnibus retain.

Sec. 822. Unclassified Salaries Report – RETAINED

Requires report on individual appointee and unclassified employee salaries by January 1. Executive revises by requiring report to show salaries rounded to the nearest thousand dollars. Senate concurs with Executive. House and House Omnibus retain.

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

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

Sec. 822n. Request for Proposals Website – RETAINED

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

Sec. 824. Spatial Information and Technical Services – RETAINED

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. Executive revises by deleting reporting requirement. House, Senate, and House Omnibus retain.

Sec. 826. Definition of Information Technology Services – REVISED

Defines "information technology services" as services involving all aspects of managing and processing information, including certain IT management and support items and services. Executive revises to replace server management with cloud services support and management including infrastructure, platform, and software as a service; replaces planning and budget management with procurement and contract management. House, Senate, and House Omnibus concur.

Sec. 828. IT-Related Appropriations and Expenditures – REVISED

Requires detailed quarterly report on funding and expenditures for IT services and projects. Executive revises by requiring a report for the first and third quarter and extends time permitted to submit the report from 30 to 45 calendar days after each fiscal quarter. House concurs with quarter revision and retains report deadline. Senate retains quarterly language and concurs with 45 days. House Omnibus concurs with House.

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

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

Sec. 830. Enterprise IT Project Reporting – RETAINED

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 numbers of completed projects that have exceeded their initial schedule and budget estimates. Executive deletes. House, Senate, and House Omnibus retain.

Sec. 830. Supplier Risk Assessment Program – NOT INCLUDED

Requires DTMB maintain a comprehensive supplier risk and information subscription used for the pre-contract risk assessment program described in 2017 PA 107. House adds similar language under section 819. Senate adds. House Omnibus does not include.

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. Senate concurs with Executive. House and House Omnibus retain.

GENERAL GOVERNMENT: TECHNOLOGY, MANAGEMENT, AND BUDGET

Major Boilerplate Changes from FY 2020-21

Sec. 836. Information Technology Investment Fund Purpose – DELETED

Requires funds appropriated for Information Technology Investment Fund to be used for modernization of state IT systems and integrate state system interfaces to improve customer service. Executive, House, and House Omnibus delete section. Senate retains.

Sec. 836. Broadband Work Group – NOT INCLUDED

Requires the Department to establish a work group to review strategic approaches to developing a comprehensive statewide broadband infrastructure program; Requires the group to submit a report. Senate adds. Executive, House, and House Omnibus do not include.

Sec. 838. Performance Targets in State Procurement Contracts – DELETED

Requires department to develop policies and procedures that will require all new procurement contracts to include performance-related liquidated damages or performance targets with incentives. Executive deletes. House, Senate, and House Omnibus concur.

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, Senate, and House Omnibus retain.

Sec. 841. Connecting Michigan Communities Broadband Expansion Grants – DELETED

Requires funds to be awarded as grants to areas underserved by broadband internet providers; prohibits awarding of grants for use in areas that have received funding assistance for broadband; prohibits awarding of grants to public entities for establishing a broadband network; prohibits awarding more than \$5.0 million to any one project or applicant; requires a competitive selection process for awarding of grants; provides criteria and priorities for determining award selection; lists information required on grant applications; requires DTMB to post award notifications with information on each grant on its website; establishes criteria for delineation of unserved areas within census blocks; requires grant recipients to submit reports including details on expenditures, service benchmarks, and project progress. Executive deletes. House, Senate, and House Omnibus concur.

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, Senate, and House Omnibus retain.

Sec. 863. Capital Outlay Rental Increase Approval – NOT INCLUDED

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 prior to being approved by the State Administrative Board. House adds. Senate and House Omnibus do not include.

Sec. 880. Business Incentive Study – NOT INCLUDED

Requires one-time appropriated funds for Business Incentive Study to be used to implement the Economic Development Incentive Evaluation Act (2018 PA 540). House adds. Senate and House Omnibus do not include.

Sec. 901. Green Revolving Fund – NOT INCLUDED

Creates the Green Revolving Fund within Treasury; authorizes Treasury to receive money or other assets for deposit into the 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 the Green 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. Executive adds. House, Senate, and House Omnibus do not include.

DEPARTMENT OF TREASURY
Summary: House Floor Substitute
Article 5, House Bill 4410 (H-2)

Analyst: Ben Gielczyk

	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Executive	FY 2021-22 House	FY 2021-22 Senate	FY 2021-22 House Omnibus	Difference: House Omnibus From FY 2020-21 YTD	
						Amount	%
IDG/IDT	\$13,112,800	\$13,073,500	\$3,268,400	\$13,073,500	\$13,073,500	(\$39,300)	(0.3)
Federal	27,421,800	27,361,400	6,840,400	27,359,400	27,361,400	(60,400)	(0.2)
Local	13,059,500	13,032,000	3,258,100	13,032,000	13,032,000	(27,500)	(0.2)
Private	28,900	31,000	31,000	31,000	31,000	2,100	7.3
Restricted	1,789,352,600	1,815,287,700	1,596,041,200	1,815,709,900	1,860,026,100	70,673,500	3.9
GF/GP	371,167,200	222,978,200	165,082,100	259,358,200	239,078,200	(132,089,000)	(35.6)
Gross	\$2,214,142,800	\$2,091,763,800	\$1,774,521,200	\$2,128,564,000	\$2,152,602,200	(\$61,540,600)	(2.8)
FTEs	1,934.5	1,934.5	1,930.5	1,934.5	1,934.5	0.0	0.0

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 4398 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 82 as passed by the Senate.

*The majority of the appropriations in the House-passed version provided the equivalent of one-quarter of the annual appropriation.

Overview

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

Major Budget Changes from FY 2020-21 YTD Appropriations

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
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NOTE: House changes represent annualized appropriations for comparison purposes.

1. Constitutional Revenue Sharing

Executive, House, and Senate increase by \$15.4 million of restricted sales tax revenue relative to the FY 2020-21 budget act appropriated amount. Appropriation reflects January 2020 CREC estimate for FY 2021-22 which represents a \$24.8 million (2.8%) decrease from January 2020 CREC estimate for FY 2020-21. House Omnibus adjusts to reflect May 2021 CREC.

Gross	\$851,870,300	\$60,170,200
Restricted	851,870,300	60,170,200
GF/GP	\$0	\$0

GENERAL GOVERNMENT: TREASURY

Major Budget Changes from FY 2020-21 YTD Appropriations		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change	
2. City, Village, and Township (CVT) Revenue Sharing		Gross	\$261,024,600	\$5,220,500
<u>Executive</u> includes \$5.2 million of restricted sales tax revenue (designated a one-time appropriation) to provide a 2.0% increase for CVT Revenue Sharing payments. A CVT would be eligible for a payment equal to 102.0% of its FY 2020-21 eligible payment. Removes requirement that a CVT allocate its net increase to its unfunded pension liabilities if they have a pension that is in unfunded status pursuant to the Protecting Local Government Retirement and Benefits Act. <u>House</u> includes \$2.6 million of restricted sales tax revenue (designated a one-time appropriation) to provide a 1.0% increase. <u>Senate</u> and <u>House Omnibus</u> concur with Executive 2% increase. House Omnibus includes 1% as ongoing and 1% as one-time.	Restricted	261,024,600	5,220,500	
	GF/GP	\$0	\$0	
3. County Revenue Sharing/County Incentive Program		Gross	\$226,529,400	\$4,987,300
<u>Executive</u> includes \$4.5 million of restricted sales tax revenue (designated a one-time appropriation) to provide a 2.0% increase for 82 eligible counties. Includes an additional \$447,800 of restricted sales tax revenue to reflect full-year funding for the return of Leelanau County to state revenue sharing payments after exhausting its revenue sharing reserve fund in 2021. Each county would be eligible to receive 106.6435% of statutory full funding. County Incentive Program comprises 18.8% of the County Revenue Sharing/County Incentive Program total. Removes requirement that a county allocate its net increase to its unfunded pension liabilities if they have a pension that is in unfunded status pursuant to the Protecting Local Government Retirement and Benefits Act. <u>House</u> includes \$2.3 million of restricted sales tax revenue (designated a one-time appropriation) provide a 1.0% increase. House concurs with inclusion of \$447,800 for Leelanau County. <u>Senate</u> and <u>House Omnibus</u> concur with Executive 2% increase and inclusion of Leelanau County. House Omnibus includes 1% as ongoing and 1% as one-time.	Restricted	226,529,400	4,987,300	
	GF/GP	\$0	\$0	
4. Financially Distressed CVTs Grants		Gross	\$2,500,000	\$0
<u>House</u> reduces by \$533,000 of sales tax revenue and transfers funding to Supplemental Revenue Sharing. <u>Senate</u> and <u>House Omnibus</u> retain current-year funding level.	Restricted	2,500,000	0	
	GF/GP	\$0	\$0	
5. Supplemental Revenue Sharing		Gross	\$0	\$0
<u>House</u> includes \$533,000 of sales tax revenue (transferred from Financially Distressed CVT Grants) to provide two grants: \$290,000 to provide grants to CVTs and counties that were unable to utilize an amount of CRF replacement equal to the revenue sharing reduction it received in FY 2020. \$243,000 to provide grants to CVTs and counties that failed to qualify for a revenue sharing payment because transparency documents were not transmitted by December 1, 2020. <u>Executive</u> does not include. <u>Senate</u> includes \$433,000 to provide grants to CVTs and counties that were unable to utilize an amount of CRF replacement. The amount equals the difference between the amount the local unit used and the CRF allocation. Includes as Coronavirus Relief Local Government Grants line item. <u>House Omnibus</u> does not include.	Restricted	0	0	
	GF/GP	\$0	\$0	
6. General Obligation Bond Debt Service		Gross	\$113,735,000	(\$14,671,000)
<u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> reduce by \$14.7 million GF/GP to reflect anticipated debt service costs for Clean Michigan Initiative, Great Lakes Water Quality, and Quality of Life general obligation bonds.	GF/GP	\$113,735,000	(\$14,671,000)	

GENERAL GOVERNMENT: TREASURY

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
7. Local First Responder Training and Recruitment Grants	Gross	\$0	\$0
<u>Executive</u> includes \$5.0 million GF/GP (considered a one-time appropriation) for a program to support local government efforts related to recruitment, training, and professional development and support for first responders. Eligible first responders would include law enforcement officers, firefighters, emergency medical technicians, paramedics and local government corrections officers. Grants would be awarded on a competitive basis based on need of first responder recruitment and training. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> do not include.	GF/GP	\$0	\$0
8. Wrongful Imprisonment Compensation Fund	Gross	\$3,000,000	\$7,000,000
<u>Executive</u> , <u>House</u> , and <u>House Omnibus</u> increase by \$7.0 million GF/GP to provide a \$10.0 million GF/GP deposit into the fund for FY 2021-22. Funds support statutorily required payments to those deemed to have been wrongfully imprisoned and eligible for compensation from the state under 2016 PA 363. <u>Senate</u> retains current-year funding level.	GF/GP	\$3,000,000	\$7,000,000
9. Payments in Lieu of Taxes	Gross	\$27,992,200	\$2,183,200
<u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> include \$2.2 million Gross (\$1.8 million GF/GP) to adjust PILT appropriation to accommodate additional land purchases and millage increases. Appropriation would provide full funding for PILT programs (Purchased Lands, Swamp and Tax Reverted, and Commercial Forest Reserve) pursuant to statute.	Private	28,900	2,100
	Restricted	5,806,200	406,600
	GF/GP	\$22,157,100	\$1,774,500
10. Shoreline Erosion Rehabilitation Grants	Gross	\$0	\$0
<u>House</u> includes \$100 GF/GP placeholder for Shoreline Erosion Rehabilitation Grant program that would provide awards and reimbursements for costs associated with high water shoreline erosion. <u>Executive</u> , <u>Senate</u> , and <u>House Omnibus</u> do not include.	GF/GP	\$0	\$0
11. Flow-Through Entity Tax Implementation	Gross	\$0	\$4,600,000
<u>House</u> includes \$10.0 million GF/GP to support technology upgrades and implementation of Flow-Through Entity tax changes under House Bill 4288. <u>Executive</u> and <u>Senate</u> do not include. <u>House Omnibus</u> includes \$4.6 million GF/GP considered a one-time appropriation.	GF/GP	\$0	\$4,600,000
12. Unfunded Liability Matching Grants	Gross	\$0	\$0
<u>Senate</u> includes \$50.0 million GF/GP for matching grants to local units of government that provide extra payments to pension funds that are less than 40% funded. <u>Executive</u> , <u>House</u> , and <u>House Omnibus</u> does not include.	GF/GP	\$0	\$0
13. Michigan Infrastructure Council	Gross	\$850,000	\$0
<u>Senate</u> includes \$3.0 million GF/GP to increase funding for the Michigan Infrastructure Council. <u>Executive</u> , <u>House</u> , and <u>House Omnibus</u> does not include.	IDG	250,000	0
	GF/GP	\$600,000	\$0
14. Unisys Mainframe Servers Cost Adjustment	Gross	NA	\$2,600,000
<u>Executive</u> , <u>House</u> , and <u>House Omnibus</u> include \$2.6 million GF/GP for increased costs for IT mainframe and other system maintenance costs. Mainframe supports individual income tax system and Treasury collection systems. <u>Senate</u> does not include.	GF/GP	NA	\$2,600,000

GENERAL GOVERNMENT: TREASURY

Major Budget Changes from FY 2020-21 YTD Appropriations		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
15. Information Technology System Support		Gross	NA
<u>Executive</u> and <u>House</u> include \$2.0 million GF/GP to support licensing, maintenance, and other costs associated with replacing the legacy collections systems (individual income tax, garnishment, and collections). System replacement costs are funded with Information Technology Innovation Fund and existing work project resources. <u>Senate</u> and <u>House Omnibus</u> do not include.		GF/GP	NA
			\$0
			\$0
16. Recreational Marihuana Grants to Local Units		Gross	\$23,400,000
<u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> increase by \$6.6 million of restricted Marihuana Regulation Fund to adjust the level of payments to locals based on revenues to the fund. Payments to locals are estimated at \$30.0 million for FY 2021-22. These payments comprise 30% of the Marihuana Regulation Fund allocations and are split evenly between counties and other municipalities and distributed proportionately based on the number of marihuana retail stores and microbusinesses within the municipality of county.		Restricted	23,400,000
		GF/GP	\$0
			\$6,600,000
			6,600,000
			\$0
			\$0
17. Senior Citizen Cooperative Housing Tax Exemption Program		Gross	\$10,771,700
<u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> increase by \$500,000 GF/GP to accommodate two new facilities (Detroit and Farmington) expected to enter the program in FY 2021-22. Program provides property tax exemption for housing owned and operated by nonprofit organization or association for elderly, disabled, mentally ill, developmentally disabled, or physically disabled, and must consist of eight or more residential units. State reimburses local unit of government for real and/or personal property taxes exempted.		GF/GP	\$10,771,700
			\$500,000
			\$500,000
18. Dual Enrollment Payments		Gross	\$2,332,600
<u>Executive</u> , <u>House</u> , and <u>Senate</u> increase by \$167,400 GF/GP to accommodate cost increase estimated at January CREC. Funding supports tuition costs of eligible nonpublic school students enrolled in postsecondary institutions. <u>House Omnibus</u> increases by \$667,400 to reflect May 2021 CREC estimate for Dual Enrollment payments.		GF/GP	\$2,332,600
			\$667,400
			\$667,400
19. Other Technical Adjustments		Gross	NA
<u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> include the following technical adjustments:		Federal	NA
- Removes \$2.0 million Gross part 1 appropriation for Compulsive Gaming Prevention Fund in MGC B and transfers to a boilerplate appropriation. Transfer is required pursuant to statute. - Restores \$2,000 Federal economic increase in Home Heating Assistance to keep funding level unchanged for FY 2021-22.		Restricted	NA
		GF/GP	NA
			(\$1,998,000)
			2,000
			(2,000,000)
			\$0
20. FY 2020-21 COVID-19 Appropriations		Gross	\$156,325,000
<u>Executive</u> , <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> remove following one-time appropriations included in FY 2020-21:		Restricted	4,025,000
\$45.0 million – Employee Assistance Fund \$2.5 million – Teacher COVID-19 Grants \$4.0 million – Gaming Case Handling and Information Processing System \$800,000 – Blight Removal Grants \$24.0 million – Flooding Disaster Relief Grants \$5.0 million – Historic Preservation \$2.0 million – School District Debt Relief Support \$20.0 million – School Support Staff COVID-19 Grants \$53.0 million – Teacher COVID-19 Grants		GF/GP	\$152,300,000
			(\$156,325,000)
			(4,025,000)
			(\$152,300,000)

GENERAL GOVERNMENT: TREASURY

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
21. Unclassified Salaries	FTE	10.0	0.0
<u>House</u> reduces by \$449,200 GF/GP to eliminate funding for the equivalent of four unclassified positions. <u>Executive</u> , <u>Senate</u> , and <u>House Omnibus</u> do not include.	Gross	\$1,093,700	\$0
	Federal	71,200	0
	Restricted	367,500	0
	GF/GP	\$655,000	\$0
22. Economic Adjustments	Gross	NA	(\$1,075,200)
Reflects net decrease of \$1.1 million Gross (\$259,900 GF/GP). Budgeted increases for salaries and wages (negotiated 2.0% increase on October 1, 2021 and 1.0% on April 1, 2022), and increases related to actuarially required retirement contributions, worker's compensation, and building occupancy charges, were offset by a reduction in calculated contributions for retiree medical benefits. <u>Executive</u> , <u>House</u> , and <u>House Omnibus</u> concur. <u>Senate</u> concurs, but does not include economics adjustments for unclassified positions.	IDG	NA	(39,300)
	Federal	NA	(62,400)
	Local	NA	(27,500)
	Restricted	NA	(686,100)
	GF/GP	NA	(\$259,900)

Major Boilerplate Changes from FY 2020-21**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 of federal, \$200,000 of local, and \$40,000 of private contingency funds. House retains current law. Senate deletes section. House Omnibus concurs with House.

Sec. 904. Investment Service Fee – REVISED

Authorizes the Department of Treasury to charge investment service fee against retirement funds; requires maintaining accounting records; provides funds for services to manage retirement funds' investment portfolios; requires report of portfolio performance. House includes new reporting requirement related to fees charged to retirement systems and methodology for determining fees. Executive and Senate retain current law. House Omnibus concurs with House.

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 and House revise to require legislative notification no later than 5 business days after posting rather than the same day of posting. Senate and House Omnibus retain current law.

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, Senate, and House Omnibus retain current law.

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 and House delete section. Senate revises to require funds to be expended in cooperation with the department of education. House Omnibus retains current law.

Sec. 949b. Good Jobs for Michigan Program Distributions – NEW

Authorizes tax capture revenues collected pursuant to written agreements under the Good Jobs for Michigan Program that are transferred from the General Fund to the Good Jobs for Michigan Fund to be appropriated to authorized businesses and the Michigan Strategic Fund for administrative expenses pursuant to statute. Executive, House, Senate, and House Omnibus include as new section.

Sec. 949c. Department of Agricultura and Rural Development – NOT INCLUDED

Requires Department of Treasury to coordinate with the Department of Agriculture and Rural Development to improve the processing and issuance of tax credits from the Michigan Farmland and Open Space Preservation Program. Senate includes as new section. Executive, House, and House Omnibus do not include.

GENERAL GOVERNMENT: TREASURY

Major Boilerplate Changes from FY 2020-21

Sec. 949i. Recreational Marihuana Revenue Distributions – NEW

Authorizes revenue collected under the Michigan Regulation and Taxation of Marihuana Act to be appropriated and distributed pursuant to the act. Executive, House, Senate, and House Omnibus include as new section.

Sec. 949l. Historic Preservation – DELETED

Prohibits funds appropriated in part 1 from being expended unless Senate Bill 54 is enacted into law. Requires funds appropriated to be used for implementation of the bill. Executive, House, Senate, and House Omnibus delete section.

Sec. 949l. Unfunded Liability Matching Grant – NOT INCLUDED

Requires funds appropriated in part 1 for Unfunded Liability Matching Grants to provide matching grants to local units of government retirement pension systems that are less than 40% funded. The local unit of government must provide excess contributions to the pension system before the department approves a 100% match. The amount would be capped at the amount necessary to put the pension system at 40% funded. Senate includes as new section. Executive, House, and House Omnibus do not include.

Sec. 949l. Transportation Administration Auxiliary Fund – NEW

Creates the Transportation Administration Auxiliary Fund in the Department of Treasury; requires funds to be carried forward and not lapse; subjects funds to appropriation; specifies that funds appropriated in part 1 for the fund are to be deposited in the fund. House Omnibus includes as new section.

Sec. 949m. Blight Elimination – DELETED

Requires funds appropriated in part 1 for Blight Removal Grants to be awarded to projects in redevelopment ready communities certified by MEDC. Individual grants would be capped at \$200,000 with priority given to projects that pose an immediate public safety or health risk. Executive, House, Senate, and House Omnibus delete section.

Sec. 949n. School District Debt Relief Support – DELETED

Provides that funding appropriated in part 1 for School District Debt Relief Support must be awarded at the discretion of the state treasurer to eligible school districts; defines eligible school districts; caps awards at \$1.0 million. Executive, House, Senate, and House Omnibus delete section.

Sec. 949o. Disaster Relief – DELETED

Provides that funds appropriated in part 1 be provided to the following: Midland/Gladwin Flooding (\$15.0 million); Arenac County Flooding (\$500,000); Houghton/Baraga Flooding (\$4.0 million); Newaygo County Flooding (\$400,000); Ionia County Flooding (\$164,000); and Ecorse River Watershed Flooding (\$3.0 million). Executive, House, Senate, and House Omnibus delete section.

Sec. 949p. Teacher COVID-19 Grants – DELETED

Requires \$53.0 million appropriation to be distributed as equal payments to eligible K-12 classroom teachers who teach in a public school or nonprofit nonpublic school; caps payments at \$500 per FTE teacher; authorizes the department to retain up to 0.5% for administration. Executive, House, Senate, and House Omnibus delete section.

Sec. 949q. School Support Staff COVID-19 Grants – DELETED

Requires \$20.0 million appropriation to be distributed as equal payments to eligible school support staff; caps payments at \$250 per FTE school support staff; authorizes the department to retain up to 0.5% for administration. Executive, House, Senate, and House Omnibus delete section.

Major Boilerplate Changes from FY 2020-21

TREASURY - REVENUE SHARING

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

Specifies distribution of \$261.0 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 100.0% of its FY 2019-20 eligible payment. In order to qualify for its eligible payment, a CVT is required to comply with the items listed under accountability and transparency. To qualify for county incentive payment, counties are required to comply with the items listed under accountability and transparency. Any unexpended funds are directed to be deposited in the Financial Distressed CVTs program in Sec. 956, subject to approval of transfers. Requires eligible CVTs to allocate an amount equal to their FY 2020-21 eligible payment increase (no increase was received) to their unfunded pension liabilities if they have a pension that is considered to be in unfunded status pursuant to the Protecting Local Government Retirement and Benefits Act. (CVTs are exempt if they have issued a municipal security to pay down their unfunded liability.) Executive revises to reflect eligible payment equal to 102.0% of FY 2020-21 eligible payment and strikes language requiring the eligible unit to dedicate increased funds to unfunded pension liabilities. House revises to reflect eligible payment equal to 101.0% of FY 2020-21 eligible payment. House retains language requiring the eligible unit to dedicated increased funds to unfunded pension liabilities. House includes new subsection requiring a city, village, township, or county to maintain public safety expenditures at an amount not less than FY 2018-19 amount to qualify for a payment. Senate revises to reflect eligible payment equal to 102.0% of FY 2020-21 eligible payment; revises language requiring the eligible unit to dedicate increased funds to unfunded pension liabilities to apply only to the increase from FY 2020-21. House Omnibus includes a 2.0% increase and retains current-year language.

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 104.5619% of the amount determined pursuant to the Glen Steil State Revenue Sharing Act of 1971. Requires counties receiving a payment to allocate their FY 2020-21 eligible payment increase (no increase was received) to their unfunded pension liabilities if they have a pension that is considered to be in unfunded status pursuant to the Protecting Local Government Retirement and Benefits Act. (Counties are exempt if they have issued a municipal security to pay down their unfunded liability.) Executive revises to increase payments to counties by 2.0% which would represent 106.6435% of statutory full funding. Strikes language requiring the eligible county to dedicate increased funds to unfunded pension liabilities. House revises to increase payments to counties by 1.0% which would represent 105.5981% of statutory full funding. House includes new subsection requiring a city, village, township, or county to maintain public safety expenditures at an amount not less than FY 2018-19 amount to qualify for a payment. Senate revises to increase payments to counties by 2.0%; revises language requiring the eligible unit to dedicate increased funds to unfunded pension liabilities to apply only to the increase from FY 2020-21. House Omnibus includes a 2.0% increase and retains current-year language.

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

Specifies distribution of \$2.5 million as grants to CVTs that have one or more conditions of probable financial distress. CVTs must work with Treasury to develop plan for grant funding and grants must be used for specific projects or services that move the CVT toward financial stability. Grants are capped at \$2.0 million. Funds are designated as work project. Requires report. Executive revises to strike use of grants for unfunded liabilities and debt obligations. House retains current law language, aligns funding with part 1 appropriation. Senate and House Omnibus retain current law.

Sec. 957. Supplemental Revenue Sharing – CRF Replacement – NOT INCLUDED

Requires \$72,500 of funds appropriated in part 1 for supplemental revenue sharing to be used to provide a payment equal to the difference between the FY 2019-20 revenue sharing reduction and the amount of CRF replacement revenues the local unit of government expended. Local unit would qualify for a payment if the expenditure of CRF was less than the absolute value of the revenue sharing reduction. House includes a new section. Executive, Senate, and House Omnibus do not include.

Sec. 957. Coronavirus Relief Local Government Grants – NOT INCLUDED

Requires funds appropriated in part 1 to make payments to cities, villages, townships, and counties that received a coronavirus relief local government grant in 2020 PA 144 and subsequently returned at least some portion of the grant, but had to return a portion of the grant. The grant must equal the amount returned to the Department of Treasury. Senate includes as new section. Executive, House, and House Omnibus do not include.

Sec. 958. Supplemental Revenue Sharing – Missed Revenue Sharing Payment Replacement – NOT INCLUDED

Requires \$60,800 of funds appropriated in part 1 for supplemental revenue sharing be used to provide a grant equal to the missed revenue sharing payment for any city, village, township, or county that failed to submit transparency and accountability documents by December 1, 2020, but submitted them by February 1, 2021. House includes as new section. Executive, Senate, and House Omnibus do not include.

GENERAL GOVERNMENT: TREASURY

Major Boilerplate Changes from FY 2020-21

Sec. 959. Shoreline Erosion Rehabilitation Grants – NOT INCLUDED

Requires the funds appropriated in part 1 for Shoreline Erosion Rehabilitation Grants to be awarded to local units of government for infrastructure projects that focus on, but are not limited to, projects that address coastline erosion. Funds must be used to reimburse local units of government over the prior three-year period. Grants must be capped at 50% of the project cost. House includes as new section. Executive, Senate, and House Omnibus do not include.

TREASURY – GAMING CONTROL BOARD

Sec. 978. Racing Commission Regulatory Changes – RETAINED

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

Sec. 979. Millionaire Party Regulation – RETAINED

Appropriates amount not to exceed \$3.0 million 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 delete the reporting requirement. House, Senate, and House Omnibus retain current law.

TREASURY – ONE-TIME APPROPRIATIONS

Sec. 1201. Local First Responder Recruitment and Training Grants – NOT INCLUDED

Provides that funds appropriated in part 1 for Local First Responder Recruitment and Training Grants are to support local efforts to expand recruitment, improve training, and provide additional professional development and support to first responders; defines first responders and applicant; requires department to establish application process; caps grants at \$100,000 for recruitment and \$100,000 for training programs. Executive includes as new section. House, Senate, and House Omnibus do not include.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Summary: House Floor Substitute
Article 6, House Bill 4410 (H-2)

Analysts: Kent Dell, Susan Frey, Kevin Koorstra, and Viola Wild

	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Executive	FY 2021-22 House	FY 2021-22 Senate	FY 2021-22 House Omnibus	Difference: House Omnibus From FY 2020-21 YTD	
						Amount	%
IDG/IDT	\$13,829,900	\$13,791,400	\$3,932,000	\$13,706,800	\$13,791,400	(\$38,500)	(0.3)
Federal	20,159,666,800	22,910,690,100	21,191,501,300	22,939,242,000	22,654,701,100	2,495,034,300	12.4
Local	161,422,800	162,680,200	138,423,100	136,826,500	166,146,200	4,723,400	2.9
Private	177,172,500	189,276,500	100,815,500	190,865,200	166,036,500	(11,136,000)	(6.3)
Restricted	2,989,480,100	3,094,113,000	2,991,883,000	3,093,149,900	2,986,632,100	(2,848,000)	(0.1)
GF/GP	5,224,838,900	5,276,683,000	4,273,543,300	5,236,676,600	5,206,290,700	(18,548,200)	(0.4)
Gross	\$28,726,411,000	\$31,647,234,200	\$28,700,098,200	\$31,610,467,000	\$31,193,598,000	\$2,467,187,000	8.6
FTEs	15,487.0	15,589.5	15,545.5	14,782.8	15,542.5	55.5	0.4

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 4399 as passed by the House. (4) Information on Senate budget action in this document is based on Senate Bill 79 as passed by the Senate.

*The majority of the appropriations in the House-passed version provided the equivalent of one-quarter of the annual appropriation.

Overview

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

Major Budget Changes from FY 2020-21 YTD Appropriations	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
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NOTE: House changes represent annualized appropriations for comparison purposes.

MEDICAID AND BEHAVIORAL HEALTH – GENERAL

1. Traditional Medicaid Cost Adjustment

Executive includes \$369.8 million Gross (reduces \$68.6 million GF/GP) to recognize FY 2020-21 and FY 2021-22 caseload, utilization, and inflation adjustments, an additional 6.2 percentage point increase to the state FMAP provided under the federal Families First Coronavirus Response Act for 1 quarter (E-FMAP), traditional FMAP cost-sharing adjustments from 64.08% to 65.48%, and managed care risk corridor backout adjustments. Compared to FY 2019-20 expenditures, and including actuarial soundness adjustments in item #3, State Budget Office forecasts an average annual increase of 8.4%. House concurs with the Executive. Senate reduces Executive cost adjustments by \$14.0 million Gross (\$4.6 million GF/GP). House Omnibus reduces Executive amount by \$90.7 million Gross increases by \$48.5 million GF/GP based on the May caseload consensus between the State Budget Office, Senate Fiscal Agency and the House Fiscal Agency.

Gross	\$15,578,755,100	\$279,150,600
Federal	10,182,299,100	343,203,800
Local	53,347,500	(2,684,800)
Private	4,700,000	0
Restricted	2,209,920,900	(41,285,800)
GF/GP	\$3,128,487,600	(\$20,082,600)

HEALTH AND HUMAN SERVICES

Major Budget Changes from FY 2020-21 YTD Appropriations

2. Healthy Michigan Plan Cost Adjustment

Executive includes \$358.9 million Gross (\$35.9 million GF/GP) to recognize FY 2020-21 and FY 2021-22 caseload, utilization, and inflation adjustments, managed care risk corridor backout adjustments, and actuarial soundness adjustments for medical and behavioral health services in the Healthy Michigan Plan (HMP). Compared to FY 2019-20 expenditures, and including actuarial soundness adjustments in item #3, State Budget Office forecasts an average annual increase of 14.8%. House and Senate concur with the Executive. House Omnibus increases Executive amount by \$42.0 million Gross (\$972,000 GF/GP) based on the May caseload consensus between the State Budget Office, Senate Fiscal Agency and the House Fiscal Agency.

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
Gross	\$5,176,326,000	\$400,883,300
Federal	4,631,569,200	364,019,400
Local	1,994,400	0
Restricted	487,115,500	0
GF/GP	\$55,646,900	\$36,863,900

3. Actuarial Soundness

Executive includes \$299.6 million Gross (\$78.8 million GF/GP) to support an estimated 2.5% actuarial soundness adjustment for prepaid inpatient health plans (PIHPs), Medicaid Health plans, and Program of All-includes Care for the Elderly (PACE); 2.0% for home- and community-based services; 5.0% for Integrated Care Organizations (MI Health Link); 1.0% for Healthy Kids Dental, and 5.0% increase for PIHP autism services. House, Senate, and House Omnibus concur with the Executive.

Gross	NA	\$299,600,000
Federal	NA	220,805,900
GF/GP	NA	\$78,794,100

4. Direct Care Wage Increase

Executive includes \$110.0 million Gross (\$54.7 million GF/GP), for an annual ongoing cost totaling \$360.0 million Gross (\$121.4 million GF/GP), to support a continuation of the temporary \$2 per hour wage increase for direct care workers. Current year funding is only for the first 5 months of FY 2020-21 and included on a one-time basis. Sec. 1000 is related boilerplate. House removes one-time funding and includes a \$100 placeholder. Sec. 1000 is related boilerplate. Senate includes \$200.6 million Gross (\$85.0 million GF/GP), for an annual ongoing cost totaling \$450.6 million Gross (\$151.7 million GF/GP) to support a \$2.35 per hour wage increase for an expanded definition of direct care workers. Sec. 231 is related boilerplate. House Omnibus concurs with the Executive, Sec. 231 is related boilerplate.

Gross	\$250,000,000	\$110,000,000
Federal	183,333,300	55,310,700
GF/GP	\$66,666,700	\$54,689,300

DEPARTMENTAL ADMINISTRATION AND SUPPORT

5. CCWIS Module Development and Operations

Executive includes a net reduction of \$622,300 Gross (and a net increase of \$203,300 GF/GP) ongoing funding to replace development funding with maintenance and operational funding for the Comprehensive Child Welfare Information System (CCWIS) licensing module. Also includes one-time funding of \$16.8 million Gross (\$8.7 million GF/GP) and authorizes 6.0 FTE positions for the development of the CCWIS intake, investigation, and case management modules. These are the next 3 modules of the 8 remaining cloud-based modules to be implemented over the course of the next 4 to 5 years. House concurs with the Executive. Senate and House Omnibus concur with the Executive on the funding for the CCWIS licensing module, but do not include the additional one-time appropriations and FTE positions to develop the next three modules.

FTE	6.0	0.0
Gross	\$4,389,400	(\$622,300)
Federal	1,789,400	(825,600)
GF/GP	\$2,600,000	\$203,300

HEALTH AND HUMAN SERVICES**Major Budget Changes from FY 2020-21 YTD Appropriations****6. MMIS – Home Help Payments**

Executive includes \$21.0 million Gross (\$2.1 million GF/GP) to provide for changes to the Michigan Medicaid Information System (MMIS) to support Home Help payment changes. Changes would allow payments to be processed through CHAMPS rather than the Adult Service Authorized Payment System (ASAP). House includes on a one-time basis. Senate concurs with the Executive. House Omnibus concurs with the House.

	FTE	3.0	0.0
Gross		\$116,936,000	\$21,000,000
Federal		75,787,400	18,900,000
Private		25,000,000	0
GF/GP		\$16,148,600	\$2,100,000

7. MiSACWIS Maintenance and Operations

Executive includes \$2.3 million Gross (\$1.8 million GF/GP) to support increased maintenance and operational costs of the Michigan Statewide Automated Child Welfare Information System centralized intake database and CPS technology suite. House, Senate, and House Omnibus concur with the Executive.

Gross	\$5,647,800	\$2,345,200
IDG/IDT	18,600	0
TANF	761,700	0
Federal	3,752,100	508,300
Restricted	32,800	0
GF/GP	\$1,082,600	\$1,836,900

8. MiHIN – One-Time

House includes a \$100 placeholder to continue one-time funding for the Michigan Health Information Network (MIHIN). Senate includes \$17,500,000 Gross (\$1,750,000 GF/GP) to increase funding for the Michigan Health Information Network. House Omnibus does not include.

Gross	\$2,750,000	\$0
Federal	0	0
GF/GP	\$2,750,000	\$0

9. Office of Race, Equity, Diversity, and Inclusion Enhancement

Executive adds \$2.1 million Gross (\$1.6 million GF/GP) and authorizes 13.0 FTE positions to establish the Office of Race, Equity, Diversity, and Inclusion Enhancement to support department efforts in promoting equity in department-administered services. House, Senate, and House Omnibus do not include.

	FTE	0.0	0.0
Gross		\$0	\$0
Federal		0	0
Restricted		0	0
GF/GP		\$0	\$0

10. Property Management – Lease Costs

Executive includes a reduction of \$1.1 million Gross (\$429,700 GF/GP) to realize the elimination of a lease of a downtown Lansing office, and the relocation of 133 employees. House, Senate, and House Omnibus concur with the Executive.

Gross	\$65,065,000	(\$1,074,300)
IDG/IDT	593,500	0
TANF	10,698,900	0
Federal	23,107,300	(644,600)
Private	36,400	0
Restricted	495,500	0
GF/GP	\$30,133,400	(\$429,700)

11. Unclassified FTE Positions Administrative Reduction

House includes an administrative reduction of \$1.1 million Gross (\$733,400 GF/GP) for unclassified salaries, and reduces unclassified positions by 5.0 FTE positions. Senate and House Omnibus do not include.

	FTE	6.0	0.0
Gross		\$1,230,000	\$0
TANF		73,900	0
Federal		324,500	0
GF/GP		\$831,600	\$0

12. FTE Positions Administrative Reduction

Senate includes an administrative reduction of \$22.8 million Gross (\$9.4 million GF/GP) and associated removal of 781.7 FTE positions throughout the budget to reflect reported December 2020 FTE positions. House Omnibus does not include.

	FTE	15,487.0	0.0
Gross		\$28,726,411,000	\$0
IDG/IDT		13,829,900	0
TANF		547,204,900	0
Federal		19,612,461,900	0
Local		161,422,800	0
Private		177,172,500	0
Restricted		2,989,480,100	0
GF/GP		\$5,224,838,900	\$0

13. TANF and GF/GP Swap

Senate includes a \$0 Gross (and reduction of \$20.0 million GF/GP) by assuming increased availability of TANF funds to replace GF/GP. House Omnibus does not include.

Gross	NA	\$0
TANF	NA	0
GF/GP	NA	\$0

HEALTH AND HUMAN SERVICES

Major Budget Changes from FY 2020-21 YTD Appropriations

14. Economic Adjustments

Executive reflects overall net reduction of \$10.7 million Gross (\$4.8 million GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2021 and 1.0% on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. Amount includes reflected salary and wage increases totaling \$29.0 million Gross (\$13.3 million GF/GP). House concurs with the Executive. Senate concurs with the Executive, but does not include the \$36,900 Gross (\$25,000 GF/GP) supporting wage and salary increases for Unclassified FTE positions. House Omnibus concurs with the Executive.

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
Gross	NA	(\$10,697,600)
IDG/IDT	NA	(38,500)
TANF	NA	(1,399,100)
Federal	NA	(4,275,900)
Local	NA	(38,800)
Private	NA	(52,500)
Restricted	NA	(139,300)
GF/GP	NA	(\$4,753,500)

CHILD WELFARE SERVICES

15. Child Welfare Caseload Adjustments

Executive increases funding for child welfare programs by \$8.4 million Gross (\$11.8 million GF/GP) as follows:

- Foster care payments are reduced by \$705,400 Gross (\$1.6 million GF/GP) from 8,152 cases at \$32,415 per year to 8,394 cases at \$32,800 per year.
- Adoption subsidies are reduced by \$209,700 Gross (\$6.5 million GF/GP increase) from 22,061 cases at \$728.48 per month to 22,057 cases at \$727.82 per month.
- The Child Care Fund is increased by \$9.1 million Gross (\$6.8 million GF/GP).
- Guardianship assistance payments are increased by \$141,400 Gross (\$97,600 GF/GP) from 1,201 cases at \$694.42 per month to 1,224 cases at \$691.00 per month.

House concurs with the Executive. Senate included a net reduction of \$27.6 million Gross (\$3.8 million GF/GP). House Omnibus includes a net reduction of \$45.3 million Gross (\$20.7 million GF/GP) based on the May caseload consensus between the State Budget Office, Senate Fiscal Agency, and the House Fiscal Agency.

Gross	\$741,444,000	(\$45,248,600)
Federal	206,119,500	(15,332,800)
TANF	79,969,600	(8,904,000)
Local	46,081,400	(336,200)
Private	1,208,000	(8,000)
GF/GP	\$408,065,500	(\$20,667,600)

16. Child Welfare FMAP Adjustments

Executive includes \$3.7 million GF/GP savings for adjustments to the FMAP match rate from 64.08% to 65.48% and from adjustments and extensions to the enhanced FMAP match rate. House, Senate, and House Omnibus concur with the Executive.

Gross	NA	\$0
Federal	NA	3,738,700
GF/GP	NA	(\$3,738,700)

17. Qualified Residential Treatment Program (Q RTP) Third Party Assessments

Executive adds \$1.7 million Gross (\$1.2 million GF/GP) to annualize funding to private agencies that was appropriated in FY 2020-21 for third party assessments which determine the level of care and treatment goals for foster care youth that may be candidates for residential care. These assessments are required by the Q RTP which was established by the federal Family First Prevention Services Act (FFPSA). House, Senate, and House Omnibus concur with the Executive.

Gross	\$3,410,600	\$1,700,200
Federal	910,600	453,900
GF/GP	\$2,500,000	\$1,246,300

HEALTH AND HUMAN SERVICES

Major Budget Changes from FY 2020-21 YTD Appropriations

		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
18. Private Child Caring Institutions Residential Rate Increase			
<u>Executive</u> includes \$18.6 million Gross (\$14.2 million GF/GP) to fund residential rate increases to child caring institutions to help the agencies meet new residential treatment requirements established in the Q RTP by the federal FFPSA. \$7.1 million funding was appropriated in FY 2021 for a rate increase beginning April 2021; \$4.2 million increase is to annualize this funding. The remaining \$14.4 million increase would fund the additional estimated cost of the rate increase to comply with Q RTP requirements as estimated by a third-party analysis. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur with the Executive.	Gross	NA	\$18,570,600
	Federal	NA	4,354,400
	GF/GP	NA	\$14,216,200
19. Foster Care Q RTP Implementation Savings			
<u>Executive</u> includes a reduction of \$4.9 million Gross (\$2.4 million GF/GP) for assumed future savings to foster care payments from fewer and shorter placements into residential care because of the implementation of the requirements of the federal FFPSA. <u>House</u> concurs with the Executive. <u>Senate</u> does not include savings. <u>House Omnibus</u> concurs with the Executive.	Gross	\$286,630,400	(\$4,917,500)
	Federal	109,180,800	(2,520,900)
	TANF	8,075,800	0
	Local	23,881,500	0
	Private	1,208,000	0
	GF/GP	\$144,284,300	(\$2,396,600)
20. Private Agency Foster Care Administrative Rate Increase			
<u>House</u> includes \$21.3 million Gross (\$9.9 million GF/GP) to fund a \$9.00 increase to foster care administrative rates, raising current \$46.20 per diem rates to \$55.20 per diem and provides a 12.0% increase to independent living plus per diem rates. Sec. 546 is related boilerplate. <u>Senate</u> does not include. <u>House Omnibus</u> concurs with the House.	Gross	NA	\$21,324,600
	Federal	NA	7,206,200
	TANF	NA	4,239,000
	GF/GP	NA	\$9,879,400
21. Children's Indigent Defense Program			
<u>House</u> adds \$500,000 GF/GP for DHHS to explore the establishment of a child indigent defense services program. <u>Senate</u> and <u>House Omnibus</u> do not include.	Gross	\$0	\$0
	GF/GP	\$0	\$0
22. Additional Foster Care Program Increases			
<u>House</u> includes \$50,000 GF/GP for Foster Care Closets, which allow foster care children to shop for clothing and other needed items free of charge; \$50,000 GF/GP funding for \$10 gift cards for caseworkers to distribute when appropriate for meals or other needs for children when removed from the home or other dangerous environment, including human trafficking; and \$25,000 GF/GP increase to family incentive grants for home improvements or physical exams to help foster families qualify to become foster parents. <u>Senate</u> does not include funding for Foster Care Closets or gift cards for caseworkers to distribute, but includes \$1.0 million GF/GP for family incentive grants. <u>House Omnibus</u> does not include additional funding for these programs.	Gross	NA	\$0
	GF/GP	NA	\$0
23. Court-Appointed Special Advocates (CASA)			
<u>Senate</u> includes \$500,000 GF/GP for the CASA program. <u>House Omnibus</u> does not include.	Gross	\$500,000	\$0
	GF/GP	\$500,000	\$0
24. Foster Care Prevention Program Investment			
<u>Executive</u> includes an increase of \$9.2 million Gross (\$4.8 million GF/GP) and authorizes 18.0 FTE positions for child welfare family preservation programs that help prevent children being placed into foster care and help keep foster care children in family-like placements. Proposal would add 2 program coordinators and 16 kinship parent support coordinators. <u>House</u> includes a \$100 placeholder. <u>Senate</u> concurs with the Executive. <u>House Omnibus</u> does not include.	FTE	15.0	0.0
	Gross	\$50,812,500	\$0
	Federal	609,600	0
	TANF	43,224,000	0
	GF/GP	\$6,978,900	\$0

HEALTH AND HUMAN SERVICES

Major Budget Changes from FY 2020-21 YTD Appropriations		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
25. Foster Care Prevention Program Savings		Gross	\$286,630,400
<u>Executive</u> includes a reduction of \$5.8 million Gross (\$2.7 million GF/GP) for assumed future savings to the foster care system because of the \$9.2 million Gross (\$4.8 million GF/GP) prevention programming investment listed in item above. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> do not include savings.		Federal	109,180,800
		TANF	8,075,800
		Local	23,881,500
		Private	1,208,000
		GF/GP	\$144,284,300
			\$0
26. Marketing Programs to Promote Adoption of Infants		Gross	NA
<u>House</u> includes \$10.0 million GF/GP to fund marketing programs that promote the adoption of infants and to develop factual educational information materials on adoption as an alternative to abortion. Sec. 528 is related boilerplate. <u>Senate</u> and <u>House Omnibus</u> do not include.		GF/GP	NA
			\$0
27. Unified Clinics Resiliency Center for Families and Children – One-Time Funding		Gross	\$1,500,000
<u>House</u> includes \$750,000 GF/GP for the development and operation of a Resiliency Center for Families and Children to provide services to families and children experiencing trauma, toxic stress, chronic disability, neurodevelopmental disorders, or addictions. Sec. 1919 is related boilerplate. <u>Senate</u> and <u>House Omnibus</u> do not include.		GF/GP	\$1,500,000
			\$0
28. Human Trafficking Victims Services – One-Time Funding		Gross	\$0
<u>House</u> includes \$500,000 GF/GP to create and implement the Human Trafficking Victims Services Expansion Pilot which will provide services to victims using victim-centered and trauma informed approaches. Sec. 1931 is related boilerplate. <u>Senate</u> and <u>House Omnibus</u> do not include.		GF/GP	\$0
			\$0
29. Special Residential Care Facility – One-Time Funding		Gross	\$0
<u>House</u> includes \$300,000 GF/GP for the St. Louis Center, a residential community for children and adults with intellectual and developmental disabilities. Sec. 1938 is related boilerplate. <u>Senate</u> and <u>House Omnibus</u> do not include.		GF/GP	\$0
			\$0
30. Juvenile Justice Raise the Age Implementation		Gross	NA
<u>Executive</u> includes an increase of \$29.1 million Gross (\$24.2 million GF/GP) for the first year phase-in of the Raise the Age program which requires that most 17-year-old offenders be adjudicated in the juvenile justice system rather than the adult court system. <u>House</u> concurs with the Executive. <u>Senate</u> includes \$14.3 million Gross (\$11.9 million GF/GP) for program. <u>House Omnibus</u> concurs with the Executive.		Federal	NA
		GF/GP	NA
			\$29,100,000
			4,900,000
			\$24,200,000

Major Budget Changes from FY 2020-21 YTD Appropriations

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
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PUBLIC ASSISTANCE**31. Public Assistance Caseload Adjustments**

Executive includes a net increase of \$1.2 billion Gross (and a net reduction of \$34.2 million GF/GP) to recognize adjustments to FY 2020-21 and FY 2021-22 public assistance caseloads. This includes changes to retained child support collections resulting from FMAP adjustments, a recognition of the 15% increase to P-EBT benefits, and assumes an extension of the 15% increase to SNAP benefits through the end of FY 2020-21. House and Senate concur with the Executive. House Omnibus includes a net increase of \$1.2 billion Gross (and a reduction of \$42.5 million GF/GP) to reflect May Consensus. Total caseload adjustments include:

- Family Independence Program: reduction of \$48.1 million Gross (\$36.2 million GF/GP)
- Food Assistance Program: increase of \$1.3 billion federal (\$0 GF/GP)
- State Disability Assistance: reduction of \$4.8 million Gross (\$3.7 million GF/GP)
- State Supplementation: reduction of \$2.7 million GF/GP

Gross	NA	\$1,216,157,800
TANF	NA	(11,483,200)
Federal	NA	1,271,662,300
Restricted	NA	(1,484,300)
GF/GP	NA	(\$42,537,000)

32. Enhanced-FMAP Redetermination

Executive includes \$23.2 million Gross (\$11.5 million GF/GP) for additional administrative costs for Medicaid eligibility redeterminations once the enhanced FMAP (E-FMAP) and its related prohibition on Medicaid eligibility redeterminations until the E-FMAP expires, which is estimated to expire January 1, 2022. House includes a \$100 placeholder. Senate includes \$11.6 million Gross (\$5.8 million GF/GP) to provide half-year appropriations. House Omnibus concurs with the Executive.

Gross	N/A	\$23,160,000
Federal	N/A	11,660,000
GF/GP	N/A	\$11,500,000

33. Home Health and Safety – One-Time

Executive includes \$5.0 million GF/GP one-time funding to support a pilot program, which would provide home repair grants to single/multiple family residences, in order to correct health and safety issues that prevent participation in home energy efficiency programs. House includes a \$100 placeholder. Senate and House Omnibus do not include.

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

34. Cross-Enrollment Expansion

Executive includes \$3.5 million Gross (\$2.0 million GF/GP) and authorizes 6.0 FTE positions, of which \$2.5 million Gross (\$1.3 million GF/GP) and 2.0 FTE positions are one-time, to support efforts to enroll public assistance recipients in all other programs they are eligible for. Funding would support administrative and outreach efforts, as well as changes to the MI Bridges enrollment portal. House, Senate, and House Omnibus do not include.

FTE	NA	0.0
Gross	NA	\$0
Federal	NA	0
GF/GP	NA	\$0

35. Medical/Psychiatric Evaluations – Lapse Reduction

Executive reduces the Medical/Psychiatric Evaluations line item by \$300,000 GF/GP to recognize historic lapse amounts. House, Senate, and House Omnibus concur with the Executive.

Gross	\$1,420,100	(\$300,000)
TANF	2,000	0
Federal	732,900	0
GF/GP	\$685,200	(\$300,000)

36. Legal Services Association of Michigan Grant (LSAM)

Senate includes \$325,000 GF/GP to support contractual services with LSAM to provide SSI advocacy legal services. House Omnibus does not include.

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

HEALTH AND HUMAN SERVICES

		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>			
37. Diaper Assistance Grant	Gross	\$0	\$0
<u>Senate</u> includes \$250,000 GF/GP to provide for statewide grants to purchase diapering products. <u>House Omnibus</u> does not include.	GF/GP	\$0	\$0
38. Kids' Food Basket – One-Time	Gross	\$250,000	(\$250,000)
<u>House</u> retains \$250,000 GF/GP to provide a grant to the Kids' Food Basket organization, which provides meals to low-income children. <u>Senate</u> includes an additional \$250,000 GF/GP to increase the grant to \$500,000. <u>House Omnibus</u> does not include.	GF/GP	\$250,000	(\$250,000)
39. Legal Assistance – One-Time	Gross	\$60,000	(\$60,000)
<u>House</u> retains \$20,000 GF/GP to support a grant to the Allegan County Legal Assistance Center, which provides legal assistance for civil proceedings to low-income individuals. <u>Senate</u> and <u>House Omnibus</u> do not include.	GF/GP	\$60,000	(\$60,000)
BEHAVIORAL HEALTH SERVICES			
40. Certified Community Behavioral Health Clinics Demonstration Program	FTE	NA	6.0
<u>Executive</u> includes \$26.5 million Gross (\$5.0 million GF/GP) and authorizes 6.0 FTE positions, to establish 14 integrated behavioral and physical health clinics through a federal CMS demonstration program. Amount would include staffing costs for a Behavioral Health Policy and Operations office to oversee the demonstration program. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur with the Executive.	Gross	NA	\$26,497,300
	Federal	NA	21,547,300
	GF/GP	NA	\$4,950,000
41. KB v. Lyon Lawsuit	Gross	NA	\$0
<u>Executive</u> includes \$91.0 million Gross (\$30.0 million GF/GP) for estimated children behavioral health service utilization increases to implement future policy changes related to the KB v. Lyon lawsuit agreement. <u>House</u> does not include. <u>Senate</u> includes half of Executive amount. <u>House Omnibus</u> does not include.	Federal	NA	0
	GF/GP	NA	\$0
42. Autism Navigators	Gross	\$1,025,000	\$0
<u>Executive</u> includes \$1.0 million GF/GP to continue and move the autism navigator program from the one-time unit into the ongoing behavioral health unit. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur with the Executive.	GF/GP	\$1,025,000	\$0
43. Federal State Opioid Response (SOR) Grant	Gross	\$30,714,700	\$36,440,900
<u>Executive</u> includes \$36.4 million in federal SOR grant funding to increase access to medication-assisted treatments, addressing unmet treatment needs, and reducing opioid overdose deaths. Federal opioid grant funding also separated out into a separate opioid response activity line item. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur with the Executive.	Federal	30,714,700	36,440,900
	GF/GP	\$0	\$0
44. Family Support Subsidy Caseloads Adjustments	Gross	\$13,650,000	(\$1,817,600)
<u>Executive</u> reduces \$1.8 million TANF to support an estimated 4,300 family support subsidy cases. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur with the Executive.	TANF	13,650,000	(1,817,600)
	GF/GP	\$0	\$0
45. Behavioral Health Community Supports and Services	Gross	\$11,221,500	\$0
<u>House</u> adds \$2.3 million Gross (\$138,500 GF/GP) and directs these community supports to crisis stabilization units and psychiatric residential treatment facilities. Sec. 1010 is related boilerplate. <u>Senate</u> does not include. <u>House Omnibus</u> does not increase, but revises Sec. 1010.	Federal	6,221,500	0
	GF/GP	\$5,000,000	\$0

HEALTH AND HUMAN SERVICES**Major Budget Changes from FY 2020-21 YTD Appropriations**

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
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46. Court-Appointed Guardian Reimbursements

House includes \$100 GF/GP placeholder to create a court-appointed guardian reimbursement program for court-appointed guardians of individuals determined but the court to be developmentally disabled or legally incapacitated. Sec. 950 is related boilerplate. Senate and House Omnibus do not include.

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

47. Medicaid Mental Health Local Match

Senate includes \$10.2 million GF/GP to replace a like amount of local funding used for Medicaid mental health rates. Amount would reflect the second and third year amounts of phasing out the local match portion. House Omnibus does not include.

Gross	NA	\$0
Local	NA	0
GF/GP	NA	\$0

48. Multicultural Integration Funding

Senate adds \$4.4 million GF/GP for multicultural integration. House Omnibus does not increase.

Gross	\$17,284,900	\$0
Federal	1,115,500	0
GF/GP	\$16,169,400	\$0

49. State Psychiatric Hospital Pharmacy Cost Increase

Executive adds \$490,900 Gross (\$426,200 GF/GP) to support an estimated 5% inflationary increase in pharmacy costs within the state psychiatric hospitals. House concurs with the Executive. Senate adds \$294,500 Gross (\$255,700 GF/GP) for an estimated 3% inflationary increase. House Omnibus concurs with the Executive.

Gross	NA	\$490,900
Federal	NA	19,700
Local	NA	28,700
Restricted	NA	16,300
GF/GP	NA	\$426,200

50. State Psychiatric Hospital Coronavirus Relief Funds

Executive replaces \$22.5 million of one-time federal Coronavirus Relief Funds (CRF) used for eligible state psychiatric hospital costs with a like amount of GF/GP. House concurs with the Executive and uses \$90.0 million of new Coronavirus State Fiscal Recovery Fund for eligible state psychiatric hospital costs. Senate and House Omnibus concur with the Executive.

Gross	\$0	\$0
Federal	22,500,000	(22,500,000)
GF/GP	(\$22,500,000)	\$22,500,000

51. Behavioral Health One-Time Funding

House retains one-time funding for first responder mental health (\$2.5 million), Special Olympics capital improvements (\$1.0 million), substance abuse community and school outreach (\$250,000, which is an increase of \$150,000), nonprofit mental health clinics (\$200,000), and includes behavioral health patient health information tool \$100 placeholder. Senate includes \$3.0 million GF/GP for McLaren Greenlawn and \$100 placeholders for first responder mental health, jail diversion fund, and Families Against Narcotics. House Omnibus does not include.

Gross	NA	\$0
GF/GP	NA	\$0

POPULATION HEALTH**52. Initiatives to Reduce Health Disparities**

Executive includes \$8.4 million Gross (\$5.1 million GF/GP) for new initiatives to reduce health disparities, including increasing use of community-based navigators to facilitate access to health care, improvements in data sharing and interoperability of Michigan Health Information Network, and implementation of statewide screening and referral tool for health related social needs; \$5.0 million Gross (\$2.5 million GF/GP) is one-time. House does not concur with the Executive. Senate provides a \$100 placeholder. House Omnibus does not include.

Gross	NA	\$0
Federal	NA	0
GF/GP	NA	\$0

53. Enforcement of Human Embryo Constitution Provisions

House includes \$100,000 for enforcement of Section 27(2)(a) of Article I of the Michigan Constitution regarding human embryo and embryonic stem cell research. Sec. 1148 is related boilerplate. Senate does not include. House Omnibus does not include.

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

HEALTH AND HUMAN SERVICES

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		<u>FY 2020-21 Year-to-Date (as of 2/11/21)</u>	<u>FY 2021-22 House Omnibus Change</u>
54. Nurse Practitioner Expansion Pilot – One-Time Funding <u>House</u> includes one-time funding of \$1.6 million GF/GP for a 4-year pilot program to increase the number of advanced practice psychiatric-mental health nurse practitioners, through Wayne State University. Sec. 1935 is related boilerplate and establishes funding as 4-year work project. <u>Senate</u> does not include. <u>House Omnibus</u> does not include.	Gross	\$0	\$0
	GF/GP	\$0	\$0
55. Nursing Capacity and Diversity Pilot – One-Time Funding <u>Senate</u> includes a \$100 placeholder for a nursing capacity and diversity pilot at Grand Valley State University. Sec. 1914 is related boilerplate. <u>House Omnibus</u> does not include.	Gross	\$0	\$0
	GF/GP	\$0	\$0
56. Veterans Health Clinic – One-Time Funding <u>Senate</u> includes a funding placeholder of \$100 to expand veteran health services at McLaren Port Huron. Sec. 1918 is related boilerplate. <u>House Omnibus</u> does not include.	Gross	\$0	\$0
	GF/GP	\$0	\$0
57. Community Health Innovation Regions (CHIRs) <u>House</u> provides a \$100 placeholder to support community health innovation regions, last funded in FY 2019-20 as part of the State Innovation Model (SIM) program. Sec. 1149 is related boilerplate. <u>Senate</u> does not include. <u>House Omnibus</u> does not include.	Gross	\$0	\$0
	GF/GP	\$0	\$0
58. Healthy Communities Grant – One-Time Funding <u>House</u> continues one-time funding of \$300,000 GF/GP for healthy living, obesity prevention, and substance abuse prevention programs of Leaders Advancing and Helping Communities. Sec. 1915 is related boilerplate. <u>Senate</u> provides increase of \$200,000. <u>House Omnibus</u> does not include.	Gross	\$300,000	(\$300,000)
	GF/GP	\$300,000	(\$300,000)
59. Primary Care and Wellness Services – One-Time Funding <u>House</u> includes one-time funding of \$250,000 GF/GP for integrated health services in southeast Michigan through TEAM Cares/Team Wellness. Sec. 1936 is related boilerplate. <u>Senate</u> does not include. <u>House Omnibus</u> does not include.	Gross	\$0	\$0
	GF/GP	\$0	\$0
60. Stroke and STEMI Initiative <u>Senate</u> includes \$3.0 million GF/GP to establish a statewide stroke and STEMI (ST-elevated myocardial infarction) system of care for time-sensitive emergencies, integrated within the EMS and statewide trauma system. Sec. 1186 is related boilerplate. SB 521 is related proposed bill. <u>House Omnibus</u> does not include.	Gross	\$0	\$0
	GF/GP	\$0	\$0
61. Healthy Moms Healthy Babies Expansion – Public Health <u>Executive</u> increases funding by \$10.0 million Gross (\$6.6 million GF/GP) to annualize and expand public health Healthy Moms Healthy Babies maternal and infant health and support programs. \$2.6 million Gross (\$301,200 GF/GP) annualizes the new FY 2020-21 programs, and \$7.4 million Gross (\$6.3 million GF/GP) and authorization for 2.0 FTEs expands home visit programs by 1,000 visiting slots to support families with an infant born with substance exposure, and increases navigators, and mental health and other services. <u>House</u> and <u>Senate</u> concur with the Executive. <u>House Omnibus</u> concurs with annualizing current year funding but does not include expansion.	FTE	0.0	0.0
	Gross	\$7,903,500	\$2,551,200
	Federal	0	2,250,000
	GF/GP	\$7,903,500	\$301,200

HEALTH AND HUMAN SERVICES

Major Budget Changes from FY 2020-21 YTD Appropriations

		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
62. Lead Poisoning Prevention Fund – One-Time Funding	Gross	\$2,000,000	(\$2,000,000)
<u>Executive</u> increases one-time GF/GP funding from \$2.0 million to \$10.0 million for the Lead Poisoning Prevention Fund to support low-cost loans to homeowners and landlords to reduce lead exposure in the home. First funded in FY 2020-21; currently under development. Sec. 1913 is related boilerplate. <u>House</u> and <u>Senate</u> continue funding at current year level. <u>House Omnibus</u> does not include.	GF/GP	\$2,000,000	(\$2,000,000)
63. Public Health Laboratory Fund Shift	Gross	\$26,655,100	\$0
<u>Executive</u> includes a net \$0 Gross laboratory services adjustment with a \$1.0 million GF/GP increase offset by state restricted fund reduction of laboratory fee funds, reversing an adjustment made in FY 2019-20 using a fee fund balance. <u>House</u> includes a net \$0 fund shift of \$700,000. <u>Senate</u> concurs with the Executive. <u>House Omnibus</u> concurs with the Executive.	IDG	995,700	0
	Federal	6,203,700	0
	Restricted	13,790,600	(1,000,000)
	GF/GP	\$5,665,100	\$1,000,000
64. Vital Records	Gross	\$10,686,700	\$600,000
<u>Executive</u> provides net increase of \$600,000 Gross for vital records program, including an increase of \$1.4 million GF/GP to fund costs for PA 53 and PA 54 of 2020 and to offset reduced revenue of \$845,900 from vital records fees. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur with the Executive.	Federal	4,408,300	0
	Restricted	5,548,800	(845,900)
	GF/GP	\$729,600	\$1,445,900
65. Vital Records – Homeless Birth Records	Gross	\$10,686,700	\$0
<u>Senate</u> reduces vital records appropriation for birth certificate fee waiver for homeless individuals by \$125,000 GF/GP. FY 2019-20 budget had been increased by \$136,000 GF/GP in this line to cover this new cost. <u>House Omnibus</u> does not include.	Federal	4,408,300	0
	Restricted	5,548,800	0
	GF/GP	\$729,600	\$0
66. Essential Local Public Health Services	Gross	\$51,419,300	\$0
<u>Senate</u> provides increase of \$5.0 million GF/GP for local public health departments for essential local public health services, to be allocated under the existing formula methodology. <u>House Omnibus</u> does not include.	Local	5,150,000	0
	GF/GP	\$46,269,300	\$0
67. Smoking Prevention Tobacco Quitline	Gross	\$3,858,300	\$0
<u>Senate</u> includes a \$100 placeholder to increase financial support for the Tobacco Quitline smoking cessation hotline. <u>House Omnibus</u> does not include.	Federal	2,020,200	0
	Restricted	1,648,700	0
	GF/GP	\$189,400	\$0
68. Oral Health Assessment for Children	FTE	0.0	1.5
<u>Executive</u> includes \$1.8 million GF/GP and authorization for 1.5 FTE positions to provide free oral health assessments to children entering public school kindergarten who do not have dental insurance, enacted under 2020 PA 261. Sec. 1343 is related boilerplate. <u>House</u> concurs with the Executive but uses \$1.5 million from local school district funds originated from the state School Aid Fund. House School Aid budget includes this adjustment. <u>Senate</u> concurs with the Executive and also includes private authorization for anticipated funding. House Omnibus include. <u>House Omnibus</u> includes local School Aid Fund and private funds.	Gross	\$0	\$3,520,000
	Local	0	1,500,000
	Private	0	1,760,000
	GF/GP	\$0	\$260,000
69. Outstate Local Public Health Dental Clinics	Gross	\$1,550,000	\$0
<u>House</u> increases funding for outstate local public health dental clinics from \$1,550,000 GF/GP to \$1,750,000 GF/GP. Sec. 1317 is related boilerplate. <u>Senate</u> does not include. <u>House Omnibus</u> does not include.	GF/GP	\$1,550,000	\$0

HEALTH AND HUMAN SERVICES

Major Budget Changes from FY 2020-21 YTD Appropriations		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change	
70. Immunization Public Information		Gross	\$24,991,500	\$0
<u>House</u> includes \$50,000 GF/GP increase for immunization reporting and public informational brochures for free distribution. Sec. 1322 is related boilerplate. <u>Senate</u> does not include. <u>House Omnibus</u> does not include.		Federal	20,095,600	0
		Restricted	2,959,300	0
		GF/GP	\$1,936,600	\$0
71. Alternative Pregnancy and Parenting Program		Gross	\$25,258,100	\$0
<u>House</u> includes \$700,000 of federal TANF funding for Real Alternatives alternative pregnancy and parenting services program which promotes childbirth, alternatives to abortion, and grief counseling. Sec. 1307 is related boilerplate. <u>Senate</u> and <u>House Omnibus</u> do not include.		TANF	0	0
		Federal	12,453,300	0
		Restricted	50,000	0
		GF/GP	\$12,754,800	\$0
72. Title X & Title V Block Grant Funds Replacement and Redirect		Gross	\$27,697,100	\$0
<u>House</u> replaces \$8.3 million federal title X family planning funds with GF/GP in two appropriation lines, and \$19.4 million federal title V maternal and child health (MCH) block grant funds with GF/GP in 11 appropriation lines. \$1.7 million of funds previously allocated from the block grant to family planning is redirected to local MCH services and childhood lead prevention program with the replacement GF/GP. Sec. 1344 is related boilerplate. <u>Senate</u> and <u>House Omnibus</u> do not include.		Federal	27,697,100	0
		GF/GP	\$0	\$0
73. Maternal Navigator Pilot Program		Gross	\$0	\$0
<u>House</u> includes \$3.0 million GF/GP for a new maternal navigator pilot program by nonprofit organizations in 2 geographically diverse areas to provide referrals and services to pregnant women; grantee organizations must promote childbirth and alternatives to abortion. Sec. 1345 is related boilerplate. <u>Senate</u> and <u>House Omnibus</u> do not include.		GF/GP	\$0	\$0
74. Pregnancy Resource Center Grants		Gross	\$0	\$0
<u>House</u> includes \$1.5 million GF/GP for new grants to pregnancy resource centers, to be distributed equally to applicants; centers are defined as private nonprofit organizations that promote childbirth and alternatives to abortion, and provide referrals and information to pregnant women. Sec. 1346 is related boilerplate. <u>Senate</u> provides a \$100 placeholder, and includes related Sec. 1318 boilerplate. <u>House Omnibus</u> does not include.		GF/GP	\$0	\$0
75. Population Health GF/GP Reductions		Gross	\$525,000	(\$500,000)
<u>Executive</u> reduces public health funding by \$500,000 for analytical laboratory equipment for PFAS contamination response based on prior-year lapsed funds, and eliminates \$25,000 GF/GP for free family emergency readiness public events in Livingston County funded in FY 2020-21. <u>House</u> concurs with PFAS lab reduction, but retains readiness public event funding. <u>Senate</u> concurs with the Executive. <u>House Omnibus</u> concurs with the House.		GF/GP	\$525,000	(\$500,000)
76. Lead Abatement Grant SCHIP Adjustments		Gross	\$32,757,500	\$0
<u>Executive</u> includes net \$0 Gross fund shift of \$494,900 from GF/GP to federal for lead abatement grant. YTD shown is for Healthy Homes Program line item, of which \$18.2 million is federal Children's Health Insurance Program (SCHIP) funds approved for use for lead abatement in Flint and other high-risk communities since FY 2016-17. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur with the Executive.		Federal	19,504,600	494,900
		Private	77,800	0
		Restricted	723,700	0
		GF/GP	\$12,451,400	(\$494,900)
77. Injury Control - Traumatic Brain Injury – One-Time Funding		Gross	\$0	\$0
<u>House</u> includes placeholder of \$100 for decision support software in the treatment of pediatric traumatic brain injury and adult stroke. Previously funded in FY 2018-19. Sec. 1937 is related boilerplate. <u>Senate</u> and <u>House Omnibus</u> do not include.		GF/GP	\$0	\$0

HEALTH AND HUMAN SERVICES

Major Budget Changes from FY 2020-21 YTD Appropriations

78. Population Health Non-GF/GP Funds Adjustments

Executive recognizes \$14.0 million Gross for federal, local, private, and state restricted funding, including:

- \$9.4 million drug rebate revenue for AIDS Drug Assistance Program and 18.0 FTEs to administer contracts and finance;
- \$2.4 million federal violence prevention funds;
- \$900,000 local revenue for child and adolescent health care;
- \$200,000 net private funds for WIC program vendor system,
- \$715,000 federal laboratory services grants;
- \$300,000 restricted EMS licensure program fee revenue;
- \$89,300 restricted newborn screening fee CPI increase

House, Senate, and House Omnibus concur with the Executive.

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
FTE	NA	18.0
Gross	NA	\$13,988,800
Federal	NA	3,085,000
Local	NA	900,000
Private	NA	9,614,500
Restricted	NA	389,300
GF/GP	NA	\$0

AGING AND ADULT SERVICES AGENCY

79. Aging Community Services

Executive recognizes \$1.0 million of additional federal funds for senior community services programs. House, Senate, and House Omnibus concur with the Executive.

Gross	\$46,806,100	\$1,000,000
Federal	22,980,400	1,000,000
GF/GP	\$23,825,700	\$0

80. Aging Meals and Nutrition Services

Executive recognizes \$3.5 million of additional federal funds for senior nutrition services including congregate meals and home-delivered meals. House, Senate, and House Omnibus concur with the Executive.

Gross	\$43,054,200	\$3,500,000
Federal	30,157,000	3,500,000
Private	300,000	0
GF/GP	\$12,597,200	\$0

81. Senior Center Grants – One-Time Funding

House continues one-time funding of \$150,000 GF/GP for a small grants program for health-related senior programs at multipurpose senior citizen centers. Sec. 1923 is related boilerplate. Senate and House Omnibus do not include.

Gross	\$150,000	(\$150,000)
GF/GP	\$150,000	(\$150,000)

82. Seniors – Dementia Unit

Senate provides a \$100 placeholder for dementia unit funding in a new line item. House Omnibus does not include.

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

MEDICAL SERVICES

83. Sickle Cell Disease Coverage

Executive includes \$6.7 million GF/GP to expand sickle cell disease health services coverage through CSHCS for adults 21 years and over who age out of the program and are not eligible for Medicaid coverage. Also includes support for the Sickle Cell Disease Association of America, expanded clinical services, and \$50,000 GF/GP for IT modifications. House does not include. Senate includes funding to expand coverage that would begin during the second half of the fiscal year. House Omnibus does not include.

FTE	NA	0.0
Gross	NA	\$0
GF/GP	NA	\$0

84. Van Andel Institute

House includes \$1.0 million GF/GP for the Van Andel Institute as matching funds for federal and private biomedical research and science education. Senate and House Omnibus do not include.

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

85. CSHCS Coverage for Additional Rare Childhood Diseases

House includes \$4.0 million GF/GP to expand the number of childhood rare diseases covered under CSHCS for individuals under the age of 21. Senate and House Omnibus do not include.

Gross	NA	\$0
GF/GP	NA	\$0

HEALTH AND HUMAN SERVICES

Major Budget Changes from FY 2020-21 YTD Appropriations		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
86. Specialty Medicaid Managed Care Health Plan for Foster Children	Gross	NA	\$0
<u>House</u> includes \$500,000 Gross (\$250,000 GF/GP) to complete an actuarial analysis and any necessary federal approvals to create a specialty Medicaid managed care health plan for children in foster care to provide comprehensive medical, behavioral, and dental services. <u>Senate</u> and <u>House Omnibus</u> do not include.	Federal	NA	0
	GF/GP	NA	\$0
87. Medicaid Ambulance Rate Increase	Gross	NA	\$10,000,000
<u>House Omnibus</u> includes \$10.0 million Gross (\$2.4 million GF/GP) to increase the Medicaid ambulance fee schedule.	Federal	NA	7,622,400
	GF/GP	NA	\$2,377,600
88. ClaimSure Contract Savings	Gross	NA	(\$3,744,400)
<u>Executive</u> recognizes a reduction of \$3.7 million Gross (\$1.2 million GF/GP) resulting from a reduction in incorrect Medicaid payments identified by implementation of the ClaimSure system. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur with the Executive.	Federal	NA	(2,509,900)
	GF/GP	NA	(\$1,234,500)
89. MI Health Link – PERS	Gross	\$289,839,600	(\$3,750,000)
<u>Executive</u> recognizes a reduction of \$3.8 million Gross (\$1.2 million GF/GP) resulting from placing program beneficiaries only receiving services from the Personal Emergency Response System (PERS) into a lower rate tier, and realizing the capitation payment cost savings. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur with the Executive.	Federal	177,464,900	(2,513,600)
	GF/GP	\$112,374,700	(\$1,236,400)
90. MI Choice Expansion	Gross	\$372,327,100	\$0
<u>Executive</u> includes \$19.1 million Gross (\$6.3 million GF/GP) to increase the number of MI Choice slots by 1,000 by the end of FY 2021-22. <u>House</u> concurs with the Executive. <u>Senate</u> revises fund sourcing. <u>House Omnibus</u> does not include.	Federal	243,465,800	0
	Private	500,000	0
	GF/GP	\$128,361,300	\$0
91. Healthy Moms Healthy Babies – Medicaid Postpartum Coverage	Gross	\$15,503,400	\$5,051,700
<u>Executive</u> increases funding by \$5.1 million Gross (\$1.4 million GF/GP) to annualize the expansion of postpartum coverage from 60 day to 12 months. Year-to-date funding would support 3/4 of a fiscal year. <u>House</u> reduces funding to revert back to Medicaid postpartum coverage for 60 days. <u>Senate</u> and <u>House Omnibus</u> concur with the Executive.	Federal	11,192,500	3,653,000
	GF/GP	\$4,310,900	\$1,398,700
92. MiDocs	Gross	\$22,900,000	\$0
<u>Senate</u> adds \$1.3 million GF/GP to the MiDocs residential training program. <u>House Omnibus</u> does not include.	Federal	11,450,000	0
	Restricted	6,350,000	0
	GF/GP	\$5,100,000	\$0
93. Medicaid Private Duty Nursing	Gross	NA	\$0
<u>House</u> includes \$2.6 million Gross (\$933,400 GF/GP) to increase Medicaid private duty nursing rates. <u>Senate</u> includes \$3.9 million Gross (\$1.3 million GF/GP) to increase rates. <u>House Omnibus</u> does not include.	Federal	NA	0
	GF/GP	NA	\$0
94. Medicaid Pediatric Rehabilitation Placeholder	Gross	NA	\$0
<u>House</u> includes a \$100 placeholder to increase the Medicaid rates paid to physical and occupational rehabilitation services provided to individuals under the age of 21. <u>Senate</u> does not include. <u>House Omnibus</u> does not include.	GF/GP	NA	\$0
95. Medicaid Community Health Care Workers Placeholder	Gross	NA	\$0
<u>Senate</u> includes a \$100 placeholder for community health care workers. <u>House Omnibus</u> does not include.	GF/GP	NA	\$0

HEALTH AND HUMAN SERVICES

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
96. One-Time Medicaid Long-Term Care Rate Increase	Gross	\$2,051,483,200	\$0
<u>Executive</u> includes \$37.5 million Gross (\$9.0 million GF/GP) to provide a one-time Medicaid rate increase to nursing facilities. <u>House</u> utilizes new federal Coronavirus State Fiscal Recovery Fund to provide the one-time rate increase. <u>Senate</u> concurs with the Executive. <u>House Omnibus</u> does not include.	Federal	1,330,766,800	0
	Local	6,618,800	0
	Private	4,100,000	0
	Restricted	375,358,200	0
	GF/GP	\$334,639,400	\$0
97. One-Time Community-Based Health Coverage Entity	Gross	\$0	\$1,000,000
<u>House Omnibus</u> adds \$1.0 million GF/GP to Access Health to support the public share of the "three-share model" health care program for low income workers.		GF/GP	\$0
98. Medical Services Restricted Fund Adjustments	Gross	NA	\$0
<u>Executive</u> includes net-zero Gross adjustments, and a net reduction of \$58.5 million GF/GP, to backfill reductions in the Health and Safety Fund and recognize increases in revenues in various other state restricted funds. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur with the Executive.	Restricted	NA	58,510,100
	GF/GP	NA	(\$58,510,100)
ONE-TIME APPROPRIATIONS			
99. Remove FY 2020-21 One-Time Appropriations	Gross	\$406,228,800	(\$406,228,800)
<u>Executive</u> removes one-time appropriations included in FY 2020-21. Any of this funding that is retained into FY 2021-22 is noted elsewhere. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur with the Executive.	Federal	218,256,200	(218,256,200)
	Private	100,000	(100,000)
	GF/GP	\$187,872,600	(\$187,872,600)

Major Boilerplate Changes from FY 2020-21**GENERAL SECTIONS****Sec. 210. Contingency Fund Appropriations – REVISED**

Appropriates federal, state restricted, local, and private contingency funds of up to \$47 million total, available for expenditure when transferred to a line item through the legislative transfer process. Executive revises to increase contingency appropriations to \$590 million, similar to FY 2018-19. House revises to change "funds" to "authorization". Senate deletes. House Omnibus concurs with the House.

Sec. 215. Notification of Conflict with Federal Regulation or When Grant Unused – RETAINED

Requires DHHS to provide notice if: (a) a legislative objective in the budget or in a bill to amend the Social Welfare Act cannot be implemented due to conflict with federal regulations; or (b) an awarded federal grant cannot or will not be used. Executive deletes. House, Senate, and House Omnibus retain with minor technical changes.

Sec. 219. & 219a. Michigan Public Health Institute and Simultaneous Employment or Service – 219 REVISED, 219A NOT INCLUDED

Allows DHHS to contract with the Michigan Public Health Institute (MPHI) for public health projects and related activities; requires report and provision of all work produced from prior fiscal year funding. House revises to restrict subcontracting, employment, contracts, or Board service by current employees of DHHS with MPHI or other agency contracting with DHHS; adds report, and legislative review of contracts over \$5 million or 36 months. Senate revises to shorten MPHI agreement period for projects; does not include House Sec. 219a. House Omnibus revises current law Sec. 219 to require semiannual reports and does not include Sec. 219a.

Sec. 222. Notification and Report of Policy Changes – RETAINED

Requires written notice of any major policy changes 30 days before implementation, requires policy manual to be available on DHHS website; and requires a report by April 1 on policy changes made to implement new public acts. Executive deletes. House, Senate, and House Omnibus retain with minor technical changes.

HEALTH AND HUMAN SERVICES

Major Boilerplate Changes from FY 2020-21

Sec. 225. Public and Private Service Providers – RETAINED

Prohibits sanctions or suspensions from being more stringent for private providers than for public providers performing equivalent funded services; and prohibits preferential treatment for public or private service providers based on whether or not they have collective bargaining agreements with direct care workers. Executive deletes. House retains. Senate revises to make Director's salary funding contingent on the provisions of this section being carried out. House Omnibus retains.

Sec. 233. Legislative and State Administrative Board Transfers – RETAINED

Allows the legislature, by a concurrent resolution adopted by a majority of the members of each house, to inter-transfer funds if the State Administrative Board transfers funds from an amount appropriated in the DHHS budget. Executive deletes. House, Senate, and House Omnibus retain.

Sec. 236. (House) Severance Payment Reporting – NEW

New House language requires DHHS to report severance pay for high ranking staff within 14 days after an agreement, and annual totals. Senate does not include. House Omnibus concurs with the House.

Sec. ~~236. (Senate)~~ 239. Medicaid Reimbursement for Telemedicine – NEW

New Senate language requires DHHS to reimburse Medicaid telemedicine services the same as if the service involved face-to-face contact between the provider and patient. House Omnibus concurs with the Senate with revisions to apply the language to the non-facility component of the reimbursement rate.

Sec. 237/249. Conditions on Funding Regarding COVID Information and Requirements – 237 NEW; 249 NOT INCLUDED

House adds new section: Prohibits DHHS from requiring proof of individual COVID vaccination to access state services, *create COVID vaccine certification or passport*, or provide COVID vaccine status of an individual to any entity or person. Senate includes similar language as *italicized* above in Sec. 249; does not include other provisions of House Sec. 237. House Omnibus concurs with House Sec. 237; does not include Senate Sec. 249.

Sec. 238. Prohibit Mandatory COVID Vaccination – NEW

New House language prohibits use of funds to vaccinate a person for COVID-19 under a mandatory vaccination program. Senate does not include. House Omnibus revises to prohibit use of funds to implement a mandatory vaccination program of an employer or of the state government.

Sec. 240. Use of Existing Work Project Authorization – RETAINED

Establishes that appropriations in part 1 shall, to the extent possible, not be expended in cases where existing work project authorization is available for the same expenditures. Executive deletes. House, Senate, and House Omnibus retain.

Sec. 241. Advertising and Media Outreach Expenditures Report – NEW

New House language requires DHHS report on total actual expenditures for advertising and media outreach for the previous fiscal year. Senate does not include. House Omnibus concurs with the House.

Sec. 243. Prohibit Use of State Funds for Elective Abortion – NEW

New House Omnibus language prohibits use of state restricted or state general funds by DHHS, grantees, or subcontractors to fund any elective abortion; defines elective abortion (from MCL 550.551); and allocates \$50,000 to provide notice and information to health providers and the public.

Sec. 250. Prohibit Mandatory Face Covering Under Age 18 – NOT INCLUDED

New Senate language prohibits use of funds to require an individual under 18 to wear a face mask or covering. House Omnibus does not include.

Sec. 258. Education Initiatives Regarding Trauma, Human Trafficking, and Sexual Abuse Prevention – REVISED

Directs DHHS to collaboratively promote and support school and education initiatives including training regarding use of trauma-informed practices and age-appropriate information about human trafficking and sexual abuse prevention. Executive deletes. House revises to include collaboration with child welfare institute, and add report. Senate retains. House Omnibus concurs with the House.

Sec. 264. DHHS Employee Communication with Legislature – RETAINED

Prohibits DHHS from taking disciplinary action against an employee for communicating with a member of the Legislature or his/her staff, unless the communication is prohibited by law and disciplinary action is lawful. Executive deletes. House, Senate, and House Omnibus retain.

Major Boilerplate Changes from FY 2020-21

DEPARTMENTAL ADMINISTRATION AND SUPPORT

Sec. 309. Health Literacy Demonstration Project – DELETED

Requires department to design and implement a web-based intensive information therapy within Medicaid managed care in order to mitigate deficiencies in health literacy through connections between health care providers, beneficiaries and health plans. Executive and House delete. Senate retains. House Omnibus deletes.

COMMUNITY SERVICES AND OUTREACH

Sec. 453. Homeless Programs – REVISED

Requires DHHS to maintain emergency shelter program per diem rates at \$18.00 per be night; requires report. Executive revises language to eliminate the \$18.00 per bed night rate requirement. House concurs with Executive but requires funding to be equal to or exceed the amount an agency would have received if paid \$18.00 per diem. Senate concurs with the Executive. House Omnibus concurs with the House.

Sec. 462. Trauma Recovery Center Pilots – REVISED

Provides that if funding becomes available, DHHS shall allocate \$4.0 million to implement 4 trauma recovery center pilot projects. Executive deletes. House removes the stipulation that funding must become available for pilots to be implemented and includes language allowing DHHS to develop a mobile trauma recovery center to serve rural areas. Senate retains current language. House Omnibus revises current language to include House language allowing DHHS to develop a mobile trauma recovery center.

CHILDREN'S SERVICES – CHILD WELFARE

Sec. 515. Child Protection Services (CPS) Caseworker Home Visit Safety – RETAINED

Prohibits DHHS from denying a CPS caseworker's request to have another worker accompany the CPS caseworker on a home visit if the CPS caseworker believes it unsafe to conduct the home visit alone. Executive deletes. House, Senate, and House Omnibus retain.

Sec. 518. Supervisory Oversight of CPS Caseworker Reports – RETAINED

Requires supervisors to complete an initial read of a CPS caseworker's report and either approve the report or note any needed corrections within 5 business days; requires the caseworker to resubmit a corrected report within 3 business days. Executive deletes. House, Senate, and House Omnibus retain.

Sec. 527. Private Child Placing Agencies' Adoption Worker Caseloads – RETAINED

Requires DHHS to exclude certain case types when calculating the adoption worker caseload for private agencies if approved by the settlement monitor. Executive deletes. House retains. Senate includes language referring to funding allocated to the settlement monitor. House Omnibus concurs with the House.

Sec. 537. Residential Bed Space Standards and Preferences – NOT INCLUDED

Senate directs DHHS to collaborate with child caring institutions to develop a strategy to implement MCL 400.115o, which restricts out-of-state placements of youth and restricts placements of youth in state administered facilities over comparable private provider facilities. House Omnibus does not include.

Sec. 541. Therapeutic Crisis Intervention Training – NOT INCLUDED

Senate refers to allocated funding for DHHS to provide therapeutic crisis intervention training to all employees that investigate complaints and licensing determinations for child caring institutions. House Omnibus does not include this section but moves language into Sec. 545.

Sec. 542. Court-Appointed Special Advocates (CASAs) and Foster Parent Input – NEW

House requires DHHS to develop and implement strategies to prioritize the use of input from CASAs and foster care parents. Senate does not include. House Omnibus revises House language to require DHHS to develop and implement strategies that use input from CASAs and foster care parents.

Sec. 543. Child Input in Judicial Proceedings – NEW

House requires DHHS to develop a clear policy that caseworkers ensure that foster care children are able to speak directly to the judge or magistrate to give input into their case's legal proceedings. Senate does not include. House Omnibus concurs with the House.

HEALTH AND HUMAN SERVICES

Major Boilerplate Changes from FY 2020-21

Sec. 544. Trauma-Informed Training – NEW

House directs DHHS to require all foster care parents, caseworkers, and guardians ad litem to receive trauma-informed training. Senate does not include. House Omnibus revises House language to provide that DHHS may require trauma-informed training.

Sec. 545. Trauma Support for Child Welfare Caseworkers – NEW

House requires DHHS to develop a program to offer trauma support directly to all child welfare caseworkers to help with effects of secondary trauma. Senate does not include. House Omnibus revises House and language to include Senate therapeutic crisis intervention training language from Sec. 541.

Sec. 553. Child Abuse Registry – NOT INCLUDED

House requires that a CPS caseworker may not put individuals on the child abuse registry without prior court approval. Senate and House Omnibus do not include.

Sec. 555. Foster Care Maintenance Payment After Petition of Adoption – NEW

House requires DHHS to continue the regularly scheduled foster care maintenance payments to foster care parents after a petition of adoption has been filed until the child is no longer in their care. Senate does not include. House Omnibus concurs with the House.

Sec. 556. Family Foster Care Annual License Renewal – NOT INCLUDED

House requires DHHS to develop and implement a simpler and more streamlined family foster care renewal form and process; requires report. Senate and House Omnibus do not include.

Sec. 557. State Vehicle Use – NEW

House provides that if a state vehicle is not scheduled for other use, DHHS may consider an allowable use of a state vehicle for a caseworker to drive the vehicle to foster home visits or to their own home, if helpful in conducting caseworker's work. Senate does not include. House Omnibus concurs with the House.

Sec. 558. Child Welfare Training Institute – RETAINED

Requires DHHS to provide all necessary training and materials to private agencies so that trained private agency staff can deliver pre-service training to any private agency staff. Executive deletes. House retains. Senate revises to require a quarterly report on the limits in providing these training materials. House Omnibus retains.

Sec. 576. Kinship Caregiver Advisory Council – NOT INCLUDED

House requires DHHS to establish the Kinship Caregiver Advisory Council within the department. Senate and House Omnibus do not include.

Sec. 577. Kinship Caregiver Navigator Program – NOT INCLUDED

House requires DHHS to establish and maintain the Kinship Caregiver Navigator Program within DHHS and includes language that establishes the Kinship Caregiver Navigator Fund within the department. Senate and House Omnibus do not include.

Sec. 578. Foster Care Worker Apprenticeship Program – NEW

House requires DHHS to explore the implementation of a foster care worker apprenticeship program for college students majoring in social work who are interested in working in child welfare; requires report. Senate does not include. House Omnibus concurs with the House.

Sec. 579. Foster Care Redetermination Hearings – NOT INCLUDED

House directs DHHS to require caseworkers to work to ensure foster care children have court redetermination hearings more frequently than every 90 days when in the best interest of the child. Senate and House Omnibus do not include.

Sec. 586. Foster Care Parent Course Offerings – NOT INCLUDED

House requires DHHS to submit a report containing a comprehensive list of course titles of all the courses offered to foster care parents through the department. Senate and House Omnibus do not include.

Sec. 595. CPS Staff and DHHS/Private Agency Caseload Ratio – RETAINED

Requires DHHS to expend the part 1 funding for CPS-caseload staff to hire/employ CPS staff to comply with the Office of the Auditor General 2018 CPS audit; requires that most new foster care cases be placed under a private child placing agency's supervision until the statewide ratio of foster cases is 55% for private agency supervision and 45% for DHHS supervision. Executive deletes. House, Senate, and House Omnibus retain.

Major Boilerplate Changes from FY 2020-21

PUBLIC ASSISTANCE

Sec. 603. Public Assistance Benefits Notification – RETAINED

Requires the department to provide timely notification to public assistance program beneficiaries if there will be a decrease in their benefits. Executive deletes. House, Senate, and House Omnibus retain.

Sec. 609. SSI State Supplementation – RETAINED

Prohibits reduction of SSI State Supplementation for recipients in institutional settings during the fiscal year; requires 30-day notice to the Legislature for any proposed reduction to the State Supplementation level. Executive revises to replace 30-day notification requirement with a notification upon reduction. House, Senate, and House Omnibus retain current law.

Sec. 619. Title IV-A and Food Assistance Exemption – RETAINED

Exempts individuals convicted of a single drug felony after August 22, 1996 from the federal prohibition on receiving TANF and food assistance benefits. Senate deletes. House Omnibus retains current law.

Sec. 653. Domestic Violence Exemption to Food Assistance Requirements – REVISED

Exempts an individual who is the victim of domestic violence for up to an additional three months from the three-month in 36-month limit on receiving food assistance. House revises to include victims of human trafficking. Senate retains. House Omnibus concurs with the House.

Sec. 660. Food Bank Council TANF Eligibility Reporting – DELETED

Requires the Food Bank Council to report data elements needed to establish TANF eligibility. Executive, House, Senate, and House Omnibus delete.

Sec. 686. Caseworker Public Assistance Policies – RETAINED

Requires DHHS to ensure that individuals presenting out-of-state identification are not enrolled in benefit programs in other states; requires confirmation of resident addresses in FIP and SDA cases; prohibits individuals with homes worth more than \$200,000 from receiving assistance; requires caseworkers to collect up-to-date phone numbers from Medicaid recipients during eligibility determination. Executive and House revise to remove required phone number collection from Medicaid recipients. Senate and House Omnibus retain current law.

Sec. 688. Heat and Eat Program – RETAINED

Requires DHHS to allocate funding for the Heat and Eat program, which provides energy assistance payments of \$20.01 to certain Food Assistance Program (FAP) recipients making them potentially eligible for additional FAP benefits. Senate deletes. House Omnibus retains.

Sec. 689. Diaper Assistance Program – NOT INCLUDED

Senate establishes a statewide diaper assistance program to provide diapering supplies to each region of the State; allocates \$250,000 for the purchase of diapering supplies. House Omnibus does not include.

JUVENILE JUSTICE

Sec. 715. Raise the Age Program – NEW

Executive requires counties to have an approved budget plan in place as a condition of receiving funds from the Raise the Age Fund program. The budget plan must identify types of costs to be reimbursed, estimated costs for each item, and total estimated cost to be reimbursed. County reimbursement shall not exceed total estimated cost in plan. House concurs with the Executive. Senate revises the Executive language to include that tribal entities must have an approved raise the age fund budget plan, reserves \$500,000 of the Raise the Age Fund for tribal entities, and stipulates that a county shall not receive more funding through the raise the Age Fund than they would under a county population-based grant program. House Omnibus concurs with the Executive.

BEHAVIORAL HEALTH SERVICES

Sec. 908. Uniform Community Mental Health Services Credentialing – NOT INCLUDED

Senate requires DHHS, PIHPs, and CMHSPs to implement Sec. 206b of the Mental Health Code to establish a uniform community mental health services credentialing program. House Omnibus does not include.

Sec. 912. Salvation Army Harbor Light Program – RETAINED

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

HEALTH AND HUMAN SERVICES

Major Boilerplate Changes from FY 2020-21

Sec. 913. Community Substance Use Disorder Prevention Funding Allocation – NOT INCLUDED

Senate requires DHHS to allocate community substance use disorder prevention, education, and treatment and opioid response funding to PIHPs and CMHSPs and to 1 private entity that has a statewide contract. House Omnibus does not include.

Sec. 927. Uniform Behavior Health Service Provider Audits – RETAINED

Requires DHHS to create a uniform community mental health services auditing process for CMHSPs and PIHPs, outlines auditing process requirements, and requires a report. Executive deletes. House, Senate, and House Omnibus retain.

Sec. 940. Transferring and Withdrawing CMHSP Allocations – REVISED

Requires DHHS to review CMHSP expenditures to identify projected lapses and surpluses, to encourage the board of the CMHSP with a projected lapse to concur with the recommendation to reallocate the lapse to other CMHSPs, and to withdraw funds from a CMHSP if those funds were not expended in a manner approved by DHHS, including for services and programs provided to individuals residing outside of the CMHSP's geographic region; prohibits a CMHSP from receiving additional funding if the CMHSP transferred out or withdrew funds during current fiscal year; requires CMHSPs to report any proposed reallocations prior to going into effect; requires legislative notification and report. Executive and House revise by removing the requirement to withdraw unspent funds if funds were not expended in a manner approved by DHHS. Senate retains. House Omnibus concurs with the Executive.

Sec. 960. Autism Services Cost Containment – REVISED

Requires DHHS to continue to cover all autism services that were covered on January 1, 2019; to restrain costs required DHHS to develop written guidance for standardization; and requires 3-year reevaluations, unless a clinician recommended an earlier reevaluation, and require maintenance of statewide provider trainings, limits practitioners who can perform a diagnostic evaluation and requires evaluations performed by a master's level practitioner to be reviewed by a second practitioner, provide fidelity reviews and secondary approvals, and prohibit specific providers from providing both evaluation and treatment; requires a report. Executive deletes. House removes prohibition against specific providers from providing both evaluation and treatment. Senate retains. House Omnibus concurs with the House and adds physician assistants to the list of practitioners that can review initial diagnosis performed by a diagnostician with master's level credentials and that can confirm Medicaid evaluations concerning applied behavioral analysis (ABA) eligibility.

Sec. 965. Medication Assisted Treatment – RETAINED

Requires DHHS to explore requiring CMHSPs to reimburse medication assisted treatment at not less than \$12.00 per dose and drug screen collection at not less than \$12.00 per screen. Executive deletes. House revises to require the Medicaid behavioral health fee schedule to offer bundled medication assisted treatment billing and prioritizes federal state opioid response funds to assist in providing efficient and effective billing. Senate and House Omnibus retain.

Sec. 970. Skill Building Assistance Services – RETAINED

Requires DHHS to maintain skill building assistance services policies in effect on October 1, 2018, and requires DHHS to continue to seek federal matching funds for skill building assistance services. Executive deletes. House, Senate, and House Omnibus retain.

Sec. 977. Recovery High School Grant – REVISED

Allocates \$600,000 in grants to recovery high schools specifically designated for students recovering from a substance use disorder, and prohibits grants from exceeding \$150,000 per high school. Executive deletes. House revises to allocate in accordance with section 273a of the Mental Health Code. Senate retains. House Omnibus concurs with the House.

Sec. 978. Recovery Community Organization – REVISED

Allocates \$600,000 in grants to recovery community organizations to offer or expand recovery support center services or recovery community center services to individuals seeking long-term recovery from substance use disorders, and prohibits grants from exceeding \$150,000 per recovery community organization. Executive deletes. House revises to allocate in accordance with section 273b of the Mental Health Code. Senate retains. House Omnibus concurs with the House.

Sec. 1005. Health Home Program Expansion – REVISED

Requires DHHS to maintain and expand the number of behavioral health homes in PIHP regions 1, 2, and 8 and to expand the number of opioid health homes in PIHP regions 1, 2, 4, and 9. Executive deletes. House revises to maintain the current behavioral health and substance use disorder health homes and permits DHHS to expand into 2 additional PIHP regions. Senate retains. House Omnibus concurs with the House.

Major Boilerplate Changes from FY 2020-21

Sec. 1010. Behavioral Health Community Supports and Services – REVISED

Requires the funds appropriated for behavioral health community supports and services be used to expand assertive community treatment (ACT), forensic assertive community treatment, and supportive housing for the purpose of reducing waiting lists at state psychiatric hospitals. House revises to allocate funding for crisis stabilization units and psychiatric residential treatment facilities. Senate retains. House Omnibus concurs with the House.

Sec. 1015. Mental Health Block Grant Funding Allocation – NOT INCLUDED

Senate requires DHHS to allocate mental health block grant funding to PIHPs and CMHSPs and to 1 private entity that has a statewide contract. House Omnibus does not include.

POPULATION HEALTH

Sec. 1151. Opioid Addiction Treatment Education Collaboration – RETAINED

Requires DHHS to coordinate with other entities to work with substance use disorder providers to inform Medicaid beneficiaries of medically appropriate opioid addiction treatment options when an opioid prescription is ended, and address other opioid abuse issues; requires report. Executive deletes. House, Senate, and House Omnibus retain.

Sec. 1183. Emergency Medical Response Service Data Exemption – RETAINED

Prohibits DHHS from requiring a medical first response service to submit data to the Michigan emergency medical services information system if the service is located in a county with less than 85,000 population, outlines written reporting required. Executive and House delete. Senate retains. House Omnibus retains with technical changes.

Sec. 1186. Public and Volunteer Emergency Medical Services Evaluation – NOT INCLUDED

New House language directs DHHS to evaluate staffing and financing of public and volunteer EMS services and systems including requirement for provision of services regardless of ability to pay, and to report findings and ways to address issues identified. Senate does not include. House Omnibus does not include.

Sec. 1303. Contract Restrictions for Family Planning Local Agreements with State Funds – RETAINED

Prohibits DHHS from contracting with an entity that provides elective abortions, or abortion counseling or referrals, for services funded with certain state restricted or GF/GP funds. Prohibits an organization under contract with DHHS from subcontracting with an entity that provides elective abortions or abortion counseling or referrals, for services that are to be funded with certain state restricted or GF/GP funds. Executive deletes. House, Senate, and House Omnibus retain.

Sec. 1304. Prohibit Use of State Funds for Abortion Counseling, Referrals, or Services – RETAINED

Prohibits the use by DHHS or its grantees or subcontractors of state restricted or state general funds appropriated in the Family Planning Local Agreements line item or the Pregnancy Prevention Program line items for abortion counseling, referrals, or services. Executive deletes. House, Senate, and House Omnibus retain.

Sec. 1305. Contract Restrictions and Priorities for Family Planning and Pregnancy Prevention – RETAINED

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

Sec. 1320. Family Planning and Pregnancy Prevention Media Campaign Messaging – RETAINED

States legislative intent that funds that may be expended for a public media campaign regarding publicly funded family planning or pregnancy prevention programs shall not be used to communicate any message that implies or that can be interpreted to mean that abortion is a method of family planning or pregnancy prevention. Executive deletes. House revises to remove legislative intent phrasing. Senate and House Omnibus retain.

Sec. 1344. Title X and Title V Funds Replacement – NOT INCLUDED

New House language establishes that programs previously funded with federal family planning and maternal and child health block grant funding shall be funded with GF/GP and DHHS shall not contract for these programs with any vendor that provides abortion services. Senate and House Omnibus do not include.

Sec. 1347. Use of Funds for Abortion Counseling or Activities Regarding Human Embryo Use – NOT INCLUDED

New House language prohibits use of state funds for abortion counseling, referrals, or services, or for any activities regarding human cloning or research in which a human embryo is destroyed or discarded. Senate and House Omnibus do not include. [Part of section is also found in current law section 1304].

HEALTH AND HUMAN SERVICES

Major Boilerplate Changes from FY 2020-21

MEDICAL SERVICES

Sec. 1501. Electronic Health Records Incentive Program Work Project – DELETED

Establishes unexpended funds for the electronic health records incentive program as a work project appropriation with the tentative completion date to be September 30, 2025. Provides for the intent that funds also be available to dental providers. Executive deletes. House retains. Senate and House Omnibus delete.

Sec. 1507. Office of Inspector General Medicaid Managed Care Audits – RETAINED

Requires the Office of Inspector General to audit and recoup inappropriate or fraudulent payments from Medicaid managed care organizations to providers. Prohibits DHHS from fining, suspending, or disenrolling a Medicaid provider due to the discovery of inappropriate payments, unless authorized by federal or state law. Executive deletes. House, Senate, and House Omnibus retain.

Sec. 1508. Opioid Consulting – NOT INCLUDED

Senate prohibits DHHS from contracting with any private company that provided consulting services to opioid manufacturers that has reached a settlement with this state related to the opioid crisis. House Omnibus does not include.

Sec. 1516/1616. Community Health Workers – NOT INCLUDED

House in Sec. 1516 and Senate in Sec. 1616. require DHHS to seek any appropriate federal approvals to enroll and begin reimbursing community health workers as Medicaid providers commensurate to the worker's scope of training and abilities, to develop and test a value-based payment approach, to pool funds to expand the number of community health workers, and to identify the optimal community health worker ratio to Medicaid recipient; and requires a report. House Omnibus does not include.

Sec. 1615. Encounter Claims Data Integrity – RETAINED

Requires the department to provide oversight of Medicaid claims encounter data to insure the integrity of actuarial rates; allows the department to request certain information from Medicaid health plans; and provides for the intent that the department conduct annual audits of Medicaid claims and provide for remedial actions to mitigate errors in actuarial rates. Executive and House revise to remove language related to information requests from Medicaid health plans, as well as annual audit intent language. Senate and House Omnibus retain.

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

Establishes the pharmacy dispensing fees based on the medication's standing on the DHHS preferred drug list; requires prescription co-payments for Medicaid recipients not enrolled in the Healthy Michigan Plan or with an income less than 100% of the federal poverty level of \$1 for generic drugs and \$3 for brand-name drugs; requires prescription co-payments for Healthy Michigan plan enrollees with an income of at least 100% of the federal poverty level of \$4 for generic drugs and \$8 for brand-name drugs. Executive revises to replace "customary cash charge" with "submitted dispensing fee", and makes various technical changes. House retains. Senate and House Omnibus concur with the Executive.

Sec. 1625. Medicaid Managed Care Pharmacy Benefits Managers – REVISED

Prohibits DHHS, beginning February 1, 2021, from entering into any contracts with a Medicaid managed care organization that relies on a pharmacy benefits manager that does not: 1) utilize a pharmacy reimbursement methodology of the National Average Drug Acquisition Cost plus a professional dispensing fee comparable to the Medicaid fee-for-service dispensing fees for pharmacies with not more than 7 retail outlets (and lists reimbursements when an ingredient does not have a National Average Drug Acquisition Cost listed); 2) reimburse for valid claims at the rate in effect at the time of original claim; 3) agree to transparent "pass-through" pricing, 4) agree to not create new fees or increase fees above inflation, and 5) agree to not terminate existing contracts for the sole reason of the additional professional dispensing fee. Executive removes implementation date, and modifies the reimbursement methodology. House only removes implementation date. Senate concurs with the Executive with technical revisions. House Omnibus concurs with the Senate except does not revise initial reimbursement methodology for drugs with a National Average Drug Acquisition Cost listed.

Sec. 1646. Nursing Facility Quality Measure Initiative Program – RETAINED

Requires DHHS to continue a nursing facility quality measure initiative program financed through the nursing facility QAAP and establishes distribution criteria; requires report on program effectiveness. Executive deletes. House, Senate, and House Omnibus retain.

Sec. 1792. Health Plan Pharmaceutical Encounter Data Report – RETAINED

Requires DHHS to evaluate pharmacy encounter data through the first 2 quarters of the fiscal year and to provide a report on the findings. Executive deletes. House, Senate, and House Omnibus retain.

Major Boilerplate Changes from FY 2020-21

Sec. 1803. Portable X-Ray and Ultrasound Provider Type – RETAINED

Requires DHHS to maintain Medicaid rules to allow for billing and establish reimbursement for transportation charges related to portable x-ray services and requires policies be effective October 1 of the current fiscal year. Executive deletes. House, Senate, and House Omnibus retain.

Sec. 1804. Identification of Medicaid Beneficiaries Who Are Veterans – RETAINED

Requires DHHS to work with the federal government's public assistance reporting information system to identify Medicaid recipients who are veterans and may be eligible for federal veteran's health care benefits, lists specific performance outcomes to be reported to the legislature and revise the wording in the public assistance application from "veteran" to "served in the military". Executive and House revise to make language regarding the utilization of the public assistance reporting information system permissive, and removes legislative reporting requirements. Senate and House Omnibus retain.

Sec. 1846. Graduate Medical Education Priorities – REVISED

Requires DHHS to distribute GME funds with an emphasis on encouragement of the training of physicians in specialties, including primary care, that are necessary to meet future needs of this state, and training of physicians in settings that include ambulatory sites and rural locations. House revises to also emphasize training of pediatric psychiatrists. Senate retains. House Omnibus concurs with the House.

Sec. 1854. PACE Enrollment Caps – NEW

House requires the PACE line to support not less than 6,920 enrollments. Senate does not include. House Omnibus concurs with the House.

Sec. 1875. Prior Authorization for Certain Drugs – REVISED

Applies prior authorization prohibition to DHHS and its contractual agents for psychotropic medications, drugs for the treatment of HIV or AIDS, epilepsy/seizure disorder, or drugs for organ transplant therapy, if those drugs were either carved out or not subject to prior authorization procedures as of January 22, 2020, defines "prior authorization"; and requires DHHS to explore including medications for the treatment of Duchenne Muscular Dystrophy to the list of Medicaid prescriptions not subject to prior authorization. House revises to include prohibition on utilization management for opioid withdrawal symptom management medications. Senate removes the date for whole class of drugs to not be subject to prior authorization. House Omnibus concurs and combines both House and Senate revisions.

Sec. 1876. Medicaid Coverage of Deflazacort – DELETED

Requires DHHS to include the corticosteroid deflazacort on the Medicaid health plan common formula. Executive, House, Senate, and House Omnibus delete.

Sec. 1877. Prior Authorization Appeals – NEW

House requires the DHHS not subject Medicaid providers to waiting more than 72 hours to receive decisions on prior authorization appeals related to "urgent requests". Senate does not include. House Omnibus concurs with the House.

Sec. 1880. Single Preferred Drug List Report and Rate Setting – DELETED

Requires DHHS to submit a report on estimated and actual expenditures and savings incurred from the single preferred drug list, requires DHHS to make any relevant adjustments to the rates to Medicaid managed care organizations to occur outside of the May caseload consensus. Executive and House delete. Senate retains. House Omnibus deletes.

Sec. 1881. Risk Corridor Financial Reconciliation – REVISED

Identifies savings assumptions from the 2-way risk corridor for Medicaid managed care organizations, requires a report and requires DHHS to make any relevant adjustments to the rates to Medicaid managed care organizations to occur outside of the May caseload consensus, and states intent that a 2-way risk corridor will not be in effect next fiscal year. Executive and House delete. Senate and House Omnibus revise to prohibit including a 2-way risk corridor in the current fiscal year managed care rates.

DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

Summary: House Floor Substitute

Article 7, House Bill 4410 (H-2)

Analyst: Marcus Coffin

	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Executive	FY 2021-22 House	FY 2021-22 Senate	FY 2021-22 House Omnibus	Difference: House Omnibus From FY 2020-21 YTD	
						Amount	%
IDG/IDT	\$728,600	\$724,600	\$181,100	\$724,600	\$724,600	(\$4,000)	(0.5)
Federal	1,017,100	1,017,100	254,300	1,017,100	1,017,100	0	0.0
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	71,570,000	71,245,900	17,643,500	71,221,200	71,245,900	(324,100)	(0.5)
GF/GP	0	0	0	0	0	0	--
Gross	\$73,315,700	\$72,987,600	\$18,078,900	\$72,962,900	\$72,987,600	(\$328,100)	(0.4)
FTEs	378.5	388.5	388.5	312.7	388.5	10.0	2.6

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 4405 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 87 as passed by the Senate.

*The majority of the appropriations in the House-passed version provided the equivalent of one-quarter of the annual appropriation.

Overview

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

Major Budget Changes from FY 2020-21 YTD Appropriations

FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
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NOTE: House changes represent annualized appropriations for comparison purposes.

1. Regulatory Staff Increase

Executive includes authorization for 10.0 FTE positions, which the department indicated would be used to fulfill departmental responsibilities related to recently enacted legislation addressing no-fault auto insurance reform, anti-fraud changes, and surprise medical billing. The FTE positions would also be used to address increased volumes of activity in health and auto insurance regulation, communication, and consumer services. Positions that would be filled are projected to include:

- 1 Call Center Operator
- 1 Insurance Property and Casualty Filing Analyst
- 1 Education and Outreach Analyst
- 2 Insurance Medical Claims Analysts
- 2 Insurance Examiners
- 3 Insurance Fraud Investigators

House concurs with Executive. Senate does not include. House Omnibus concurs with Executive.

FTE	NA	10.0
Gross	NA	\$0
GF/GP	NA	\$0

INSURANCE AND FINANCIAL SERVICES

Major Budget Changes from FY 2020-21 YTD Appropriations		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
2. FTE Reductions	FTE	378.5	0.0
<u>Senate</u> reduces classified FTE authorizations by 62.8 FTE positions and the unclassified FTE authorization by 3.0 FTE positions. <u>House</u> <u>Omnibus</u> does not include.	Gross	NA	\$0
	GF/GP	NA	\$0
3. Technical Adjustments	Gross	NA	\$0
<u>Executive</u> includes two net-zero adjustments within the budget to align appropriations with departmental regulatory activities:	Restricted	NA	0
- Internally transfers \$2.4 million in restricted authorization and 10.0 FTE positions from the Insurance Evaluation line item to the Consumer Services and Protection line item. - Decreases restricted authorization from the Insurance Bureau Fund by \$2.0 million while increasing restricted authorization from Insurance Licensing and Regulation Fees by \$2.0 million, to align with regulatory activity. DIFS indicated that the volume of insurance licensing has increased over the last several fiscal years, resulting in increased revenue to the Insurance Licensing and Regulation Fund.	GF/GP	NA	\$0
<u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur with Executive.			
4. Economic Adjustments	Gross	NA	(\$328,100)
<u>Executive</u> reflects decreased costs of \$328,100 Gross (\$0 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2021 and 1.0% on April 1, 2022), overtime increases, increased longevity, higher actuarially required retirement contributions, increased building occupancy charges, decreases in other employee retirement costs, decreases in worker's compensation, and other economic adjustments. <u>House</u> concurs with Executive. <u>Senate</u> does not include the \$24,700 Gross adjustment for the Unclassified Salaries line item. <u>House</u> <u>Omnibus</u> concurs with Executive.	IDG/IDT	NA	(4,000)
	Restricted	NA	(324,100)
	GF/GP	NA	\$0
5. Unclassified Salaries	FTE	6.0	0.0
<u>House</u> reduces restricted funding for Unclassified Salaries by \$671,900. <u>Senate</u> and <u>House Omnibus</u> do not include the reduction.	Gross	\$820,600	\$0
	Restricted	820,600	0
	GF/GP	\$0	\$0

Major Boilerplate Changes from FY 2020-21

Sec. 206. Communication with the Legislature – RETAINED

Prohibits DIFS from taking disciplinary action against employees for communicating with legislators or their staff, unless the communication is prohibited by law. Executive deletes. House retains. Senate retains. House Omnibus retains.

Sec. 207. Out-of-State Travel – RETAINED

Stipulates conditions when DIFS may send employees on out-of-state travel; limits expenditure of state funds on out-of-state professional development conferences; requires detailed report on all out-of-state travel. Executive revises to strike sections delineating conditions under which out-of-state travel is permissible and to modify requirements for information to be contained in the report. House retains. Senate retains. House Omnibus retains.

Sec. 210. Contingency Funding – RETAINED

Appropriates up to \$200,000 in federal and \$1.0 million in state restricted contingency funds; authorizes expenditure of funds after legislative transfer to specific line items. Executive revises to adjust appropriation amounts to \$1.0 million in federal and \$5.0 million in state restricted contingency funds. House retains. Senate deletes. House Omnibus retains.

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

Requires DIFS to submit a quarterly report on FTE staffing and a semiannual report on remote work and associated metrics. Executive deletes. House retains. Senate retains. House Omnibus revises reporting frequency to be semiannually for the FTE report and annually by March 1 for the remote work report.

INSURANCE AND FINANCIAL SERVICES

Major Boilerplate Changes from FY 2020-21

Sec. 217. Work Project Usage – RETAINED

Stipulates that appropriations are not to be expended, if possible, until all existing work project authorization for the same purpose is exhausted. Executive deletes. House retains. Senate retains. House Omnibus retains.

Sec. 218. State Administrative Board Transfers – RETAINED

Stipulates that the legislature may intertransfer funds via concurrent resolution if the State Administrative Board transfers funds. Executive deletes. House retains. Senate retains. House Omnibus retains.

Sec. 219. Retention of Reports – RETAINED

Requires DIFS to receive and retain copies of all reports funded by the department's budget, while complying with federal and state guidelines for records retention. Executive deletes. House retains. Senate retains. House Omnibus retains.

Sec. 220. Report on Policy Changes for Public Act Implementation – RETAINED

Requires DIFS to report on policy changes made to implement public acts that took effect during the prior calendar year. Executive deletes. House retains. Senate retains. House Omnibus retains.

Sec. 221. Severance Pay Report – NEW

Requires DIFS to report the name and any amount of severance pay given to any high-ranking department official; requires DIFS to maintain an internet site that posts any severance pay in excess of 6 weeks of wages for a former employee of any rank; requires DIFS to report on the total amount of severance pay remitted to former employees during the prior fiscal year and the number of those employees; defines "severance pay". Executive does not include. House includes new language. Senate does not include. House Omnibus includes new language.

Sec. 222. Prohibition on COVID-19 Vaccine Status Verifications – NEW

Prohibits state entities receiving funding from part 1 from requiring proof of COVID-19 vaccination as a condition of accessing any state services or facilities, producing COVID-19 vaccine passports, and providing information to other parties for inclusion in a COVID-19 vaccine passport. Executive does not include. House includes new language. Senate does not include. House Omnibus includes new language.

Sec. 222. Television and Radio Production Expenditure Report – RETAINED

Requires DIFS to report any expenditure of funds to a third-party vendor for television or radio productions; delineates information to be included. Executive deletes. House retains. Senate retains. House Omnibus retains.

Sec. 225. Insurance Bureau Fund Use – RETAINED

Authorizes Insurance Bureau Fund appropriations for use to support legislative participation in insurance activities coordinated by insurance and legislative associations, in accordance with the Insurance Code of 1956. Executive deletes. House retains. Senate deletes. House Omnibus retains.

Sec. 301. Health Insurance Rate Filings Report – RETAINED

Requires DIFS to submit a report based on health insurer annual rate filings; delineates information to be included. Executive deletes. House retains. Senate retains. House Omnibus retains.

Sec. 302. Conservatorship and Insurance Liquidation Funds – RETAINED

Requires funds collected by DIFS in connection with a conservatorship pursuant to section 32 of 1987 PA 173 and from corporations being liquidated pursuant to 1956 PA 218 to be appropriated for expenses necessary to provide required services and not to lapse to the General Fund; limits appropriations under the section and Sec. 303 to \$300,000. Executive revises to eliminate the cap on appropriations under this section and section 303. House retains. Senate deletes. House Omnibus retains.

Sec. 303. Fees for Customized Listings – RETAINED

Permits DIFS to provide customized listings of non-confidential information to interested parties and to charge reasonable fees; states that funds lapse to appropriate restricted fund accounts and limits amount appropriated under this section and Sec. 302 to \$300,000. Executive revises to eliminate the cap on appropriations under this section and section 302. House retains. Senate deletes. House Omnibus retains.

Sec. 304. Out-of-Network Billing Complaints Report – DELETED

Requires DIFS to submit a report on out-of-network billing complaints; delineates information to be included. Executive deletes. House retains. Senate deletes. House Omnibus deletes.

Sec. 305. Anti-Fraud Unit Report – RETAINED

Requires DIFS to provide a mid-year update to the Anti-Fraud Unit report required under section 6303 of 1956 PA 218. Executive deletes. House retains. Senate retains. House Omnibus retains.

Major Boilerplate Changes from FY 2020-21

Sec. 306. Consumer Services Complaints Report – RETAINED

Requires DIFS to submit a report regarding the amount of consumer complaints received, the process for handling complaints, and complaint outcomes. Executive deletes. House retains. Senate retains. House Omnibus retains.

Sec. 307. Financial Institutions Marijuana Evaluation Guidance – RETAINED

Requires DIFS to update examination manuals and letters of guidance to reflect how institutions will be evaluated that provide financial services to businesses involved in the marijuana industry. Executive deletes. House retains. Senate retains. House Omnibus retains.

Sec. 308. State or Regional Health Care Claims Database – NOT INCLUDED

Requires DIFS to prioritize criteria enumerated in the section when awarding federal funds for any contract for the creation of a state or regional health care claims database. Executive does not include. House does not include. Senate includes new language. House Omnibus does not include.

JUDICIARY

Summary: House Floor Substitute

Article 8, House Bill 4410 (H-2)

Analyst: Robin R. Risko

	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Executive	FY 2021-22 House	FY 2021-22 Senate	FY 2021-22 House Omnibus	Difference: House Omnibus From FY 2020-21 YTD	
						Amount	%
IDG/IDT	\$1,552,800	\$1,652,300	\$1,652,300	\$1,652,300	\$1,652,300	\$99,500	6.4
Federal	6,393,500	6,374,800	6,374,800	6,374,800	6,374,800	(18,700)	(0.3)
Local	7,654,500	7,619,800	7,619,800	7,619,800	7,619,800	(34,700)	(0.5)
Private	1,228,500	1,222,600	1,222,600	1,222,600	1,222,600	(5,900)	(0.5)
Restricted	94,877,600	94,312,700	93,075,100	94,312,700	94,312,700	(564,900)	(0.6)
GF/GP	201,934,300	208,322,900	360,639,700	227,230,300	207,449,300	5,515,000	2.7
Gross	\$313,641,200	\$319,505,100	\$470,584,300	\$338,412,500	\$318,631,500	\$4,990,300	1.6
FTEs	513.0	521.0	539.0	521.0	520.0	7.0	1.4

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 4403 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 81 as passed by the Senate.

Overview

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

Major Budget Changes from FY 2020-21 YTD Appropriations		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
1. Judicial Compensation – Court Fee Fund Adjustment			
<u>Executive</u> includes \$1.4 million GF/GP to cover a shortfall in the amount of Court Fee Fund revenue available to support payment of salaries for circuit and probate court judges. <u>House</u> concurs. <u>Senate</u> concurs. <u>House Omnibus</u> concurs.	Gross	NA	\$0
	Restricted	NA	(1,358,600)
	GF/GP	NA	\$1,358,600
2. Compliance with U.S. Supreme Court Decision Regarding Juvenile Lifers			
<u>Executive</u> includes ongoing funding of \$939,100 GF/GP and authorization for 7.0 FTE positions for the State Appellate Defender Office (SADO) to ensure compliance with the U.S. Supreme Court ruling on the <i>Montgomery v. Louisiana</i> case. SADO provides post-conviction representation of juvenile lifers. There are approximately 57 clients awaiting contested hearings. <u>House</u> does not include ongoing funding, but includes \$939,100 in one-time funding. <u>Senate</u> does not include ongoing funding, but includes \$939,100 in one-time funding. <u>House Omnibus</u> does not include ongoing funding, but includes \$939,100 in one-time funding (see item 13).	FTE	NA	0.0
	Gross	NA	\$0
	GF/GP	NA	\$0

Major Budget Changes from FY 2020-21 YTD Appropriations		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
3. Statewide e-File Implementation <u>Executive</u> includes an additional \$821,800 in Electronic Filing Fee Fund revenue and authorization for an additional 8.0 FTE positions to support continued implementation, operation, and maintenance of the statewide electronic filing system pursuant to 2015 PA 230 - 234. The system will be rolled out to all trial courts starting in 2021. <u>House</u> concurs. <u>Senate</u> concurs. <u>House Omnibus</u> concurs.	FTE	12.0	8.0
	Gross	\$10,220,600	\$821,800
	Restricted	10,220,600	821,800
	GF/GP	\$0	\$0
4. Clean Slate – Criminal Record Expungement <u>Executive</u> includes \$605,000 GF/GP to support ongoing costs related to implementation of the Michigan Clean Slate Initiative which will make criminal record expungement automatic for all people who are eligible. For those with no more than 1 felony or 2 misdemeanors, people would see their records expunged after 7 years of no criminal violations under 2020 PA 187 - 193. <u>House</u> concurs. <u>Senate</u> does not include. <u>House Omnibus</u> includes.	Gross	NA	\$605,000
	GF/GP	NA	\$605,000
5. Problem Solving Courts <u>Executive</u> includes \$600,000 GF/GP for expansion of problem solving courts. The additional funding would be allocated as follows: \$400,000 for Drug Treatment Courts, \$100,000 for Mental Health Courts, and \$100,000 for Veterans Treatment Courts. <u>House</u> concurs. <u>Senate</u> concurs. <u>House Omnibus</u> concurs.	Gross	\$19,091,900	\$600,000
	GF/GP	\$19,091,900	\$600,000
6. Court of Appeals Operations <u>Executive</u> restores \$547,900 of GF/GP that was reduced from the FY 2020-21 budget as part of statewide budget reductions. Funding would allow the Court of Appeals to backfill leadership and support positions at the Court of Appeals office in Detroit, as well as to support information systems for the court. <u>House</u> does not restore funding. <u>Senate</u> does not restore funding. <u>House Omnibus</u> does not restore funding.	Gross	\$25,252,500	\$0
	GF/GP	\$25,252,500	\$0
7. State Appellate Defender Office Attorneys <u>Executive</u> restores \$360,700 of GF/GP that was reduced from the FY 2020-21 budget as part of statewide budget reductions. Funding would be used to backfill 3.0 public defender positions to help maintain the statutory minimum 25% appellate caseload. <u>House</u> concurs. <u>Senate</u> concurs. <u>House Omnibus</u> concurs.	Gross	NA	\$360,700
	GF/GP	NA	\$360,700
8. Pretrial Risk Assessment <u>Executive</u> includes ongoing funding of \$325,700 GF/GP and authorization for 1.0 FTE position for continued improvement of the pretrial risk assessment tool which provides relevant information to judges so they can make evidence-based bond decisions and reduce incarceration rates of low-risk offenders. Funding would support ongoing data analysis and performance benchmarking, education and training, technical assistance on assessing pretrial risk and supervising defendants, and other ongoing efforts. <u>House</u> does not include funding or FTE position. <u>Senate</u> does not include funding or FTE position. <u>House Omnibus</u> does not include funding or FTE position.	FTE	NA	0.0
	Gross	NA	\$0
	GF/GP	NA	\$0
9. Michigan Legal Self-Help Program <u>Executive</u> includes \$200,000 GF/GP for additional support for Michigan Legal Help program website and centers. The program provides free legal information and assistance to individuals who represent themselves in simple civil legal matters. <u>House</u> concurs. <u>Senate</u> concurs. <u>House Omnibus</u> concurs.	Gross	NA	\$200,000
	GF/GP	NA	\$200,000

JUDICIARY

		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
Major Budget Changes from FY 2020-21 YTD Appropriations			
10. Michigan Justice Training Fund Grant	Gross	NA	\$100,000
<u>Executive</u> authorizes the Michigan Judicial Institute to receive and expend \$100,000 of Michigan Justice Training grant funding made available by the Michigan Commission on Law Enforcement Standards for training court support personnel. <u>House</u> concurs. <u>Senate</u> concurs. <u>House Omnibus</u> concurs.	IDG	NA	100,000
	GF/GP	NA	\$0
11. Judgeship Changes	Gross	NA	(\$164,400)
<u>Executive</u> reflects a savings of \$164,400 GF/GP from elimination of 1.0 district court judgeship in Shiawassee County pursuant to 2012 PA 17. The amount of savings is for the full year, as the effective date of elimination was January 1, 2021. <u>House</u> concurs. <u>Senate</u> concurs. <u>House Omnibus</u> concurs.	GF/GP	NA	(\$164,400)
12. Economic Adjustments	Gross	NA	\$3,334,900
<u>Executive</u> reflects a net increase in costs of \$3.3 million Gross (\$3.4 million GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2021 and 1.0% on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>House</u> concurs. <u>Senate</u> concurs. <u>House Omnibus</u> concurs.	IDG	NA	(500)
	Federal	NA	(18,700)
	Local	NA	(34,700)
	Private	NA	(5,900)
	Restricted	NA	(28,100)
	GF/GP	NA	\$3,422,800
13. Eliminate Current Year One-Time Funding	FTE	8.0	(1.0)
<u>Executive</u> reduces the budget by \$1.8 million GF/GP and 8.0 FTE positions to reflect elimination of one-time funding included in the FY 2020-21 budget. Eliminated funding includes: \$881,100 (7.0 FTE positions) for the State Appellate Defender Office to ensure compliance with the U.S. Supreme Court ruling on the <i>Montgomery v. Louisiana</i> case, \$600,000 for expansion of problem solving courts, and \$325,700 (1.0 FTE position) for pretrial risk assessment. <u>House</u> concurs with eliminating one-time funding for expansion of problem solving courts and pretrial risk assessment, but retains \$881,100 and 7.0 FTE positions for SADO and includes an additional \$58,000 for a total of \$939,100. <u>Senate</u> concurs with eliminating one-time funding for expansion of problem solving courts and pretrial risk assessment, but retains \$881,100 and 7.0 FTE positions for SADO and includes an additional \$58,000 for a total of \$939,100. <u>House Omnibus</u> concurs with eliminating one-time funding for expansion of problem solving courts and pretrial risk assessment, but retains \$881,100 and 7.0 FTE positions for SADO and includes an additional \$58,000 for a total of \$939,100.	Gross	\$1,806,800	(\$867,700)
	GF/GP	\$1,806,800	(\$867,700)
14. Transfer Indigent Defense Commission from LARA	FTE	NA	0.0
<u>Executive</u> makes no recommendation. <u>House</u> reflects the transfer of \$149.6 million Gross (\$149.3 million GF/GP) and 16.0 FTE positions for Michigan Indigent Defense Commission (MIDC) administration and grants from the Department of Licensing and Regulatory Affairs to the Judicial branch. The MIDC was created in 2013 to ensure that the state's public defense system is fair and cost-effective. The MIDC is required by statute to develop and implement minimum standards for those providing indigent defense services and to collect data, support compliance, administer grants, and encourage best practices. Of the \$149.6 million, \$2.7 million is for operation of the commission and administration of the grant program and \$146.9 million is for grants for counties seeking funds to implement standards set by the MIDC. <u>Senate</u> does not reflect the transfer. <u>House Omnibus</u> does not reflect the transfer.	Gross	NA	\$0
	Restricted	NA	0
	GF/GP	NA	\$0

Major Budget Changes from FY 2020-21 YTD Appropriations		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
15. Eliminate Swift and Sure Sanctions Program		Gross	\$3,350,000
<u>Executive</u> retains current year funding. <u>House</u> eliminates funding for the Swift and Sure Sanctions program, but retains a \$100 placeholder.		Restricted	1,537,600
<u>Senate</u> retains current year funding. <u>House Omnibus</u> retains current year funding.		GF/GP	\$1,812,400
			\$0
16. Justice Data Collection and Reporting System		Gross	NA
<u>Executive</u> makes no recommendation. <u>House</u> includes \$4.5 million GF/GP for establishing a justice data collection and reporting system. The intent of the system is to provide uniform collection, record, and reporting of data for criminal cases, juvenile justice cases, child abuse and neglect cases, and civil cases. The system would integrate with financial and other systems, provide storage of specified information and data, perform alias and phonetic name searches, and provide real time updates of record changes. <u>Senate</u> does not include. <u>House Omnibus</u> does not include.		GF/GP	NA
			\$0
17. Justice for All Initiative		FTE	NA
<u>Executive</u> makes no recommendation. <u>House</u> includes \$798,000 GF/GP and authorization for 2.0 FTE positions for the Justice for All Commission to implement a strategic plan for systemic simplification of court rules and processes, including court forms. Funding would also be used for additional training for judges and court staff, for work with Michigan Legal Help to develop an online forms portal, for establishing a framework for increased court and community engagement, and for developing performance metrics for access to justice. <u>Senate</u> does not include. <u>House Omnibus</u> does not include.		Gross	NA
		GF/GP	NA
			\$0
18. Judicial Tenure Commission		FTE	7.0
<u>Executive</u> makes no recommendation. <u>House</u> includes \$386,300 GF/GP (\$182,300 ongoing and \$204,000 one-time) and authorization for 1.0 FTE position for the Judicial Tenure Commission to add one permanent staff attorney and to continue paying contract attorneys for their work on addressing case backlog. <u>Senate</u> includes \$386,000 GF/GP (\$182,000 ongoing and \$204,000 one-time) and authorization for 1.0 FTE position for the Judicial Tenure Commission to add one permanent staff attorney and to continue paying contract attorneys for their work on addressing case backlog. <u>House Omnibus</u> does not include funding or FTE position.		Gross	\$1,408,700
		GF/GP	\$1,408,700
			\$0
19. State Employee Legal Services		Gross	NA
<u>Executive</u> makes no recommendation. <u>House</u> does not include. <u>Senate</u> includes \$20.0 million GF/GP for SADO to administer a fund to be used to cover legal fees for state employees and agencies pursuant to MCL 691.1408 (Governmental Liability for Negligence). <u>House Omnibus</u> does not include.		GF/GP	NA
			\$0

Major Boilerplate Changes from FY 2020-21

Sec. 215. Disciplinary Action Against State Employees – RETAINED

Prohibits the judicial branch from taking disciplinary action against employees for communicating with legislators or their staff unless the communication is prohibited by law and the judicial branch is exercising its authority. Executive deletes. House retains. Senate retains. House Omnibus retains.

Sec. 216. Input on Foster Care Cases – DELETED

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

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Major Boilerplate Changes from FY 2020-21

Sec. 217. Changes to Foster Care Family Service Plans – DELETED

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

Sec. 218. Linking Swift and Sure Sanctions Program to DHHS, LEO, and MDOC Programming – DELETED

Requires SCAO to identify programs within the Departments of Health and Human Services, Labor and Economic Opportunity, and Corrections that have programmatic connections with Swift and Sure Sanctions program participants for the purpose of leveraging collaborations and determining avenues of success for offenders who are eligible for state-provided programs; requires SCAO to provide guidance to courts participating in the Swift and Sure Sanctions program of available DHHS, LEO, and MDOC programming. Executive deletes. House deletes. Senate retains. House Omnibus deletes.

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

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

Sec. 220. State Employee Legal Services – NOT INCLUDED

Requires SADO to administer a fund to be used to provide reimbursement of legal fees to state employees and agencies under the Governmental Liability for Negligence section of the Revised Judicature Act; requires reimbursement of fees if amount of fees approved does not exceed appropriation amount and if SADO finds fees to be reasonable. Executive does not include. House does not include. Senate includes new language. House Omnibus does not include.

Sec. 309. Report on Problem-Solving Courts – REVISED

Requires SCAO to provide a statistical report on drug treatment, mental health, and veterans court programs, including the number and types of programs, number of program participants in each jurisdiction, and program impacts on offender criminal involvement and recidivism. Executive retains. House revises reporting requirement to include an accounting of prior year expenditures, including grant amounts requested, grant amounts awarded, and grant amounts expended by courts. Senate retains current law. House Omnibus revises reporting requirement to include an accounting of prior year expenditures, including grant amounts requested, grant amounts awarded, and grant amounts expended by courts.

Sec. 312. Parental Rights Restoration Act – RETAINED

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

Sec. 316. Pretrial Risk Assessment – DELETED

Requires SCAO to continue to pilot a pretrial risk assessment tool in an effort to provide relevant information to judges so they can make evidence-based bond decisions; requires SCAO to report on the status of the program, including an assessment of the effectiveness of the tool, plans to expand use of the tool, and details on expenditures and allocations. Executive deletes. House deletes. Senate deletes. House Omnibus deletes.

Sec. 317. Judicial Car Leases – DELETED

Prohibits funding from being used for permanent assignment of state-owned vehicles to justices or judges or any other judicial branch employee. Executive retains. House retains. Senate deletes. House Omnibus deletes.

Sec. 320. Swift and Sure Sanctions Program – RETAINED

Requires SCAO to administer the Swift and Sure Sanctions program and to distribute grants to qualifying courts; authorizes SCAO to expend \$100,000 of the appropriation to pay for employee costs associated with administration of the program; reserves \$500,000 for programs in counties that had more than 325 individuals sentenced to prison in the previous calendar year; requires SCAO to work with the Department of Corrections to report on courts receiving funding, the number of offenders participating in the program, the criminal history of offenders, recidivism rates, parameters of the program, and an accounting of expenditures, including grant amounts requested, grant amounts awarded, and grant amounts expended. Executive retains. House deletes. Senate retains. House Omnibus retains.

Major Boilerplate Changes from FY 2020-21***Sec. 324. Medication-Assisted Treatment Program – REVISED***

Requires judiciary to maintain a medication-assisted treatment program to provide treatment for opioid- and alcohol-addicted individuals who are referred to and who voluntarily participate in the program. Executive retains. House retains. Senate revises to require a report on amounts spent, number of participants, and statistics that indicate average program participation duration and success rates. House Omnibus revises to require a report on amounts spent, number of participants, and statistics that indicate average program participation duration and success rates.

Sec. 351. Michigan Indigent Defense Commission - Prohibit Grants for Construction Projects – NOT INCLUDED

Prohibits the MIDC from awarding grant funding to indigent defense systems for the construction of new infrastructure projects. Executive does not include. House includes new language. Senate does not include. House Omnibus does not include.

Sec. 352. Michigan Indigent Defense Systems - Prohibit Grants for Construction Projects – NOT INCLUDED

Prohibits indigent defense systems from expending grant funding for the construction of new infrastructure projects. Executive does not include. House includes new language. Senate does not include. House Omnibus does not include.

Sec. 353. Michigan Indigent Defense Commission - Receipt of Federal Funding – NOT INCLUDED

Authorizes the MIDC to receive and expend up to \$250,000 in federal Byrne grant funding and up to \$300,000 in other federal grant funding, if made available from the U.S. Department of Justice. Executive does not include. House includes new language. Senate does not include. House Omnibus does not include.

Sec. 354. Michigan Indigent Defense Commission - Report on Incremental Costs – NOT INCLUDED

Requires the MIDC to submit a report on incremental costs associated with the standard development process, compliance plan process, and collection of data from all indigent defense systems and attorneys providing indigent defense. Executive does not include. House includes new language. Senate does not include. House Omnibus does not include.

Sec. 403. Oral Fluid Testing Pilot Program – REVISED

Requires SCAO to allocate \$100,000 of funding appropriated for expansion of problem-solving courts to create a pilot program in a veterans treatment court, mental health treatment court, or both, that investigates the effectiveness of oral fluid testing to determine compliance with required mental health medications or requirements. Executive deletes. House revises to require a report on the number of programs established, the number of program participants, and the impact of the program on offender criminal involvement and recidivism. (Renumbers to Sec. 310.) Senate deletes. House Omnibus revises to require a report on the number of programs established, the number of program participants, and the impact of the program on offender criminal involvement and recidivism. (Renumbers to Sec. 310.)

Sec. 403. Justice Data Collection and Reporting System – NOT INCLUDED

Requires SCAO to contract with a vendor to establish a justice data collection and reporting system; requires the system to provide uniform collection, record, and reporting of data for criminal cases, juvenile justice cases, child abuse and neglect cases, and civil cases; requires the system to integrate with financial and other systems, to provide storage of specified information and data, to perform alias and phonetic name searches, and to provide real time updates of record changes; requires SCAO to submit a report on the system; designates unexpended funding as a work project appropriation. Executive does not include. House includes new language. Senate does not include. House Omnibus does not include.

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
Summary: House Floor Substitute
Article 9, House Bill 4410 (H-2)

Analyst: Marcus Coffin

	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Executive	FY 2021-22 House	FY 2021-22 Senate	FY 2021-22 House Omnibus	Difference: House Omnibus From FY 2020-21 YTD	
						Amount	%
IDG/IDT	\$46,664,600	\$45,079,800	\$11,269,900	\$45,079,800	\$45,079,800	(\$1,584,800)	(3.4)
Federal	28,823,700	29,030,900	7,533,000	29,030,500	30,130,900	1,307,200	4.5
Local	0	0	0	0	0	0	--
Private	0	0	0	0	0	0	--
Restricted	259,295,700	259,429,800	64,630,300	256,055,700	258,929,800	(365,900)	(0.1)
GF/GP	149,605,600	185,945,900	7,130,500	167,844,900	179,845,900	30,240,300	20.2
Gross	\$484,389,600	\$519,486,400	\$90,563,700	\$498,010,900	\$513,986,400	\$29,596,800	6.1
FTEs	1,857.9	1,857.9	1,836.9	1,505.7	1,857.9	0.0	0.0

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 4404 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 86 as passed by the Senate.

*The majority of the appropriations in the House-passed version provided the equivalent of one-quarter of the annual appropriation.

Overview

The Department of Licensing and Regulatory Affairs (LARA) is the state's primary regulatory entity. The department oversees regulation across a variety of sectors, including commercial and occupational activities, construction and fire safety, health care and human services, public utilities, liquor control, and marijuana. Units within LARA also conduct and adjudicate administrative hearings, oversee rules promulgation, provide support for the Michigan Indigent Defense Commission and the Unarmed Combat Commission, and administer multiple grant programs, including Michigan Indigent Defense Commission grants.

		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
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Major Budget Changes from FY 2020-21 YTD Appropriations

NOTE: House changes represent annualized appropriations for comparison purposes.

1. Michigan Indigent Defense Commission Grants Standards 1-4	Gross	\$117,467,400	\$19,350,000
<u>Executive</u> includes an additional \$19.4 million GF/GP for Michigan Indigent Defense Commission grants, to fund the state's projected share of indigent defense costs in FY 2021-22 (\$136.9 million). MIDC grants are distributed to district and circuit court funding units; this funding supports the implementation of compliance plans to meet approved indigent defense standards 1-4. <u>House</u> transfers the Michigan Indigent Defense Commission Grants line item (and all applicable funding) to the Judiciary budget. <u>Senate</u> and <u>House Omnibus</u> concur with Executive.	Restricted	200,000	0
	GF/GP	\$117,267,400	\$19,350,000

2. Michigan Indigent Defense Commission Grants Standard 5	Gross	\$117,467,400	\$12,000,000
<u>Executive</u> includes an additional \$12.0 million GF/GP for Michigan Indigent Defense Commission grants, to fund the state's estimated share of compliance costs for approved indigent defense standard 5. The standard was approved in October 2020, and pertains to the independence of indigent criminal defense services from the judiciary. <u>House</u> does not include. <u>Senate</u> and <u>House Omnibus</u> concur with Executive.	Restricted	200,000	0
	GF/GP	\$117,267,400	\$12,000,000

LICENSING AND REGULATORY AFFAIRS

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		<u>FY 2020-21 Year-to-Date (as of 2/11/21)</u>	<u>FY 2021-22 House Omnibus Change</u>
3. Michigan Indigent Defense Commission	FTE	16.0	0.0
<u>House</u> transfers the Michigan Indigent Defense Commission (and all applicable funding and FTE authorization) to the Judiciary budget.	Gross	\$2,714,000	\$0
<u>Senate</u> reduces funding by \$1.2 million GF/GP and FTE authorization by 3.1 FTE positions. <u>House Omnibus</u> does not include either change.	GF/GP	\$2,714,000	\$0
4. Michigan Saves Green Bank (One-Time)	Gross	\$1,000,000	(\$1,000,000)
<u>Executive</u> increases the current one-time appropriation for Michigan Saves by \$4.0 million GF/GP, to bring total FY 2021-22 one-time funding for Michigan Saves to \$5.0 million GF/GP. The funding would provide \$5.0 million for a Public Service Commission grant award to Michigan Saves (a non-profit green bank) to offer credit enhancement tools intended to incentivize lending at lower rates and under better terms for renewable energy and energy efficiency improvement loans to commercial, residential, and public entities. Such credit enhancement tools include a loan loss reserve fund. <u>House</u> eliminates all funding for the Michigan Saves line item. <u>Senate</u> reduces the current one-time appropriation by \$250,000 GF/GP. <u>House Omnibus</u> eliminates all funding for the Michigan Saves line item.	GF/GP	\$1,000,000	(\$1,000,000)
5. Nursing Home Infection Control Surveys (One-Time)	Gross	NA	\$1,100,000
<u>Executive</u> includes \$1.1 million GF/GP (one-time) to continue infection control surveys of skilled nursing facilities through FY 2021-22. The funding would support the state licensing group, which conducts infection control surveys for facilities applying to MDHHS to become a COVID Care and Recovery Center or a COVID Relief Facility, for state licensed providers that aren't federally certified, and as requested by providers, MDHHS, local health departments, and the federal government. Specifically, the funding would be used to cover costs associated with 8 current staff and to hire additional limited-term health care surveyors and support staff, to continue infection control survey activities through September 2022. <u>House</u> includes \$1.1 million in federal Coronavirus State Fiscal Recovery Funds for this purpose. <u>Senate</u> does not include. <u>House omnibus</u> includes \$1.1 million in federal Coronavirus State Fiscal Recovery Funds for this purpose.	Federal	NA	1,100,000
	GF/GP	NA	\$0
6. Property Management Reduction	Gross	\$8,218,600	\$0
<u>House</u> reduces funding for the Property Management line item by \$821,900 Gross (\$203,600 GF/GP), which equates to a 10% Gross reduction. <u>Senate</u> and <u>House Omnibus</u> do not include.	Federal	420,100	0
	Restricted	7,594,900	0
	GF/GP	\$203,600	\$0
7. Unclassified Salaries Reduction	FTE	30.0	0.0
<u>House</u> reduces funding for Unclassified Salaries by \$750,000 Gross (\$9,300 GF/GP) and eliminates authorization for 5.0 unclassified FTE positions. <u>Senate</u> reduces FTE authorization by 11.0 FTE positions. <u>House Omnibus</u> does not include.	Gross	\$2,572,400	\$0
	Federal	16,000	0
	Restricted	2,524,500	0
	GF/GP	\$31,900	\$0
8. Marijuana Regulatory Agency Inspection Activities	FTE	34.0	0.0
<u>Executive</u> includes \$648,000 in restricted authorization from the Marijuana Regulation Fund (adult-use) to support costs associated with hiring 6 additional inspectors (including 2 fire inspectors) to regulate licensees in the adult-use industry. The funding would be used to support costs incurred for additional staff, including salaries, fringe benefits, and IT. Hiring 6 additional inspectors would increase the total number of active inspectors in the sector from 16 to 22. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur with Executive.	Gross	\$6,736,200	\$648,000
	Restricted	6,736,200	648,000
	GF/GP	\$0	\$0

LICENSING AND REGULATORY AFFAIRS

Major Budget Changes from FY 2020-21 YTD Appropriations		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
9. Marijuana Social Equity Program			
<u>Executive</u> includes \$500,000 in restricted authorization from the Marijuana Regulation Fund (adult-use) which would be used to increase access to capital to address social equity issues in the adult-use marijuana market. The funding would be utilized to provide low-interest and no-interest loans and grants to individuals and entities seeking to enter or expand in the adult-use marijuana industry. <u>House</u> does not include. <u>Senate</u> concurs with Executive. <u>House Omnibus</u> does not include.	Gross	NA	\$0
	Restricted	NA	0
	GF/GP	NA	\$0
10. Underground Natural Gas Storage Safety Program			
<u>Executive</u> includes \$352,500 in federal authorization from the Department of Transportation, to reflect a grant that the state is receiving to operate the Underground Natural Gas Storage Inspection Program, which inspects, evaluates, and monitors the code compliance status of underground natural gas storage operators in the state. There are 6 intrastate operators that would be regulated under the program and these operators have approximately 31 facilities and 1,230 wells. Regulation would include complete storage program inspections and annual inspections of ongoing construction, maintenance, and other field activities. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur with Executive.	Gross	NA	\$352,500
	Federal	NA	352,500
	GF/GP	NA	\$0
11. Public Service Commission Renewable Natural Gas Study (One-Time)			
<u>Senate</u> includes \$250,000 GF/GP (one-time) for the Public Service Commission to conduct a study into the potential for renewable natural gas development in the state. <u>House Omnibus</u> does not include.	Gross	NA	\$0
	GF/GP	NA	\$0
12. Bureau of Fire Services			
<u>House</u> includes an additional \$100,000 GF/GP for the Bureau of Fire Services line item. <u>Senate</u> includes a reduction of \$2.0 million GF/GP and 7.0 FTE positions for the line item. <u>House Omnibus</u> does not include either change.	FTE	79.0	0.0
	Gross	\$12,552,700	\$0
	Federal	1,442,400	0
	Restricted	7,108,800	0
	GF/GP	\$4,001,500	\$0
13. Local Indigent Defense Reimbursement			
<u>Executive</u> includes an additional \$100,000 in state restricted authorization from Local Indigent Defense Reimbursements, to reflect increased revenues from reimbursements. Local court funding units are required to remit 20% of the revenue received from partially indigent collections to the state. The funding is utilized for Michigan Indigent Defense Commission grants. <u>House</u> does not include. <u>Senate</u> and <u>House Omnibus</u> concur with Executive.	Gross	\$117,467,400	\$100,000
	Restricted	200,000	100,000
	GF/GP	\$117,267,400	\$0
14. Urban Search and Rescue			
<u>Executive</u> includes an internal net-zero adjustment to designate \$1.0 million GF/GP for Urban Search and Rescue as one-time funding (the funding is currently classified as ongoing). <u>House</u> reduces the appropriation for the Urban Search and Rescue line item by \$400,000 GF/GP, allocating a total of \$600,000 GF/GP for the program, but retains as ongoing funding. <u>Senate</u> concurs with Executive to designate Urban Search and Rescue funding as one-time, but reduces the appropriation by \$500,000 GF/GP. <u>House Omnibus</u> retains funding at \$1.0 million GF/GP ongoing.	Gross	\$1,000,000	\$0
	GF/GP	\$1,000,000	\$0
15. Senate FTE Authorization Reductions			
<u>Senate</u> includes a net reduction in FTE authorization totaling 331.2 positions across 15 line items. <u>House Omnibus</u> does not include.	FTE	NA	0.0
	Gross	NA	\$0
	GF/GP	NA	\$0

LICENSING AND REGULATORY AFFAIRS

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
16. Senate Funding Reductions		Gross	NA
<u>Senate</u> includes funding reductions totaling \$12.6 million Gross (\$9.3 million GF/GP) across 9 line items. <u>House Omnibus</u> does not include.		Restricted	NA
		GF/GP	NA
			\$0
17. Technical Adjustments		Gross	NA
<u>Executive</u> includes numerous adjustments to state restricted authorizations and federal and IDG/IDT funding, to align fund sources with projected revenues and expenditures. Also includes the following:		IDG/IDT	NA
Internal net-zero transfer to allocate \$9.3 million Gross from the Bureau of Community and Health Systems Administration line item to the Adult Foster Care and Camps Licensing and Regulation, Health Facilities Regulation, and Nurse Aide Program line items.		Federal	NA
		Restricted	NA
		GF/GP	NA
			(\$1,398,400)
<u>House</u> concurs in part but also includes the following adjustments:			(1,376,100)
- Shifts \$1.3 million GF/GP in the Information Technology Services and Projects line item to state restricted funding from Corporation Fees. - Internal net zero transfer to move \$1.7 million IDG/IDT from the Bureau of Community and Health Systems Administration line item to the Child Care Licensing and Regulation line item.			25,500
<u>Senate</u> concurs with Executive. <u>House Omnibus</u> concurs with Executive but includes the internal net-zero transfer between the Bureau of Community and Health Systems Administration line item and the Child Care Licensing and Regulation line item.			(47,800)
			\$0
18. Economic Adjustments		Gross	NA
<u>Executive</u> reflects decreased costs of \$1.6 million Gross (\$109,700 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2021 and 1.0% on April 1, 2022), overtime increases, increased longevity, higher actuarially required retirement contributions, increases in building occupancy charges, decreases in other employee retirement costs, decreases in worker's compensation, and other economic adjustments. <u>House</u> concurs but does not include adjustments for the Michigan Indigent Defense Commission line item or the Property Management line item. <u>Senate</u> concurs but does not include the adjustment for the Unclassified Salaries line item. <u>House Omnibus</u> concurs with Executive.		IDG/IDT	NA
		Federal	NA
		Restricted	NA
		GF/GP	NA
			(\$1,555,300)
			(208,700)
			(170,800)
			(1,066,100)
			(\$109,700)

Major Boilerplate Changes from FY 2020-21**Sec. 206. Communication with the Legislature – RETAINED**

Prohibits LARA from taking disciplinary action against employees for communicating with legislators or their staff, unless the communication is prohibited by law. Executive deletes. House retains. Senate retains. House Omnibus retains.

Sec. 207. Out-of-State Travel – RETAINED

Stipulates conditions when LARA may send employees on out-of-state travel; limits expenditure of state funds on out-of-state professional development conferences; requires detailed report on all out-of-state travel. Executive revises to strike sections delineating conditions under which out-of-state travel is permissible and to modify requirements for information to be contained in the report. House retains. Senate retains. House Omnibus retains.

Sec. 210. Contingency Funding – RETAINED

Appropriates up to \$1.0 million in federal, \$1.5 million in state restricted, \$200,000 in local, and \$100,000 in private contingency funds; authorizes expenditure of funds after legislative transfer to specific line items. Executive revises to adjust appropriation amounts to \$10.0 million in federal, \$25.0 million in state restricted, \$1.0 million in local, and \$500,000 in private contingency funds. House retains. Senate deletes. House Omnibus retains.

LICENSING AND REGULATORY AFFAIRS

Major Boilerplate Changes from FY 2020-21

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

Requires LARA to submit a quarterly report on FTE staffing and a semiannual report on remote work and associated metrics. Executive deletes. House retains. Senate retains. House Omnibus revises reporting frequency to be semiannually for the FTE report and annually by March 1 for the remote work report.

Sec. 217. Work Project Usage – RETAINED

Stipulates that appropriations are not to be expended, if possible, until all existing work project authorization for the same purpose is exhausted. Executive deletes. House retains. Senate retains. House Omnibus retains.

Sec. 218. State Administrative Board Transfers – RETAINED

Stipulates that the legislature may intertransfer funds via concurrent resolution if the State Administrative Board transfers funds. Executive deletes. House retains. Senate retains. House Omnibus retains.

Sec. 219. Retention of Reports – RETAINED

Requires LARA to receive and retain copies of all reports funded by the department's budget, while complying with federal and state guidelines for records retention. Executive deletes. House retains. Senate retains. House Omnibus retains.

Sec. 220. Report on Policy Changes for Public Act Implementation – RETAINED

Requires LARA to report on policy changes made to implement public acts that took effect during the prior calendar year. Executive deletes. House retains. Senate retains. House Omnibus retains.

Sec. 221. Severance Pay Report – NEW

Requires LARA to report the name and any amount of severance pay given to any high-ranking department official; requires LARA to maintain an internet site that posts any severance pay in excess of 6 weeks of wages for a former employee of any rank; requires LARA to report on the total amount of severance pay remitted to former employees during the prior fiscal year and the number of those employees; defines "severance pay". Executive does not include. House includes new language. Senate does not include. House Omnibus includes new language.

Sec. 222. Prohibition on COVID-19 Vaccine Status Verifications – NEW

Prohibits state entities receiving funding from part 1 from requiring proof of COVID-19 vaccination as a condition of accessing any state services or facilities, producing COVID-19 vaccine passports, and providing information to other parties for inclusion in a COVID-19 vaccine passport. Executive does not include. House includes new language. Senate does not include. House Omnibus includes new language.

Sec. 223. Federal Funds Carry-Forward – RETAINED

Authorizes LARA to carry-forward federal pass-through funds to local governments into the succeeding fiscal year, so long as no additional state matching funds are required; requires department to report the receipt of federal pass-through funds within 14 days of their receipt. Executive retains. House retains. Senate deletes. House Omnibus retains.

Sec. 224. Private Grant Funded Projects – RETAINED

Authorizes appropriation of private grant revenues, subject to a limitation of \$1.5 million; requires report to legislature within 10 days of receiving grants from private entities. Executive retains. House retains. Senate deletes. House Omnibus retains.

Sec. 225. Informational, Training, and Special Events Revenues and Expenditures – RETAINED

Authorizes LARA to charge registration fees for events sponsored by LARA; requires fees to reflect costs of sponsoring events; appropriates revenue generated by fees for sponsorship costs; authorizes excess revenue to be carried forward; limits appropriation to \$500,000. Executive retains. House retains. Senate deletes. House Omnibus retains.

Sec. 226. Fees for Customized Listings – RETAINED

Authorizes LARA to provide customized lists of non-confidential information to interested parties and to charge reasonable fees; requires funds to lapse to appropriate restricted fund accounts. Executive retains. House retains. Senate deletes. House Omnibus retains.

Sec. 227. Sale of Documents – RETAINED

Authorizes LARA to sell various agency documents at cost of production; requires revenue to carry forward; appropriates funds collected under 1969 PA 306 for cost of publication and distribution. Executive retains. House retains. Senate deletes. House Omnibus retains.

Sec. 229. Employee Performance Monitoring Process – RETAINED

Expresses legislative intent that LARA establish a consistent employee performance monitoring process and requires a report on planned or implemented changes to that process and the number of evaluations performed. Executive deletes. House retains. Senate retains. House Omnibus retains.

Major Boilerplate Changes from FY 2020-21

Sec. 232. Departmental Activity During Pending Litigation – NOT INCLUDED

Stipulates that pending litigation must not delay investigations and licensing actions taken by LARA. Executive does not include. House includes new language. Senate does not include. House Omnibus does not include.

Sec. 401. Investigation of Direct Shipments of Wine and Report – RETAINED

Requires MLCC to use funds appropriated from Direct Shipper Enforcement Fund – as required under Section 203(11) of Michigan Liquor Control Code, 1998 PA 58 – to investigate illegal direct shipments of wine and that notice be sent to entities found to have illegally shipped wine into the state; requires MLCC to submit report detailing activities to investigate illegal shipping of wine. Executive revises to eliminate requirement that the MLCC refer identified unlicensed entities to the Attorney General, modify report requirements, and to eliminate notification requirements. House retains. Senate retains. House Omnibus retains.

Sec. 504. Homeowner Construction Lien Recovery Fund – DELETED

Appropriates unexpended funds in the Homeowner Construction Lien Recovery Fund for payments of court-ordered construction lien judgments entered prior to the repeal of the fund on August 23, 2010. Executive deletes. House deletes. Senate deletes. House Omnibus deletes.

Sec. 510. Marihuana Social Equity Program – NOT INCLUDED

Requires funds appropriated for the Marihuana Social Equity Program be expended on expanding access to affordable capital to address social equity in the marijuana industry and requires funds be used to leverage additional private contributions to provide low- and no-interest loans and grants. Executive includes new language. House does not include. Senate includes new language. House Omnibus does not include.

Sec. 510. Urban Search and Rescue – NEW

Requires that funds for Urban Search and Rescue be distributed by the Bureau of Fire Services to support the activities of the Michigan Task Force 1. Executive does not include. House includes new language. Senate does not include. House Omnibus includes new language.

Sec. 511. Adequacy of Federal and State Guidelines Report – NOT INCLUDED

Requires LARA to submit biannual reports featuring inspector feedback on the adequacy of federal and state guidelines pertaining to entities regulated by the Bureau of Community and Health Systems. Executive does not include. House includes new language. Senate does not include. House Omnibus does not include.

Sec. 511. Masking Enforcement Prohibition – NOT INCLUDED

Prohibits LARA from enforcing masking for children under 5 years of age and prohibits licensing or administrative action against a licensee for not enforcing a masking requirement on children under 5 years of age. Executive does not include. House does not include. Senate includes new language. House Omnibus does not include.

Sec. 512. Marijuana Social Equity Program – NOT INCLUDED

Requires LARA to offer individuals without a criminal history who are seeking licensure in the adult-use marijuana industry the same or greater percentage reductions on fees and fines under the Marijuana Social Equity Program that it offers to individuals with a criminal history. Executive does not include. House includes new language. Senate does not include. House Omnibus does not include.

Sec. 801. Michigan Indigent Defense Commission Receipt of Federal Funding – RETAINED

Authorizes MIDC to receive and expend up to \$250,000 in federal Byrne grant funding and up to \$300,000 in other federal grant funding, if made available from U.S. Department of Justice. Executive retains. House deletes. Senate deletes. House Omnibus retains.

Sec. 802. Michigan Indigent Defense Commission Report on Incremental Costs – RETAINED

Requires MIDC to submit report on incremental costs associated with standard development process, compliance plan process, and collection of data from all indigent defense systems and attorneys providing indigent defense. Executive retains. House deletes. Senate retains. House Omnibus retains.

Sec. 1001. Michigan Saves Appropriation – DELETED

Allows PSC to award a \$1.0 million grant to a nonprofit green bank to make loans more affordable for families, businesses, and public entities in Michigan; stipulates grant funds may be used for a loan loss reserve fund or similar financial instrument. Executive revises to reflect new appropriation amounts. House deletes. Senate retains. House Omnibus deletes.

LICENSING AND REGULATORY AFFAIRS

Major Boilerplate Changes from FY 2020-21

Sec. 1002. Public Service Commission Renewable Natural Gas Study – NOT INCLUDED

Requires the PSC to conduct a study on the potential for renewable natural gas development in Michigan; identifies required content for the report. Executive does not include. House does not include. Senate includes new language. House Omnibus does not include.

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
Summary: House Floor Substitute
Article 10, House Bill 4410 (H-2)

Analyst: Michael Cnossen

	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Executive	FY 2021-22 House	FY 2021-22 Senate	FY 2021-22 House Omnibus	Difference: House Omnibus From FY 2020-21 YTD	
						Amount	%
IDG/IDT	\$101,800	\$101,800	\$101,800	\$101,800	\$101,800	\$0	0
Federal	123,626,100	120,015,300	120,015,300	120,015,300	120,015,300	(3,610,800)	(2.9)
Local	0	0	0	0	0	0	--
Private	630,000	640,000	640,000	640,000	640,000	10,000	1.6
Restricted	20,313,400	21,336,700	21,336,700	21,336,700	21,336,700	1,023,300	5.0
GF/GP	84,280,200	75,594,300	74,844,300	75,547,300	75,594,300	(8,685,900)	(10.3)
Gross	\$228,951,500	\$217,688,100	\$216,938,100	\$217,641,100	\$217,688,100	(\$11,263,400)	(4.9)
FTEs	1,061.5	1,063.5	1,058.5	1,063.5	1,063.5	2.0	0.2

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 4398 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 82 as passed by the Senate.

Overview

The Department of Military and Veterans Affairs provides for the operations of the Michigan National Guard in support of the military and security needs of the state and the federal government. The department, through the Michigan Veterans Affairs Agency, also oversees state programs for veterans, grants to veterans service organizations, the County Veteran Service Fund, and the Michigan Veterans Trust Fund. The department also houses the independent Michigan Veterans Facility Authority, which manages and operates the three state veterans homes.

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change	
1. Chesterfield Township Home for Veterans		Gross	\$8,590,000	\$12,394,700
<u>Executive</u> provides \$12.4 million Gross (\$1.5 million GF/GP) to align with increased expenses for the facility's first fiscal year being fully operational. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur.	Federal	1,100,000	8,525,000	
	Restricted	375,000	2,340,000	
	GF/GP	\$7,115,000	\$1,529,700	
2. Grand Rapids Home for Veterans		Gross	\$42,753,700	(\$13,375,400)
<u>Executive</u> reduces \$13.4 million Gross (\$7.3 million GF/GP) to reflect decreased expenses of operating the home at the new smaller facility in its first fully operational fiscal year. \$4.1 million GF/GP of one-time funding from FY 2020-21 for the home remains in FY 2021-22 to continue offering services to 29 residents living in the existing facility as they await moving to new living arrangements outside the home. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur.	Federal	14,865,000	(3,409,000)	
	Restricted	5,915,000	(2,640,000)	
	GF/GP	\$21,973,700	(\$7,326,400)	
3. National Guard Special Maintenance		Gross	\$20,000,000	\$10,000,000
<u>Executive</u> authorizes \$10.0 million in additional federal revenue from the National Guard Bureau to support maintenance projects at armories statewide, for a total of \$30.0 million federal in FY 2021-22. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur.	Federal	20,000,000	10,000,000	
	GF/GP	\$0	\$0	

MILITARY AND VETERANS AFFAIRS

Major Budget Changes from FY 2020-21 YTD Appropriations		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
4. Michigan Veterans Trust Fund <u>Executive</u> provides \$1.2 million in state restricted funds from the Michigan Veterans Trust Fund and authorizes 2.0 FTE positions for the administration and awarding of more emergency relief grants to veterans in anticipation of greater needs as a result of the COVID-19 pandemic and to support planned partnerships with outside veteran support programs. From the \$1.2 million increase, \$1.0 million is recommended for grants and \$227,200 is recommended for administration. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur.	FTE	6.0	2.0
	Gross	\$2,400,000	\$1,247,200
	Restricted	2,400,000	1,247,200
	GF/GP	\$0	\$0
5. Military Retirement <u>Executive</u> provides \$217,000 GF/GP for the Military Retirement System to meet anticipated retirement obligations based on annual actuarial valuation of military retirement pension benefits. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur.	Gross	\$658,000	\$217,000
	GF/GP	\$658,000	\$217,000
6. Morale, Welfare, and Recreation Restricted Fund <u>Executive</u> authorizes \$100,000 state restricted from a new Morale, Welfare, and Recreation (MWR) Fund created in boilerplate to receive fees for use of recreation equipment at Camp Grayling and to support a new MWR program that will provide recreational activities for National Guard members and their families. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur.	Gross	\$0	\$100,000
	Restricted	0	100,000
	GF/GP	\$0	\$0
7. Equipment Testing Project Fees <u>Executive</u> authorizes the department to expend \$100,000 in state restricted funds collected from private companies that pay to test equipment at state military facilities. Funds will support maintenance costs of the training ranges. Funding for Test Project Fees was previously \$50,000 in FY 2019-20 and \$0 in FY 2020-21. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur.	Gross	\$0	\$100,000
	Restricted	0	100,000
	GF/GP	\$0	\$0
8. Commander's Cottage Rental Fees <u>Executive</u> authorizes \$25,000 state restricted for the department to expend funds collected from rental fees for the new Commander's Cottage, paid by the Commander to live there, for maintenance of the building. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur.	Gross	\$0	\$25,000
	Restricted	0	25,000
	GF/GP	\$0	\$0
9. Authorization for Private MVAA Donations <u>Executive</u> authorizes \$10,000 of private funding for the MVAA to receive private donations without the need for legislative contingency fund transfer approval. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur.	Gross	\$0	\$10,000
	Private	0	10,000
	GF/GP	\$0	\$0
10. Michigan Veterans Homes Information Technology Transfer <u>Executive</u> transfers \$1.4 million Gross (\$105,000 GF/GP) from the department to the independent Michigan Veterans Facility Authority to support IT needs of the Michigan Veterans Homes and to align with the budget structure established in FY 2020-21. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur.	Gross	\$1,409,400	\$0
	Federal	560,300	0
	Restricted	744,100	0
	GF/GP	\$105,000	\$0
11. Billeting Fund Reductions <u>Executive</u> reduces \$84,000 state restricted from the Billeting Fund to align with revenue and expenditure projections. Revenue in the fund is collected by fees and surcharges paid by military and civilian personnel utilizing Michigan National Guard transient quarters and used to support operations of transient quarters facilities. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur.	Gross	\$1,460,400	(\$84,000)
	Restricted	1,460,400	(84,000)
	GF/GP	\$0	\$0

MILITARY AND VETERANS AFFAIRS

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		<u>FY 2020-21 Year-to-Date (as of 2/11/21)</u>	<u>FY 2021-22 House Omnibus Change</u>
12. Removal of Current Year One-Time Funding	Gross	\$22,014,000	(\$22,014,000)
<u>Executive</u> eliminates \$19.2 million Gross (\$250,000 GF/GP) of one-time funding items appropriated in FY 2020-21:	Federal	18,905,000	(18,905,000)
\$18.9 million federal – Camp Grayling National Guard Readiness Training Center \$2.9 million GF/GP for coronavirus response activities. \$250,000 GF/GP – Veterans benefits eligibility study	GF/GP	\$3,109,000	(\$3,109,000)
House, Senate, and House Omnibus concur.			
13. Unclassified Positions	FTE	9.0	0.0
House reduces \$750,000 GF/GP and 5.0 unclassified FTE positions for department administrative savings. Senate reduces \$47,000 GF/GP and 0.0 FTE positions. House Omnibus does not include.	Gross	\$1,613,700	\$0
	GF/GP	\$1,613,700	\$0
14. Economic Adjustments	Gross	NA	\$116,100
Reflects increased costs of \$116,100 Gross (\$2,800 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2021 and 1.0% on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. Executive, House, Senate, and House Omnibus include.	Federal	NA	178,200
	Restricted	NA	(64,900)
	GF/GP	NA	\$2,800

Major Boilerplate Changes from FY 2020-21

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, Senate, and House Omnibus retain.

Sec. 210. Contingency Authorization– RETAINED

Appropriates up to \$8.6 million in federal, \$1.1 million in state restricted, \$250,000 in local, and \$100,000 in private contingency authorization; authorizes expenditure of funds after legislative transfer to specific line items. Executive revises to appropriate up to \$12.0 million in federal, \$3.0 million in state restricted, and \$500,000 in local contingency authorization. Senate deletes. House and House Omnibus retain.

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 2020, 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 and Senate retain.

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, Senate, and House Omnibus retain.

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, Senate, and House Omnibus retain.

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

Requires department 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, Senate, and House Omnibus retain.

MILITARY AND VETERANS AFFAIRS

Major Boilerplate Changes from FY 2020-21

Sec. 220. Reporting Requirement on Policy Changes – RETAINED

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

Sec. 225. Court Settlements Report – RETAINED

Requires department to report tentative plans for required payment of any court judgment against department and details regarding timing and budget impact the payment will have on department. Executive deletes. House, Senate, and House Omnibus retain.

Sec. 227. Severance Pay Report – NEW

Requires the department and agencies to report the name and any amount of severance pay given to any high-ranking department official; requires the department and agencies to maintain an internet site and post severance pay in excess of 6 weeks of wages for a former department or agency employee of any rank; requires the department and agencies to submit an annual report on the total amount of severance pay remitted to former employees during the prior fiscal year and the total number of those employees; defines "severance pay". House adds. Senate does not include. House Omnibus concurs with House.

Sec. 228. Prohibitions on State Employer COVID-19 Vaccine Status Verifications – NEW

Prohibits various state government entities from requiring proof of COVID-19 vaccination as a condition of accessing any state services or facilities, producing COVID-19 vaccine passports, and providing information to other parties for inclusion in a COVID-19 vaccine passport. House adds. Senate does not include. House Omnibus concurs with House.

Sec. 309. Test Project Fees – NEW

Creates the test project fees revolving account to be under the control of the department to collect fees generated by the test project program; requires funds appropriated from the account to support operations of the test project program; authorizes money in the account to carry forward and not lapse at the close of the fiscal year. Executive adds. House, Senate, and House Omnibus concur.

Sec. 310. Morale, Welfare, and Recreation Fund – NEW

Creates the Morale, Welfare, and Recreation (MWR) Fund to receive money generated from operation of the MWR program; requires the department to be administrator of the fund for auditing purposes; requires funds appropriated from the fund to support operations of the MWR program; authorizes money in the fund to carry forward and not lapse at the close of the fiscal year. Executive adds. House, Senate, and House Omnibus concur.

Sec. 311. Commander's Cottage Rental Fees – NEW

Creates the rental fees revolving account to be under the control of the department to collect rental fees for the Commander's Cottage, the commander's residence; requires funds appropriated from the account to support operations of the program; authorizes money in the account to carry forward and not lapse at the close of the fiscal year. Executive adds. House, Senate, and House Omnibus concur.

Sec. 312. Michigan Volunteer Defense Force Funding Report – NEW

Requires the department to report at the start of the fiscal year on the amount of appropriated funds that will be made available to the Michigan Volunteer Defense Force and any restrictions or stipulations on those funds and an explanation if there are any restrictions or stipulations. House adds. Senate does not include. House Omnibus concurs with House.

Sec. 404. MVAA Private Donations – NEW

Authorizes receipt of private donations to the MVAA in excess of funds appropriated in part 1 and permits expenditure of those funds for the purpose designated by the donor, if specified; requires the department to give notification of receipt of a donation within 14 calendar days, including the amount of the donation and purpose for which the funds will be expended, if known. Executive adds. House concurs. Senate does not include. House Omnibus concurs with Executive.

Sec. 409. Interagency Agreement with Department of Health and Human Services – RETAINED

Requires department to enter into cooperative agreement with DHHS to identify veteran Medicaid recipients who may be eligible for other benefits; requires annual report of number of veterans identified and referred for additional benefits under agreement. Executive deletes. House, Senate, and House Omnibus retain.

Sec. 410. County Veterans Service Fund – REVISED

Requires funds appropriated for County Veteran Service Fund to be deposited into County Veteran Service Fund created in 2018 PA 210; stipulates funds are available for expenditure to support county veterans' services grants. Executive revises by allocating \$200,000 from the fund to be used to cover costs associated with administration and providing technical assistance to counties participating in the grant program. House, and Senate retain. House Omnibus concurs with Executive.

Major Boilerplate Changes from FY 2020-21

Sec. 411. Veterans Cemetery – DELETED

Requires MVAA to conduct a needs, feasibility, and cost assessment of establishing and maintaining a new veterans cemetery; requires assessment to consider availability of federal funds for its determinations; requires MVAA to report findings of assessment by end of fiscal year. Executive deletes. House, Senate, and House Omnibus concur.

Sec. 451. Board of Managers and Michigan Veteran's Facility Authority – DELETED

Requires Board of Managers and Michigan Veterans' Facility Authority to exercise certain regulatory and governance authority over Michigan veterans homes. Executive deletes. House concurs. Senate retains. House Omnibus concurs with Executive.

Sec. 452(1)-(3), (10)-(19). Veterans Homes Service and Care Requirements – REVISED

Requires Michigan veterans homes to meet applicable standards of care as provided under listed federal and state legal authorities; specifies standards around issues concerning psychiatric care, monitoring of comprehensive care plans, supply inventory, pharmaceutical inventory, controls over donated goods and monies, and personal funds of residents; requires information on complaint process to be conspicuously posted at home; requires Michigan veterans homes, Board of Managers, and Michigan Veteran Facility Authority policies to be posted on MVAA website; requires department to report budgeting and quality of care metrics to the legislature, including health and safety issues, status of Centers for Medicare and Medicaid Services (CMS) certification, resident member demographics, upgrades to facilities, and financial status of homes. House revises by adding subsection (20) requiring Michigan Veteran Homes to provide any annual or for-cause surveys conducted by the U.S. Department of Veterans Affairs to look into potentially serious compliance or patient care issues and to report any corresponding corrective action plans from the Michigan Veteran Homes. Senate retains current law. House Omnibus concurs with House.

Sec. 453. CMS Quality of Care Standards – RETAINED

Requires the department to ensure the quality of care at state's veterans homes is sufficient to meet or exceed the quality of care standards for the Centers for Medicare and Medicaid Services (CMS); requires a biannual report showing evidence that the quality of care has met or exceeded CMS certification standards. Executive deletes. House, Senate, and House Omnibus retain.

Sec. 601. Veterans Benefits Eligibility Study – DELETED

Requires funding to be used for a study on creating, implementing, and evaluating a program that identifies Medicaid beneficiaries who are veterans and support them in exploring their eligibility for USDVA-VHA health care benefits; requires department to report findings of study, including recommendations on strategies to use to identify veterans who are Medicaid beneficiaries, eligible for USDVA-VHA health care benefits, but who aren't aware or have not taken steps to seek USDVA-VHA health care services. Executive deletes. House, Senate, and House Omnibus concur.

NATURAL RESOURCES

DEPARTMENT OF NATURAL RESOURCES

Summary: House Floor Substitute

Article 11, House Bill 4410 (H-2)

Analyst: Austin Scott

	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Executive	FY 2021-22 House	FY 2021-22 Senate	FY 2021-22 House Omnibus	Difference: House Omnibus From FY 2020-21 YTD	
						Amount	%
IDG/IDT	\$203,100	\$203,100	\$50,800	\$203,100	\$203,100	\$0	0.0
Federal	88,453,700	91,291,300	22,823,100	91,291,300	91,291,300	2,837,600	3.2
Local	0	0	0	0	0	0	--
Private	7,439,200	7,039,200	1,759,800	7,039,200	7,039,200	(400,000)	(5.4)
Restricted	322,800,800	309,695,300	77,651,200	309,670,200	317,195,300	(5,605,500)	(1.7)
GF/GP	50,697,300	48,112,500	11,519,700	45,269,000	48,112,500	(2,584,800)	(5.1)
Gross	\$469,594,100	\$456,341,400	\$113,804,600	\$453,472,800	\$463,841,400	(\$5,752,700)	(1.2)
FTEs	2,352.1	2,360.9	2,347.1	2,352.1	2,360.9	8.8	0.4

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 4395 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 90 as passed by the Senate.

*The majority of the appropriations in the House-passed version provided the equivalent of one-quarter of the annual appropriation.

Overview

The Department of Natural Resources (DNR) manages Michigan's natural and cultural resources through conservation and protection. State parks, wildlife, fisheries, forests, and minerals management are all administered by DNR.

Major Budget Changes from FY 2020-21 YTD Appropriations

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
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NOTE: House changes represent annualized appropriations for comparison purposes.

1. Fish Hatchery Energy Efficiencies (One-Time)

Executive appropriates \$2.0 million GF/GP for renewable energy projects at state fish hatcheries including installing solar arrays and battery storage.

House does not appropriate.

Senate and House Omnibus concur with Executive.

Gross	NA	\$1,995,800
GF/GP	NA	\$1,995,800

2. Local Marine Patrol Grants

Executive eliminates \$1.8 million GF/GP for grants to local law enforcement to enforce no wake zones in an effort to mitigate high water impacts on infrastructure.

House, Senate, and House Omnibus concur.

Gross	\$1,750,000	(\$1,750,000)
GF/GP	\$1,750,000	(\$1,750,000)

3. Deer Habitat Partnership Improvement Initiative

Executive eliminates GF/GP support for grants awarded through the Deer Habitat Partnership Improvement Initiative.

House, Senate, and House Omnibus concur.

Gross	\$445,800	(\$245,800)
Restricted	200,000	0
GF/GP	\$245,800	(\$245,800)

4. Federal – Land and Water Conservation Fund Payments

Executive appropriates \$7.0 million of available federal funding for grants to local units of government to acquire and develop public recreation lands and facilities.

House, Senate, and House Omnibus concur.

Gross	\$6,000,000	\$7,000,000
Federal	6,000,000	7,000,000
GF/GP	\$0	\$0

NATURAL RESOURCES

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
5. Off-road Vehicle Revenue Distribution			
<u>Executive</u> appropriates an additional \$1.0 million of available revenue from the Off-road Vehicle Trail Improvement Fund for trail ORV programs and administration in accordance with statutory distribution requirements, bringing ORV Trail Improvement funding to \$9.5 million for FY 2021-22. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur.	Gross	NA	\$1,000,000
	Restricted	NA	1,000,000
	GF/GP	NA	\$0
6. Parks and Recreation Division Employee Initiatives			
<u>Executive</u> appropriates \$1.5 million in available restricted revenue from the Forest Recreation Account, Michigan State Waterways Fund, and Park Improvement Fund and authorizes 8.8 FTE positions for division employee recruitment and retention initiatives, including increases in work hours and wages. This increase would also fund a new sanitation contract at Interlochen State Park in accordance with EGLE standards. <u>House</u> does not appropriate. <u>Senate</u> appropriates funding but excludes new FTE positions. <u>House Omnibus</u> concurs with Executive.	FTE	NA	8.8
	Gross	NA	\$1,486,400
	Restricted	NA	1,486,400
	GF/GP	NA	\$0
7. Parks and Recreation Division Utility Costs			
<u>Executive</u> appropriates \$625,000 in available restricted revenue from the Michigan State Waterways Fund, and Park Improvement Fund to cover HVAC, lighting, electrical, hydro, and telecommunications costs at recreational boating sites and state parks, including Belle Isle State Park. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur.	Gross	NA	\$625,000
	Restricted	NA	625,000
	GF/GP	NA	\$0
8. Parks and Recreation Division Minimum Wage Increase for Short-term Workers			
<u>Executive</u> appropriates \$394,300 in available restricted revenue from the Forest Recreation Account, Michigan State Waterways Fund, and Park Improvement Fund to cover the minimum wage increase scheduled for 2022. <u>House</u> and <u>Senate</u> do not appropriate. <u>House Omnibus</u> concurs with Executive.	Gross	NA	\$394,300
	Restricted	NA	394,300
	GF/GP	NA	\$0
9. Parks and Recreation Division Search Software			
<u>Executive</u> appropriates \$320,000 in available restricted revenue from the Forest Recreation Account, Michigan State Waterways Fund, and Park Improvement Fund to upgrade and maintain software used by the public to search state parks, state recreation areas, and state forest campgrounds. <u>House</u> appropriates \$200,000 in available restricted revenue from the Park Improvement Fund. <u>Senate</u> and <u>House Omnibus</u> concur with Executive.	Gross	NA	\$320,000
	Restricted	NA	320,000
	GF/GP	NA	\$0
10. Parks and Recreation Division Camping and Harbor Reservation System Costs			
<u>Executive</u> appropriates \$175,000 in available restricted revenue from the Forest Recreation Account, Michigan State Waterways Fund, and Park Improvement Fund to pay vendor for increased transactions processed by DNR's camping and harbor reservation system. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur.	Gross	NA	\$175,000
	Restricted	NA	175,000
	GF/GP	NA	\$0
11. State Parks Improvement Revenue Bonds – Debt Service			
<u>Executive</u> appropriates \$500 in available Park Improvement Fund revenue to align spending authorization with debt service schedule. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur.	Gross	\$1,201,300	\$500
	Restricted	1,201,300	500
	GF/GP	\$0	\$0

NATURAL RESOURCES

Major Budget Changes from FY 2020-21 YTD Appropriations		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
12. Capital Outlay Authorization Alignment		NA	(\$3,425,000)
<u>Executive</u> reduces restricted fund authorization for ongoing capital outlay projects by \$3.4 million to align spending authorization with available revenue. Affected appropriations include Local Boating Infrastructure Maintenance and Improvements, State Boating Infrastructure Maintenance, and State Parks Repair and Maintenance. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur.		NA	(3,425,000)
		NA	\$0
13. Capital Outlay One-Time Projects		Gross \$11,000,000	(\$11,000,000)
<u>Executive</u> eliminates restricted fund authorization for one-time capital outlay projects funded in FY 2020-21. Projects included Fish Hatchery Infrastructure Investments, Forest Development Infrastructure, Mass Timber Facility Newberry Customer Service Center, and Wetlands Enhancements. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur.		Restricted 11,000,000	(11,000,000)
		GF/GP \$0	\$0
14. Removal of FY 2020-21 One-Time Funding		Gross \$8,400,000	(\$8,400,000)
<u>Executive</u> removes \$8.4 million Gross (\$2.5 million GF/GP) for one-time projects included in the FY 2020-21 budget. Projects included Forest Fire Equipment Acquisition, Forest Investments, Milliken Visitors Center, and Shooting Range Enhancements. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur.		Federal 4,000,000	(4,000,000)
		Private 400,000	(400,000)
		Restricted 1,500,000	(1,500,000)
		GF/GP \$2,500,000	(\$2,500,000)
15. Economic Adjustments		Gross NA	(\$1,428,900)
<u>Executive</u> reflects decreased costs of \$1.4 million Gross (\$84,800 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2021 and 1.0% on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>House</u> concurs but excludes increased building occupancy charges within Property Management. <u>Senate</u> and <u>House Omnibus</u> concurs with Executive.		Federal NA	(162,400)
		Restricted NA	(1,181,700)
		GF/GP NA	(\$84,800)
16. Unclassified Salaries		FTE 6.0	0.0
<u>House</u> reduces support for Unclassified Salaries by \$680,300 in restricted funding and 5.0 unclassified FTE positions. <u>Senate</u> reduces funding by \$25,100 in restricted funding to negate economic adjustments included by Executive. <u>House Omnibus</u> makes no change.		Gross \$828,600	\$0
		Restricted 828,600	0
		GF/GP \$0	\$0
17. Michigan Conservation Corps		Gross \$934,400	\$0
<u>House</u> eliminates \$934,400 GF/GP for the Michigan Conservation Corps. This statewide summer employment program for at-risk youth and returning veterans allows partner organizations to hire individuals for work that is approved or managed by DNR employees. <u>Senate</u> reduces funding by \$900,000 GF/GP. <u>House Omnibus</u> makes no change.		GF/GP \$934,400	\$0
18. Chronic Wasting Disease Testing (One-Time)		Gross NA	\$0
<u>House</u> appropriates \$1.0 million GF/GP for the provision of CWD check stations or drop stations in core CWD areas, management zones, or surveillance areas. <u>Senate</u> and <u>House Omnibus</u> do not appropriate.		GF/GP NA	\$0
19. Property Management		Gross \$4,107,300	\$0
<u>Senate</u> reduces funding for Property Management by \$1,943,500 GF/GP to decrease support for facility rents and building occupancy charges. <u>House Omnibus</u> makes no change.		Restricted 2,267,300	0
		GF/GP \$1,840,000	\$0

NATURAL RESOURCES

<u>Major Budget Changes from FY 2020-21 YTD Appropriations</u>		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change	
20. Trail Easements		Gross	\$700,000	\$1,500,000
<u>House Omnibus</u> increases funding by \$1.5 million from the Permanent Snowmobile Trail Easement Fund to acquire easements on 87.2 miles of trails in Baraga County and Marquette County from Lyne Timber. Included in Executive Budget Revision 2022-1.		Restricted	700,000	1,500,000
		GF/GP	\$0	\$0
21. Kalamazoo River Watershed Improvements – Capital Outlay		Gross	NA	\$6,000,000
<u>House Omnibus</u> provides \$6.0 million from the Environmental Protection Fund to mitigate damage to the Kalamazoo River from papermill recycling waste. Included in Executive Budget Revision 2022-1.		Restricted	NA	6,000,000
		GF/GP	NA	\$0

Major Boilerplate Changes from FY 2020-21

Sec. 206. Disciplinary Action Against State Employees – RETAINED

Prohibits department from disciplining state employees for communicating with members of the legislature and their staffs, unless communication is prohibited by law.

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

Sec. 209. GF/GP Lapse – RETAINED

Requires report of estimated GF/GP appropriation lapses at close of previous year.

Executive and Senate revise due date to December 31.

House and House Omnibus retain November 30 due date.

Sec. 210. Contingency Fund Transfer Authority – RETAINED

Provides authority for contingency fund transfers of up to \$5.0 million restricted; authorizes expenditure after legislative transfer to specific line items.

Executive revises contingency authority of \$3.0 million federal, \$10.0 million restricted, and \$1.0 million private.

House retains.

Senate deletes.

House Omnibus retains.

Sec. 215. Businesses in Economically Deprived or Depressed Communities – DELETED

Requires director to take reasonable steps to ensure businesses in deprived and depressed communities compete for and perform contracts.

Senate and House Omnibus delete.

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

Requires department to report quarterly on the number of FTE positions filled, FTE vacancies, the number of employees working remotely, the number of employees authorized to work remotely, estimated cost savings from remote work, and reduction in office space due to working remotely.

Executive deletes. House and Senate retain.

House Omnibus revises to report twice yearly and moves report date from April 1 to March 1.

Sec. 217. Expending Available Work Project Authorization – RETAINED

Advises department not to expend appropriations until existing work project authorization for the same purpose has been expended.

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

Sec. 218. State Administrative Board Transfers – RETAINED

Authorizes legislature to adopt a concurrent resolution to intertransfer funds within the department's budget if the State Administrative Board transfers appropriated funds.

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

Sec. 219. Receipt and Retention of Reports – RETAINED

Requires department to receive and retain copies of all reports.

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

NATURAL RESOURCES

Major Boilerplate Changes from FY 2020-21

Sec. 220. Report on Policy Changes Made to Implement Public Acts Affecting Department – RETAINED

Requires the department to report on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year by April 1.

Executive and Senate delete.

House and House Omnibus retain.

Sec. 221. Game and Fish Protection Fund Appropriations – REVISED

Lists appropriations to other state departments from Game and Fish Protection Fund.

Executive revises to provide for the appropriation of additional DNR restricted funds to other state agencies including DTMB, Attorney General, Auditor General, Treasury, and Civil Service Commission. Revision also included for FY 2020-21 in supplemental request 2021-5.

House retains.

Senate and House Omnibus concur with Executive.

Sec. 224. Severance Reporting – NEW

Requires the department to report details of severance pay for certain departmental employees.

House and House Omnibus add new section.

Senate does not add.

Sec. 225. COVID-19 Vaccine Disclosure – NEW

Prohibits state officials from requiring COVID-19 vaccine disclosure as a condition of receiving state services or developing a vaccine passport.

House and House Omnibus add new section.

Senate does not add.

Sec. 226. Line 5 Permit and Easement Legal Fees Provision – DELETED

Requires the department to use the unclassified salaries appropriation to reimburse legal fees related to the revocation and termination of the 1953 easement for the use of Mackinac Straits bottomlands if necessary.

Senate adds new section. House Omnibus does not add.

Sec. 408. Land Transactions – RETAINED

Requires detailed report to legislature on land purchases, sales, and exchanges.

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

Sec. 409. Report on Portage Restaurant – REVISED

Requires department to report on current and planned future use of Portage Restaurant at Presque Isle State Harbor in Presque Isle County.

Executive and Senate delete.

House and House Omnibus revise to add October 15, 2021 due date.

Sec. 410. Report on Use of Lands Acquired Since January 2019 – RETAINED

Requires department to report on lands acquired since January 2019 and their respective planned uses; report is due November 1, 2020.

Executive and Senate delete. House and House Omnibus retain.

Sec. 506. USDA Wildlife Services Deer Harvesting – RETAINED

Encourages United States Department of Agriculture Wildlife Services to harvest all deer during targeted removal required under Enhanced Wildlife Biosecurity Program.

Executive and House delete.

Senate and House Omnibus retain.

Sec. 507. Antlerless Deer License Discounts – RETAINED

Permits department to discount antlerless deer licenses in the northeast Lower Peninsula to achieve deer management objectives; earmarks up to \$505,000 of funding for wildlife management to supplant lost revenue that would otherwise be collected from full-price antlerless deer licenses sold in the northeast Lower Peninsula; permits department to terminate the license discount once lost revenue reaches \$505,000.

Executive and House revise to allow funding to be used for chronic wasting disease testing under certain conditions.

Senate and House Omnibus retain.

Sec. 601. Stream Habitat Improvement Grants – RETAINED

Appropriates \$758,000 to watershed councils, resource development councils, soil conservation districts, local governmental units, and other nonprofit organizations for stream habitat improvement projects.

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

Major Boilerplate Changes from FY 2020-21

Sec. 602. Water Control Structure Certification – RETAINED

Directs Fisheries Division to not interfere with certification process for dams and other water control structures.

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

Sec. 603. Fish Hatcheries Report – RETAINED

Requires annual report on fish hatcheries.

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

Sec. 604. Trotlines – NOT INCLUDED

Earmarks \$100,000 from Fisheries Management funding for a pilot program to allow trotlines or juglines for the taking of nongame fish and snapping turtles on inland lakes and rivers.

House adds new section.

Senate and House Omnibus do not add.

Sec. 701. Rogers City Snowmobile Trail Report – NOT INCLUDED

Requires bi-weekly report on the status of a snowmobile trail in Rogers City.

House adds new section.

Senate and House Omnibus do not add.

Sec. 802. Timber Marking – REVISED

Requires department to report quarterly on number of acres of state forest land marked or treated for timber harvest.

House revises to specify marking targets.

Senate and House Omnibus revise to expand quarterly reporting requirements.

Sec. 901. Snowmobile Law Enforcement Grants – RETAINED

Authorizes snowmobile law enforcement grant funds to county law enforcement agencies in counties with state snowmobile trails.

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

Sec. 902. Marine Safety Grants – RETAINED

Requires report on Marine Safety Grant Program; requires report to include watercraft registration revenues, revenues and expenditures of Marine Safety Fund, grant distribution methodology, and list of grant awards by county.

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

Sec. 1002. Deer Habitat Improvement Partnership Initiative Earmark – DELETED

Earmarks \$145,800 from the Deer Habitat Improvement Partnership Initiative to provide grants through the Northern Lower Peninsula Deer Private Land Assistance Network.

Executive deletes. House, Senate, and House Omnibus concur.

Sec. 1003. Local Marine Patrol Grants – DELETED

Directs expenditure of funding for Local Marine Patrol Grants for grants to local law enforcement to enforce no wake zones in an effort to mitigate high water impacts on infrastructure; limits individual grants to not more than \$100,000.

Executive deletes. House, Senate, and House Omnibus concur.

Sec. 1201. Chronic Wasting Disease Testing – NOT INCLUDED

Directs expenditure of \$1.0 million GF/GP in part 1 for the provision of CWD check stations or drop stations in core CWD areas, management zones, or surveillance areas.

House adds new section.

Senate and House Omnibus do not add.

Sec. 1202. Kalamazoo River Watershed Improvements – Capital Outlay – NEW

Directs expenditure of \$6.0 million in restricted funding in part 1 for Kalamazoo River watershed improvements in accordance with the Kalamazoo River Supplemental Restoration Plan.

House Omnibus adds news section.

DEPARTMENT OF STATE POLICE

Summary: House Floor Substitute

Article 12, House Bill 4410 (H-2)

Analyst: Marcus Coffin

	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Executive	FY 2021-22 House	FY 2021-22 Senate	FY 2021-22 House Omnibus	Difference: House Omnibus From FY 2020-21 YTD	
						Amount	%
IDG/IDT	\$24,649,600	\$24,816,300	\$24,816,300	\$24,816,300	\$24,816,300	\$166,700	0.7
Federal	147,037,800	80,953,100	262,953,200	80,953,100	125,953,100	(21,084,700)	(14.3)
Local	4,841,200	4,832,700	4,832,700	4,832,700	4,832,700	(8,500)	(0.2)
Private	1,735,000	35,000	35,000	35,000	35,000	(1,700,000)	(98.0)
Restricted	148,879,300	145,998,100	145,998,100	145,998,100	145,998,100	(2,881,200)	(1.9)
GF/GP	439,376,600	516,529,500	332,329,500	504,163,700	497,843,700	58,467,100	13.3
Gross	\$766,519,500	\$773,164,700	\$770,964,800	\$760,798,900	\$799,478,900	\$32,959,400	4.3
FTEs	3,599.0	3,654.0	3,654.0	3,651.0	3,604.0	5.0	0.1

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 4406 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 89 as passed by the Senate.

Overview

The Michigan Department of State Police (MSP) is the state's primary law enforcement and emergency response authority. The department is responsible for criminal law enforcement and investigation, traffic and motor carrier safety, and homeland security. The department is also responsible for the administration and implementation of various state programs, technologies, and specialized services intended to enhance the capabilities and coordination of federal, state, and local law enforcement agencies, the criminal justice system, and the entire public safety community.

Major Budget Changes from FY 2020-21 YTD Appropriations		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
1. Coronavirus State Fiscal Recovery Funds for Payroll		Gross	NA
<u>House</u> includes \$182.0 million of federal Coronavirus State Fiscal Recovery Funds and reduces the GF/GP appropriation by a like amount. Funding would be utilized to support departmental payroll costs. <u>Senate</u> and <u>House Omnibus</u> do not include.		Federal	NA
		GF/GP	NA
2. Public Safety Payroll – Fund Shift		Gross	\$45,500,000
<u>Executive</u> restores \$45.5 million GF/GP that was reduced from the FY 2020-21 budget and replaced with federal Coronavirus Relief Fund revenue. Federal funding was allocated to support payroll costs during the COVID-19 pandemic. Federal funding has been exhausted and GF/GP needs to be restored for ongoing departmental payroll costs. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur with <u>Executive</u> .		Federal	45,500,000
		GF/GP	\$0
3. Emergency and Disaster Response and Mitigation		Gross	NA
<u>House</u> includes a \$100 placeholder for federal funding that may be received for responding to disasters and emergencies. <u>Senate</u> does not include. <u>House Omnibus</u> includes \$45.0 million in federal funding authorization for this purpose.		Federal	NA
		GF/GP	NA

Major Budget Changes from FY 2020-21 YTD Appropriations

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
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4. Michigan Joint Task Force on Jail and Pretrial Incarceration (One-Time)

Gross	\$4,200,000	(\$4,200,000)
GF/GP	\$4,200,000	(\$4,200,000)

Executive includes an additional \$6.0 million GF/GP (one-time), bringing total funding for implementing the task force's recommendations regarding behavioral health crisis response training and services/support for crime victims (recommendations 7 and 17) to \$10.2 million GF/GP. Funding would be utilized to develop and deliver training to law enforcement officers, jail officers, and dispatch personnel. House concurs with Executive. Senate and House Omnibus do not include funding for this item.

5. FY 2020-21 Trooper Recruit School Annualization

Gross	NA	\$4,914,100
GF/GP	NA	\$4,914,100

Executive includes \$4.9 million GF/GP to support departmental expenses incurred for troopers that are graduating from trooper recruit school during FY 2020-21. Costs include fleet leasing, IT support, salaries, and benefits. House, Senate, and House Omnibus concur with Executive.

6. FY 2021-22 Trooper Recruit School One-Time Costs

Gross	NA	\$0
GF/GP	NA	\$0

Executive includes \$4.9 million GF/GP to support one-time costs associated with the FY 2021-22 trooper recruit school, which is projected to graduate 50 troopers. Costs that would be covered by this funding include training and trooper outfitting. House and Senate concur with Executive. House Omnibus does not include.

7. Post Operations Increase

Gross	NA	\$2,800,000
GF/GP	NA	\$2,800,000

Executive includes \$3.2 million GF/GP for increased levels of contractual services that the MSP provides for executive security. House and Senate do not include. House Omnibus includes \$2.8 million GF/GP.

8. FY 2021-22 Trooper Recruit School

FTE	NA	0.0
Gross	NA	\$0
GF/GP	NA	\$0

Executive includes \$2.8 million GF/GP and authorization for 50.0 FTE positions to support various costs associated with an FY 2021-22 trooper recruit school, which is projected to graduate 50 troopers. Costs would include salaries, training materials, patrol cars, and trooper outfitting. House and Senate concur with Executive. House Omnibus does not include.

9. Secondary Road Patrol Program

FTE	1.0	0.0
Gross	\$13,074,300	\$0
Restricted	11,074,300	0
GF/GP	\$2,000,000	\$0

Senate includes an additional \$2.0 million GF/GP for the program, which provides grants to county sheriff's departments. House Omnibus does not include.

10. Clean Slate for Michigan

FTE	NA	3.0
Gross	NA	\$1,050,000
GF/GP	NA	\$1,050,000

Executive includes \$1.1 million GF/GP and authorization for 3.0 FTE positions for maintenance and activities related to an automated system for the expungement of criminal records. The expungements are occurring due to legislation enacted in 2020 (2020 PAs 187-193). The funding would be used to support 3 positions within the Criminal Justice Information Center to process manual expungements and to cover maintenance costs associated with the systems. House concurs with Executive. Senate does not include. House Omnibus concurs with Executive.

11. State Capitol Security (One-Time)

Gross	NA	\$0
GF/GP	NA	\$0

House includes \$1.0 million GF/GP for costs associated with security services provided by the City of Lansing for the State Capitol and surrounding state properties. Senate and House Omnibus do not include.

STATE POLICE

Major Budget Changes from FY 2020-21 YTD Appropriations		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
12. De-escalation Training	Gross	NA	\$0
<u>Senate</u> includes \$500,000 GF/GP to provide de-escalation training to law enforcement officers. <u>House Omnibus</u> does not include.		GF/GP NA	\$0
13. State Emergency Operations Center Information Technology	Gross	NA	\$0
<u>Executive</u> includes \$407,000 GF/GP to offset increased costs related to IT for the State Emergency Operations Center. The costs are associated with all of the following: hosting, Geographic Information System maintenance and licensing, video displays and servers, and emergency notification systems. <u>House</u> concurs with Executive. <u>Senate</u> and <u>House Omnibus</u> do not include.		GF/GP NA	\$0
14. MCOLES Information and Tracking Network Contract Increase	Gross	NA	\$358,000
<u>Executive</u> includes a \$358,000 increase in state restricted authorization from the Marihuana Regulatory Fund (medical) to offset contractual cost increases for system maintenance and support for the MCOLES Information and Tracking Network (MITN). The MITN is a central system that allows law enforcement agencies, academies, and training providers to fulfill statutory reporting requirements. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur with Executive.		Restricted NA	358,000
	GF/GP	NA	\$0
15. MCOLES Staffing Enhancement	FTE	17.0	2.0
<u>Executive</u> includes \$306,500 in state restricted authorization from the Marihuana Regulatory Fund (medical) and authorization for 2.0 FTE positions to allow MCOLES to hire 2 additional employees to work on law enforcement training, licensure, and investigations. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur with Executive.		Gross \$8,536,900	\$306,500
	Federal	250,000	0
	Restricted	7,970,400	306,500
	GF/GP	\$316,500	\$0
16. Michigan Public Safety Communications System Leases	Gross	NA	(\$157,500)
<u>Executive</u> includes a \$157,500 GF/GP decrease to reflect the consolidation of funding for the Michigan Public Safety Communications System within the Department of Technology, Management and Budget. The funding reflects rent obligations on 5 radio facilities that were funded through the MSP budget that will now be within the DTMB budget. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur with Executive.		GF/GP NA	(\$157,500)
17. Facility Upgrades (One-Time)	Gross	NA	\$0
<u>House</u> includes a \$100 placeholder for upgrades at MSP facilities, specifically at Emergency Management and Homeland Security facilities. There is no net-change to the budget, as the Departmentwide line item was decreased by \$100 to offset the placeholder. <u>Senate</u> and <u>House Omnibus</u> do not include.		GF/GP NA	\$0
18. Michigan International Speedway Traffic Control Placeholder	Gross	NA	\$0
<u>Senate</u> includes a \$100 GF/GP placeholder for traffic control services that the MSP would provide to Michigan International Speedway. <u>House Omnibus</u> does not include.		GF/GP NA	\$0
19. Public Safety Officers Benefit Program Restructure	FTE	1.0	0.0
<u>Executive</u> includes a net-zero restructure of the Public Safety Officers Benefit Program by appropriating funds to a Public Safety Officers Benefit Fund line item instead of to the program line item. Boilerplate would be included directing the GF/GP appropriation to be deposited to the restricted fund. This would allow for a fund balance to accrue and would provide flexibility for the payment of future program benefits. Authorization for 1.0 FTE position would be transferred to the Standards and Training line item. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur with Executive.		Gross \$302,800	\$0
	GF/GP	\$302,800	\$0

Major Budget Changes from FY 2020-21 YTD Appropriations

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
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20. Removal of FY 2020-21 One-Time Appropriation

Executive removes \$3.5 million GF/GP in one-time funding that was included in the FY 2020-21 budget to support two 60-person attrition schools, for a projected total of 120 graduates. House, Senate, and House Omnibus concur with Executive.

Gross	\$3,509,100	(\$3,509,100)
GF/GP	\$3,509,100	(\$3,509,100)

21. Removal of FY 2020-21 Boilerplate Appropriations

Executive removes FY 2020-21 federal, private, and state restricted appropriations authorized in boilerplate. Federal funding that was received included disaster assistance funds from the Department of Homeland Security and National Telecommunications and Information Administration grants from the Department of Transportation. The state restricted appropriation was for funding from the Disaster and Emergency Contingency Fund used to cover costs associated with flooding in the Upper Peninsula in 2018. The private appropriation was for donations the state received to support COVID-19 response efforts. House, Senate, and House Omnibus concur with Executive.

Gross	\$28,434,000	(\$28,434,000)
Federal	22,934,000	(22,934,000)
Private	1,700,000	(1,700,000)
Restricted	3,800,000	(3,800,000)
GF/GP	\$0	\$0

22. Technical Adjustments

Executive includes numerous adjustments to various fund sources (federal, IDG/IDT, and state restricted) to align expenditures and revenues and includes numerous internal transfers to align funding and FTE authorization with department activity. Changes include, but are not limited to, the following (transfers are all internal and net-zero, unless otherwise noted):

- Transfers \$1 million Gross and 3.0 FTE positions from the Grants and Community Services line item to the Office of School Safety line item.
- Transfers \$1 million in federal authorization for Special Traffic Enforcement Program Grants from the Grants and Community Services line item to the Post Operations line item.
- Transfers \$780,300 Gross and 6.0 FTE positions from the Post Operations line item to the Intelligence Operations line item for narcotics investigations.
- Transfers \$458,200 Gross and 3.0 FTE positions from the Investigative Services line item to the Intelligence Operations line item to coordinate the Missing Persons Unit.
- Transfers a total of \$423,300 Gross and 1.0 FTE position from the Department Services, Criminal Justice Information Center, and Intelligence Operations line items to the Mobile Office and System Support line.

House, Senate, and House Omnibus concur with Executive.

23. Economic Adjustments

Executive reflects increased costs of \$12.7 million Gross (\$12.1 million GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2021 and 1.0% on April 1, 2022), overtime increases, increased longevity, higher actuarially required retirement contributions, increases in other employee retirement costs, increased fuel and utility costs, decreases in worker's compensation, and decreases in building occupancy charges, and other economic adjustments. House concurs with Executive. Senate concurs but does not include \$8,900 GF/GP adjustment for the Unclassified Salaries line item. House Omnibus concurs with Executive.

Gross	NA	\$12,729,200
IDG/IDT	NA	102,100
Federal	NA	15,400
Local	NA	(8,500)
Restricted	NA	550,600
GF/GP	NA	\$12,069,600

STATE POLICE

Major Boilerplate Changes from FY 2020-21

Sec. 206. Communication with the Legislature – RETAINED

Prohibits MSP from taking disciplinary action against employees for communicating with legislators or their staff, unless the communication is prohibited by law. Executive deletes. House retains. Senate retains. House Omnibus retains.

Sec. 210. Contingency Funding – REVISED

Appropriates up to \$1.0 million in federal, \$1.5 million in state restricted, \$200,000 in local, and \$100,000 in private contingency funds; authorizes expenditure of funds after legislative transfer to specific line items. Executive revises to adjust appropriation amounts to \$10.0 million in federal, \$25.0 million in state restricted, \$1.0 million in local, and \$500,000 in private contingency funds. House revises to incorporate grammatical revisions. Senate deletes. House Omnibus revises to incorporate grammatical revisions.

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

Requires MSP to submit a quarterly report on FTE staffing and a semiannual report on remote work and associated metrics. Executive deletes. House retains. Senate retains. House Omnibus revises reporting frequency to be semiannually for the FTE report and annually by March 1 for the remote work report.

Sec. 217. Work Project Usage – RETAINED

Stipulates that appropriations are not to be expended, if possible, until all existing work project authorization for the same purpose is exhausted. Executive deletes. House retains. Senate retains. House Omnibus retains.

Sec. 218. State Administrative Board Transfers – RETAINED

Stipulates that the legislature may intertransfer funds via concurrent resolution if the State Administrative Board transfers funds. Executive deletes. House retains. Senate retains. House Omnibus retains.

Sec. 219. Retention of Reports – RETAINED

Requires MSP to receive and retain copies of all reports funded by the department's budget, while complying with federal and state guidelines for records retention. Executive deletes. House retains. Senate retains. House Omnibus retains.

Sec. 220. Report on Policy Changes for Public Act Implementation – RETAINED

Requires MSP to report on policy changes made to implement public acts that took effect during the prior calendar year. Executive deletes. House retains. Senate retains. House Omnibus retains.

Sec. 221. Severance Pay Report – NEW

Requires MSP to report the name and any amount of severance pay given to any high-ranking department official; requires MSP to maintain an internet site that posts any severance pay in excess of 6 weeks of wages for a former employee of any rank; requires MSP to report on the total amount of severance pay remitted to former employees during the prior fiscal year and the total number of those employees; defines "severance pay". Executive does not include. House includes new language. Senate does not include. House Omnibus includes new language.

Sec. 222. Prohibition on COVID-19 Vaccine Status Verifications - NEW

Prohibits state entities receiving funding from part 1 from requiring proof of COVID-19 vaccination as a condition of accessing any state services or facilities, producing COVID-19 vaccine passports, and providing information to other parties for inclusion in a COVID-19 vaccine passport. Executive does not include. House includes new language. Senate does not include. House Omnibus includes new language.

Sec. 223. Department Core Services – DELETED

Lists MSP's core services and requires appropriations be expended for core services. Executive deletes. House deletes. Senate retains. House Omnibus deletes.

Sec. 225. Post Closure or Consolidation – RETAINED

Requires MSP to notify listed recipients not less than 90 days before recommending closure or consolidation of any MSP post and to include a state impact study. Executive deletes. House retains. Senate retains. House Omnibus retains.

Sec. 226. Privatization Project Plans – RETAINED

Requires submission of a project plan 90 days before beginning any effort to privatize and requires evaluation of the plan within 30 months. Executive deletes. House retains. Senate retains. House Omnibus retains.

Sec. 231. Receive and Expend Authorization for Federal Revenues – RETAINED

Authorizes MSP to expend federal revenues received in excess of appropriations; requires MSP to report prior to expending excess federal revenues; limits receive and expend authorization under this section and Sec. 704(3) to \$45.0 million. Executive revises to delete receive and expend cap and to delete requirement for notification prior to expenditure. House retains. Senate deletes. House Omnibus retains.

Major Boilerplate Changes from FY 2020-21**Sec. 232. Data Privacy – RETAINED**

Expresses legislative intent that MSP protect data from unauthorized access or use and lists measures; requires MSP to notify data subjects if an unauthorized person accesses their information. Executive deletes. House retains. Senate retains. House Omnibus retains.

Sec. 233. Officer Evaluation Criteria – RETAINED

Prohibits use of citation volumes as a metric for performance evaluation and prohibits setting of a specified number of citations for an officer. Executive deletes. House retains. Senate retains. House Omnibus retains.

Sec. 234. Payment of Court Judgements – RETAINED

Requires MSP to report tentative plans for required payment of court judgements against the department and stipulates required information. Executive deletes. House retains. Senate retains. House Omnibus retains.

Sec. 234. Coronavirus Relief Funds Reappropriation – DELETED

Reappropriates CRF funds that are unexpended on December 30 for deposit into the Unemployment Compensation Fund to support COVID-19 emergency costs. Executive deletes. House deletes. Senate deletes. House Omnibus deletes.

Sec. 235. Age-Appropriate Education Advisory Coordination – NEW

Requires MSP to collaborate with MDHHS and MDE to advise on initiatives for educator training for the utilization of trauma-informed practices, education on human trafficking, and education on sexual abuse prevention. Executive does not include. House includes new language. Senate does not include. House Omnibus includes new language.

Sec. 236. Prohibition on Identifying Employers in Press Communications – NOT INCLUDED

Prohibits MSP from identifying specific employers by name in press communications for citations issued and enforcement actions taken by state entities for emergency rules and orders violations. Executive does not include. House includes new language. Senate does not include. House Omnibus does not include.

Sec. 402. Criminal Justice Information Center – REVISED

Requires MSP to: (1) maintain criminal justice information systems in support of public safety and law enforcement communities; (2) conduct at least 30 outreach activities targeted to criminal justice agencies and to report on these activities; (3) compile crime statistics; (4) compile and evaluate traffic crash reports; (5) provide traffic crash reports for \$10 per incident or an extract of electronic traffic crash data for \$0.25 per incident; (6) maintain, disseminate, and exchange criminal history and juvenile records; (7) maintain firearms licensure records; (8) report revenues from and expenditures for concealed pistol licensure; (9) provide volumes processed by the Internet Criminal History Access Tool. (10) Requires that revenues to the Criminal Justice Information Center Service Fees carry forward and not lapse to the general fund. (11) Requires unexpended revenue generated by local State Records Management System Fees carry forward and not lapse to the general fund. Executive revises to delete the requirement for 30 outreach activities in item (2), to increase the fee for traffic crash reports in item (5) from \$10 to \$15 per incident, and to adjust the due date for the report in item (8). House revises to include a report on revenues, expenditures, and volumes related to traffic crash reports. Senate retains. House Omnibus revises to include a report on revenues, expenditures, and volumes related to traffic crash reports.

Sec. 403. Forensic Science – REVISED

Requires MSP to provide forensic testing and DNA analysis services to aid in criminal investigations and to maintain accreditation of laboratories; stipulates turnaround times for forensic science services; requires MSP to provide data on turnaround times, staffing levels, and backlogged cases. Executive revises to delete the turnaround time requirement for forensic science services. House revises to replace a benchmark year with a 5-year average. Senate retains. House Omnibus revises to replace a benchmark year with a 5-year average.

Sec. 404. Biometrics and Identification – REVISED

Requires MSP to manage specified identification databases and provide data on submissions to the Automated Fingerprint Identification System database; requires MSP to maintain staffing and resources to achieve an average 28-day wait time for polygraph examinations, with a goal of an average 15-day wait time; requires MSP to post changes to protocols for retention and purging of DNA records. Executive revises to make a technical correction, remove a goal for electronic submissions of prints, and to delete the requirement regarding staffing and wait times for polygraph examinations. House revises to make a technical correction, remove a goal for electronic submissions of prints, and replace a benchmark year with a 5-year average. Senate retains. House Omnibus revises to make a technical correction, remove a goal for electronic submissions of prints, and replace a benchmark year with a 5-year average.

STATE POLICE

Major Boilerplate Changes from FY 2020-21

Sec. 501. Commission on Law Enforcement Standards – RETAINED

Stipulates MCOLES' responsibilities and requires maintenance of proper staffing and resources to update standards within 120 days of the enactment date of new legislation. Executive revises to delete requirement to maintain staffing and resources to update standards within 120 days of new legislation. House retains. Senate retains. House Omnibus retains.

Sec. 502. Public Safety Officers Benefit Fund – NEW

Requires that GF/GP appropriated for the Public Safety Officers Benefit Fund be deposited to the Public Safety Officers Benefit Fund and appropriates all funds within the Public Safety Officers Benefit Fund. Executive includes new language. House includes new language. Senate includes new language. House Omnibus includes new language.

Sec. 601. General Law Enforcement and Traffic Safety – RETAINED

(1) Stipulates MSP troopers shall not be prohibited from responding to criminal or emergency situations and shall make every effort to protect residents; (2) requires MSP to maintain staff and resources to enhance traffic safety and dedicate a minimum of 455,200 hours to statewide patrol, with a minimum of 40,000 in distressed cities; (3) requires MSP to report the number of residence checks of registered sex offenders; (4) requires report on Secure Cities Partnership. Executive revises to delete items (2) and (3). House retains. Senate retains. House Omnibus retains.

Sec. 602. Criminal Investigations – REVISED

(1) Requires MSP to identify and apprehend criminals through investigations; (2) requires maintenance of a specified number of investigation hours; (3) requires MSP to meet or exceed a case clearance rate of 62%; (4) requires MSP to provide four training opportunities to local law enforcement partners related to gambling or opioid investigations; (5) requires MSP to increase opioid-related investigations by 20% and work toward enhancing drug-interdiction efforts. Executive revises to delete items (2) through (5). House revises to delete items (2) and (4) and to replace the benchmark year in item (5) with a 5-year average. Senate retains. House Omnibus revises to delete items (2) and (4) and to replace the benchmark year in item (5) with a 5-year average.

Sec. 603. Tobacco Tax Fraud Investigations – RETAINED

(1) Requires MSP to provide prevention and suppression of organized untaxed tobacco smuggling; (2) requires submission of report pertaining to tobacco tax enforcement activities and expenditures; (3) requires MSP to dedicate a minimum of 16,600 hours to tobacco tax enforcement. Executive revises to delete item (3). House retains. Senate retains. House Omnibus retains.

Sec. 604. Fire Investigations – REVISED

(1) Requires MSP to provide fire investigation training and assistance; (2) requires MSP to maintain readiness for a specified number of requests for fire investigation services. Executive revises to delete item (2). House revises item (2) to replace the benchmark year with a 5-year average. Senate retains. House Omnibus revises item (2) to replace the benchmark year with a 5-year average.

Sec. 701. Intelligence and Special Operations – REVISED

(1) Requires MSP to operate Michigan Intelligence Operations Center for Homeland Security (MIOC); (2) requires MSP to provide timely and accurate information to partners and to increase public awareness on how to report suspicious activity; (3) requires MSP to operate Cyber Section and to increase completion of computer crimes cases; (4) requires MSP to provide digital forensic analysis and states case turnaround goal. Executive revises to delete items (3) and (4). House revises item (3) to replace the benchmark years with a 5-year average. Senate retains. House Omnibus revises item (3) to replace the benchmark years with a 5-year average.

Sec. 702. Specialized Support Teams – REVISED

(1) Requires MSP to provide for specialized support services; (2) requires MSP to maintain staffing and resources to provide training and maintain readiness to respond to at least the number of specialty service requests received in FY 2010-11; (3) requires canine unit to be available for call out 100% of the time; (4) requires bomb squad unit to be available for call out 100% of the time; (5) requires emergency support teams to be available for call out 100% of the time; (6) requires marine services team to be available for call out 100% of the time; (7) requires aviation services to be available for call out 100% of the time, unless prohibited by weather or mechanical breakdown; (8) requires maintenance of adequate levels of staffing and resources to provide security services at state Capitol Building and surrounding buildings, and requires a minimum of 35,000 patrols at state-owned and leased facilities. Executive revises to delete items (2) through (7) and make a technical change. House revises item (2) to replace the benchmark year with a 5-year average. Senate retains. House Omnibus revises item (2) to replace the benchmark year with a 5-year average.

Major Boilerplate Changes from FY 2020-21**Sec. 703. Commercial Vehicle Regulation and Enforcement – RETAINED**

(1) Requires MSP to maintain commercial vehicle and enforcement activities; (2) requires MSP to meet inspection goals consistent with the federal motor carrier assistance program; (3) authorizes revenues collected under the Motor Carrier Act of 1933 to be expended and to be carried forward. Executive revises to delete item (2). House retains. Senate retains. House Omnibus retains.

Sec. 704. Emergency Management and Homeland Security – RETAINED

(1) Requires MSP to coordinate emergency and disaster response activities of governmental units. (2) Authorizes expenditure of appropriated funds to call upon state agencies or departments to protect life or property or to protect health or safety of any area under a state of emergency or disaster, requires report to state budget director and submission of recommendations to the legislature for supplemental appropriations. (3) Authorizes MSP to expend additional funds from various sources to provide emergency management training or emergency response activities and requires notification of the legislature; limits federal receive and expend authorization under Sec. 704(3) and Sec. 230 to \$45.0 million and state restricted receive and expend authorization under Sec. 704(3) and Sec. 704(7) to \$15.0 million. (4) Requires MSP to maintain partnerships to protect the state from all hazards. (5) Requires MSP to maintain staffing and resources to serve local emergency management preparedness programs and local emergency planning committees, operate and maintain the State Emergency Operations Center, respond to civil disorders and natural disasters at a specified level, and perform hazardous materials response training. (6) Requires MSP to conduct a minimum of three training sessions to enhance emergency response. (7) Appropriates amounts necessary from Disaster and Emergency Contingency Fund (DECF) to cover costs related to disasters and emergencies; limits appropriations under Sec. 704(7) and receive and expend authorization under Sec. 704(3) to \$15.0 million. (8) Requires state budget director approval and legislative notification for expenditures from the DECF and requires reports on expenditures. (9) Authorizes MSP to expend funds from any line item in order to respond to an emergency or disaster, with the approval of the state budget director and legislative notification. (10) Requires MSP to report biannually on assessment of critical infrastructure vulnerabilities. Executive revises to remove caps on federal and state restricted receive and expend authorization in items (3) and (7) and deletes items (5), (8), (9) and (10). House retains. Senate revises to delete items (2), (3), (7), (8), and (9). House Omnibus retains.

Sec. 801. Federal Emergency and Disaster Response and Mitigation Authorization – NEW

Appropriates up to \$300,000,000 of federal authorization for emergency and disaster response and mitigation; authorizes expenditure of funds after legislative transfer to specific line items. Executive does not include. House includes new language. Senate does not include. House Omnibus includes new language.

Sec. 801. Michigan Joint Task Force on Jail and Pretrial Incarceration – DELETED

Requires appropriated funds be used only for development and delivery of training on behavioral health and victim services, in accordance with task force recommendations; provides unexpended funds with work project status and provides necessary information. Executive retains. House retains. Senate deletes. House Omnibus deletes.

Sec. 802. State Capitol Security Funding – NOT INCLUDED

Requires funds for State Capitol Security funding be distributed by MSP to the city where the state capitol is located, to defray costs for security services provided to the State Capitol Complex and surrounding state properties. Executive does not include. House includes new language. Senate does not include. House Omnibus does not include.

Sec. 1001. FY 2021-22 Appropriation – DELETED

Expresses legislative intent that FY 2021-22 appropriations are anticipated to be the same as FY 2020-21 appropriations, except adjustments for changes in caseloads, federal fund match rates, economic factors, and available revenue. Executive deletes. House deletes. Senate deletes. House Omnibus deletes.

TRANSPORTATION

DEPARTMENT OF TRANSPORTATION

Summary: House Floor Substitute

Article 13, House Bill 4410 (H-2)

Analyst: William E. Hamilton

	FY 2020-21 YTD as of 2/11/21	FY 2021-22 Executive	FY 2021-22 House	FY 2021-22 Senate	FY 2021-22 House Omnibus	Difference: House Omnibus From FY 2020-21 YTD	
						Amount	%
IDG/IDT	\$4,063,100	\$4,044,800	\$4,044,800	\$4,044,800	\$4,044,800	(\$18,300)	(0.5)
Federal	1,424,196,100	1,448,519,000	1,448,519,000	1,448,519,000	1,448,519,000	24,322,900	1.7
Local	80,782,000	80,782,000	80,782,000	80,782,000	80,782,000	0	0.0
Private	900,000	900,000	900,000	900,000	900,000	0	0.0
Restricted	3,597,529,400	3,702,273,400	3,701,593,400	3,696,755,200	3,702,273,400	104,744,000	2.9
GF/GP	0	0	600,000,000	0	0	0	--
Gross	\$5,107,470,600	\$5,236,519,200	\$5,835,839,200	\$5,231,001,000	\$5,236,519,200	\$129,048,600	2.5
FTEs	2,824.3	2,942.3	2,818.6	2,699.7	2,938.3	114.0	4.2

Notes: (1) FY 2020-21 year-to-date figures include mid-year budget adjustments through February 11, 2021. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) Information on House budget action in this document is based on House Bill 4409 as passed by the House. Information on Senate budget action in this document is based on Senate Bill 92 as passed by the Senate.

Overview

The state transportation budget supports state and local highway programs, public transportation programs, aeronautics programs, and administration of the Michigan Department of Transportation (MDOT). Historically, two-thirds of the revenue in this budget has come from state restricted revenue, with approximately one-third from federal sources. Most of the state-restricted revenue in this budget is constitutionally restricted – from motor fuel taxes and vehicle registration taxes – and is first credited to the Michigan Transportation Fund (MTF) and then distributed in accordance with 1951 PA 51 (Act 51) to other state transportation funds and programs, including the State Trunkline Fund (STF), the Comprehensive Transportation Fund (CTF), and local road agencies (county road commissions and cities/villages). Revenue from aviation fuel and registration taxes, as well as a portion of Airport Parking Tax revenue, is credited to the State Aeronautics Fund for aeronautics programs.

Major Budget Changes from FY 2020-21 YTD Appropriations**1. State Trunkline Road and Bridge Construction**

Executive recommendation for the state trunkline capital construction program totals \$1.3 billion, a net increase of \$1.5 million. An anticipated increase in available federal aid is partially offset by a decrease of \$24.3 million in available state restricted STF revenue: Available STF revenue reflects the STF share of estimated MTF revenue from motor fuel and vehicle registration taxes, as well as the STF share of \$600.0 million earmarked for road and bridge programs in the Income Tax Act. Available STF revenue also reflects uses of STF revenue, including debt service and increased state trunkline maintenance costs. The reduction in restricted revenue also reflects a \$3.0 million reduction in the appropriation of Blue Water Bridge Fund revenue, from \$7.1 million to \$4.1 million for Blue Water Bridge capital projects.

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
Gross	\$1,327,133,800	\$1,511,200
Federal	822,327,100	28,921,700
Local	30,003,500	0
Restricted	474,803,200	(27,410,500)
GF/GP	\$0	\$0

Senate shifts \$6.4 million STF from Maintenance into this line and is thus \$6.4 million higher than the Executive.

House and House Omnibus concur with Executive.

TRANSPORTATION**Major Budget Changes from FY 2020-21 YTD Appropriations****2. State Trunkline Maintenance**

Executive includes \$425.9 million STF for state trunkline routine maintenance, a baseline increase of \$10.5 million, exclusive of position transfers and economics. Specific increases include: \$3.5 million for an additional 76.0 FTE positions in permanent direct state maintenance forces and reducing use of temporary winter maintenance employees accordingly; \$2.9 million and 42.0 FTE positions to reestablish direct maintenance forces in Monroe County; and \$4.1 million to reflect increased costs of maintenance materials. Senate does not recognize or fund increases associated with added FTE positions and is thus \$6.4 million STF less than Executive; shifts \$6.4 million to State trunkline road and bridge construction. House concurs with Executive with respect to funding but does not authorize the additional FTE positions.

	FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
FTE	760.7	114.0
Gross	\$405,641,800	\$10,508,800
Restricted	405,641,800	10,508,800
GF/GP	\$0	\$0

House Omnibus concurs with Executive with respect to funding, and authorizes an additional 114.0 FTEs.

3. MTF to Local Road Agencies

Executive budget reflects the estimated MTF distribution to local road agencies (county road commissions, and cities and villages) would total \$1.8 billion, \$52.8 million more than the current year. This reflects the Act 51 distribution of estimated MTF revenue from motor fuel and vehicle registration taxes as well as local road agency share of \$600.0 million earmarked for road and bridge programs in the Income Tax Act. House, Senate, and House Omnibus concur with Executive.

Gross	\$1,770,488,600	\$52,841,100
Restricted	1,770,488,600	52,841,100
GF/GP	\$0	\$0

4. Local Bridge Program

Executive includes \$27.8 million for the local bridge program, a program that receives funding from an Act 51 earmark of MTF revenue equal to one-half cent of the motor fuel tax on gasoline. The increase reflects an increase in estimated gasoline tax revenue as compared to the current-year estimate. Although not specifically recognized in the budget, the program is also allocated a share of local federal aid. House, Senate, and House Omnibus concur with Executive.

Gross	\$27,000,100	\$812,500
Restricted	27,000,100	812,500
GF/GP	\$0	\$0

Executive also proposes a one-time current-year supplemental appropriation of \$300.0 million GF/GP for the repair or replacement of approximately 120 critical bridges owned by local road agencies.

5. Debt Service

Executive includes \$253.6 million for debt service on previously issued bonds – bonds issued under a pledge of state restricted revenue or in anticipation of federal grants. The appropriation reflects anticipated debt service schedules. Increased STF debt service is offset, in part, by a reduction in debt service on bonds issued using a pledge of federal revenue. House, Senate, and House Omnibus concur with Executive.

Gross	\$215,096,300	\$38,547,300
Federal	55,180,900	(4,598,800)
Restricted	159,915,400	43,146,100
GF/GP	\$0	\$0

6. Transportation Economic Development Fund (TEDF)

Executive includes \$41.6 million for the TEDF program, an increase of \$12.8 million. The increase primarily reflects the restoration of \$13.0 million to the TEDF/Target Industries categorical program; the current-year budget had redirected \$13.0 million in driver's license fee revenue from the TEDF to the state General Fund. The TEDF program is a targeted program established and governed by statute, 1987 PA 231. House, Senate, and House Omnibus concur with Executive.

Gross	\$28,794,500	\$12,807,400
Restricted	28,794,500	12,807,400
GF/GP	\$0	\$0

TRANSPORTATION

Major Budget Changes from FY 2020-21 YTD Appropriations		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
7. Local Bus Transit		Gross \$193,750,000	\$3,000,000
<u>Executive</u> includes \$196.7 million CTF for state operating assistance to local transit systems, an increase of \$3.0 million. [The current-year budget had included a \$3.0 million CTF reduction in this line as part of an agreement to shift \$18.0 million in auto-related sales tax from the CTF to cover a deficit in the Transportation Administration Collection Fund in the Department of State budget. See Senate Bill 256.] <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur with <u>Executive</u> .	Restricted	193,750,000	3,000,000
	GF/GP	\$0	\$0
8. Service Initiatives		Gross \$8,475,100	\$2,829,300
<u>Executive</u> includes a baseline increase of \$2.8 million CTF for this targeted transit line item. <u>Senate</u> concurs with <u>Executive</u> . <u>House</u> shifts proposed CTF increase to a new one-time Rail freight/Rail economic development line item, (see below). <u>House Omnibus</u> concurs with <u>Senate/Executive</u> .	Federal	1,650,000	0
	Local	325,000	0
	Restricted	6,500,100	2,829,300
	GF/GP	\$0	\$0
9. Van Pooling		Gross \$150,000	\$45,000
<u>Executive</u> includes a baseline increase of \$45,000 CTF for this targeted transit line item. <u>Senate</u> concurs with <u>Executive</u> . <u>House</u> shifts proposed CTF increase to a new one-time Rail freight/Rail economic development line item, (see below). <u>House Omnibus</u> concurs with <u>Senate/Executive</u> .	Restricted	150,000	45,000
	GF/GP	\$0	\$0
10. Detroit/Wayne County Port Authority		Gross \$400,000	\$0
<u>Executive</u> retains current year funding for DWCPA operating support. <u>House</u> concurs with <u>Executive</u> and retains current year funding level. <u>Senate</u> includes \$500,000 CTF, \$100,000 more than <u>Executive</u> . <u>House Omnibus</u> concurs with <u>House</u> .	Restricted	400,000	0
	GF/GP	\$0	\$0
11. Rail Operations and Infrastructure		Gross \$98,738,000	\$5,618,200
<u>Executive</u> includes \$104.4 million for state rail programs including capital and operating support for rail passenger service in Michigan as well as rail freight and rail economic development programs, a \$5.6 million increase in CTF support. <u>Senate</u> retains current year funding level. <u>House</u> shifts proposed CTF increase to a new one-time Rail freight/Rail economic development line item, (see below). <u>House Omnibus</u> concurs with <u>Executive</u> .	Federal	20,000,000	0
	Local	100,000	0
	Private	100,000	0
	Restricted	78,538,000	5,618,200
	GF/GP	\$0	\$0
12. Intercity Services		Gross \$7,260,000	\$800,000
<u>Executive</u> increases CTF support by \$800,000 for program that supports intercity bus service in Michigan. Increased CTF support reflects estimated increase in available CTF revenue. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur with <u>Executive</u> .	Federal	4,500,000	0
	Local	160,000	0
	Private	800,000	0
	Restricted	1,800,000	800,000
	GF/GP	\$0	\$0
13. Marine Passenger		Gross \$928,000	\$84,000
<u>Executive</u> increases state restricted CTF support by \$84,000 reflecting increase in available CTF revenue. This program provides capital grants for marine passenger (ferry) service in Michigan, specifically for ferries that provide service to Beaver Island and to islands on the St. Mary's River in the eastern Upper Peninsula. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur with <u>Executive</u> .	Local	500,000	0
	Restricted	428,000	84,000
	GF/GP	\$0	\$0
14. Airport Improvement Program (AIP)		Gross \$121,076,500	\$500,000
<u>Executive</u> includes \$121.6 million for program of federal aid for capital improvements to eligible local public airports in the state, an increase of \$500,000 in restricted support based on an increase in estimated available State Aeronautics Fund revenue. In this line item, State Aeronautics Fund is used to provide matching funds for federal AIP grants. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur with <u>Executive</u> .	Federal	106,000,000	0
	Local	12,508,500	0
	Restricted	2,568,000	500,000
	GF/GP	\$0	\$0

TRANSPORTATION

Major Budget Changes from FY 2020-21 YTD Appropriations		FY 2020-21 Year-to-Date (as of 2/11/21)	FY 2021-22 House Omnibus Change
15. Detroit Metropolitan Wayne County Airport			
<u>Executive</u> increases Qualified Airport Fund support by \$897,000 reflecting revenue estimates. As provided through 2015 amendments to the State Aeronautics Code, Qualified Airport Fund revenue is appropriated to the Detroit Metropolitan Wayne County Airport. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur with <u>Executive</u> .	Gross	\$4,303,000	\$897,000
	Restricted	4,303,000	897,000
	GF/GP	\$0	\$0
16. One-Time: Local Road and Bridge Bundling Initiative			
<u>House</u> includes \$226.0 million GF/GP for new one-time item, defined in boilerplate Section 1001. Not included in <u>House Omnibus</u> .	Gross	\$0	\$0
	Restricted	0	0
	GF/GP	\$0	\$0
17. One-Time: Transportation Bond Repayment Sinking Trust Fund			
<u>House</u> includes \$374.0 million GF/GP for new one-time item. Boilerplate Section 1002 tie-bars the appropriation to passage of two other bills. Not included in <u>House Omnibus</u> .	Gross	\$0	\$0
	Restricted	0	0
	GF/GP	\$0	\$0
18. One-Time: Rail Freight/Rail Economic Development			
<u>House</u> includes \$8.5 million CTF for new one-time item. Not included in <u>House Omnibus</u> .	Gross	\$0	\$0
	Restricted	0	0
	GF/GP	\$0	\$0
17. Unclassified Salaries			
<u>Executive</u> includes \$24,800 funding increase. <u>House</u> eliminates funding for five of the six unclassified positions. <u>Senate</u> includes at current year funding level. <u>House Omnibus</u> concurs with <u>Executive</u> .	FTE	6.0	0.0
	Gross	\$828,600	\$24,800
	Restricted	828,600	24,800
	GF/GP	\$0	\$0
18. Economic Adjustments			
Reflects net decrease of \$2.3 million Gross (\$0 GF/GP). Budgeted increases for salaries and wages (negotiated 2.0% increase on October 1, 2021 and 1.0% on April 1, 2022), and increases related to actuarially required retirement contributions, worker's compensation, and building occupancy charges, are offset by a reduction in calculated contributions for retiree medical benefits. <u>House</u> , <u>Senate</u> , and <u>House Omnibus</u> concur with <u>Executive</u> .	Gross	NA	(\$2,254,600)
	IDG	NA	(18,300)
	Federal	NA	(315,500)
	Restricted	NA	(1,920,800)
	GF/GP	NA	\$0

Major Boilerplate Changes from FY 2020-21

Sec. 210. Use of Contingency Fund Transfers – REVISED

Executive increases maximums for contingency fund transfers in accordance with the Management and Budget Act. Senate deletes section. House and House Omnibus retain current year maximums but change reference to "contingency authorization."

Sec. 215. Communication with the Legislature – RETAINED

Executive deletes section that prohibits department from taking disciplinary action against an employee for communicating with the Legislature. House, Senate, and House Omnibus retain.

Sec. 216. Report on FTE Positions and Remote Work – RETAINED

Executive deletes reporting requirement on staffing levels in relation to FTE authorization, employees authorized to work remotely, and related cost savings. House, Senate, and House Omnibus retain.

Sec. 217. Work Project Limits – RETAINED

Executive deletes section that requires that work project balances be exhausted before expenditure from part 1 appropriations. House, Senate, and House Omnibus retain.

Sec. 218. State Administrative Board Transfers – RETAINED

Executive deletes section that provides for the legislature to intertransfer funds within departmental budget if the State Administrative Board transfers funds from an appropriation within this departmental budget. House, Senate, and House Omnibus retain.

TRANSPORTATION

Major Boilerplate Changes from FY 2020-21

Sec. 219. Report Retention Requirements – RETAINED

Executive deletes section that provides for retention of certain records. House, Senate, and House Omnibus retain.

Sec. 220. Impact of New Legislation – RETAINED

Executive deletes section that requires a report on specific policy changes made to implement new public acts enacted in prior calendar year. House, Senate, and House Omnibus retain.

Sec. 222. (House Bill 4409) Severance Pay Report – NEW

House includes new reporting requirements related to severance pay paid to department personnel upon the termination of employment. House Omnibus concurs with House.

Sec. 223. (House Bill 4409) Prohibition on Covid-19 Passport – NEW

House includes restrictions on the use of Covid-19 “passports” to document vaccination status. House Omnibus concurs with House.

Sec. 301. Permit Fees/Bridge Tolls – REVISED

Executive retains current subsection that provides for permit and FOIA processing fees but deletes subsection that directs a bridge authority to hold 3 public hearings on any toll increase as unenforceable. [The bill does not make appropriations for a bridge authority.] Senate retains current year language. House and House Omnibus concur with Executive and do not include subsection 2.

Sec. 302. (House Bill 4409) Prohibition on Establishment of Non-Directional Markings – NOT INCLUDED

House includes new prohibition on use of appropriated funds to establish non-directional markings on public roads or streets. House Omnibus does not include.

Sec. 302. (Senate Bill 92) Report on Debt Service Coverage – NEW

Senate includes new reporting requirement on debt service coverage. House Omnibus concurs with Senate and includes.

Sec. 303. (Senate Bill 92) Winter Maintenance Materials – NEW

Senate includes new language requiring use of agricultural additives in accordance with Section 11a of 1951 PA 51 (added by 2020 PA 310), House Omnibus concurs with Senate and includes.

Sec. 303. (House Bill 4409) Signage Related to Bond-Financed Projects – NOT INCLUDED

House includes new language requiring that when the department places signs identifying trunkline construction projects as bond-financed, the signs also identify the total cost of the project and the estimated borrowing costs associated with the bonds used to finance the project. House Omnibus does not include.

Sec. 305. Lease of Space in Public Transportation Property – REVISED

Executive deletes section that authorizes rental of department-owned public transportation properties at competitive market rates. Senate retains current year language. House revises to strike language prescribing rental rates. House Omnibus concurs with House.

Sec. 308. Real Estate Property Report – NOT INCLUDED

Executive deletes reporting requirement on all real estate owned or held by the department. House, Senate, and House Omnibus concur and do not include this section.

Sec. 309. Employee Accountability Systems Report – NOT INCLUDED

Executive deletes reporting requirement for employee accountability systems. House, Senate, and House Omnibus concur and do not include this section.

Sec. 313. Report on State Infrastructure Bank – REVISED

Executive strikes phrase that requires legislative approval prior to increasing the State Infrastructure Bank. House, Senate, and House Omnibus concur.

Sec. 319. Rest Area Maintenance – RETAINED

Executive deletes current language requiring signs/telephone numbers for reporting unclean and unsafe conditions at rest areas. House, Senate, and House Omnibus retain.

Sec. 328. FOIA Reporting – NOT INCLUDED

Executive deletes section that establishes new reporting requirement with respect to Freedom of Information Act requests. House, Senate, and House Omnibus concur and do not include this section.

Major Boilerplate Changes from FY 2020-21

Sec. 353. Prompt Payment – REVISED

Executive deletes section that directs department to review contractor payment process and which references Special Provision 109.10. House retains current year language. Senate retains but deletes reporting requirement. House Omnibus concurs with Senate and retains section without reporting requirement.

Sec. 357. Local Federal Aid Project Review – RETAINED

Executive deletes section that directs MDOT to complete project reviews within 120 days; requires system for monitoring review process. House, Senate, and House Omnibus retain.

Sec. 375. MDOT Open Houses and Groundbreaking Ceremonies – RETAINED

Executive deletes section that prohibits MDOT from reimbursing contractors or consultants for groundbreaking ceremonies, receptions, open houses, or press conferences related to transportation projects funded from appropriations. House, Senate, and House Omnibus retain.

Sec. 376. Prohibition on Studies of Highway Signs and Motorist Behavior – RETAINED

Executive deletes section that prohibits the department from studying the association between highway signs and motorist behavior. House concurs with Executive and deletes. Senate retains. House Omnibus concurs with Senate and retains.

Sec. 377. Limitation on Contracting with Firm Employing Former Director – RETAINED

Executive deletes section that prohibits the department from making expenditure for contractual services, under specific conditions, with a vendor if a former director has direct input into contract solicitation, negotiation, or receives compensation. House, Senate, and House Omnibus retain.

Sec. 378. Report on Routing of International Hazardous Materials – NOT INCLUDED

Executive deletes reporting requirement related to the routing of hazardous materials. House, Senate, and House Omnibus concur with Executive and do not include this section.

Sec. 381. E-Verify for Legal Status of Contractor/Subcontractor New Employees – RETAINED

Executive deletes section that requires the department to use the E-Verify system to verify legal status of contractor and subcontractor new hires and which provides reporting requirement. Senate concurs with Executive and does not include. House and House Omnibus retain.

Sec. 382. Finalize Local Agency Cost Sharing Agreements – RETAINED

Executive deletes section that requires the department to submit final bill to the local agency within two years of final payment to construction contractor. House, Senate, and House Omnibus retain.

Sec. 386. Toll Credits – REVISED

Executive deletes section that provides for a report on use of toll credits as a method in financing federal-aid highway projects, which established priority in using toll credits, and which required a report on toll credits earned and year-end balance. House, Senate, and House Omnibus retain reporting requirement but delete subsection that establishes priority order for the use of toll credits.

Sec. 387. Traffic Studies – RETAINED

Executive deletes section that requires the department to post the results of formal traffic studies on the department website. House, Senate, and House Omnibus retain.

Sec. 389. Long-Term Obligations – RETAINED

Executive deletes reporting requirement related to long-term agreements that obligate the department to make future payments of over \$5.0 million for five or more years. House, Senate, and House Omnibus retain.

Sec. 390. Report on Restricted Funds and Accounts – NOT INCLUDED

Executive deletes requirement that the department to report, within 14 days of the Executive budget recommendation, on prior year's revenues, expenditures, and ending balances of certain restricted funds and accounts, as unencumbered General Fund appropriations, and unexpended federal earmarks. House, Senate, and House Omnibus concur with Executive and do not include.

Sec. 391. Prohibition on Motor Fuel Quality Testing – NOT INCLUDED

Executive deletes section that prohibits the department from performing or assisting any other state agency in performing motor fuel quality testing. Senate retains. House and House Omnibus concur with Executive and do not include.

Sec. 393. Public Transportation Best Practices – NOT INCLUDED

Executive deletes section that directs the department to promote best practices in public transportation, including transit vehicle rehabilitation to reduce life-cycle cost. House retains. Senate and House Omnibus concur with Executive and do not include.

TRANSPORTATION

Major Boilerplate Changes from FY 2020-21

Sec. 394. *Priority of Preservation* – RETAINED

Executive deletes section that directs the department and local road agencies to make preservation of the existing infrastructure a funding priority. House, Senate, and House Omnibus retain.

Sec. 395. *Authority to Transfer between Construction/Maintenance* – RETAINED

Executive retains section that requires authorizes department to transfer up to \$10.0 million from state trunkline construction to trunkline maintenance. House retains. Senate does not include. House Omnibus concurs with House and retains.

Sec. 398. *Toward Zero Deaths Safety Campaign* – REVISED

Senate retains current year language. House modifies to eliminate reference to median cable guardrail. House Omnibus concurs with House.

Sec. 399. *Capital Preventive Maintenance* – REVISED

Executive strikes section that requires the department to spend not less than 10% of state trunkline road and bridge appropriation on capital preventive maintenance. Senate retains. House modifies to direct the department to make capital preventive maintenance a priority. House Omnibus concurs with House.

Sec. 503. *Restricted Funds Lapse and Carry-Forward Authority* – RETAINED

Executive retains current language that provides for lapse of restricted funds and carry-forward spending authority for Local Bridge Fund. House concurs with Executive. Senate modifies to effectively eliminate carry-forward spending authority for Local Bridge Fund. House Omnibus concurs with House and retains current-year language.

Sec. 505. *Communication Availability of Grants* – NOT INCLUDED

Executive eliminates requirement that department regularly assess the need for, and to provide information about state and federal grants available to local units of government. House, Senate and House Omnibus concur with Executive and do not include.

Sec. 601. *Warranty Program* – REVISED

Executive deletes current directives regarding warranty program. House retains current year language. Senate retains and adds additional reporting requirements. House Omnibus concurs with Senate.

Sec. 604. *State Trunkline Fund Carry-Forward* – RETAINED

Executive retains current language that provides for lapse and carryforward spending authority for State Trunkline Fund. House concurs with Executive. Senate modifies to effectively eliminate carry-forward spending authority. House Omnibus concurs with House and retains current year language.

Sec. 612. *Incentive/Disincentive Contracts* – REVISED

Executive deletes requirement that MDOT establish guidelines for use of incentive/disincentive contracts and which requires report by January 1 of each year. House retains. Senate retains but eliminates reporting requirement. House Omnibus concurs with Senate.

Sec. 613. *Report on Engineering Costs* – NOT INCLUDED

Executive deletes report on department engineering costs related to federal aid capital projects. House retains. Senate and House Omnibus concur with Executive and do not include.

Sec. 660. *Use of Alternative Materials* – REVISED

Executive deletes section that encourages the department to examine the use of alternative road surface materials; adds specific reference to flexible concrete. House retains. Senate revises and includes part of Section 661. House Omnibus concurs with Senate.

Sec. 661. *Alternative Design and Material Study Group* – NOT INCLUDED

Executive deletes directive that the department to establish a new stakeholder group to review submission of innovative construction material and design specifications. House retains. Senate revises and combines with Section 660. House Omnibus concurs with Senate.

Sec. 703. *Rail Abandonment Notice* – RETAINED

Executive deletes requirement that MDOT notify legislature when railroad companies file for abandonment of lines. House, Senate, and House Omnibus retain.

Sec. 704. *Rail Operations and Infrastructure Report* – RETAINED

Executive deletes reporting requirement related to obligations made from the Rail Operations and Infrastructure line item. House, Senate, and House Omnibus retain.

Major Boilerplate Changes from FY 2020-21

Sec. 719. Transit Elderly and Medical Transport Cost per Rider – NOT INCLUDED

Executive deletes intent language that for transit providers in the 20 counties with a population greater than 100,000 determine cost per rider, and that those transit systems request proposals from ride sharing companies for 50% of the system's anticipated service. House, Senate, and House Omnibus concur with Executive and do not include.

Sec. 720. Farebox Recovery Intent Language – RETAINED

Executive strikes section that indicates legislative intent that transit agencies strive to achieve at least 6% farebox recovery. Senate concurs with Executive and does not include. House retains. House Omnibus concurs with House and retains.

Sec. 736. Rail Freight [Propane] Project – NEW

Executive includes language earmarking up to \$10.0 million for a rail freight development project in support of delivery, storage, and distribution of propane in the Upper Peninsula. Senate does not include. House included language prohibiting use of funds for project. House Omnibus includes language prohibiting use of funds for project to support the cessation of energy pipeline operations across the Straits of Mackinac.

Sec. 752. Notice of Rail Grant and Loan Programs – REVISED

Executive deletes requirement that the department notify representatives of rail industry of rail grant and loan programs. Senate retains. House modifies to "encourage" not require. House Omnibus modifies to "strongly encourage."

Sec. 753. Marine Passenger Service – NOT INCLUDED

Executive deletes section that prescribes use of the Marine Passenger Services appropriation. Senate retains. House and House Omnibus do not include.

Sec. 1001. (House Bill 4409) Local Road and Bridge Building Initiative – NOT INCLUDED

House includes new section to define part 1 appropriation for the local road and bridge bundling initiative; directs the department to make expenditures to support a statewide program for the rehabilitation or replacement of road and bridges owned by local road agencies. Requires a progress report by September 30. Not included in House Omnibus.

Sec. 1002. (House Bill 4409) Transportation Bond Repayment Sinking Trust Fund – NOT INCLUDED

House requires appropriation to be credited to the Transportation Bond Repayment Sinking Trust Fund established in House Bill 4669; tie-bars appropriation to House Bills 4669 and 4082. Not included in House Omnibus.

FY 2020-21 Appropriations

APPENDIX

Supplemental Appropriation

APPENDIX

FY 2020-21 SUPPLEMENTAL APPROPRIATIONS

Summary: House Floor Substitute

Article 14, House Bill 4410 (H-2)

Supplemental Coordinator: Robin R. Risko

Overview

Article 14 of House Bill 4410 (H-2) contains supplemental appropriation adjustments to various state department budgets for FY 2020-21. The bill appropriates \$270.2 million Gross. Of that, \$262.9 million is from federal COVID relief funding that was authorized through the federal Coronavirus Response and Relief Supplemental Appropriations Act in an effort to support the economic recovery of individuals, families, and businesses struggling with effects of the COVID-19 pandemic. The remainder is from the state's general fund, \$7.2 million.

Appropriation and boilerplate priorities initiated by the legislature and the State Budget Office are identified following this overview.

FY 2020-21 APPROPRIATIONS SUMMARY

Budget Area		FY 2020-21 Year-to-Date Appropriations	FY 2020-21 Supplemental Change	% Change
Education	Gross	\$451,695,700	\$100	0.0
	GF/GP	\$90,067,100	\$0	0.0
Health and Human Services	Gross	\$31,281,607,100	\$260,450,000	0.8
	GF/GP	\$5,279,838,900	\$225,000	0.0
State Police	Gross	\$831,730,400	\$2,700,000	0.3
	GF/GP	\$439,376,600	\$0	0.0
Treasury - Operations	Gross	\$1,102,629,500	\$7,000,000	0.6
	GF/GP	\$279,432,200	\$7,000,000	2.5
TOTAL	Gross	\$33,667,662,700	\$270,150,100	0.8
	GF/GP	\$6,088,714,800	\$7,225,000	0.1

FY 2020-21 Supplemental Appropriation Items

EDUCATION

1. COVID-19 Child Care Public Assistance

Includes a \$100 placeholder for continued discussion on funding to provide child care investments from FY 2020-21 through FY 2022-23.

Gross	\$100
Federal	100
GF/GP	\$0

HEALTH AND HUMAN SERVICES

2. Certified Community Behavioral Health Clinics Demonstration Program

Includes \$450,000 Gross (\$225,000 GF/GP) for staffing costs for a Behavioral Health Policy and Operations office to oversee the Certified Community Behavioral Health Clinics Demonstration program.

Gross	\$450,000
Federal	225,000
GF/GP	\$225,000

3. Hospital COVID-19 Grants

Includes \$160.0 million of federal Coronavirus State Fiscal Recovery Funds to provide grant awards to hospitals based on total state Medicaid inpatient claims revenue to help cover increased hospital costs and reduced hospital revenue related to the COVID-19 pandemic.

Gross	\$160,000,000
Federal	160,000,000
GF/GP	\$0

FY 2020-21 Supplemental Appropriation Items

		Appropriation Change
4. Nursing Facility Grants	Gross	\$100,000,000
Includes \$100.0 million of federal Coronavirus State Fiscal Recovery Funds to provide a \$23.00 per Medicaid day increase to nursing facilities that have experienced a 5% or greater decline in the nursing facility's average daily census.	Federal	100,000,000
	GF/GP	\$0

STATE POLICE

5. Secondary Road Patrol Program	Gross	\$2,700,000
Includes \$2.7 million of federal Coronavirus State Fiscal Recovery Funds to support the Secondary Road Patrol Program, which provides grants to county sheriff's departments for the patrol of secondary roads.	Federal	2,700,000
	GF/GP	\$0

TREASURY

6. Wrongful Imprisonment Compensation Fund	Gross	\$7,000,000
Includes \$7.0 million GF/GP for deposit into the Wrongful Imprisonment Compensation Fund. Funds support statutorily required payments to those deemed to have been wrongfully imprisoned and eligible for compensation from the state under 2016 PA 363.	GF/GP	\$7,000,000

FY 2020-21 Supplemental Boilerplate Items

GENERAL SECTIONS

Sec. 201. State Spending and State Appropriations Paid to Local Units of Government

Estimates total state spending from state sources and payments to be made to local units of government.

Sec. 202. Appropriations Subject to Management and Budget Act

Subjects appropriations to the Management and Budget Act, 1984 PA 431.

Sec. 203. State Administrative Board Transfers

Authorizes the legislature, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, to inter-transfer funds if the State Administrative Board transfers funds.

Sec. 204. Appropriations Subject to Federal Audit and Reporting Requirements

Subjects appropriations to applicable federal audit and reporting requirements; requires prompt action if instances of noncompliance are identified; requires the state budget director to notify appropriations committees and fiscal agencies of incidences of noncompliance.

Sec. 205. Report on Status of COVID-19 Appropriations

Requires the state budget director to report on the status of all funds appropriated related to the coronavirus relief effort on a monthly basis until all funds are exhausted.

HEALTH AND HUMAN SERVICES

Sec. 301. Hospital COVID-19 Grants

Requires the department to provide grants to hospitals to help cover increased hospital costs and reduced hospital revenue related to the COVID-19 pandemic; hospital grants would be based on the percent of total Medicaid inpatient claims revenue.

Sec. 302. Nursing Facility Grants

Requires a \$23.00 per Medicaid day increase to nursing facilities that have experienced a 5% or greater decline in their average daily census when compared to their average daily census reported in the 2019 Medicaid cost report; calculation would be determined on a quarterly basis and would be based on total licensed beds, actual quarterly average daily census, and weekly average daily census for the quarter; requires nursing facilities to agree to payment or recovery action for any over or under payment disclosed.