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Senate Bill 860 (S-1 as reported)
Committee: Appropriations

Throughout this document Senate means Appropriations Committee.

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE*	FY 2018-19 SEN. FULL COMM.	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	2,322.3	2,322.3	0.0	0.0
GROSS	434,672,000	479,662,200	44,990,200	10.4
Less:				
Interdepartmental Grants Received	47,835,100	48,414,300	579,200	1.2
ADJUSTED GROSS	386,836,900	431,247,900	44,411,000	11.5
Less:				
Federal Funds	65,020,900	65,744,400	723,500	1.1
Local and Private	361,800	211,800	(150,000)	(41.5)
TOTAL STATE SPENDING	321,454,200	365,291,700	43,837,500	13.6
Less:				
Other State Restricted Funds	277,037,600	276,471,400	(566,200)	(0.2)
GENERAL FUND/GENERAL PURPOSE	44,416,600	88,820,300	44,403,700	100.0
PAYMENTS TO LOCALS	30,625,700	67,151,900	36,526,200	119.3

*As of February 7, 2018.

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

- 1. Michigan Indigent Defense Commission Grants.** The Governor included additional funds for grants to the 134 local indigent defense systems to implement the four initial minimum standards established by the Commission. Of the funds, \$15.3 million would come from cost recovery for partially indigent defendants, with the remaining \$46.0 million coming from GF/GP. The Senate revised to provide \$46.0 million in GF/GP funding, but eliminate the \$15.3 million state appropriation from cost recoveries. 46,000,000
- 2. Annualize First Responder Presumed Coverage Fund.** The Governor included an increase to this program to reflect a full year of revenue and expenditures to and from this program, totaling about \$5.5 million. The program provides worker's compensation benefits to first responders with certain diseases that are presumed to have been caused by hazards experienced in the line of duty. The Fund is capitalized with excise tax revenue from retail medical marijuana sales. The Senate concurred. 3,465,000
- 3. Law Enforcement Grants - Liquor Licenses.** The Governor included an increase in grants to local law enforcement from liquor license revenue as required in the Liquor Control Code. The Code requires that 55% of liquor license revenue go to law enforcement. Increased license revenue has rendered the current appropriation for these grants insufficient to allow for the statutorily-required payments to go out. The Senate concurred. 1,200,000
- 4. Nurse Aide Training Program.** The Governor included a supplemental request for \$600,000 from the Nurse Aide Training Fund, which was created under Public Act 172 of 2017. Funds would be used to administer a new nurse aide training and registration program as directed by Public Act 172 of 2017. The Senate concurred. 600,000

<p>5. Substance Use Disorder Programs. The Governor included additional Medical Marijuana Regulatory Fund revenue to fund substance use disorder programs as required under Public Act 281 of 2016 (Medical Marijuana Facilities Licensing Act). The Act requires \$500,000 from the Fund to be allocated for this purpose. The Fund receives license fee revenue from medical marijuana facilities. The Senate concurred.</p>	500,000
<p>6. Fire Protection Grants. The Governor proposed removing \$773,900 in GF/GP support for these grants and the elimination of Driver Responsibility fees resulted in the removal of the remaining \$8.5 million in funding for these grants. However, the Governor recommended a statutory change that would allocate the first \$6.5 million from excess personal property tax reimbursements be distributed through the Fire Protection Grants formula, which would effectively increase Fire Protection Grants to a total of \$15.0 million, but that increase would not be reflected in the LARA budget and would be done off-budget through the LCSA. The Senate concurred but included a \$100 placeholder for fire protection grant funding.</p>	(9,273,800)
<p>7. Medical Marijuana Operation and Oversight Grants. The Governor proposed the elimination of \$3 million in grants to county law enforcement for operation and oversight of the Michigan Medical Marijuana Act. The grants are funded from registry fees paid by medical marijuana cardholders. The Senate retained the full \$3 million in grant funding.</p>	0
<p>8. Administrative Support for the Local Community Stabilization Authority (LCSA). The Governor removed funding for administrative support for the LCSA. The legislation that created the LCSA made it optional for LARA to provide these services, and responsibility for those services was transferred to the Michigan Municipal Services Authority effective October 1, 2017. The Senate concurred.</p>	(150,000)
<p>9. Division on Deafness Fund - Transfer from Department of Civil Rights (DCR) to LARA. The Governor's budget reflects Executive Order 2017-8, which transferred all of the DCR's responsibilities under the Deaf Persons' Interpreters Act, including the Division on Deafness Fund, from DCR to LARA. The Senate concurred.</p>	93,400
<p>10. Reduce Overstated Restricted Funds. The Governor included reductions to a number of line items and restricted fund sources to reflect available revenue. The Senate concurred.</p>	(639,300)
<p>11. Remove FY 2017-18 One-time Appropriations. The Governor removed a \$100 placeholder from the Drinking Water Declaration of Emergency Reserve Fund, and \$1.4 million GF/GP for Fire Protection Grants. The Senate concurred.</p>	(1,400,100)
<p>12. Economic Adjustments. Includes \$4,595,000 Gross and \$577,600 GF/GP for total economic adjustments, of which an estimated \$802,600 Gross and \$157,700 GF/GP is for legacy retirement costs (pension and retiree health). The Senate concurred.</p>	4,595,000
<p>13. Comparison to Governor's Recommendation. The Senate is \$12.3 million Gross and \$0 GF/GP over the Governor.</p>	
<p>Total Changes</p>	\$44,990,200
<p>FY 2018-19 Senate Appropriations Committee Gross Appropriation</p>	<p>\$479,662,200</p>

Boilerplate Changes from FY 2017-18 Year-to-Date:

1. **Out-of-State Travel Report.** The Governor replaced this report with a less detailed version that is consistent with the report found in most other Department budget bills. The new section also removes restrictions on out-of-state travel. The Senate retained. (Sec. 207)
2. **Communication with the Legislature.** The Governor removed a prohibition against taking disciplinary action against Department employees who communicate with the Legislature. The Senate retained. (Sec. 218)
3. **TV or Radio Productions.** The Governor removed a prohibition against the Department producing radio or TV productions. The Senate retained. (Sec. 219)
4. **Healthy Michigan Plan Accounting Structure.** The Governor removed a section requiring LARA and DHHS to maintain an accounting structure allowing for identification of expenditures related with the administration of the Health Michigan Plan. The Senate retained. (Sec. 220)

5. **Regulatory Activities Report.** The Governor removed a report providing details on licensing/regulatory activities undertaken by each agency or bureau in the Department. The Senate retained. (Sec. 226)
6. **Employee Performance Monitoring.** The Governor removed a section stating the intent of the Legislature that the Department establish an employee performance monitoring process in addition to what is required by the Civil Service Commission. The Senate retained. (Sec. 227)
7. **Public Service Commission.** The Governor revised a section to reflect that the Public Service Commission now administers the Low-Income Energy Assistance Grants on behalf of the Department of Health and Human Services. The Senate concurred. (Sec. 301)
8. **Fast Charging Stations Study.** The Senate included language directing the Michigan Agency for Energy to prepare a statewide assessment of the optimal siting locations for direct current fast charging stations. The study is to be made available to the public and must include recommendations in accordance with the specified criteria. (Sec. 302)
9. **Liquor License Delay Mitigation.** The Governor removed a section requiring the Michigan Liquor Control Commission to utilize funds to invest in technology to mitigate delays in license issuance related to section 503 of the Michigan Liquor Control Code. The Senate retained. (Sec. 401)
10. **Direct Shipper Enforcement Fund.** The Senate revised a section to require that cases of out-of-state illegal wine shipping be referred to the Attorney General. The Senate also revised the reporting requirements contained in this section to create additional specifications to be included in the Commission's reports of illegally shipped items. (Sec. 402)
11. **Medical Marihuana Report.** The Governor retained a report for this program, but removed the specifications for the report. The Senate retained (Sec. 507)
12. **Child Care Facilities License Fees.** The Governor retained language allowing the Department to assess and collect fees for the licensing and regulation of child care facilities, but removed the reporting requirement of this section. The Senate retained. (Sec. 515)
13. **Michigan Automated Prescription System (MAPS) Reporting Requirements.** The Governor revised Sec. 517 to create additional reporting requirements to include the number of health facilities that have integrated the MAPS system as well as the total number of delegate users registered. The Senate concurred.
14. **Bureau of Services for Blind Persons (BSBP) - Identify Federal Match.** The Governor removed a requirement that BSBP work with service organizations to identify qualified Federal match dollars. The Senate retained. (Sec. 705)
15. **Indigent Defense Metrics.** The Governor included a new section requiring the Michigan Indigent Defense Commission to establish metrics to assess the provision of indigent defense services, and to produce a report on these metrics. The Senate concurred. (Sec. 803)
16. **Ethnic Affairs Commissions.** The Senate included a new section which requires that commission expenditures on events be directly related to the commission's mission statement. (Sec. 805)
17. **Fire Protection Grants.** The Senate removed this language related to the allocation of fire protection grants as funding for the grants was reduced to a \$100 placeholder. (Sec. 901)
18. **Medical Marihuana Operation and Oversight Grants.** The Governor removed boilerplate pertaining to medical marihuana operation and oversight grants to county law enforcement. This is consistent with the Governor's elimination of the funding for these grants. The Senate retained. (Sec. 902)
19. **Distribution of Michigan Indigent Defense Commission Grants.** The Senate included a new section that specifies that MIDC grants shall not be distributed to locals until the total amount appropriated for those grants is equal to the total costs to local indigent defense systems to comply with the Michigan Indigent Defense Commission Act standards. (Sec. 905)

Date Completed: 4-20-18

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