



# **FY 2018-19**

# **APPROPRIATIONS REPORT**

## **Part II - Initial Appropriations**

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**August 2018**



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## THE SENATE FISCAL AGENCY

The Senate Fiscal Agency is governed by a board of five members, including the majority and minority leaders of the Senate, the Chairperson of the Appropriations Committee of the Senate, and two other members of the Appropriations Committee of the Senate appointed by the Chairperson of the Appropriations Committee with the concurrence of the Majority Leader of the Senate, one from the minority party.

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1. To provide technical, analytical, and preparatory support for all appropriations bills.
2. To provide written analyses of all Senate bills, House bills, and Administrative Rules considered by the Senate.
3. To review and evaluate proposed and existing State programs and services.
4. To provide economic and revenue analysis and forecasting.
5. To review and evaluate the impact of Federal budget decisions on the State.
6. To review and evaluate State issuance of long-term and short-term debt.
7. To review and evaluate the State's compliance with constitutional and statutory fiscal requirements.
8. To prepare special reports on fiscal issues as they arise and at the request of members of the Senate.

The Agency is located on the 8th floor of the Victor Office Center. The Agency is an equal opportunity employer.



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# OVERVIEW

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## FY 2018-19 INITIAL APPROPRIATIONS OVERVIEW

On February 7, 2018, Governor Rick Snyder presented his fiscal year (FY) 2018-19 budget recommendation and his FY 2019-20 budget projections to the Legislature. As in his original 2012 budget message, the Governor's intent was to establish a biennial budget process, but an Attorney General's February 9, 2011, letter opinion stated that the Governor is allowed to propose a two-year budget and the Legislature can enact a two-year budget but the second year would be only an expression of an "intent to appropriate", not binding or legally enforceable. Some of the FY 2018-19 appropriation bills that were ultimately passed by the Legislature included State appropriations for FY 2018-19 and language expressing legislative intent to provide FY 2019-20 appropriations that would be the same as those for FY 2018-19, with adjustments for caseload, costs, economic factors, and available revenue.

On June 12, 2018, the Legislature passed the FY 2018-19 appropriation bills. The budget passed by the Legislature was balanced based on the consensus revenue estimates agreed to on May 16, 2018. The FY 2018-19 budget continues to use State Restricted School Aid Fund (SAF) revenue as a fund source for all three education sectors: K-12, Community Colleges, and Universities. An amount of \$408.2 million in SAF revenue was appropriated for the Community Colleges budget and \$500.1 million was appropriated for the Higher Education budget. The SAF amount for Community Colleges funds the entire budget from SAF revenue and is \$8.9 million more than the amount appropriated in FY 2017-18, and the SAF amount for Universities is \$261.6 million more than the FY 2017-18 amount.

There were some variations from prior fiscal years in the budget process for FY 2018-19. Both the House and the Senate initiated a complete FY 2018-19 budget in their respective chambers: the House with 16 individual departmental appropriation bills and two omnibus appropriation bills (House Bills 5578 and 5579), and the Senate with 16 individual departmental appropriation bills. Although 16 individual appropriation bills (eight Senate-originated and eight House-originated) were reported out of conference committees, the bills were not considered by either the Senate or the House. Two omnibus bills (Senate Bill 848 for general appropriations and House Bill 5579 for education appropriations) also were reported out of conference committees, and were the bills that the House and the Senate ultimately adopted. The content of the final two omnibus bills was a combination of the contents of the 16 individual conference reports that had been previously reported but not adopted, and FY 2017-18 supplemental appropriations that were recommended as part of the leadership budget target agreement. The General omnibus bill and the Education omnibus bill were enacted as Public Act 207 of 2018 and Public Act 265 of 2018, respectively. The Appendices to this report provide an index of the FY 2018-19 appropriation bills and outline all of the bills used in the budget development process.

On an overall basis, the initial level of FY 2018-19 Gross<sup>1</sup> appropriations for State budget areas totals \$56.8 billion, while State Spending from State Resources<sup>2</sup> appropriations total \$33.1 billion. The Gross total includes \$56.2 billion in ongoing appropriations and \$536.6 million in one-time appropriations. [Table 1](#) outlines the totals by department for the initial ongoing Gross appropriations of \$56.2 billion and the ongoing General Fund/General Purpose<sup>3</sup> (GF/GP) appropriations of \$9.6 billion, as well as the one-time Gross appropriations of \$536.6 million and the one-time GF/GP appropriations of \$410.1 million. [Table 2](#) provides the detail by budget area, program, and fund source, for the FY 2018-19 one-time appropriations.

This Senate Fiscal Agency (SFA) report, *FY 2018-19 Appropriations Report Part II - Initial Appropriations*, is the middle SFA report in a series that includes *Part I - Governor's Recommendations* and *Part III - Year-End Appropriations*. This report provides a summary of the major issues that were part of the development of the initial appropriations for FY 2018-19.

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<sup>1</sup> Gross appropriations are defined as total appropriations from all fund sources.

<sup>2</sup> State Spending from State Resources appropriations are appropriations from State Restricted and General Fund/General Purpose revenue.

<sup>3</sup> General Fund/General Purpose appropriations are State Spending from State Resources appropriations less State Restricted revenue.

Table 1

FY 2018-19 INITIAL ONGOING AND ONE-TIME APPROPRIATIONS GROSS AND GENERAL FUND/GENERAL PURPOSE (GF/GP)						
Department/Budget Area	Initial Ongoing Gross Appropriations	Initial Ongoing GF/GP Appropriations	Initial One-Time Gross Appropriations	Initial One-Time GF/GP Appropriations	Total Gross Appropriations	Total GF/GP Appropriations
Agriculture & Rural Development	\$104,793,100	\$55,430,200	\$3,155,000	\$3,155,000	\$107,948,100	\$58,585,200
Attorney General	102,848,900	41,106,800	800,000	100,000	103,648,900	41,206,800
Civil Rights	16,201,100	13,022,100	0	0	16,201,100	13,022,100
Community Colleges	401,784,500	0	6,431,000	0	408,215,500	0
Corrections	2,005,428,500	1,950,213,600	11,627,700	11,627,700	2,017,056,200	1,961,841,300
Education	400,814,900	86,183,700	100	0	400,815,000	86,183,700
Environmental Quality	421,882,500	48,126,500	25,620,100	25,620,000	447,502,600	73,746,500
Executive	6,980,100	6,980,100	0	0	6,980,100	6,980,100
Health & Human Services	24,860,493,400	4,442,791,800	19,672,200	17,295,500	24,880,165,600	4,460,087,300
Higher Education	1,669,063,600	1,046,017,900	669,000	0	1,669,732,600	1,046,017,900
Insurance & Financial Services	67,571,900	150,000	400,000	400,000	67,971,900	550,000
Judiciary	302,248,400	194,248,800	1,830,700	1,830,700	304,079,100	196,079,500
Legislative Auditor General	24,938,000	17,105,800	0	0	24,938,000	17,105,800
Legislature	157,362,500	152,568,200	750,000	750,000	158,112,500	153,318,200
Licensing & Regulatory Affairs	517,762,200	126,920,300	0	0	517,762,200	126,920,300
Military & Veterans Affairs	190,689,300	66,962,400	1,875,000	1,875,000	192,564,300	68,837,400
Natural Resources	436,017,800	46,856,800	2,425,000	2,225,000	438,442,800	49,081,800
School Aid	14,644,144,700	41,622,000	121,324,100	18,378,000	14,765,468,800	60,000,000
State	246,662,800	18,466,300	0	0	246,662,800	18,466,300
State Police	706,983,100	449,571,400	9,476,400	9,476,400	716,459,500	459,047,800
Talent & Economic Development	1,099,445,500	125,245,800	15,850,100	15,850,000	1,115,295,600	141,095,800
Technology, Management, & Budget	1,347,098,400	473,779,400	10,200	10,100	1,347,108,600	473,789,500
Transportation	4,543,089,900	0	300,000,000	300,000,000	4,843,089,900	300,000,000
Treasury (Debt Service)	107,080,000	107,080,000	0	0	107,080,000	107,080,000
Treasury (Operations)	561,378,400	100,831,300	1,550,100	1,550,000	562,928,500	102,381,300
Treasury (Revenue Sharing)	1,301,289,300	0	13,116,000	0	1,314,405,300	0
<b>TOTAL INITIAL APPROPRIATIONS</b>	<b>\$56,244,052,800</b>	<b>\$9,611,281,200</b>	<b>\$536,582,700</b>	<b>\$410,143,400</b>	<b>\$56,780,635,500</b>	<b>\$10,021,424,600</b>

Table 2

FY 2018-19 INITIAL ONE-TIME APPROPRIATIONS BY FUND SOURCE					
Department/Budget Area	Gross	Federal	Local	State Restricted	GF/GP
<b>Agriculture &amp; Rural Development</b>					
Animal agriculture initiative .....	\$2,000,000	\$0	\$0	\$0	\$2,000,000
County fairs, shows, and expositions .....	775,000	0	0	0	775,000
Agtech connections resources expertise agriculture incubator .....	260,000	0	0	0	260,000
Outdoor discovery center network-project clarity .....	120,000	0	0	0	120,000
<b>Total Agriculture and Rural Development .....</b>	<b>\$3,155,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,155,000</b>
<b>Attorney General</b>					
Prosecuting attorneys-juvenile life without parole (lawsuit revenue).....	\$700,000	\$0	\$0	\$700,000	\$0
Prosecuting attorneys council-forensic interviewing .....	100,000	0	0	0	100,000
<b>Total Attorney General .....</b>	<b>\$800,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$700,000</b>	<b>\$100,000</b>
<b>Community Colleges</b>					
MPSERS normal cost offset.....	\$6,431,000	\$0	\$0	\$6,431,000	\$0
<b>Total Community Colleges .....</b>	<b>\$6,431,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,431,000</b>	<b>\$0</b>
<b>Corrections</b>					
New custody staff training .....	\$9,227,700	\$0	\$0	\$0	\$9,227,700
High custody level programming .....	2,400,000	0	0	0	2,400,000
<b>Total Corrections .....</b>	<b>\$11,627,700</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$11,627,700</b>
<b>Education</b>					
Drinking water emergency placeholder .....	\$100	\$0	\$0	\$100	\$0
<b>Total Education .....</b>	<b>\$100</b>	<b>\$0</b>	<b>\$0</b>	<b>\$100</b>	<b>\$0</b>
<b>Environmental Quality</b>					
Environmental cleanup and redevelopment program (11.0 FTEs) .....	\$25,000,000	\$0	\$0	\$0	\$25,000,000
Michigan geological survey (WMU).....	500,000	0	0	0	500,000
Landfill research, design, and demonstration project.....	120,000	0	0	0	120,000
Drinking water emergency reserve fund placeholder .....	100	0	0	100	0
<b>Total Environmental Quality .....</b>	<b>\$25,620,100</b>	<b>\$0</b>	<b>\$0</b>	<b>\$100</b>	<b>\$25,620,000</b>
<b>Health &amp; Human Services</b>					
Michigan medical resident loan repayment program .....	\$5,000,000	\$0	\$0	\$0	\$5,000,000
Drinking water declaration of emergency (\$376,600 HMF) .....	4,621,000	0	0	376,600	4,244,400
Census-related services (\$2 million private revenue).....	2,500,000	0	2,000,000	0	500,000
Western Michigan University clinics .....	1,500,000	0	0	0	1,500,000
Multicultural integration funding .....	1,381,100	0	0	0	1,381,100
Child lead poisoning elimination board .....	1,250,000	0	0	0	1,250,000
Autism navigator .....	1,025,000	0	0	0	1,025,000
Dental clinic program .....	1,000,000	0	0	0	1,000,000
Employment first .....	500,000	0	0	0	500,000
Primary care and dental health services.....	300,000	0	0	0	300,000
Refugee assistance grant .....	175,000	0	0	0	175,000
Asian American health care and wellness initiative .....	150,000	0	0	0	150,000
Opioid outreach coordinator .....	115,000	0	0	0	115,000
Infant mortality program grant.....	100,000	0	0	0	100,000

Table 2 - continued

FY 2018-19 INITIAL ONE-TIME APPROPRIATIONS BY FUND SOURCE					
Department/Budget Area	Gross	Federal	Local	State Restricted	GF/GP
<b>Health &amp; Human Services (continued)</b>					
Autism train-the-trainer grant .....	55,000	0	0	0	55,000
Drinking water emergency reserve fund placeholder .....	100	0	0	100	0
<b>Total Health and Human Services.....</b>	<b>\$19,672,200</b>	<b>\$0</b>	<b>\$2,000,000</b>	<b>\$376,700</b>	<b>\$17,295,500</b>
<b>Higher Education</b>					
MPSERS normal cost offset.....	\$669,000	\$0	\$0	\$669,000	\$0
<b>Total Higher Education.....</b>	<b>\$669,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$669,000</b>	<b>\$0</b>
<b>Insurance and Financial Services</b>					
Insurance evaluation enhancement.....	\$400,000	\$0	\$0	\$0	\$400,000
<b>Total Insurance and Financial Services .....</b>	<b>\$400,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$400,000</b>
<b>Judiciary</b>					
Expansion of problem-solving courts .....	\$750,000	\$0	\$0	\$0	\$750,000
Montgomery v Louisiana compliance .....	700,000	0	0	0	700,000
Pretrial risk assessment.....	305,700	0	0	0	305,700
Youthful sex offender treatment pilot program .....	75,000	0	0	0	75,000
<b>Total Judiciary .....</b>	<b>\$1,830,700</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,830,700</b>
<b>Legislature</b>					
Legislative information technology systems design project .....	\$750,000	\$0	\$0	\$0	\$750,000
<b>Total Legislature .....</b>	<b>\$750,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$750,000</b>
<b>Military &amp; Veterans Affairs</b>					
Armory maintenance.....	\$1,000,000	\$0	\$0	\$0	\$1,000,000
Vietnam veterans outreach.....	600,000	0	0	0	600,000
Grand Rapids veterans home video monitoring pilot project.....	275,000	0	0	0	275,000
<b>Total Military and Veterans Affairs .....</b>	<b>\$1,875,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,875,000</b>
<b>Natural Resources</b>					
Dam management grant program.....	\$1,500,000	\$0	\$0	\$0	\$1,500,000
Swimmer's itch pilot program.....	250,000	0	0	0	250,000
Snowmobile trail groomer pilot (trail improvement fund) .....	200,000	0	0	200,000	0
Long Lake boat launch.....	142,500	0	0	0	142,500
Grindstone Harbor development grant .....	120,000	0	0	0	120,000
Wildlife and fisheries health study .....	115,000	0	0	0	115,000
Legal services .....	37,500	0	0	0	37,500
Lake level assessments.....	35,000	0	0	0	35,000
Cooperative resource programs .....	25,000	0	0	0	25,000
<b>Total Natural Resources .....</b>	<b>\$2,425,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$200,000</b>	<b>\$2,225,000</b>
<b>School Aid</b>					
MPSERS normal cost offset from lower rate of return.....	\$88,139,000	\$0	\$0	\$88,091,000	\$48,000
Computer adaptive tests and benchmark assessments.....	9,200,000	0	0	9,200,000	0
Drinking water emergency (\$100 reserve fund placeholder).....	3,230,100	0	0	100	3,230,000
CTE equipment upgrades.....	2,500,000	0	0	0	2,500,000
Value-added growth and projection analytics system .....	2,500,000	0	0	0	2,500,000

Table 2 - continued

FY 2018-19 INITIAL ONE-TIME APPROPRIATIONS BY FUND SOURCE						
Department/Budget Area	Gross	Federal	Local	State Restricted	GF/GP	
<b>School Aid (continued)</b>						
Michigan education corps .....	2,500,000	0	0	0	2,500,000	
Information technology certifications .....	2,300,000	0	0	0	2,300,000	
Online mathematics program.....	2,000,000	0	0	0	2,000,000	
Kindergarten entry observation tool.....	1,500,000	0	0	1,500,000	0	
Financial data analysis tools.....	1,500,000	0	0	1,500,000	0	
Online algebra tool.....	1,500,000	0	0	0	1,500,000	
Career tech education counselors .....	1,000,000	0	0	1,000,000	0	
Year-round school grants.....	750,000	0	0	750,000	0	
10-cents-a-meal .....	575,000	0	0	0	575,000	
Summer reading project.....	500,000	0	0	0	500,000	
Detroit area precollege engineering program .....	400,000	0	0	400,000	0	
Conductive learning center .....	250,000	0	0	0	250,000	
District and dyslexia center collaboration grant .....	250,000	0	0	250,000	0	
Reimbursement to nonpublic schools for mandates.....	250,000	0	0	0	250,000	
Early learning collaborative.....	175,000	0	0	175,000	0	
Dropout prevention program.....	100,000	0	0	0	100,000	
Michigan restaurant association culinary training grant.....	100,000	0	0	0	100,000	
Youth challeNGe program .....	80,000	0	0	80,000	0	
Dana center .....	25,000	0	0	0	25,000	
<b>Total School Aid .....</b>	<b>\$121,324,100</b>	<b>\$0</b>	<b>\$0</b>	<b>\$102,946,100</b>	<b>\$18,378,000</b>	
<b>State Police</b>						
Trooper school .....	\$7,751,300	\$0	\$0	\$0	\$7,751,300	
Sexual assault prevention and education initiative .....	1,000,000	0	0	0	1,000,000	
Michigan international speedway traffic control .....	725,000	0	0	0	725,000	
OK2SAY information technology upgrade .....	100	0	0	0	100	
<b>Total State Police.....</b>	<b>\$9,476,400</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$9,476,400</b>	
<b>Talent &amp; Economic Development</b>						
Going pro .....	\$10,000,000	\$0	\$0	\$0	\$10,000,000	
Entrepreneurship ecosystem .....	2,500,000	0	0	0	2,500,000	
Michigan strategic fund grants.....	1,350,000	0	0	0	1,350,000	
Arts and cultural program.....	1,000,000	0	0	0	1,000,000	
Project rising tide .....	1,000,000	0	0	0	1,000,000	
Drinking water emergency reserve fund placeholder .....	100	0	0	100	0	
<b>Total Talent &amp; Economic Development.....</b>	<b>\$15,850,100</b>	<b>\$0</b>	<b>\$0</b>	<b>\$100</b>	<b>\$15,850,000</b>	
<b>Technology, Management, &amp; Budget</b>						
Office of retirement services actuarial analyses .....	\$10,000	\$0	\$0	\$0	\$10,000	
Census-related services .....	100	0	0	0	100	
Drinking water emergency reserve fund placeholder .....	100	0	0	100	0	
<b>Total Technology, Management, &amp; Budget.....</b>	<b>\$10,200</b>	<b>\$0</b>	<b>\$0</b>	<b>\$100</b>	<b>\$10,100</b>	

Table 2 - continued

FY 2018-19 INITIAL ONE-TIME APPROPRIATIONS BY FUND SOURCE					
Department/Budget Area	Gross	Federal	Local	State Restricted	GF/GP
<b>Transportation</b>					
State trunkline road and bridge construction .....	\$117,300,000	\$0	\$0	\$0	\$117,300,000
County road commissions.....	117,300,000	0	0	0	117,300,000
Cities and villages road and bridge construction .....	65,400,000	0	0	0	65,400,000
<b>Total Transportation.....</b>	<b>\$300,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$300,000,000</b>
<b>Treasury-Operations</b>					
Urban search and rescue.....	\$900,000	\$0	\$0	\$0	\$900,000
Financial data analytic tool reimbursement .....	500,000	0	0	0	500,000
Beat the streets .....	100,000	0	0	0	100,000
Courageous cadets.....	50,000	0	0	0	50,000
Drinking water emergency reserve fund placeholder .....	100	0	0	100	0
<b>Total Treasury-Operations.....</b>	<b>\$1,550,100</b>	<b>\$0</b>	<b>\$0</b>	<b>\$100</b>	<b>\$1,550,000</b>
<b>Treasury-Revenue Sharing</b>					
Supplemental city, village, and township revenue sharing.....	\$6,200,000	\$0	\$0	\$6,200,000	\$0
City, village, and township revenue sharing .....	5,916,000	0	0	5,916,000	0
Supplemental county revenue sharing .....	1,000,000	0	0	1,000,000	0
<b>Total Treasury-Revenue Sharing .....</b>	<b>\$13,116,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$13,116,000</b>	<b>\$0</b>
<b>TOTAL ONE-TIME APPROPRIATIONS .....</b>	<b>\$536,582,700</b>	<b>\$0</b>	<b>\$2,000,000</b>	<b>\$124,439,300</b>	<b>\$410,143,400</b>

**GUBERNATORIAL VETOES**

Constitutional line-item veto authority is granted to the Governor under Article V, Section 19 of the State Constitution of 1963. Governor Snyder chose not to veto any specific FY 2018-19 line-item appropriations in the general omnibus or education omnibus bills. However, the Governor considered various boilerplate language provisions to be unenforceable. In his general omnibus signing letter, he stated, "Among the various provisions that are considered unenforceable, I note the following: section 234 (Article VI); section 983 (Article VIII); section 1305 (Article X); and section 382 (Article XVII)." The Governor also deemed Section 650 of Article X unenforceable, but noted that "the state is on track to comply with the spirit of the language." The unenforceable sections cited by the Governor are summarized in [Table 3](#). The Governor also referred to boilerplate sections that include statements of legislative intent: "We will take these legislative preferences into consideration as departments and agencies implement the appropriations. These legislative intent statements, however, do not impose conditions on appropriations and are non-binding upon departments and agencies implementing the appropriations."

Table 3

Boilerplate Sections Cited by the Governor as Unenforceable			
Department	Article	Section Number	Provision
Education	VI	234	Prohibits new or revised administrative rules until a permanent State Superintendent is appointed.
Talent and Economic Development	VIII	983	Prohibits bond issuance/refinancing for broadband construction, expansion, repairs, or upgrades.
Health and Human Services	X	650	Requires Department to apply work requirements for food assistance eligibility on a statewide basis.
Health and Human Services	X	1305	Effectively prohibits Planned Parenthood from being reimbursed for contraceptive services in areas where other providers are available.
Transportation	XVII	382	Requires Department to submit final construction cost-sharing bills to local units within two years after final contract payment to construction contractor.

## FY 2018-19 INITIAL APPROPRIATIONS

The initial level of FY 2018-19 Gross appropriations is \$56.8 billion, which is \$264.1 million or 0.5% more than the Gross appropriations for FY 2017-18, as outlined in [Table 4](#), [Table 5](#) and [Figure A](#) summarize these appropriations by department and by fund source. The initial level of FY 2018-19 Adjusted Gross<sup>4</sup> appropriations (the more accurate measure of total appropriations because interdepartmental grants are netted out) totals \$55.9 billion. This level of Adjusted Gross appropriations includes \$22.4 billion of Federal funds, \$386.3 million of local and private revenue, \$23.0 billion of State Restricted revenue, and \$10.0 billion of State General Fund/General Purpose revenue. Initial FY 2018-19 Adjusted Gross appropriations represent a \$226.7 million or 0.4% increase from the year-to-date (as of July 1, 2018) level of FY 2017-18 appropriations. Initial State Spending from State Resources appropriations total \$33.1 billion, an increase of \$334.3 million or 1.0% from the year-to-date level of FY 2017-18 appropriations. Initial GF/GP appropriations total \$10.0 billion, a decrease of \$210.0 million or 2.1% from the year-to-date level of FY 2017-18 appropriations. [Tables 6, 7, and 8](#) and [Figures B, C, and D](#) provide a department-by-department comparison of FY 2018-19 initial appropriations to FY 2017-18 year-to-date appropriations in terms of Adjusted Gross, State Spending from State Resources, and GF/GP appropriations, respectively.

Pursuant to budget target agreements, there are five major appropriation priorities for additional spending in the 2017-18 and 2018-19 fiscal years: \$330.0 million for road projects; \$115.0 million for the State's Budget Stabilization Fund to bring the estimated FY 2017-18 year-end balance in the Fund to a level of \$1.0 billion; \$100.0 million for the Marshall Plan for Talent; \$55.0 million for school student safety initiatives; and \$25.0 million for environmental cleanup projects. Also included as part of the budget agreement are \$18.0 million Gross for FY 2017-18 and \$40.8 million Gross for FY 2018-19, of Flint drinking water emergency appropriations. The FY 2018-19 Flint drinking water emergency appropriations are summarized in [Table 9](#). From FY 2015-16 through the initial FY 2018-19 budget, cumulative Gross State appropriations specifically for the Flint water emergency, are \$559.8 million, with \$6.1 million remaining in the drinking water declaration of emergency reserve fund.

It should be noted that although Capital Outlay appropriations are included in the General omnibus bill, they are FY 2017-18 supplemental appropriations, not FY 2018-19 initial appropriations. Details of the FY 2017-18 Capital Outlay budget will be included in the Senate Fiscal Agency publication: *FY 2017-18 Appropriations Report Part III - Year-End Appropriations*.

## HIGHLIGHTS OF CHANGES IN STATE APPROPRIATIONS

There are various elements that account for the \$264.1 million Gross appropriation increase and the \$210.0 million GF/GP decrease noted previously. These elements include new programs, program increases, program eliminations and reductions, fund shifts, and economic adjustments. The \$264.1 million of Gross appropriation changes consists of \$110.8 million for new programs, \$2.0 billion for program funding increases, \$1.9 billion of savings due to program eliminations and funding reductions, \$57.5 million in reductions from other technical program adjustments, \$108.7 million for standard economic adjustments, and \$422,900 for unclassified salary increases. A summary of the Gross and GF/GP appropriation changes from FY 2017-18 to FY 2018-19 is presented in [Table 10](#). [Tables 11](#) through [16](#) provide details on the appropriation changes.

There are a number of new programs for FY 2018-19, as well as other funding increases that are primarily attributable to caseload and cost issues in the Department of Health and Human Services and School Aid budgets. [Table 11](#) summarizes FY 2018-19 Gross and GF/GP funding for new programs by department. New programs in various departments account for \$110.8 million of Gross and \$94.9 million of GF/GP appropriations. The single largest Gross piece of the new programs' total is \$84.1 million, all from GF/GP revenue, for Indigent Defense Commission grants to local units, pursuant to statutory requirements. The second largest GF/GP new program appropriation is \$5.0 million in the Department of Health and Human Services for a primary care loan

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<sup>4</sup> Adjusted Gross appropriations are defined as Gross appropriations less interdepartmental grants received.

repayment program. There are also two new School Aid Fund categorical grants of \$5.0 million each, for career and technical education incentive grants, and special education early on services.

In addition to new programs, there are Gross program increases of \$2.0 billion and GF/GP increases of \$540.6 million, which are outlined in [Table 12](#). The largest Gross funding increase is \$477.8 million (\$300.0 million GF/GP) for State, county, city, village, and bridge road projects in the Department of Transportation. However, if the removal of \$205.0 million of FY 2017-18 GF/GP funding is taken into account, there is a net GF/GP increase of \$95.0 million for road projects in FY 2018-19. The second-largest Gross increase is \$312.0 million in the School Aid budget to reflect foundation allowance increases ranging from \$120 to \$240 per pupil, using the 2x formula. The next-largest Gross increase is \$252.3 million in the Department of Health and Human Services to recognize caseload and cost adjustments, although there are offsetting caseload and cost reductions (included in [Table 13](#)) that yield a net reduction of \$49.9 million. As part of the budget target agreement, there is \$25.0 million Gross and GF/GP in the Department of Environmental Quality for environmental cleanup and \$14.0 million from State Restricted revenue for parks repair and maintenance in the Department of Natural Resources. The Gross appropriation increases for the Community Colleges and Higher Education budgets are \$10.5 million and \$41.8 million, respectively. Among the GF/GP program increases in the budget are \$32.1 million for various State Police trooper schools and \$13.2 million in the Department of Corrections for the transition to State employee staff for prison food service.

[Table 13](#) outlines the programs eliminated, and those with reduced funding, in the FY 2018-19 initial appropriations. Of the total \$1.9 billion in Gross program eliminations and reductions, \$302.2 million, or 16.1%, is from the reduction in caseload and costs in the Department of Health and Human Services. Throughout all of the budget areas, the removal of FY 2017-18 appropriations that were characterized as one-time accounted for approximately \$411.0 million Gross, primarily due to the \$200.0 million extra payment for the Michigan Public School Employees Retirement System's (MPERS) unfunded accrued liabilities in the School Aid budget. The removal of FY 2017-18 supplemental appropriations produced Gross reductions of \$568.1 million. Among the FY 2017-18 supplementals removed are \$100.0 million for the Marshall Plan for Talent (funded from the Talent Investment Fund) in School Aid, and \$60.0 million in the Department of Technology, Management, and Budget for the Infrastructure Fund (\$35.0 million) and the Drinking Water Emergency Reserve Fund (\$25.0 million).

In addition to the new programs, program increases, and program eliminations and reductions outlined in [Tables 11](#), [12](#), and [13](#), there are numerous fund shifts in the FY 2018-19 budget that either increase or decrease GF/GP appropriations. These fund shifts, the largest being the \$234.5 million replacement of GF/GP support in the Higher Education budget with School Aid Fund revenue, produce a net decrease of \$164.8 million in GF/GP appropriation levels, and are listed in [Table 14](#).

[Table 15](#) lists other program adjustments, primarily technical in nature, that reduce FY 2018-19 Gross appropriations by \$57.5 million and reduce GF/GP appropriations by \$2.8 million. [Table 16](#) summarizes the FY 2018-19 initial appropriations economic adjustments, which reflect an overall increase of \$108.7 million Gross and \$56.1 million GF/GP. In addition to the economic adjustments, there is a Gross increase for unclassified salaries of \$422,900 and a GF/GP increase of \$223,700, resulting in total FY 2018-19 Gross appropriations for unclassified salaries of \$21.4 million. State employee compensation changes are discussed in the next section of this report.

All of the changes listed in [Tables 11](#) through [16](#) result in an overall appropriation increase from FY 2017-18 to FY 2018-19 of \$264.1 million Gross and an appropriation decrease of \$210.0 million GF/GP.

Table 4

<b>GROSS APPROPRIATIONS FY 2017-18 VERSUS FY 2018-19</b>				
<b>Department/Budget Area</b>	<b>FY 2017-18 Year-to-Date Appropriations<sup>1)</sup></b>	<b>FY 2018-19 Initial Appropriations</b>	<b>Dollar Difference</b>	<b>Percent Change</b>
Agriculture & Rural Development .....	\$115,328,600	\$107,948,100	(\$7,380,500)	(6.4%)
Attorney General.....	103,925,000	103,648,900	(276,100)	(0.3)
Capital Outlay .....	1,600	0	(1,600)	(100.0)
Civil Rights .....	16,249,600	16,201,100	(48,500)	(0.3)
Community Colleges.....	399,326,500	408,215,500	8,889,000	2.2
Corrections.....	2,003,669,200	2,017,056,200	13,387,000	0.7
Education .....	366,785,100	400,815,000	34,029,900	9.3
Environmental Quality.....	571,575,200	447,502,600	(124,072,600)	(21.7)
Executive .....	6,848,500	6,980,100	131,600	1.9
Health & Human Services.....	24,855,339,300	24,880,165,600	24,826,300	0.1
Higher Education .....	1,629,224,400	1,669,732,600	40,508,200	2.5
Insurance & Financial Services .....	66,741,400	67,971,900	1,230,500	1.8
Judiciary.....	300,043,000	304,079,100	4,036,100	1.3
Legislative Auditor General.....	24,286,200	24,938,000	651,800	2.7
Legislature .....	155,274,800	158,112,500	2,837,700	1.8
Licensing & Regulatory Affairs.....	435,272,000	517,762,200	82,490,200	19.0
Military & Veterans Affairs .....	183,271,100	192,564,300	9,293,200	5.1
Natural Resources .....	422,742,200	438,442,800	15,700,600	3.7
Natural Resources Trust Fund.....	49,866,900	0	(49,866,900)	(100.0)
School Aid.....	14,682,670,800	14,765,468,800	82,798,000	0.6
State.....	271,450,900	246,662,800	(24,788,100)	(9.1)
State Police.....	734,363,400	716,459,500	(17,903,900)	(2.4)
Talent & Economic Development .....	1,202,577,900	1,115,295,600	(87,282,300)	(7.3)
Technology, Management, & Budget .....	1,434,261,400	1,347,108,600	(87,152,800)	(6.1)
Transportation.....	4,559,088,000	4,843,089,900	284,001,900	6.2
Treasury (Debt Service).....	107,580,000	107,080,000	(500,000)	(0.5)
Treasury (Operations).....	524,828,200	562,928,500	38,100,300	7.3
Treasury (Revenue Sharing) .....	1,293,928,600	1,314,405,300	20,476,700	1.6
<b>TOTAL BUDGET AREA APPROPRIATIONS .....</b>	<b>\$56,516,519,800</b>	<b>\$56,780,635,500</b>	<b>\$264,115,700</b>	<b>0.5%</b>
<sup>1)</sup> Appropriations as of July 1, 2018.				

Table 5

APPROPRIATIONS BY SOURCE OF FUNDS FY 2018-19 INITIAL APPROPRIATIONS							
Department/Budget Area	Gross	IDGs	Adjusted Gross	Federal	Local & Private	State Restricted	General Fund/ General Purpose
Agriculture & Rural Development	\$107,948,100	\$313,900	\$107,634,200	\$11,775,200	\$101,800	\$37,172,000	\$58,585,200
Attorney General	103,648,900	30,386,400	73,262,500	9,628,500	0	22,427,200	41,206,800
Capital Outlay	0	0	0	0	0	0	0
Civil Rights	16,201,100	299,100	15,902,000	2,802,700	18,700	58,500	13,022,100
Community Colleges	408,215,500	0	408,215,500	0	0	408,215,500	0
Corrections	2,017,056,200	0	2,017,056,200	5,315,200	8,960,100	40,939,600	1,961,841,300
Education	400,815,000	0	400,815,000	298,074,500	7,888,600	8,668,200	86,183,700
Environmental Quality	447,502,600	3,143,700	444,358,900	160,225,400	1,061,700	209,325,300	73,746,500
Executive	6,980,100	0	6,980,100	0	0	0	6,980,100
Health & Human Services	24,880,165,600	13,813,700	24,866,351,900	17,635,395,600	272,022,500	2,498,846,500	4,460,087,300
Higher Education	1,669,732,600	0	1,669,732,600	123,526,400	0	500,188,300	1,046,017,900
Insurance & Financial Services	67,971,900	713,800	67,258,100	2,017,300	0	64,690,800	550,000
Judiciary	304,079,100	1,551,300	302,527,800	5,987,400	7,481,400	92,979,500	196,079,500
Legislative Auditor General	24,938,000	5,823,400	19,114,600	0	0	2,008,800	17,105,800
Legislature	158,112,500	0	158,112,500	0	400,000	4,394,300	153,318,200
Licensing & Regulatory Affairs	517,762,200	48,414,300	469,347,900	65,744,400	211,800	276,471,400	126,920,300
Military & Veterans Affairs	192,564,300	101,800	192,462,500	98,170,200	2,175,400	23,279,500	68,837,400
Natural Resources	438,442,800	232,200	438,210,600	81,731,600	7,431,400	299,965,800	49,081,800
Natural Resources Trust Fund	0	0	0	0	0	0	0
School Aid	14,765,468,800	0	14,765,468,800	1,724,743,500	0	12,980,725,300	60,000,000
State	246,662,800	20,000,000	226,662,800	1,460,000	50,100	206,686,400	18,466,300
State Police	716,459,500	24,748,300	691,711,200	78,297,900	5,261,800	149,103,700	459,047,800
Talent & Economic Development	1,115,295,600	0	1,115,295,600	762,645,800	6,121,700	205,432,300	141,095,800
Tech., Management, & Budget	1,347,108,600	751,777,000	595,331,600	5,033,700	2,471,000	114,037,400	473,789,500
Transportation	4,843,089,900	4,092,500	4,838,997,400	1,318,271,700	51,432,000	3,169,293,700	300,000,000
Treasury (Debt Service)	107,080,000	0	107,080,000	0	0	0	107,080,000
Treasury (Operations)	562,928,500	12,780,300	550,148,200	27,128,000	13,163,200	407,475,700	102,381,300
Treasury (Revenue Sharing)	1,314,405,300	0	1,314,405,300	0	0	1,314,405,300	0
<b>TOTAL BUDGET AREA APPROPS</b>	<b>\$56,780,635,500</b>	<b>\$918,191,700</b>	<b>\$55,862,443,800</b>	<b>\$22,417,975,000</b>	<b>\$386,253,200</b>	<b>\$23,036,791,000</b>	<b>\$10,021,424,600</b>

Figure A

# Appropriations by Source of Funds

## FY 2018-19 Initial Adjusted Gross Appropriations

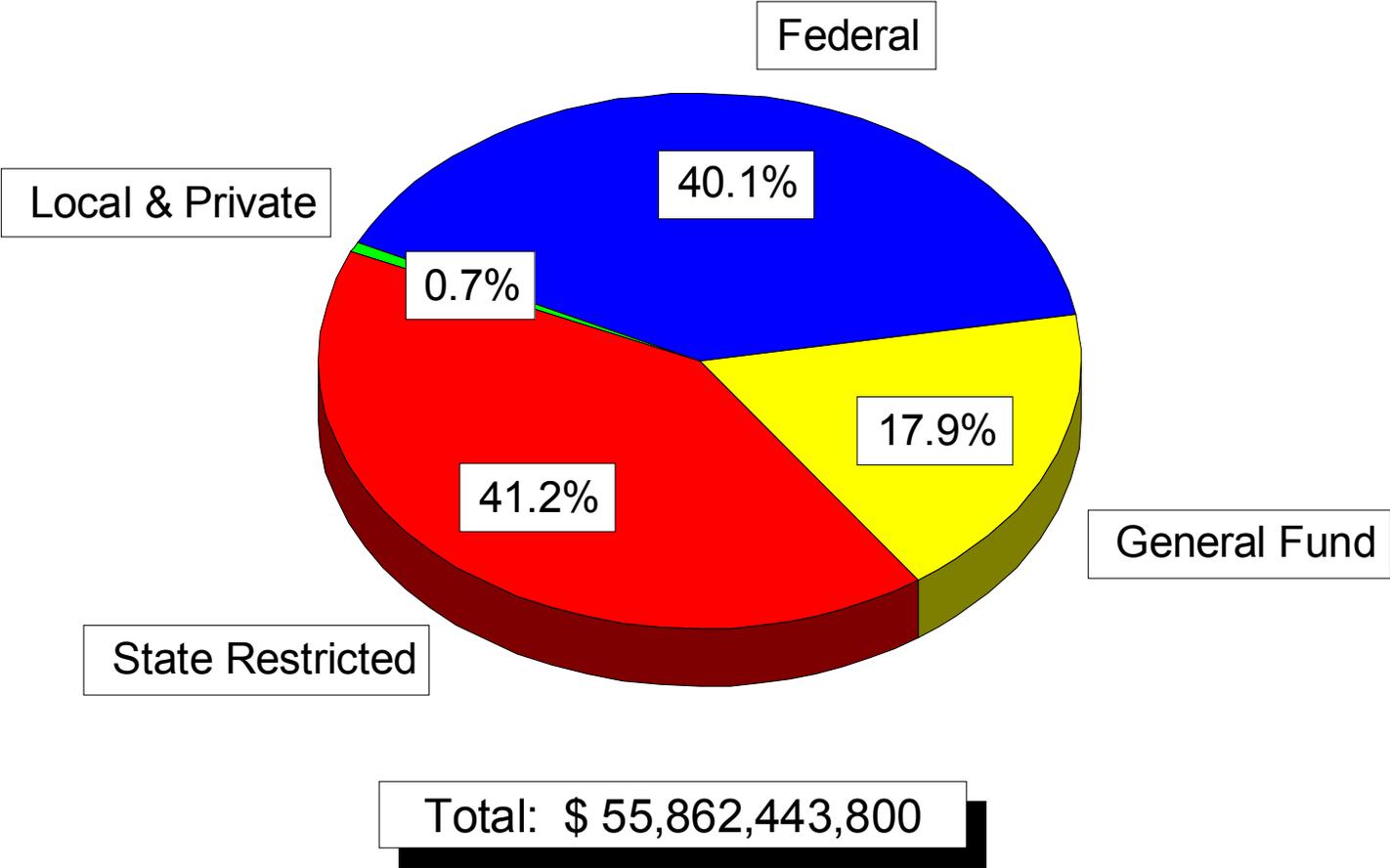


Table 6

<b>ADJUSTED GROSS APPROPRIATIONS FY 2017-18 VERSUS FY 2018-19</b>				
<b>Department/Budget Area</b>	<b>FY 2017-18 Year-to-Date Appropriations<sup>1)</sup></b>	<b>FY 2018-19 Initial Appropriations</b>	<b>Dollar Difference</b>	<b>Percent Change</b>
Agriculture & Rural Development .....	\$115,018,300	\$107,634,200	(\$7,384,100)	(6.4%)
Attorney General.....	73,454,700	73,262,500	(192,200)	(0.3)
Capital Outlay .....	1,600	0	(1,600)	(100.0)
Civil Rights .....	15,953,000	15,902,000	(51,000)	(0.3)
Community Colleges.....	399,326,500	408,215,500	8,889,000	2.2
Corrections.....	2,003,669,200	2,017,056,200	13,387,000	0.7
Education .....	366,785,100	400,815,000	34,029,900	9.3
Environmental Quality.....	568,474,700	444,358,900	(124,115,800)	(21.8)
Executive .....	6,848,500	6,980,100	131,600	1.9
Health & Human Services.....	24,841,698,400	24,866,351,900	24,653,500	0.1
Higher Education .....	1,629,224,400	1,669,732,600	40,508,200	2.5
Insurance & Financial Services .....	66,033,800	67,258,100	1,224,300	1.9
Judiciary.....	298,492,400	302,527,800	4,035,400	1.4
Legislative Auditor General.....	18,577,000	19,114,600	537,600	2.9
Legislature .....	155,274,800	158,112,500	2,837,700	1.8
Licensing & Regulatory Affairs.....	387,436,900	469,347,900	81,911,000	21.1
Military & Veterans Affairs .....	183,169,300	192,462,500	9,293,200	5.1
Natural Resources .....	422,510,000	438,210,600	15,700,600	3.7
Natural Resources Trust Fund.....	49,866,900	0	(49,866,900)	(100.0)
School Aid.....	14,682,670,800	14,765,468,800	82,798,000	0.6
State.....	251,450,900	226,662,800	(24,788,100)	(9.9)
State Police.....	708,141,800	691,711,200	(16,430,600)	(2.3)
Talent & Economic Development .....	1,202,577,900	1,115,295,600	(87,282,300)	(7.3)
Technology, Management, & Budget .....	720,302,400	595,331,600	(124,970,800)	(17.3)
Transportation.....	4,555,048,700	4,838,997,400	283,948,700	6.2
Treasury (Debt Service).....	107,580,000	107,080,000	(500,000)	(0.5)
Treasury (Operations).....	512,214,500	550,148,200	37,933,700	7.4
Treasury (Revenue Sharing) .....	1,293,928,600	1,314,405,300	20,476,700	1.6
<b>TOTAL BUDGET AREA APPROPRIATIONS.....</b>	<b>\$55,635,731,100</b>	<b>\$55,862,443,800</b>	<b>\$226,712,700</b>	<b>0.4%</b>

<sup>1)</sup> Appropriations as of July 1, 2018.

Figure B

# Adjusted Gross FY 2018-19 Initial Appropriations

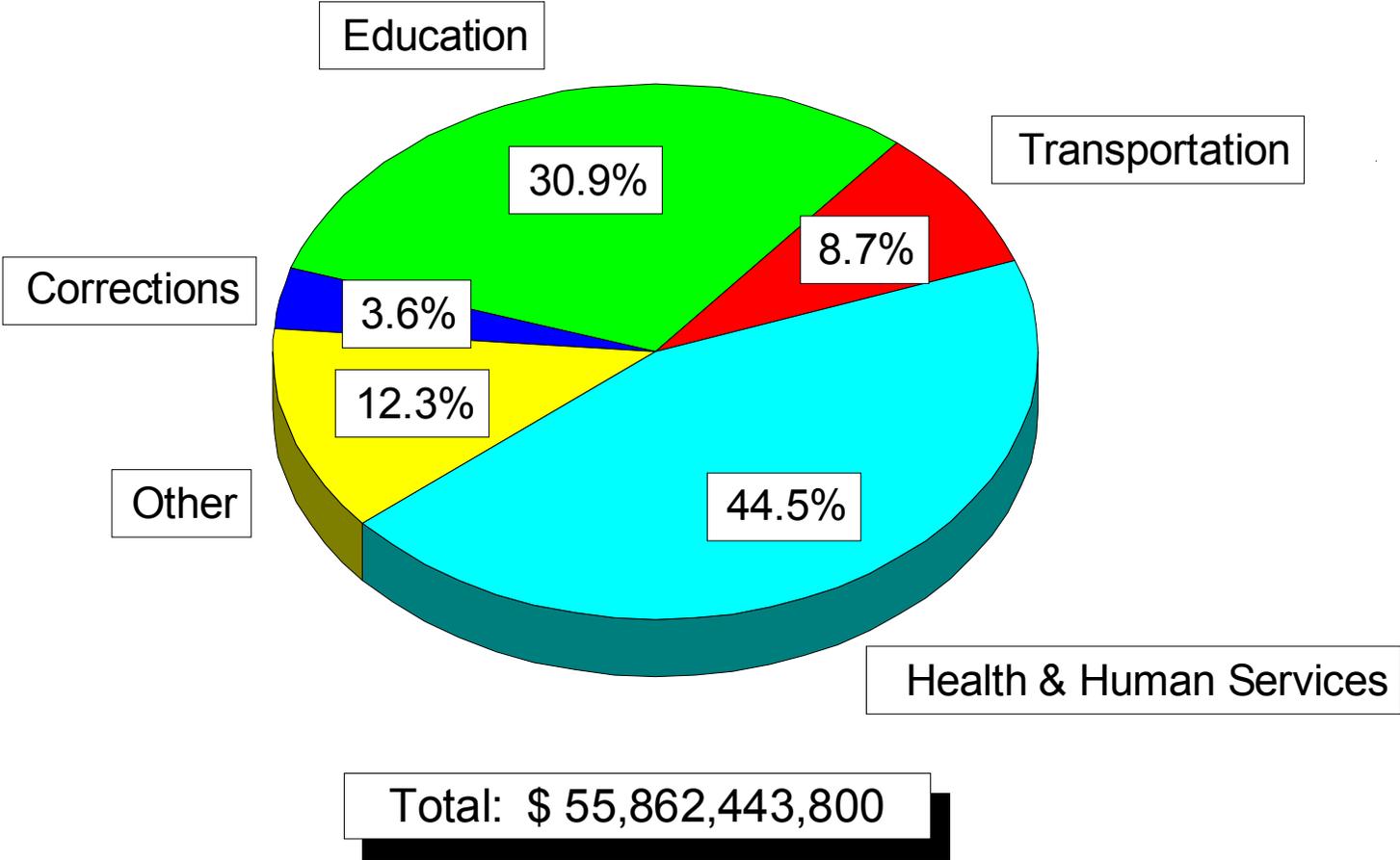


Table 7

<b>STATE SPENDING FROM STATE RESOURCES FY 2017-18 VERSUS FY 2018-19</b>				
<b>Department/Budget Area</b>	<b>FY 2017-18 Year-to-Date Appropriations<sup>1)</sup></b>	<b>FY 2018-19 Initial Appropriations</b>	<b>Dollar Difference</b>	<b>Percent Change</b>
Agriculture & Rural Development .....	\$103,162,800	\$95,757,200	(\$7,405,600)	(7.2%)
Attorney General.....	63,810,500	63,634,000	(176,500)	(0.3)
Capital Outlay .....	1,600	0	(1,600)	(100.0)
Civil Rights .....	13,158,500	13,080,600	(77,900)	(0.6)
Community Colleges.....	399,326,500	408,215,500	8,889,000	2.2
Corrections.....	1,989,533,000	2,002,780,900	13,247,900	0.7
Education .....	90,245,000	94,851,900	4,606,900	5.1
Environmental Quality.....	397,876,800	283,071,800	(114,805,000)	(28.9)
Executive .....	6,848,500	6,980,100	131,600	1.9
Health & Human Services.....	6,825,860,900	6,958,933,800	133,072,900	1.9
Higher Education .....	1,517,698,000	1,546,206,200	28,508,200	1.9
Insurance & Financial Services .....	64,019,100	65,240,800	1,221,700	1.9
Judiciary.....	285,103,400	289,059,000	3,955,600	1.4
Legislative Auditor General.....	18,577,000	19,114,600	537,600	2.9
Legislature .....	154,874,800	157,712,500	2,837,700	1.8
Licensing & Regulatory Affairs.....	322,054,200	403,391,700	81,337,500	25.3
Military & Veterans Affairs .....	88,666,800	92,116,900	3,450,100	3.9
Natural Resources .....	344,968,300	349,047,600	4,079,300	1.2
Natural Resources Trust Fund.....	49,866,900	0	(49,866,900)	(100.0)
School Aid.....	12,955,727,300	13,040,725,300	84,998,000	0.7
State.....	235,233,800	225,152,700	(10,081,100)	(4.3)
State Police.....	618,442,000	608,151,500	(10,290,500)	(1.7)
Talent & Economic Development .....	434,312,200	346,528,100	(87,784,100)	(20.2)
Technology, Management, & Budget .....	712,872,700	587,826,900	(125,045,800)	(17.5)
Transportation.....	3,159,470,500	3,469,293,700	309,823,200	9.8
Treasury (Debt Service).....	107,580,000	107,080,000	(500,000)	(0.5)
Treasury (Operations).....	470,648,400	509,857,000	39,208,600	8.3
Treasury (Revenue Sharing) .....	1,293,928,600	1,314,405,300	20,476,700	1.6
<b>TOTAL BUDGET AREA APPROPRIATIONS .....</b>	<b>\$32,723,868,100</b>	<b>\$33,058,215,600</b>	<b>\$334,347,500</b>	<b>1.0%</b>

<sup>1)</sup> Appropriations as of July 1, 2018.

Figure C

# State Spending From State Resources

## FY 2018-19 Initial Appropriations

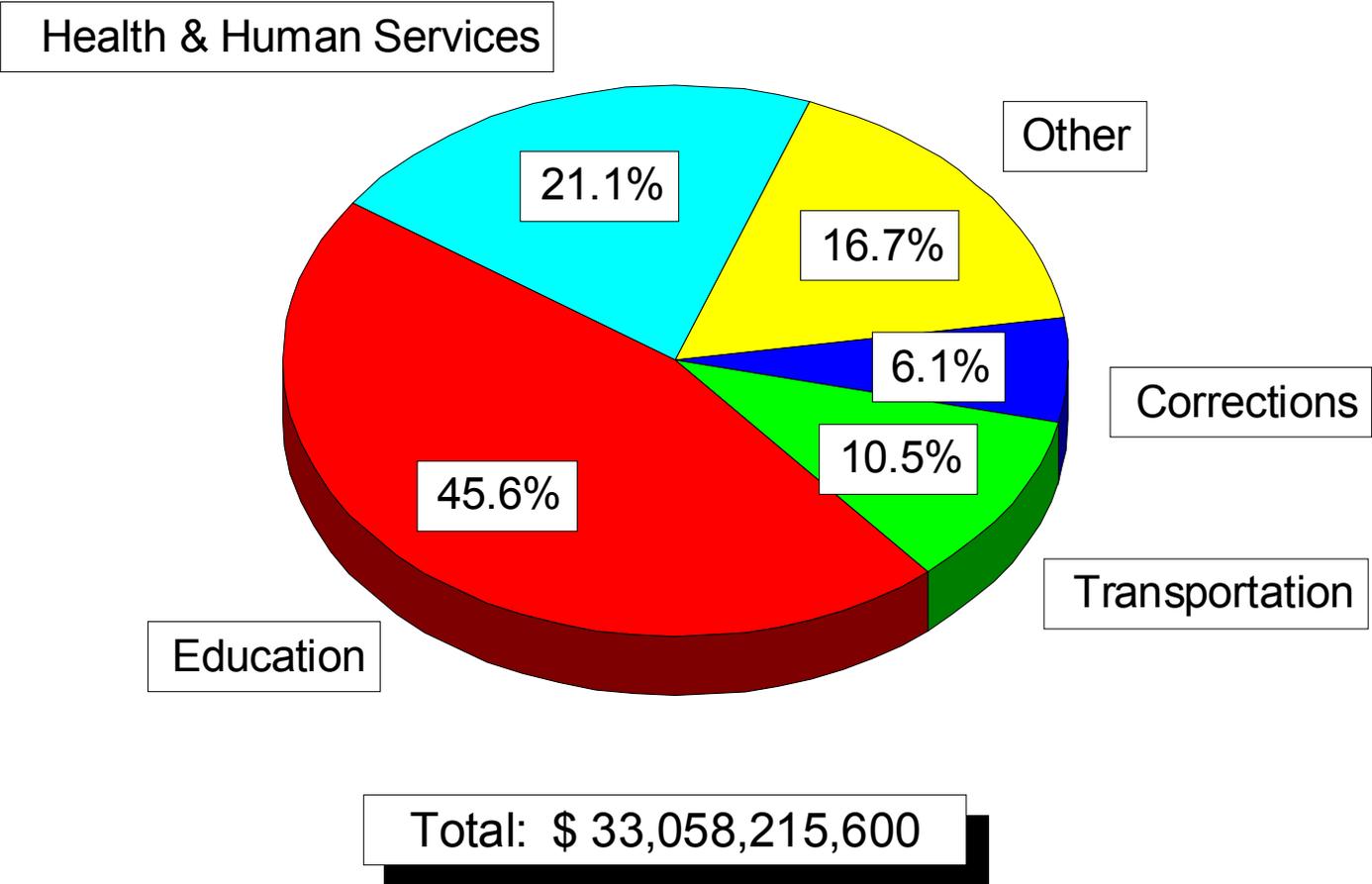


Table 8

<b>GENERAL FUND/GENERAL PURPOSE APPROPRIATIONS FY 2017-18 VERSUS FY 2018-19</b>				
<b>Department/Budget Area</b>	<b>FY 2017-18 Year-to-Date Appropriations<sup>1)</sup></b>	<b>FY 2018-19 Initial Appropriations</b>	<b>Dollar Difference</b>	<b>Percent Change</b>
Agriculture & Rural Development .....	\$66,501,800	\$58,585,200	(\$7,916,600)	(11.9%)
Attorney General.....	42,248,600	41,206,800	(1,041,800)	(2.5)
Capital Outlay .....	1,600	0	(1,600)	(100.0)
Civil Rights .....	13,006,600	13,022,100	15,500	0.1
Community Colleges.....	1,025,000	0	(1,025,000)	(100.0)
Corrections.....	1,948,383,600	1,961,841,300	13,457,700	0.7
Education .....	81,677,400	86,183,700	4,506,300	5.5
Environmental Quality.....	81,151,500	73,746,500	(7,405,000)	(9.1)
Executive .....	6,848,500	6,980,100	131,600	1.9
Health & Human Services.....	4,351,106,200	4,460,087,300	108,981,100	2.5
Higher Education .....	1,279,254,500	1,046,017,900	(233,236,600)	(18.2)
Insurance & Financial Services .....	150,000	550,000	400,000	266.7
Judiciary.....	192,574,400	196,079,500	3,505,100	1.8
Legislative Auditor General.....	16,607,600	17,105,800	498,200	3.0
Legislature .....	150,597,100	153,318,200	2,721,100	1.8
Licensing & Regulatory Affairs.....	44,416,600	126,920,300	82,503,700	185.7
Military & Veterans Affairs .....	66,334,200	68,837,400	2,503,200	3.8
Natural Resources .....	64,521,100	49,081,800	(15,439,300)	(23.9)
Natural Resources Trust Fund.....	0	0	0	0.0
School Aid.....	78,500,000	60,000,000	(18,500,000)	(23.6)
State.....	24,274,400	18,466,300	(5,808,100)	(23.9)
State Police.....	472,001,700	459,047,800	(12,953,900)	(2.7)
Talent & Economic Development .....	228,255,500	141,095,800	(87,159,700)	(38.2)
Technology, Management, & Budget .....	601,053,400	473,789,500	(127,263,900)	(21.2)
Transportation.....	205,000,000	300,000,000	95,000,000	46.3
Treasury (Debt Service).....	107,580,000	107,080,000	(500,000)	(0.5)
Treasury (Operations).....	99,966,900	102,381,300	2,414,400	2.4
Treasury (Revenue Sharing) .....	8,379,200	0	(8,379,200)	(100.0)
<b>TOTAL BUDGET AREA APPROPRIATIONS.....</b>	<b>\$10,231,417,400</b>	<b>\$10,021,424,600</b>	<b>(\$209,992,800)</b>	<b>(2.1%)</b>

<sup>1)</sup> Appropriations as of July 1, 2018.

Figure D

# General Fund/General Purpose FY 2018-19 Initial Appropriations

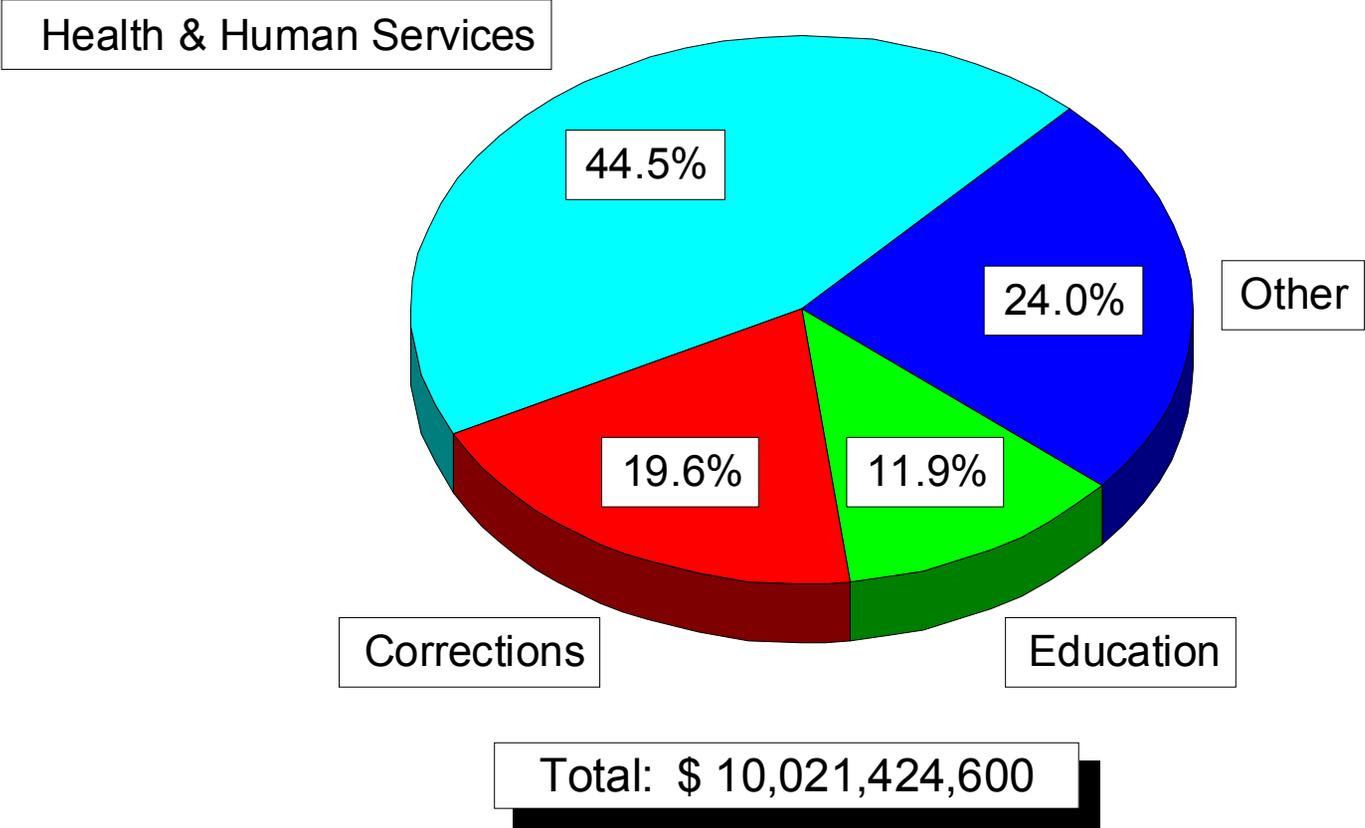


Table 9

PUBLIC ACTS 207 AND 265 OF 2018: FY 2018-19 FLINT DRINKING WATER EMERGENCY INITIAL APPROPRIATIONS					
Department/Program	Gross	Federal	Reserve Fund	Other State Restricted	GF/GP
<b>Attorney General</b>					
Legal costs (Lawsuit settlement fund) .....	\$2,600,000	\$0	\$0	\$2,600,000	\$0
<b>Total Attorney General</b> .....	<b>\$2,600,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,600,000</b>	<b>\$0</b>
<b>Education</b>					
Drinking water emergency reserve fund placeholder .....	\$100	\$0	\$100	\$0	\$0
<b>Total Education</b> .....	<b>\$100</b>	<b>\$0</b>	<b>\$100</b>	<b>\$0</b>	<b>\$0</b>
<b>Environmental Quality</b>					
Drinking water emergency reserve fund placeholder .....	\$100	\$0	\$100	\$0	\$0
<b>Total Environmental Quality</b> .....	<b>\$100</b>	<b>\$0</b>	<b>\$100</b>	<b>\$0</b>	<b>\$0</b>
<b>Health and Human Services</b>					
Medicaid waiver .....	\$30,352,500	\$24,254,400	\$0	\$0	\$6,098,100
Lead abatement activities (\$376,600 Healthy Michigan Fund) .....	1,500,000	0	0	376,600	1,123,400
Comprehensive lead poisoning prevention .....	709,000	0	0	0	709,000
Additional child and adolescent health center funding .....	650,000	0	0	0	650,000
Nurse family partnership .....	500,000	0	0	0	500,000
Children's health access program (\$100 reserve fund placeholder) .....	375,100	0	100	0	375,000
Flint double-up food bucks .....	300,000	0	0	0	300,000
Parents as teachers .....	260,000	0	0	0	260,000
Michigan child collaborative care program .....	200,000	0	0	0	200,000
Toxicology support for drinking water response .....	127,000	0	0	0	127,000
<b>Total Health and Human Services</b> .....	<b>\$34,973,600</b>	<b>\$24,254,400</b>	<b>\$100</b>	<b>\$376,600</b>	<b>\$10,342,500</b>
<b>School Aid</b>					
School nurses, classroom aides, and school social workers .....	\$2,625,000	\$0	\$0	\$0	\$2,625,000
Nutritional services .....	605,000	0	0	0	605,000
Drinking water emergency reserve fund placeholder .....	100	0	100	0	0
<b>Total School Aid</b> .....	<b>\$3,230,100</b>	<b>\$0</b>	<b>\$100</b>	<b>\$0</b>	<b>\$3,230,000</b>
<b>Talent and Economic Development</b>					
Drinking water emergency reserve fund placeholder .....	\$100	\$0	\$100	\$0	\$0
<b>Total Talent and Economic Development</b> .....	<b>\$100</b>	<b>\$0</b>	<b>\$100</b>	<b>\$0</b>	<b>\$0</b>
<b>Technology, Management, and Budget</b>					
Drinking water emergency reserve fund placeholder .....	\$100	\$0	\$100	\$0	\$0
Drinking water emergency reserve fund withdrawal .....	(700)	0	(700)	0	0
<b>Total Technology, Management, and Budget</b> .....	<b>(\$600)</b>	<b>\$0</b>	<b>(\$600)</b>	<b>\$0</b>	<b>\$0</b>
<b>Treasury</b>					
Drinking water emergency reserve fund placeholder .....	\$100	\$0	\$100	\$0	\$0
<b>Total Treasury</b> .....	<b>\$100</b>	<b>\$0</b>	<b>\$100</b>	<b>\$0</b>	<b>\$0</b>
<b>Total FY 2018-19 Initial Appropriations</b> .....	<b>\$40,803,500</b>	<b>\$24,254,400</b>	<b>\$0</b>	<b>\$2,976,600</b>	<b>\$13,572,500</b>

Table 10

SUMMARY OF FY 2018-19 APPROPRIATION CHANGES		
	Gross	GF/GP
<b>FY 2017-18 Year-To-Date Appropriation<sup>1)</sup></b> .....	<b>\$56,516,519,800</b>	<b>\$10,231,417,400</b>
<b>Changes for FY 2018-19:</b>		
New Programs .....	\$110,791,700	\$94,885,000
Program Increases .....	1,974,694,200	540,581,200
Program Eliminations/Reductions .....	(1,872,972,900)	(734,152,300)
Major Fund Shifts Affecting GF/GP .....	0	(164,832,300)
Other Technical Program Adjustments .....	(57,504,000)	(2,784,600)
Economic Adjustments .....	108,683,800	56,086,500
Unclassified Salaries Adjustments (Executive Branch) .....	422,900	223,700
Total Changes .....	\$264,115,700	(\$209,992,800)
<b>FY 2018-19 INITIAL APPROPRIATION</b> .....	<b>\$56,780,635,500</b>	<b>\$10,021,424,600</b>

<sup>1)</sup> Appropriation as of July 1, 2018.

Table 11

FY 2018-19 INITIAL APPROPRIATIONS NEW PROGRAMS		
Budget Area/Program	Gross	GF/GP
<b>Agriculture and Rural Development</b>		
Agtech connections resources expertise (ACRE) agriculture incubator .....	\$260,000	\$260,000
Outdoor discovery center network - project clarity .....	120,000	120,000
<b>Corrections</b>		
Study of post-traumatic stress disorder among correctional officers .....	50,000	50,000
<b>Environmental Quality</b>		
Volkswagen diesel emissions mitigation trust (3.0 FTEs; private revenue) .....	506,600	0
<b>Health and Human Services</b>		
Primary care loan repayment program .....	5,000,000	5,000,000
County reimbursement for guardian/conservator costs .....	1,500,000	1,500,000
Autism "train the trainer" pilot .....	55,000	55,000
<b>Insurance and Financial Services</b>		
State innovation waiver evaluation study (insurance bureau fund; one-time) .....	400,000	400,000
<b>Judiciary</b>		
Youthful sex offender treatment pilot program (one-time) .....	75,000	75,000
<b>Licensing and Regulatory Affairs</b>		
Indigent defense commission grants (\$100 local revenue placeholder) .....	84,100,100	84,100,000
Substance use disorder programs (marihuana regulatory fund) .....	500,000	0

Table 11 - continued

FY 2018-19 INITIAL APPROPRIATIONS NEW PROGRAMS		
Budget Area/Program	Gross	GF/GP
<b>Military and Veterans Affairs</b>		
County veteran service operations grants.....	2,100,000	2,100,000
Vietnam veterans outreach program.....	600,000	600,000
Grand Rapids veterans home video monitoring pilot project.....	275,000	275,000
<b>School Aid</b>		
Career and technical education incentive payments (new categorical).....	5,000,000	0
Special education early on services (new categorical).....	5,000,000	0
<b>State Police</b>		
Medical marihuana field sobriety testing (marihuana regulatory fund).....	900,000	0
<b>Talent and Economic Development</b>		
Rural blight elimination grants (one-time).....	350,000	350,000
<b>Transportation</b>		
Community service infrastructure fund matching grants (TEDF revenue).....	3,000,000	0
<b>Treasury (Revenue Sharing)</b>		
Supplemental county payment of 0.4627% of statutory amount.....	1,000,000	0
<b>TOTAL NEW PROGRAMS</b> .....	<b>\$110,791,700</b>	<b>\$94,885,000</b>

Table 12

FY 2018-19 INITIAL APPROPRIATIONS PROGRAM INCREASES		
Budget Area/Program	Gross	GF/GP
<b>Agriculture and Rural Development</b>		
Milk safety and quality assurance (\$80,000 Federal).....	\$860,000	\$780,000
County fairs, shows, and expositions grants.....	525,700	525,700
Food and agriculture investment program (previously value-added grants).....	381,100	381,100
Office of organization innovation.....	307,100	307,100
Laboratory genome sequencer (Federal).....	300,000	0
<b>Attorney General</b>		
OK2SAY student safety program.....	1,000,000	1,000,000
Re-adjudication of juvenile life without parole cases (lawsuit settlement revenue).....	700,000	0
Special counsel for Flint investigation (lawsuit settlement revenue).....	600,000	0
Medical marihuana regulation (marihuana regulatory fund).....	126,700	0
Forensic interview training.....	100,000	100,000
<b>Community Colleges</b>		
MPSERS normal cost offset (one-time; School Aid Fund).....	6,431,000	0
College operations funding (School Aid Fund).....	3,200,000	0
Net other MPSERS adjustments (School Aid Fund).....	883,000	0

**Table 12 - continued**  
**FY 2018-19 INITIAL APPROPRIATIONS**  
**PROGRAM INCREASES**

<b>Budget Area/Program</b>	<b>Gross</b>	<b>GF/GP</b>
<b>Corrections</b>		
Transition to State-employee staff for prison food service (352.0 FTEs).....	13,239,100	13,239,100
Officer academy for new custody staff training (one-time).....	9,227,700	9,227,700
Higher-custody-level programming .....	2,400,000	2,400,000
Probation residential services .....	2,350,000	2,350,000
Enhanced food technology program (12.0 FTEs) .....	2,000,000	2,000,000
Health care recruitment and retention .....	2,000,000	2,000,000
Offender with special needs contract adjustments.....	1,648,700	1,648,700
Prisoner re-entry service contracts.....	1,291,400	1,291,400
Medication-assisted treatment re-entry pilot program.....	500,000	500,000
Federally-qualified health centers pilot.....	175,000	175,000
Food/kitchen inspections.....	50,000	50,000
<b>Education</b>		
Child development and care (CDC) biweekly reimbursement (Federal).....	15,000,000	0
May 2018 CREC caseload and cost adjustments (Federal) .....	10,000,000	0
TEACH scholarship program (Federal) .....	2,500,000	0
State aid to libraries: increase to 39 cents per capita (FY 2018-19=\$12.1 million) .....	1,000,000	1,000,000
Office of great start operations (Federal) .....	603,800	0
Child development and care external support (Federal).....	380,700	0
Braille textbook production expansion (low-incidence outreach revenue).....	300,000	0
<b>Environmental Quality</b>		
Environmental cleanup and redevelopment program (11.0 FTEs) .....	25,000,000	25,000,000
Lead remediation grants (\$1 million bottle deposit revenue) .....	2,000,000	1,000,000
Recycling initiative (bottle deposit revenue).....	1,000,000	0
Michigan geological survey (WMU).....	500,000	500,000
Water withdrawal assessment program (1.0 FTE).....	180,000	180,000
Landfill research, design, and demonstration project (Smith's Creek landfill) .....	120,000	120,000
Rent adjustment (\$13,300 restricted revenue).....	17,600	4,300
<b>Executive</b>		
Operations increase of 2.0% .....	105,400	105,400
<b>Health and Human Services</b>		
Medicaid and Healthy Michigan Plan (HMP) 2.5% actuarial soundness .....	142,632,800	20,902,700
Hospital rate adjustor changes.....	87,395,700	(30,407,600)
Nursing home quality assurance assessment program quality pool.....	73,000,000	(8,217,200)
Medicaid mental health services 2.0% actuarial soundness.....	45,276,800	16,095,900
Medicaid autism services base and caseload.....	40,447,700	14,580,100
MiDocs graduate medical education consortium .....	28,129,400	5,000,000
Glisson decision costs.....	14,569,800	16,024,000
Changes in Michigan access to care initiative payments.....	14,074,700	2,561,000
Federal funding for integrated service delivery efforts .....	13,783,400	0
Graduate medical education innovation payments .....	10,703,200	0
Additional funding for rural/sole/ob-gyn hospital pools .....	10,000,000	10,000,000

**Table 12 - continued**  
**FY 2018-19 INITIAL APPROPRIATIONS**  
**PROGRAM INCREASES**

<b>Budget Area/Program</b>	<b>Gross</b>	<b>GF/GP</b>
<b>Health and Human Services (continued)</b>		
Shift of some HMP cases to health exchanges.....	6,000,000	465,000
Healthy Michigan Plan behavioral health actuarial soundness.....	5,742,200	387,600
CMH non-Medicaid new formula hold harmless funding.....	5,527,800	5,527,800
Children's special health care services base and caseload.....	5,359,800	2,472,800
Funding to combat emerging public health threats.....	4,750,000	4,750,000
Local public health departments.....	4,533,200	4,533,200
Information technology efforts.....	4,108,600	4,108,600
Dental services 1.5% actuarial soundness.....	3,577,500	1,271,800
Foster care payments base and caseload.....	3,552,000	2,052,300
Family assistance program base and caseload.....	3,395,900	0
Increase Medicaid neonatal reimbursement rates.....	2,841,100	1,010,000
Aging community services.....	2,500,000	2,500,000
Support for 2020 census counts campaign.....	2,500,000	500,000
Centers for independent living.....	2,000,000	2,000,000
Crime victims advocates.....	2,000,000	0
Adoption support services rate increase.....	1,750,000	950,000
Technical adjustments (new non-GF revenue).....	1,644,000	0
Western Michigan University unified clinics (one-time).....	1,500,000	1,500,000
Foster care education stability travel costs.....	1,406,500	987,700
State facility psychiatrist salary increase.....	1,394,800	1,258,600
Multicultural integration funding (one-time).....	1,381,100	1,381,100
Healthy Michigan Plan behavioral health base and caseload.....	1,247,500	122,200
Increase adult foster care personal care rate by \$32/month.....	1,156,100	411,000
Enhanced opioid testing.....	1,000,000	1,000,000
Home visitation programs.....	1,000,000	1,000,000
Pediatric traumatic brain injury services.....	1,000,000	1,000,000
Increase in family independence program clothing allowance.....	960,000	(1,017,600)
Staff to train foster care private agency employees.....	918,000	376,600
Child care fund base and caseload.....	883,800	883,800
Non-state-owned building lease agreement.....	859,300	455,100
Federal managed care rule staffing annualization.....	830,100	415,000
Guardianship assistance base and caseload.....	800,000	801,100
State facility pharmacy inflation.....	502,700	418,200
Livonia substance use disorder pilot.....	500,000	500,000
Runaway and homeless youth contracts increase.....	500,000	500,000
Substance use disorder liquor license revenue increase.....	500,000	0
Family support subsidy rate increase.....	494,200	0
Autism navigator funding (one-time).....	460,000	460,000
State facility revenue and expenditure adjustments.....	423,800	0
Senior volunteer services.....	300,000	300,000
Children's special health care services gifts/bequests revenue.....	300,000	0

**Table 12 - continued**  
**FY 2018-19 INITIAL APPROPRIATIONS**  
**PROGRAM INCREASES**

<b>Budget Area/Program</b>	<b>Gross</b>	<b>GF/GP</b>
<b>Health and Human Services (continued)</b>		
Increased Federal tax refund offset fees.....	255,600	86,900
Increase adult protective services guardianship rate to \$83/month.....	210,000	210,000
Children's Trust Fund substance use disorder services .....	200,000	200,000
Newborn screening fee revenue .....	168,600	0
Electronic inpatient psychiatric bed registry .....	150,000	150,000
West Michigan Asian-American Association grant (one-time).....	150,000	150,000
Opioid crisis outreach coordinator (one-time) .....	115,000	115,000
Cradle Kalamazoo infant mortality project (one-time).....	100,000	100,000
Long-term care affordability study .....	100,000	100,000
Adoption services actuarially sound rates study .....	50,000	50,000
Real alternatives program .....	50,000	50,000
United community family services grant increase (one-time) .....	25,000	25,000
Effects of Title XXI match rate change on poison control funding .....	400	0
<b>Higher Education</b>		
Performance-based 2.0% average increase for university operations (SAF).....	28,566,800	0
Tuition incentive program-increase from \$58.3 million to \$64.3 million (TANF) .....	6,000,000	0
Tuition grants-restore \$6 million FY 2017-18 reduction/retain at \$38 million (TANF)....	6,000,000	0
MSU agriculture/bio research-2.0% increase from \$33.9 million to \$34.6 million.....	678,300	678,300
MSU extension-2.0% increase from \$29.3 million to \$29.8 million .....	585,100	585,100
Competitive scholarships-continue \$6 million FY18 suppl./retain at \$32.4 million .....	0	0
Indian tuition waiver program-maintain at \$300,000 GF/GP .....	0	0
<b>Judiciary</b>		
Direct trial court automation support (local revenue) .....	544,700	0
Expand problem-solving courts from \$18.5 million to \$19 million .....	530,700	530,700
Community dispute resolution .....	425,000	425,000
Federal grant for appellate public defender program .....	275,000	0
Add two circuit court judgeship positions .....	255,300	242,200
<b>Legislature</b>		
Legislative operations increase.....	5,087,700	4,971,100
Auditor general operations increase.....	651,800	498,200
Legislative info tech systems design project (one-time) .....	750,000	750,000
<b>Licensing and Regulatory Affairs</b>		
First responder presumed coverage fund claims (medical marijuana excise fund).....	3,465,000	0
Local liquor licenses law enforcement grants (liquor license revenue).....	1,200,000	0
<b>Military and Veterans Affairs</b>		
Special maintenance (Federal) .....	5,000,000	0
National Guard tuition assistance program .....	2,500,000	2,500,000
D.J. Jacobetti veterans home staff/Medicare-Medicaid certification efforts.....	1,111,700	1,111,700
Land acquisitions and appraisals (armory construction fund revenue).....	900,000	0
Camp Grayling operation northern strike military exercise .....	750,000	750,000

**Table 12 - continued**  
**FY 2018-19 INITIAL APPROPRIATIONS**  
**PROGRAM INCREASES**

<b>Budget Area/Program</b>	<b>Gross</b>	<b>GF/GP</b>
<b>Natural Resources</b>		
State parks repair and maintenance (park improvement fund/passport fees) .....	14,000,000	0
Park/waterways recreational programs (26.5 FTEs; restricted revenue).....	4,075,000	0
Forest development infrastructure (forest development fund) .....	3,500,000	0
Chronic wasting disease response activities (3.0 FTEs) .....	2,600,000	2,600,000
Waterways capital outlay projects (waterways fund) .....	2,163,500	0
Dam management grant program (one-time).....	1,500,000	1,500,000
Off-road vehicle trail improvements/enforcement (2.0 FTEs; restricted revenue) .....	1,300,000	0
New conservation officers and support staff (7.0 FTEs) .....	1,050,000	1,050,000
Tribal consent decree negotiation (1.0 FTE) .....	277,500	277,500
State parks operations and debt service (park improvement fund) .....	754,700	0
Snowmobile trail groomer development (snowmobile trail fund) .....	200,000	0
Mackinac Island state park historic facilities operations/maintenance .....	200,000	200,000
Long lake boat launch .....	142,500	142,500
Office of the great lakes (great lakes protection fund) .....	128,900	0
Grindstone harbor development.....	120,000	120,000
Study of effects of PFAS on fish and wildlife.....	115,000	115,000
Hunter education program (Federal).....	84,400	0
Lake level assessments performed by municipalities .....	35,000	35,000
Wayne county soil mapping .....	25,000	25,000
Continue swimmer's itch program at \$250,000 .....	0	0
<b>School Aid</b>		
Foundation allowance increases between \$120 to \$240 per pupil/2x formula .....	312,000,000	0
MPSERS rate cap (\$71.9 million) and defined contribution match (\$14.5 million) .....	86,416,000	46,000
Lowering of MPSERS assumed rate of return .....	39,170,000	19,000
State special education funding (FY 2018-19=\$983.2 million) .....	20,500,000	0
Cash flow borrowing costs .....	6,000,000	0
Computer adaptive tests .....	5,200,000	0
Adult education.....	3,500,000	0
Assessments funding (FY 2018-19=\$32.5 million) .....	2,800,000	0
ISD special education millage equalization.....	2,250,000	0
Promise zone reimbursements.....	1,400,000	0
ISD general operations support.....	1,345,000	0
Partnership districts additional assistance .....	1,000,000	0
Isolated districts' increase/broaden eligibility .....	1,000,000	0
Online math programs (imagine learning/imagine espanol) .....	1,000,000	1,000,000
Summer reading project.....	500,000	500,000
Online algebra tool (algebra nation).....	400,000	400,000
School lunch programs.....	342,000	0
Advanced placement incentive program .....	250,000	250,000
District/dyslexia collaboration grant for K-3 pupils .....	250,000	0
10 cents-a-meal program (FY 2018-19=\$575,000).....	200,000	200,000

**Table 12 - continued**  
**FY 2018-19 INITIAL APPROPRIATIONS**  
**PROGRAM INCREASES**

<b>Budget Area/Program</b>	<b>Gross</b>	<b>GF/GP</b>
<b>School Aid (continued)</b>		
Conductive learning center (FY 2018-19=\$250,000) .....	100,000	100,000
Dropout prevention program .....	100,000	100,000
Youth challenge program .....	80,000	0
Detroit precollege engineering program (FY 2018-19=\$400,000) .....	60,000	0
Facilitate transitions between K-12/postsecondary (Dana center).....	25,000	25,000
Restaurant association culinary training (FY 2018-19=\$100,000).....	21,000	21,000
<b>State</b>		
Driver license contracting costs (transportation admin collection fund-TACF) .....	925,000	0
IT rate increase and qualified voter file disaster recovery plan (TACF) .....	800,000	0
Commercial driver license testing kiosks (TACF) .....	500,000	0
<b>State Police</b>		
Annualized cost of FY 2017-18 150-member trooper school.....	20,267,100	20,267,100
New trooper school (75.0 FTEs) .....	8,870,000	8,870,000
Attrition replacement 80-member trooper school .....	3,000,000	3,000,000
Medical marijuana regulation (marijuana regulatory fund) .....	2,924,200	0
MCOLES medical marijuana regulation/grants (medical marijuana excise fund) .....	2,500,000	0
Trooper in-car camera replacements .....	1,252,500	1,252,500
Pay increases for lieutenants and lab managers .....	935,600	822,300
Michigan cyber command center (5.0 FTEs) .....	618,400	618,400
Forensic science equipment.....	500,000	500,000
Higher education sexual assault prevention grants (FY 2018-19=\$1 million).....	400,000	400,000
OK2SAY staff upgrade (2.0 FTEs).....	350,000	350,000
Sexual assault evidence kit tracking (1.0 FTE) .....	158,900	158,900
Public safety officer benefit program .....	150,000	150,000
State and Federal grant administration (1.0 FTE).....	150,000	150,000
Retain Michigan international speedway traffic control at \$725,000 (one-time) .....	0	0
<b>Talent and Economic Development</b>		
Pure Michigan (FY 2018-19=\$36 million).....	1,000,000	1,000,000
Workforce development program (Federal) .....	501,000	0
Drinking water emergency reserve fund placeholder.....	100	0
<b>Technology, Management, and Budget</b>		
Align information technology IDG funding with prior-year enacted appropriations .....	31,023,400	0
Legislative retirement system pension/other post-employment benefits costs .....	12,400,000	12,400,000
Establish enterprise portfolio management office (11.0 FTEs).....	2,010,000	2,010,000
Building operating costs (utilities and service contracts) .....	1,800,000	0
Regional prosperity grants (FY 2018-19=\$4 million).....	1,500,000	1,500,000
Performance pay incentives .....	1,000,000	1,000,000
Procurement services improvements (6.0 FTEs).....	891,900	0
Financial services IT support (6.0 FTEs) .....	559,400	12,900
National guard retirement actuarial analysis (SB 747; one-time).....	6,000	6,000
Corrections officers retirement actuarial analysis (HB 5411; one-time).....	4,000	4,000

Table 12 - continued

<b>FY 2018-19 INITIAL APPROPRIATIONS PROGRAM INCREASES</b>		
<b>Budget Area/Program</b>	<b>Gross</b>	<b>GF/GP</b>
<b>Technology, Management, and Budget (continued)</b>		
Nonprofit association 2020 census assistance placeholder .....	100	100
Drinking water emergency reserve fund placeholder .....	100	0
<b>Transportation</b>		
State, county, cities/villages road funding (one-time GF/GP) .....	300,000,000	300,000,000
State, county, cities/villages, and bridges funding (Michigan transportation fund) .....	177,769,000	0
Federal funding adjustments .....	29,054,400	0
Priority maintenance and system operations (Michigan transportation fund) .....	18,000,000	0
Transit and rail programs (comprehensive transportation fund) .....	14,985,300	0
Highway maintenance (Michigan transportation fund) .....	4,337,600	0
Information technology system upgrades (Michigan transportation fund) .....	2,000,000	0
Local transit agencies and transportation-to-work (comprehensive trans. fund) .....	1,375,000	0
Transportation economic development fund (FY 2018-19=\$43.3 million) .....	1,200,000	0
Technical adjustments .....	1,006,300	0
<b>Treasury (Operations)</b>		
Increase emergency 9-1-1 payments due to rate increase .....	21,800,000	0
Align convention facility development fund grants with revenue .....	14,406,300	0
Medical marihuana grants and administration (medical marihuana excise fund) .....	7,157,100	0
Information technology DTMB rate increases .....	5,000,000	5,000,000
Lottery staff support (5.0 FTEs; lottery revenue) .....	637,200	0
Monitor/evaluate local unit pensions/benefits .....	347,500	347,500
Technical adjustments for defined contribution revenue and accounting services .....	230,000	0
MI thrive program administration (1.0 FTE; brownfield development fund) .....	214,300	0
Courageous cadets grant .....	50,000	50,000
<b>Treasury (Revenue Sharing)</b>		
Constitutional revenue sharing .....	21,532,500	0
Return of Antrim/Keweenaw/Mackinac to county revenue sharing program .....	328,300	0
Change city, village, township payment threshold from \$4,500 to \$1,000 .....	116,000	0
<b>TOTAL PROGRAM INCREASES .....</b>	<b>\$1,974,694,200</b>	<b>\$540,581,200</b>

Table 13

FY 2018-19 INITIAL APPROPRIATIONS PROGRAM ELIMINATIONS/PROGRAM REDUCTIONS		
Budget Area/Program	Gross	GF/GP
<b>Agriculture and Rural Development</b>		
Grant for MSU's fruit and vegetable campus/mobile labs (one-time) .....	(\$3,200,000)	(\$3,200,000)
Grant to food bank council for frozen food program (one-time) .....	(2,000,000)	(2,000,000)
Grant for tree fruit commission (one-time) .....	(1,500,000)	(1,500,000)
Grant for MSU's fruit/veggie labs' workforce development (one-time).....	(1,200,000)	(1,200,000)
Bovine tuberculosis prevention funding (one-time).....	(1,000,000)	(1,000,000)
Reduce funding for animal agriculture initiative (FY 2018-19=\$2 million).....	(500,000)	(500,000)
Remove FY 2017-18 contingency fund transfers.....	(380,000)	0
Remove FY 2017-18 standardbred horse racing purses supplemental .....	(250,000)	(250,000)
Intercounty drain mapping project (one-time) .....	(250,000)	(250,000)
Food safety project completions/less need for Federal match.....	(250,000)	(250,000)
Remove support for beer delivery systems training project .....	(150,000)	(150,000)
Reduce funding for qualified forest program .....	(130,000)	(230,000)
Grant for Albion campground project (one-time).....	(100,000)	(100,000)
Reduce funding for environmental stewardship/ag environmental assurance .....	(100,000)	(100,000)
Farmland/open space program application backlog reduction .....	(99,900)	(99,900)
Eliminate drinking water emergency reserve fund placeholder .....	(100)	0
<b>Attorney General</b>		
Remove FY 2017-18 supplementals .....	(2,726,200)	(2,000,000)
Prosecuting attorneys coordinating council funding (one-time) .....	(1,300,000)	(700,000)
Reduce restricted funding for bad-faith patent infringement enforcement.....	(180,000)	0
<b>Civil Rights</b>		
Deaf, deafblind, and hard of hearing needs assessment (one-time) .....	(150,000)	(150,000)
<b>Community Colleges</b>		
Michigan transfer network enhancements (one-time).....	(1,025,000)	(1,025,000)
Renaissance zone reimbursements (School Aid Fund).....	(600,000)	0
<b>Corrections</b>		
Mid-year closure of an additional facility .....	(19,201,100)	(19,201,100)
West shoreline facility closure (212.7 FTEs).....	(18,924,700)	(18,832,700)
Officer academy funding (one-time).....	(4,359,000)	(4,359,000)
Remove FY 2017-18 vocational village education support supplemental .....	(1,750,000)	(1,750,000)
Future facility staff and transition costs (eliminate placeholder) .....	(1,000,000)	(1,000,000)
Corizon health care contract .....	(858,500)	(858,500)
Savings from historical lapses.....	(550,000)	(550,000)
High school online equivalency pilot program.....	(500,000)	(500,000)
<b>Education</b>		
Remove FY 2017-18 school water testing training supplemental.....	(1,000,000)	(1,000,000)
Renaissance zone reimbursements .....	(800,000)	(800,000)
Align restricted and local fund sources with revenue.....	(311,900)	0

Table 13 - continued

<b>FY 2018-19 INITIAL APPROPRIATIONS</b>		
<b>PROGRAM ELIMINATIONS/PROGRAM REDUCTIONS</b>		
<b>Budget Area/Program</b>	<b>Gross</b>	<b>GF/GP</b>
<b>Environmental Quality</b>		
Remove FY 2017-18 supplementals/contingency fund transfers .....	(62,807,500)	(33,907,500)
Stormwater, asset man., wastewater grants/loans (Great lakes bond proceeds) .....	(62,000,000)	0
Refined petroleum product cleanup program (restricted revenue; one-time) .....	(14,900,000)	0
Wetland mitigation banking (Great lakes protection bond proceeds) .....	(2,000,000)	0
Emergency cleanup actions (bottle deposits) .....	(2,000,000)	0
Clean Michigan initiative contaminated sediments (CMI bond proceeds) .....	(1,565,000)	0
<b>Health and Human Services</b>		
Healthy Michigan Plan base and caseload .....	(173,018,900)	(4,294,500)
Traditional Medicaid base and caseload .....	(115,454,800)	205,300
Remove FY 2017-18 prepaid inpatient health plan (PIHP) supplemental (one-time) .....	(59,800,000)	(17,053,700)
Remove excess Federal authorization for electronic health records .....	(48,169,000)	0
Reduction in autism services reimbursement rates .....	(34,597,400)	(12,289,400)
Physician adjustor and specialty network access fee adjustments .....	(27,367,500)	0
Changes in Flint drinking water emergency funding (one-time) .....	(16,920,600)	2,564,400
Changes in Federal grants .....	(10,062,400)	0
Mental health and wellness commission funding .....	(9,000,000)	(5,758,500)
Remove other FY 2017-18 one-time projects .....	(7,508,000)	(3,550,000)
Remove FY 2017-18 Hepatitis A supplemental (one-time) .....	(7,100,000)	(7,100,000)
Reversal of university partnership contingency fund transfer .....	(7,000,000)	0
Remove FY 2017-18 Lakeshore PIHP supplemental .....	(6,974,000)	(6,974,000)
Adjust revenue sources to actual amounts .....	(6,608,700)	0
Family independence program base and caseload .....	(5,090,500)	(8,992,500)
Remove level of care determination funding .....	(5,000,000)	(2,500,000)
Adoption subsidies base and caseload .....	(4,300,500)	(1,473,600)
Medicaid substance use disorder base and caseload .....	(3,004,200)	(1,039,300)
Remove FY 2017-18 Flint legal services supplemental .....	(3,000,000)	(3,000,000)
Remove GF/GP support for "heat and eat" .....	(2,500,000)	(2,500,000)
Medicaid behavioral health base and caseload .....	(2,148,700)	(1,131,500)
Remove HMP healthy behavior gift card funding .....	(1,745,000)	(117,800)
Relative caregiver licensure .....	(1,500,000)	(1,500,000)
Remove FY 2017-18 PIHP audit supplemental .....	(1,500,000)	(1,500,000)
Remove FY 2017-18 public health projects supplemental .....	(1,500,000)	(1,500,000)
Remove adult home help electronic verification funding .....	(1,500,000)	(150,000)
Reduction in Medicaid guardianship rate to \$83/month .....	(1,419,600)	(500,000)
Adjustment for excess food assistance recoupment revenue .....	(1,290,000)	0
Department merger savings .....	(1,000,000)	(1,000,000)
Remove FY 2017-18 Title IX regional consortium supplemental .....	(1,000,000)	(1,000,000)
Grant to Oaklawn hospital (one-time) .....	(850,000)	(850,000)
Eliminate MedIncentive program funding .....	(830,000)	(415,000)
Eliminate Kalamazoo opioid project .....	(700,000)	(700,000)
Reduction in SSI administration costs .....	(700,000)	(700,000)

Table 13 - continued

<b>FY 2018-19 INITIAL APPROPRIATIONS</b>		
<b>PROGRAM ELIMINATIONS/PROGRAM REDUCTIONS</b>		
<b>Budget Area/Program</b>	<b>Gross</b>	<b>GF/GP</b>
<b>Health and Human Services (continued)</b>		
State disability assistance base and caseload .....	(654,200)	(654,200)
Family support subsidy base and caseload .....	(643,900)	0
Eliminate university autism funding .....	(500,000)	(500,000)
Remove early primary care pilot program .....	(500,000)	(500,000)
PFAS lab equipment .....	(368,700)	(368,700)
Remove excess TANF revenue from emergency services line .....	(350,000)	0
"Kids kicking cancer" grant .....	(305,000)	(305,000)
State supplementation base and caseload .....	(287,300)	(287,300)
University of Detroit dental clinic (one-time) .....	(250,000)	(250,000)
Remove FY 2017-18 MiSACWIS upgrade supplemental .....	(150,000)	(150,000)
Remove FY 2017-18 long term care study supplemental .....	(150,000)	0
Remove one-time cancer license plate revenue .....	(100,000)	0
Reduction in EMS fund source to statutory maximum .....	(50,300)	0
Remove FY 2017-18 child welfare training supplemental .....	(25,000)	(25,000)
Michigan corner store initiative .....	(100)	(100)
<b>Higher Education</b>		
Net State payment for MPERS costs (School Aid Fund) .....	(1,322,000)	0
<b>Judiciary</b>		
Adjust Federal grants for visitation/improvement projects/child support .....	(800,300)	0
Reduce pretrial risk assessment from \$605,700 to \$305,700 .....	(300,000)	(300,000)
<b>Legislature</b>		
Legislative info tech systems design project (FY 2018-19=\$750,000, one-time) .....	(3,000,000)	(3,000,000)
<b>Licensing and Regulatory Affairs</b>		
Fire protection grants (eliminate, with potential to fund from PPT revenue) .....	(10,673,900)	(2,173,900)
Align restricted fund sources with available revenue .....	(639,300)	0
Transfer local community stabilization authority admin. to muni. authority .....	(150,000)	0
Eliminate drinking water emergency reserve fund placeholder .....	(100)	0
<b>Military and Veterans Affairs</b>		
Remove FY 2017-18 national guard tuition assistance supplemental .....	(2,500,000)	(2,500,000)
State-owned armory facilities maintenance (FY 2018-19=\$1 million, one-time) .....	(1,500,000)	(1,500,000)
Remove FY 2017-18 Jacobetti veterans home certification supplemental .....	(1,266,700)	(1,266,700)
<b>Natural Resources</b>		
Remove FY 2017-18 one-time funding for various programs .....	(16,400,000)	(15,400,000)
Remove FY 2017-18 supplementals and contingency fund transfers .....	(13,774,900)	(7,576,200)
Waterways capital outlay projects (Federal/restricted) .....	(1,520,500)	0
Align wetlands restoration/acquisition with waterfowl hunt stamp revenue .....	(500,000)	0
Remove obsolete fund sources (CMI/Mann house trust fund) .....	(15,100)	0
<b>School Aid</b>		
Additional payment toward MPERS unfunded accrued liabilities (one-time) .....	(200,000,000)	0
Remove FY 2017-18 Marshall plan for talent supplemental (one-time) .....	(100,000,000)	0
Technical foundation allowance cost reductions .....	(86,000,000)	0

Table 13 - continued

<b>FY 2018-19 INITIAL APPROPRIATIONS</b>		
<b>PROGRAM ELIMINATIONS/PROGRAM REDUCTIONS</b>		
<b>Budget Area/Program</b>	<b>Gross</b>	<b>GF/GP</b>
<b>School Aid (continued)</b>		
Career tech education equipment grants (FY 2018-19=\$2.5 million) .....	(10,000,000)	(10,000,000)
Drinking water declaration of emergency (FY 2018-19=\$3.2 million) .....	(5,500,000)	(5,500,000)
Consolidation incentive grants (eliminate) .....	(2,800,000)	0
Reimbursement for mandates on nonpublic schools (FY 2018-19=\$250,000).....	(2,250,000)	(2,250,000)
Anticipated reduction in Federal grants.....	(2,200,000)	0
Fund MiBright future in Marshall plan for talent .....	(1,000,000)	(1,000,000)
Year-round schools grants (FY 2018-19=\$750,000).....	(750,000)	0
Fund competency-based education grants in Marshall plan for talent.....	(500,000)	0
Fund cybersecurity competitions in Marshall plan for talent .....	(500,000)	0
St. Joseph schools career tech planning grant (eliminate; one-time) .....	(250,000)	0
Digital assessment preparation grant (eliminate).....	(250,000)	(250,000)
Fund support for career tech education counselors in Marshall plan for talent .....	(160,000)	0
Van Andel education institute grant (eliminate).....	(150,000)	(150,000)
<b>State</b>		
Remove FY 2017-18 election security and motor cycle safety supplementals.....	(11,092,400)	(135,400)
Transfer debit/credit card fee authorization to boilerplate .....	(9,000,000)	0
Remove FY 2017-18 voting machine replacements supplementals (one-time) .....	(9,000,000)	(5,000,000)
Remove FY 2017-18 temporary driver responsibility admin (100.0 FTEs).....	(1,000,000)	0
<b>State Police</b>		
Remove FY 2017-18 supplementals and contingency fund transfers .....	(31,075,500)	(28,058,900)
Disaster and emergency contingency fund (FY 2018-19=\$0 appropriation) .....	(9,500,000)	(9,500,000)
Remove one-time funding for FY 2017-18 trooper school .....	(9,286,200)	(9,286,200)
Remove FY 2017-18 boilerplate appropriations (Federal and restricted).....	(4,024,000)	0
Advanced 911 grant (one-time).....	(2,200,000)	(2,200,000)
Secure cities equipment replacement (one-time).....	(1,000,000)	(1,000,000)
Fair and impartial police training grants (one-time).....	(980,000)	(980,000)
Forensic science biological casework (one-time).....	(730,000)	(730,000)
Emergency management and homeland security (3.0 FTEs).....	(392,400)	(392,400)
Forensic science overtime pay.....	(274,400)	(274,400)
Tetrahydrocannabinol (THC) effects on driving study (one-time) .....	(250,000)	(250,000)
Law enforcement job analysis project (one-time).....	(200,000)	(200,000)
<b>Talent and Economic Development</b>		
Remove FY 2017-18 initial approps enhancement grants (one-time) .....	(35,897,000)	(35,897,000)
Remove FY 2017-18 enhancement grants supplemental (one-time) .....	(21,975,000)	(21,975,000)
Business attraction and community revitalization (FY 2018-19=\$81.8 million).....	(10,120,100)	(10,120,100)
Going pro (FY 2018-19=\$37.9 million) .....	(5,500,000)	(5,500,000)
Marketing for out-of-state talent .....	(5,000,000)	(5,000,000)
Community ventures (\$4 million penalty and interest revenue) .....	(4,300,000)	(306,700)
Department's special grants (one-time) .....	(2,700,000)	(2,700,000)
Adjust economic factors for Federal/restricted fund programs .....	(1,653,900)	0
Entrepreneurship eco-system (FY 2018-19=\$18.9 million).....	(1,500,000)	0

Table 13 - continued

<b>FY 2018-19 INITIAL APPROPRIATIONS</b>		
<b>PROGRAM ELIMINATIONS/PROGRAM REDUCTIONS</b>		
<b>Budget Area/Program</b>	<b>Gross</b>	<b>GF/GP</b>
<b>Talent and Economic Development (continued)</b>		
Remove FY 2017-18 law enforcement officers memorial fund suppl. (one-time).....	(1,181,100)	(1,181,100)
Land bank fast track authority (FY 2018-19=\$4.1 million) .....	(1,000,000)	(1,000,000)
Project rising tide (FY 2018-19=\$1 million) .....	(1,000,000)	(1,000,000)
Protect and grow defense industry (one-time) .....	(1,000,000)	(1,000,000)
<b>Technology, Management, and Budget</b>		
Remove FY 2017-18 one-time funding for various programs .....	(82,025,100)	(82,025,100)
IT investment fund (FY 2018-19=\$35 million) .....	(37,500,000)	(37,500,000)
Remove FY 2017-18 supplementals (PA 201 of 2017 and PA 207 of 2018) .....	(21,718,200)	(21,298,200)
Homeland cyber security (FY 2018-19=\$14.7 million) .....	(1,500,000)	(1,500,000)
IT services and projects (FY 2018-19=\$27.8 million).....	(200,000)	(200,000)
State police employees supplemental retirement payments.....	(87,000)	(87,000)
Professional development funds for non-exclusively represented employees .....	(50,000)	0
<b>Transportation</b>		
Remove FY 2017-18 road and bridge supplementals (one-time) .....	(205,000,000)	(205,000,000)
Detroit-Chicago high speed rail Federal funding adjustment .....	(50,100,000)	0
Debt service payments .....	(9,502,300)	0
Remove FY 2017-18 Federal and private contingency fund transfers.....	(4,645,000)	0
Move TEDF targeted industries funding to new community infrastructure fund .....	(3,000,000)	0
Remove FY 2017-18 asset management council supplemental (one-time) .....	(2,000,000)	0
Aviation program adjustments (2.0 FTEs).....	(404,800)	0
<b>Treasury (Debt Service)</b>		
Clean Michigan Initiative debt service .....	(500,000)	(500,000)
<b>Treasury (Operations)</b>		
Water emergency pipeline replacement (retain \$100 reserve fund placeholder) .....	(9,049,900)	0
Information technology improvements (one-time).....	(3,015,000)	(3,015,000)
City income tax administration (one-time; local revenue) .....	(1,500,000)	0
Remove FY 2017-18 infrastructure council supplemental (infrastructure fund).....	(1,500,000)	0
Administrative efficiency reductions .....	(750,000)	(750,000)
Remove FY 2017-18 driver responsibility and trial court supplementals .....	(449,900)	(199,900)
Align senior citizen cooperative housing reimbursements with projections .....	(199,000)	(199,000)
Remove emergency 9-1-1 restricted revenue .....	(158,700)	0
<b>Treasury-Revenue Sharing</b>		
Financially distressed cities, villages, townships (FY 2018-19=\$2.5 million).....	(2,500,000)	0
<b>TOTAL PROGRAM ELIMINATIONS/REDUCTIONS .....</b>	<b>(\$1,872,972,900)</b>	<b>(\$734,152,300)</b>

**Table 14**

<b>FY 2018-19 INITIAL APPROPRIATIONS FUND SHIFTS TO INCREASE/(REDUCE) GF/GP</b>	
<b>Budget Area/Program</b>	<b>GF/GP</b>
<b>Agriculture and Rural Development</b>	
Replace GF/GP for pesticide/plant management with fertilizer control revenue .....	(\$200,000)
<b>Health and Human Services</b>	
Replace health insurance claims assessment revenue with GF/GP .....	60,048,800
Change in traditional Medicaid match rate from 64.78% to 64.45% .....	37,992,200
Change in expansion Medicaid match rate from 94.0% to 93.0% .....	32,971,200
Replace Healthy Michigan Fund revenue with GF/GP .....	14,252,500
Replace Federal "money follows the person" grant with GF/GP .....	1,896,100
Replace Federal children's health insurance program revenue with GF/GP .....	1,504,500
Change in Title XXI match rate from 98.35% to 98.12% .....	579,900
Reclassification of second injury fund revenue (Federal/restricted) .....	0
Rebase university disproportionate share payments to actual (Federal/restricted) .....	0
Replace GF/GP with Medicaid benefits trust fund revenue .....	(38,250,000)
Correct Medicaid fund source error: replace GF/GP with Federal revenue .....	(13,995,000)
Swap of TANF revenue with GF/GP .....	(10,000,000)
Replace GF/GP with merit award trust fund revenue .....	(2,000,000)
<b>Higher Education</b>	
Replace GF/GP with School Aid Fund .....	(234,500,000)
<b>Judiciary</b>	
Replace court of appeals fees for swift and sure sanctions with GF/GP .....	191,800
Replace local revenue for building occupancy charges with GF/GP .....	100,000
Replace GF/GP for judges' salaries with court fee fund revenue .....	(600,000)
<b>School Aid</b>	
Replace GF/GP with School Aid Fund (total K-12 shift=\$18.5 million) .....	(1,151,700)
<b>State</b>	
Replace GF/GP with transportation administration collection fund revenue .....	(1,148,300)
<b>Talent and Economic Development</b>	
Replace penalty and interest revenue for going pro with GF/GP .....	10,000,000
Replace 21st century jobs trust fund for eco-system with GF/GP .....	500,000
Replace GF/GP for workforce development with penalty and interest revenue .....	(8,000,000)
Replace GF/GP for skilled trades with penalty and interest revenue .....	(4,600,000)
Replace GF/GP for business attraction with 21st century jobs trust fund revenue .....	(2,000,000)
<b>Technology, Management, and Budget</b>	
Statewide cost allocation plan adjustments .....	(45,100)
<b>Treasury-Revenue Sharing</b>	
Replace GF/GP for cities, villages, and townships with sales tax revenue .....	(6,200,100)
Replace GF/GP for counties with sales tax revenue .....	(2,179,100)
<b>TOTAL FUND SHIFTS TO INCREASE/(REDUCE) GF/GP .....</b>	<b>(\$164,832,300)</b>

Table 15

<b>FY 2018-19 INITIAL APPROPRIATIONS OTHER PROGRAM ADJUSTMENTS</b>		
	<b>Gross</b>	<b>GF/GP</b>
<b>Agriculture and Rural Development</b>		
Align fund sources with anticipated revenue .....	(\$86,300)	\$0
<b>Attorney General</b>		
Remove administrative transfer 2018-4 (reduce Adjusted gross) .....	0	0
<b>Civil Rights</b>		
Transfer deaf interpreters certification to LARA (deafness fund) .....	(93,400)	0
<b>Corrections</b>		
Harrison correctional facility sewer rate increase .....	184,300	184,300
Align fund sources with anticipated revenue .....	(278,000)	0
<b>Education</b>		
Transfer school reform office from DTMB (11.0 FTEs) .....	3,351,000	3,351,000
Transfer early literacy administration from School Aid .....	1,000,000	1,000,000
Transfer project UNIFY special olympics grants from DHHS .....	500,000	500,000
<b>Environmental Quality</b>		
Reappropriate funds for aquifer dispute resolution (aquifer fund) .....	524,000	0
Transfer office of the great lakes to DNR (23.0 FTEs) .....	(11,743,600)	(917,700)
<b>Health and Human Services</b>		
Adjust fund sources for sexual assault evidence kit tracking .....	(3,200,000)	(4,000,000)
Transfer project UNIFY special olympics grants to DOE.....	(500,000)	(500,000)
<b>Judiciary</b>		
Rent increase for Troy court of appeals office.....	23,600	23,600
Align fund sources with anticipated revenue .....	(18,500)	0
<b>Licensing and Regulatory Affairs</b>		
Transfer of deaf interpreters certification from Civil Rights (fee revenue) .....	93,400	0
<b>Military and Veterans Affairs</b>		
Align fund sources with anticipated revenue .....	(145,000)	0
<b>Natural Resources</b>		
Transfer office of the great lakes from DEQ (23.0 FTEs) .....	11,801,800	929,600
Transfer historical marker program from Michigan history foundation .....	60,000	0
<b>School Aid</b>		
Transfer section 35 early literacy administrative funding to DOE.....	(1,000,000)	(1,000,000)
<b>State Police</b>		
Align fund sources with anticipated revenue .....	(5,754,900)	0
<b>Talent and Economic Development</b>		
Transfer Van Andel research funding from boilerplate to part 1 .....	1,000,000	1,000,000
<b>Technology, Management, and Budget</b>		
Transfer school reform office to DOE (11.0 FTEs) .....	(3,353,800)	(3,353,800)
<b>Treasury (Revenue Sharing)</b>		
Remove FY 2017-18 rounding error transfer.....	(100)	0
<b>Technical Base Funding Adjustments</b>		
Remove FY 2017-18 Natural Resources Trust Fund .....	(49,866,900)	0
Remove FY 2017-18 Capital Outlay.....	(1,600)	(1,600)
<b>TOTAL OTHER PROGRAM ADJUSTMENTS .....</b>	<b>(\$57,504,000)</b>	<b>(\$2,784,600)</b>

Table 16

**FY 2018-19 INITIAL APPROPRIATIONS  
ECONOMIC AND UNCLASSIFIED SALARIES ADJUSTMENTS BY FUND SOURCE**

<b>Department/Budget Area</b>	<b>Gross</b>	<b>IDGs</b>	<b>Adjusted Gross</b>	<b>Federal</b>	<b>Local &amp; Private</b>	<b>State Restricted</b>	<b>General Fund/ General Purpose</b>
Agriculture & Rural Development	\$1,050,700	\$3,600	\$1,047,100	\$59,100	\$200	\$259,600	\$728,200
Attorney General	1,387,900	471,100	916,800	110,500	0	263,600	542,700
Civil Rights	181,300	2,500	178,800	26,900	0	0	151,900
Community Colleges	0	0	0	0	0	0	0
Corrections	25,655,100	0	25,655,100	21,400	117,700	160,200	25,355,800
Education	1,489,300	0	1,489,300	899,300	48,800	100,600	440,600
Environmental Quality	3,079,700	43,200	3,036,500	622,000	(200)	1,803,300	611,400
Executive	0	0	0	0	0	0	0
Health & Human Services	32,754,400	134,500	32,619,900	15,241,500	222,700	442,600	16,713,100
Higher Education	0	0	0	0	0	0	0
Insurance and Financial Services	815,100	6,200	808,900	2,600	0	806,300	0
Judiciary	3,025,600	700	3,024,900	48,600	111,800	47,700	2,816,800
Legislature	0	0	0	0	0	0	0
Licensing & Regulatory Affairs	4,494,800	566,100	3,928,700	722,700	0	2,634,100	571,900
Military & Veterans Affairs	1,438,800	0	1,438,800	836,100	17,000	181,900	403,800
Natural Resources	3,762,300	0	3,762,300	436,900	400	2,782,700	542,300
School Aid	199,000	0	199,000	0	0	58,300	140,700
State	3,066,300	0	3,066,300	0	0	2,603,700	462,600
State Police	4,774,900	217,200	4,557,700	277,700	27,600	885,500	3,366,900
Talent & Economic Development	2,672,100	0	2,672,100	1,607,500	800	795,900	267,900
Technology, Mgt., & Budget	8,065,700	4,754,700	3,311,000	48,400	26,600	1,434,700	1,801,300
Transportation	5,910,900	53,200	5,857,700	936,000	0	4,921,700	0
Treasury (Debt Service)	0	0	0	0	0	0	0
Treasury (Operations)	4,859,900	136,600	4,723,300	104,000	119,700	3,331,000	1,168,600
Treasury (Revenue Sharing)	0	0	0	0	0	0	0
<b>TOTAL ECONOMIC ADJUSTMENTS</b>	<b>\$108,683,800</b>	<b>\$6,389,600</b>	<b>\$102,294,200</b>	<b>\$22,001,200</b>	<b>\$693,100</b>	<b>\$23,513,400</b>	<b>\$56,086,500</b>
<b>UNCLASSIFIED SALARIES ADJ.</b>	<b>\$422,900</b>	<b>\$21,400</b>	<b>\$401,500</b>	<b>\$26,500</b>	<b>\$0</b>	<b>\$151,300</b>	<b>\$223,700</b>

**STATE EMPLOYEE COMPENSATION CHANGES AND EMPLOYMENT LEVELS**

The FY 2018-19 initial budget reflects the recommendations for State employee compensation adopted by the Civil Service Commission on December 14, 2016. As part of a two-year agreement for employees who are exclusively represented by employee unions (AFSCME, MCO, MSEA, SEIU, and UAW), the Civil Service Commission approved for FY 2018-19 a 2.0% base wage increase effective October 1, 2018. Contracts continue to require represented employees to pay 20.0% of their health care premiums.

The Civil Service Commission also adopted a Coordinated Compensation Plan for non-exclusively represented State classified employees (NERES) for FY 2018-19. Beginning on October 1, 2018, NEREs will receive a 2.0% general wage increase. They also will continue to be required to pay an employee share of health insurance premiums of 20.0%.

Table 17 provides a summary of the incremental State employee cost changes for FY 2018-19, including employee salary increases of \$65.6 million. The State's portion of the cost increase for employee health insurance is estimated at \$19.7 million for FY 2018-19. The amount that needs to be contributed to the State employee retirement systems in FY 2018-19 results in an increase in costs for the FY 2018-19 budget. Retirement contributions will increase by \$3.7 million Gross and \$1.5 million GF/GP. Other employee retirement costs (OERC) for FY 2018-19 are more than the costs in FY 2017-18; OERC costs will increase by \$11.6 million Gross and \$5.0 million GF/GP. The total impact of economic adjustments for FY 2018-19 is an estimated increase of \$108.7 million Gross (\$56.1 million GF/GP) on a total wage and salary base of approximately \$4.1 billion.

**Table 17**

<b>FY 2018-19 INITIAL APPROPRIATIONS ESTIMATES OF ECONOMIC ADJUSTMENTS INCLUDED IN BUDGET (millions of dollars)</b>		
	<b>Gross</b>	<b>GF/GP</b>
Wages and Salaries .....	\$65.6	\$35.5
Longevity and Employee Insurance Costs.....	19.7	9.9
Retirement Contributions .....	3.7	1.5
OERC .....	11.6	5.0
Workers' Compensation.....	0.5	0.5
All Other Economics.....	7.6	3.7
<b>TOTAL ESTIMATED ECONOMIC INCREASES .....</b>	<b>\$108.7</b>	<b>\$56.1</b>

Table 18 and Figure E provide a summary of State classified full-time equated (FTE) positions appropriated in FY 2018-19 versus the year-to-date level of FTE positions (FTEs) appropriated in FY 2017-18. Total appropriated FTEs in FY 2018-19 equal 53,399.5, an increase of 389.0 or 0.7% from FY 2017-18. The largest FTE increase, 179.0 FTEs, is in the Department of Technology, Management, and Budget, and is primarily due to the alignment of unappropriated information technology staff positions with appropriated funds. The largest FTE decrease (100.0 FTEs) is in the Department of State, and reflects the elimination of temporary employees hired in FY 2017-18 to implement changes related to driver responsibility fees.

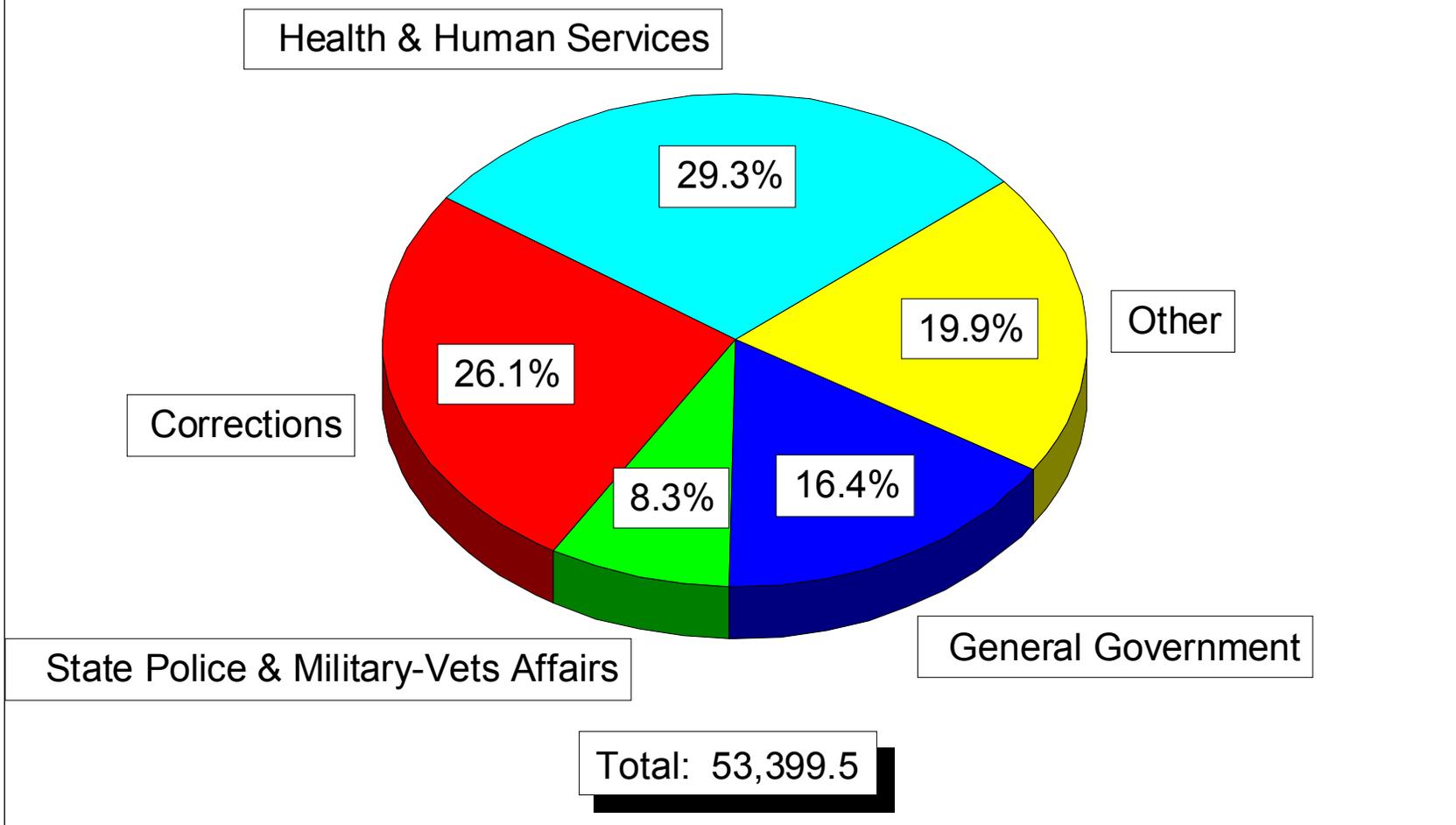
**Table 18  
FULL-TIME EQUATED POSITIONS  
FY 2017-18 VERSUS FY 2018-19**

<b>Department/Budget Area</b>	<b>FY 2017-18 Year-to-Date Positions</b>	<b>FY 2018-19 Initial Positions</b>	<b>Position Change</b>	<b>Percent Change</b>
Agriculture & Rural Development .....	493.5	500.5	7.0	1.4%
Attorney General.....	532.0	531.0	(1.0)	(0.2)
Civil Rights .....	110.0	110.0	0.0	0.0
Corrections.....	13,803.9	13,963.2	159.3	1.2
Education .....	603.5	614.5	11.0	1.8
Environmental Quality.....	1,246.0	1,231.0	(15.0)	(1.2)
Executive .....	79.2	79.2	0.0	0.0
Health & Human Services.....	15,635.5	15,621.7	(13.8)	(0.1)
Insurance & Financial Services .....	336.5	336.5	0.0	0.0
Judiciary.....	501.0	502.0	1.0	0.2
Licensing & Regulatory Affairs.....	2,322.3	2,322.3	0.0	0.0
Military & Veterans Affairs .....	904.5	912.5	8.0	0.9
Natural Resources .....	2,261.8	2,324.3	62.5	2.8
State.....	1,686.0	1,586.0	(100.0)	(5.9)
State Police.....	3,438.0	3,518.0	80.0	2.3
Talent & Economic Development .....	1,447.0	1,450.0	3.0	0.2
Technology, Management, & Budget .....	2,937.0	3,116.0	179.0	6.1
Transportation.....	2,820.3	2,818.3	(2.0)	(0.1)
Treasury (Operations).....	1,852.5	1,862.5	10.0	0.5
<b>TOTAL POSITIONS .....</b>	<b>53,010.5</b>	<b>53,399.5</b>	<b>389.0</b>	<b>0.7%</b>

**Note:** Full-Time Equated classified positions include exempt positions in Judiciary.

Figure E

# Full-Time Equated Classified Positions FY 2018-19 Initial Appropriations



**PROGRAM TRANSFERS**

The initial FY 2018-19 appropriations reflect the transfer of various programs from one budget to another; the program transfers are listed in [Table 19](#). The Office of the Great Lakes was transferred from the Department of Environmental Quality to the Department of Natural Resources pursuant to Executive Order 2017-9. The School Reform Office was transferred from the Department of Technology, Management, and Budget to the Department of Education pursuant to Executive Order 2017-5. Most of the funding and FTEs were transferred to Partnership District Support operations to expand oversight of the Office to districts with schools under School Reform Office oversight, while the funding and duties of the School Reform Officer were transferred to State Board/Superintendent Operations line item. Administration of the Early Literacy program was transferred from Section 35 of the School Aid budget to School Support Services in the Department of Education budget. Project UNIFY provides funding to Special Olympics programs and was transferred from the Department of Health and Human Services to the Department of Education to reduce the process and time of issuing the grant funding. The Division of Deafness Fund was transferred from the Department of Civil Rights to the Department of Licensing and Regulatory Affairs in accordance to Executive Order 2017-8, which transferred the responsibilities under the Deaf Persons' Interpreters Act.

**Table 19**  
**FY 2018-19 INITIAL APPROPRIATIONS**  
**SUMMARY OF PROGRAM TRANSFERS**  
**(actual dollars)**

<b>Program/Sending Department</b>	<b>Fund Source</b>	<b>FY 2018-19</b>	<b>Receiving Department</b>	<b>Fund Source</b>	<b>FY 2018-19</b>
<b>Office of the Great Lakes</b>					
Environmental Quality	FTE	(23.0)	Natural Resources	FTE	23.0
	Gross	(11,743,600)		Gross	11,801,800
	Federal	(10,439,200)		Federal	10,471,600
	Restricted	(386,700)		Restricted	400,600
	GF/GP	(917,700)		GF/GP	929,600
<b>School Reform Office</b>					
DTMB	FTE	(11.0)	Education	FTE	11.0
	Gross	(3,353,800)		Gross	3,351,000
	GF/GP	(3,353,800)		GF/GP	3,351,000
<b>Early Literacy Administration</b>					
School Aid	Gross	(1,000,000)	Education	Gross	1,000,000
	GF/GP	(1,000,000)		GF/GP	1,000,000
<b>Project UNIFY</b>					
Health and Human Services	Gross	(500,000)	Education	Gross	500,000
	GF/GP	(500,000)		GF/GP	500,000
<b>Division of Deafness Fund</b>					
Civil Rights	Gross	(93,400)	Licensing and Regulatory Affairs	Gross	93,400
	Restricted	(93,400)		Restricted	93,400
	GF/GP	0		GF/GP	0

## SCHOOL AID BUDGET HIGHLIGHTS

The K-12 portion of the FY 2018-19 School Aid budget totals more than \$14.7 billion, an increase of \$82.8 million over FY 2017-18 when including \$100.0 million appropriated for the Marshall Plan for Talent, or an increase of \$182.8 million over FY 2017-18 excluding the Talent Plan funding. The budget also continues to allocate ongoing spending from the School Aid Fund (SAF) to support postsecondary budgets, with \$408.2 million SAF allocated for community colleges and \$500.1 million allocated for higher education. The total SAF allocated for postsecondary purposes is more than \$908.3 million for FY 2018-19, an increase of \$271.7 million above FY 2017-18.

The K-12 portion of the budget includes spending of \$312.0 million to provide a foundation allowance increase ranging from \$120-\$240 per pupil, bringing the minimum operational funding level from \$7,631 to \$7,871. A large portion of the \$312.0 million allocated for the foundation allowance increase was funded by redirecting \$200.0 million that was used in FY 2017-18 as a one-time additional payment toward unfunded accrued liabilities in the Michigan Public School Employees' Retirement System (MPERS).

The budget does include a new requirement for districts that have partnership agreements with the Michigan Department of Education to amend those agreements to include certain accountability steps and criteria in order for those districts to receive the discretionary portion of their foundation allowance. The discretionary portion of a district's foundation allowance represents, in general, the amount that the district's foundation allowance has increased since FY 1994-95. (The portion of a district's foundation allowance that represents what the district received in FY 1994-95 is guaranteed by the Michigan Constitution.)

New programs include \$5.0 million for a new per-pupil payment to districts for students in career and technical education (CTE) courses, \$5.0 million for Early On grants to intermediate school districts (ISDs), \$500,000 for a summer reading project, \$100,000 for dropout prevention, \$250,000 for dyslexia reading assistance, \$250,000 for a specific CTE project, and \$25,000 for the Dana Center to create seamless transitions throughout the K-14 system. Further, the budget includes \$30.0 million deposited into a new School Mental Health and Support Services Fund. Money in that Fund may not be spent until there is a subsequent allocation from the Fund, which will necessitate legislation detailing the proposed spending. The \$30.0 million is not considered an appropriation at this time; instead, it is a deposit of SAF into the Fund for future spending when supplemental legislation is enacted.

Significant increases in existing programs are found in MPERS (an additional \$71.9 million for the rate cap and \$39.2 million for lowering the rate of return), special education (\$20.5 million), and other required spending (\$7.7 million). Smaller increases in existing programs include \$5.2 million for computer adaptive tests, \$3.5 million for adult education, and \$3.6 million for assistance to ISDs.

As mentioned above, the \$200.0 million one-time additional payment toward MPERS unfunded accrued liabilities was eliminated (and that funding was used to support the increase in the foundation allowance). In addition, the FY 2018-19 budget recognizes (and removes) the \$100.0 million allocated as a one-time support for the Marshall Plan for Talent. A number of smaller grants were eliminated, although some of those are found in the Marshall Plan for Talent funding.

Technical cost reductions of \$86.0 million are recognized, mainly from declining enrollment and rising taxable values (which reduces the State share of the foundation allowance). A \$10.0 million reduction in CTE grants is included (leaving \$2.5 million), as well as a \$5.5 million reduction for the Flint Declaration of Emergency (leaving \$3.2 million). Reimbursement for nonpublic mandates is reduced from \$2.5 million to \$250,000.

General Fund/General Purpose support of the K-12 portion of the budget is reduced from \$78.5 million in FY 2017-18 to \$60.0 million for FY 2018-19. (The FY 2017-18 GF/GP support of the budget was reduced from \$215.0 million to \$78.5 million as a supplemental adjustment in the budget bill.)

The State School Aid Act includes the budgets for Community Colleges and Higher Education in the statutory K-12 budget bill. Please see Articles II and III of Public Act 265 of 2018 for details.

## RETIREMENT COSTS AND BUDGETED APPROPRIATIONS

A significant aspect of the State budget, as well as the budgets of K-12 school districts and community colleges, is the amount employers are required to pay into the retirement accounts of their employees. The enacted budget includes the required employer contribution rates to the two largest plans: the State Employees' Retirement System (SERS) and the Michigan Public School Employees' Retirement System (MPERS). The State also has retirement plans for State Police, Judiciary, and the Legislature, but those systems are not discussed here as they are much smaller in scale. Public Acts 300 of 2012 and 136 of 2016 implemented a cap on the rate school employers in MPERS pay toward the unfunded accrued liabilities in the system, and Public Act 92 of 2017 implemented a cap on the rate employers pay toward the optional defined contribution plan, with any payments above the cap paid by the State.

### Proposal to Lower the Assumed Rate of Return (AROR)

Beginning in FY 2017-18, as reflected in Tables 20 and 21 the assumed rate of return (AROR) in most of the State's retirement plans was lowered from 8.0% to 7.5%. The AROR for MPERS was lowered one-quarter point to 7.75%. Continuing in FY 2018-19, the MPERS AROR is reduced another one-quarter point, from 7.75% to 7.5%. Due to the adoption of a "dedicated gains" policy by the various retirement system boards, beginning in FY 2019-20 for MPERS, and in FY 2020-21 for the other State systems, the ARORs will be adjusted downward any time there are gains that exceed the AROR (i.e., excess gains will be "dedicated" to "buying down" the ARORs).

Any time the AROR is lowered, there are increases in both the payments for liabilities accrued in the past (legacy costs) and the amount required to pay for benefits earned today (normal cost). Therefore, in MPERS, for FY 2018-19, there are additional costs in the K-12, community colleges, and higher education budgets to implement the further one-quarter point reduction in the AROR. The State is required to pay any legacy costs that exceed the statutory caps for local employers; the State is not required to reimburse employers for increases in normal costs.

Beginning in FY 2019-20 (unless the retirement boards vote to rescind the "dedicated gains" policies), there will be additional normal costs required to be paid by schools and colleges (presently estimated at \$105.0 million), unless a budget is enacted to hold local employers harmless from the AROR change. Beginning in FY 2020-21, there will be additional normal costs required to be paid by the State for the other State retirement systems. These costs will occur any time "dedicated gains" are used to "buy down" the AROR. The excess gains pay for the increase in legacy unfunded accrued liability (UAL) payments, but not the increase in normal costs.

Returning to the FY 2018-19 budget impact, an increase of \$42.2 million is appropriated to pay the increased normal costs in MPERS for the second year of the phase-in of the lower AROR. (As mentioned above, reimbursing local employers for the increase in normal costs is optional for the State.) Also, an additional State cost of \$113.6 million is required to pay for the increased UAL costs attributable to the lower AROR, although this is partially offset by \$38.7 million in other UAL savings, leaving a net UAL cost increase in FY 2018-19 of \$74.9 million. The higher funding levels will continue until the UAL is paid off (FY 2037-38).

Under Public Act 92 of 2017, the State is required to pay any additional defined contribution costs in excess of 4.0% of payroll for participating employees. This is estimated to cost \$15.8 million for FY 2018-19, an increase of \$4.0 million, and is allocated in the budget. Also, the budget includes funding to cover the increase in employer normal costs due to Public Act 92 of 2017 (which arise because the hybrid plan assumes 6.0% rate of return), estimated to total \$21.8 million for FY 2018-19, an increase of \$10.5 million.

## Contribution Rates and Estimated Costs for SERS and MPSERS

Table 20 provides a three-year summary of the contribution rates for defined benefit (DB) and defined contribution (DC) retirement for SERS. Beginning in FY 2012-13, the UAL in SERS was spread across both DB and DC payroll, rather than just the declining DB payroll as had been the case previously. Also, beginning in FY 2011-12, the funding methodology for retiree health care was changed from a cash basis to a prefunding basis, requiring larger contributions up front in order to save money down the road. The State Employees' Retirement System pension component was closed to newly hired employees on March 31, 1997, and the retiree health care premium coverage component was closed to new employees on January 1, 2012.

**Table 20**

<b>STATE RETIREMENT CONTRIBUTION RATES AS A PERCENTAGE OF PAYROLL</b>				
	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>2018-19 Change</b>
<b>State Employees' Retirement System<sup>1)</sup></b>				
Defined Benefit Pension	25.50%	24.60%	21.97%	(2.63%)
Defined Benefit Health Care	21.05	22.14	23.81	1.67
<b>Total Defined Benefit Costs</b>	<b>46.55%</b>	<b>46.74%</b>	<b>45.78%</b>	<b>(0.96%)</b>
Defined Contribution Retirement	28.94%	26.43%	24.38%	(2.05%)
Defined Contribution Health Care	21.70	22.14 <sup>2)</sup>	23.81 <sup>2)</sup>	1.67
<b>Total Defined Contribution Costs</b>	<b>50.64%</b>	<b>48.57%</b>	<b>48.19%</b>	<b>(0.38%)</b>
<sup>1)</sup> Public Act 264 of 2011 required the unfunded accrued liability to be spread across both DB and DC payroll. Also, FY 2017-18 is the seventh year of prefunding retiree health.				
<sup>2)</sup> For DC employees hired after January 1, 2012, cost would be 2% higher to pay the 401k health match.				

Table 21 provides a look at the FY 2018-19 contribution rates for the eight different retirement plan combinations in MPSERS. Before the enactment of significant MPSERS reforms in 2010 and 2012, there were two principal types of retirement plans available to school employees, based on hire date: the basic system and the Member Investment Plan (MIP) system. Since the passage of the reforms that began in 2010, there are now eight combinations of retirement and retiree health care plans in MPSERS, including the earlier basic and MIP plans (no longer available to new employees), the Pension Plus hybrid plan (available between July 2010 and January 2018), a straight defined contribution plan (available since September 2012), and a second hybrid plan (available since February 2018). Retiree health care for school employees first hired since September 4, 2012, is now strictly a personal health fund (401k or similar savings account) and does not contain any health care premium subsidy. All employees hired before September 4, 2012, also were given an opportunity to "cash out" the value of their health care premium subsidy and convert to a personal health fund. Similar to one of the SERS reforms, prefunding of retiree health care is now a component of MPSERS.

Public Act 300 of 2012 capped the K-12 and community college contribution rate for unfunded liabilities at roughly 21% of payroll (their FY 2011-12 amount), and Public Act 136 of 2016 capped the university contribution rate for unfunded liabilities at roughly 26% of payroll (their FY 2011-12 amount); the State pays for any liabilities above that amount. The "normal" cost for pension and retiree health care can fluctuate slightly from year to year, and is generally paid by the local employer. The State subsidy on the UAL is roughly 12.2% of MPSERS payroll for schools, community colleges, and participating libraries, or about \$1.1 billion. Legislation was enacted in 2016 to implement a rate cap for the seven universities that remain part of MPSERS for employees hired before 1996, and that State cost is roughly \$5.1 million.

Table 21

FY 2018-19 MPSERS EMPLOYER CONTRIBUTION RATES								
	Basic/MIP with Premium Subsidy	Pension Plus with Premium Subsidy	Pension Plus PHF	Pension Plus to DC with PHF	Basic/MIP to DC with Premium Subsidy	Basic/MIP to DC with PHF	Basic/MIP with PHF	Pension Plus 2 with PHF
<u>Pension Contributions</u>								
Pension Normal Cost	4.86%	3.07%	3.07%	0.00%	0.00%	0.00%	4.86%	6.20%
Pension UAL	12.03	12.03	12.03	12.03	12.03	12.03	12.03	12.03
Pension Early Retirement Incentive	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36
<b>Pension Total Rate</b>	<b>18.25%</b>	<b>16.46%</b>	<b>16.46%</b>	<b>13.39%</b>	<b>13.39%</b>	<b>13.39%</b>	<b>18.25%</b>	<b>19.59%</b>
<u>Health Contributions</u>								
Health Normal Cost	0.36%	0.36%	0.00%	0.00%	0.36%	0.00%	0.00%	0.00%
Health UAL	7.57	7.57	7.57	7.57	7.57	7.57	7.57	7.57
<b>Health Total Rate</b>	<b>7.93%</b>	<b>7.93%</b>	<b>7.57%</b>	<b>7.57%</b>	<b>7.93%</b>	<b>7.57%</b>	<b>7.57%</b>	<b>7.57%</b>
<b>DB CONTRIBUTION TOTAL</b>	<b>26.18%</b>	<b>24.39%</b>	<b>24.03%</b>	<b>20.96%</b>	<b>21.32%</b>	<b>20.96%</b>	<b>25.82%</b>	<b>27.16%</b>
<u>DC Contributions</u>								
DC Employer Contributions	0.00%	1.00%	1.00%	3.00%	4.00%	4.00%	0.00%	0.00%
Personal Health Care Fund	0.00	0.00	2.00	2.00	0.00	2.00	2.00	2.00
<b>DC CONTRIBUTION TOTAL</b>	<b>0.00%</b>	<b>1.00%</b>	<b>3.00%</b>	<b>5.00%</b>	<b>4.00%</b>	<b>6.00%</b>	<b>2.00%</b>	<b>2.00%</b>
<u>Total Uncapped Rate (w/o DC)</u>	38.39%	36.60%	36.24%	33.17%	33.53%	33.17%	38.03%	39.37%
State Subsidy	12.21	12.21	12.21	12.21	12.21	12.21	12.21	12.21
DC = Defined Contribution; MIP = Member Investment Plan; PHF = Personal Health Fund								
<b>Note:</b> The budget includes \$1.03 billion in the K-12 budget, \$75.3 million in the Community Colleges budget, and \$5.1 million in the Higher Education budget to pay the State subsidy for the UAL rate cap, which includes the FY 2018-19 cost of lowering the assumed rate of return to 7.5%, and \$15.8 million for the increased cost for the enhanced DC matching. Identified as one-time funding, the budget includes \$88.1 million in the K-12 budget, \$6.4 million in the Community Colleges budget, and \$700,000 in the Higher Education budget to hold the entities harmless from increased pension and health care normal costs due to a lowering in the assumed rate of return. Further, the budget includes \$21.8 million to hold employers harmless from the increase in normal costs associated with the new hybrid plan's 6% assumed rate of return (for new hires choosing the plan, beginning February 1, 2018).								

**Source:** State Budget Office

In addition to the \$1,113.1 million appropriated for the rate caps, the education budgets for FY 2018-19 appropriate \$100.0 million to districts to help offset a portion of their retirement costs, \$95.2 million to assist employers with higher costs due to lowering the assumed rate of investment returns, and \$37.6 million for the additional costs to employers related to Public Act 92 of 2017 (i.e., higher defined contribution costs and higher hybrid normal costs). Also, a total of \$1.7 million for community colleges is appropriated in FY 2018-19 to help pay for the cost of retiree health care. [Table 22](#) illustrates the FY 2018-19 MPSERS-related appropriations by budget area and purpose.

**Table 22**

<b>FY 2018-19 APPROPRIATIONS RELATED TO MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM</b>						
<b>(millions of dollars)</b>						
<b>Budget Area</b>	<b>Statutory Rate Cap</b>	<b>Additional AROR Costs</b>	<b>Cost Offset Grants</b>	<b>Additional UAL or Retiree Health</b>	<b>New Costs PA 92 of 2017</b>	<b>Total</b>
School Aid	\$1,032.0	\$88.1	\$100.0	\$0.0	\$37.6	\$1,257.7
Community Colleges	\$75.3	\$6.4	\$0.0	\$1.7	\$0.0	\$83.4
Higher Education	\$5.1	\$0.7	\$0.0	\$0.0	\$0.0	\$5.8
Libraries	\$0.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.7
<b>TOTAL</b>	<b>\$1,113.1</b>	<b>\$95.2</b>	<b>\$100.0</b>	<b>\$1.7</b>	<b>\$37.6</b>	<b>\$1,347.6</b>

Table 23 outlines the FY 2018-19 estimated contributions to SERS and MPSERS by the State and local employers, as funded in the budget. The total combined cost of the estimated employer (State and local) contributions is approximately \$5.0 billion.

**Table 23**

<b>FY 2018-19 ESTIMATED CONTRIBUTIONS TO TWO LARGEST RETIREMENT SYSTEMS</b>	
<b>(millions of dollars)</b>	
<b><u>State Employees' Retirement System (SERS)</u><sup>1)</sup></b>	
Defined Benefit Pension.....	\$182.0
Defined Contribution .....	565.0
Retiree Health Care .....	765.0
Subtotal State Employees' Retirement System <sup>2)</sup> .....	\$1,512.0
<b><u>Michigan Public School Employees' Retirement System (MPSERS)</u><sup>3)</sup></b>	
<b><u>Local Share</u></b>	
Defined Benefit Pension <sup>4)</sup> .....	\$1,590.0
Defined Benefit Health Care .....	732.0
"401k" for Health Care .....	16.0
Subtotal Public School Employees' Retirement System (Local).....	\$2,338.0
<b><u>State Share</u></b>	
Unfunded Accrued Liabilities (Pension and Health) .....	\$1,113.0
Subtotal Michigan Public School Employees' Retirement System .....	\$3,460.0
<b>TOTAL ESTIMATED RETIREMENT CONTRIBUTIONS.....</b>	<b>\$4,963.0</b>
FY 2017-18 Estimated Subsidy Per K-12 Pupil on Average.....	\$700
1) Public Act 264 of 2011 required the unfunded accrued liability to be spread across both DB and DC payroll. Also, FY 2017-18 is the seventh year of prefunding retiree health.	
2) Excludes FICA, which totals approximately \$260.0 million.	
3) Excludes DC contributions for pension; includes DC contributions for health.	
4) Includes roughly \$95.2 million reimbursed by the State due to AROR normal cost increases, and \$100.0 million reimbursed by the State under Sec. 147a of the School Aid Act.	

For the fourth year, the budget includes a boilerplate section for each department identifying how much of the appropriation is in support of the legacy costs associated with the State Employees' Retirement System. As noted earlier, the total contributions made to a retirement system are a combination of a payment toward the past unfunded accrued liabilities for benefits already earned (legacy costs) and a payment toward the accrual of service credit in the future (normal costs). As shown on [Table 23](#), the total contributions in the State Employees' Retirement System are estimated by the Senate Fiscal Agency at \$1.5 billion, and of that total, \$1.3 billion is estimated by the State Budget Office for legacy costs (both pension and health), with the remaining \$200.0 million for normal costs including State DC contributions for SERS. [Table 24](#) identifies the estimated legacy costs for pension and for retiree health care, and the total of the two, for each department.

**Table 24**  
**FY 2018-19**  
**LEGACY COSTS BREAKOUT – PENSIONS AND HEALTH CARE**

<b>Department</b>	<b>Pension-Related Legacy Costs (Retirement) Gross</b>	<b>Health Care Legacy Costs (OPEB) Gross</b>	<b>Total Legacy Costs Gross</b>
Agriculture & Rural Development	\$5,729,700	\$6,698,700	\$12,428,400
Attorney General	8,321,100	9,728,400	18,049,500
Civil Rights	1,179,300	1,378,700	2,558,000
Corrections	147,129,800	172,012,000	319,141,800
Education	7,189,700	8,405,600	15,595,300
Environmental Quality	15,475,100	18,092,300	33,567,400
Health & Human Services	168,379,300	196,855,200	365,234,500
Insurance & Financial Services	4,385,700	5,127,400	9,513,100
Judiciary	6,513,000	7,614,500	14,127,500
Licensing & Regulatory Affairs	26,355,100	30,812,200	57,167,300
Military & Veterans Affairs	8,072,200	9,437,300	17,509,500
Natural Resources	21,973,000	25,689,000	47,662,000
State	14,132,900	16,523,000	30,655,900
State Police	77,070,000	71,235,500	148,305,500
Talent & Economic Development	14,979,800	17,513,200	32,493,000
Technology, Management, & Budget	39,278,600	45,921,300	85,199,900
Transportation	31,218,300	36,497,900	67,716,200
Treasury	20,302,200	23,735,600	44,037,800
<b>TOTAL</b>	<b>\$617,684,800</b>	<b>\$703,277,800</b>	<b>\$1,320,862,600</b>

**STATE PAYMENTS TO LOCAL UNITS OF GOVERNMENT**

Article IX, Section 30 of the State Constitution of 1963 prohibits the State from reducing the portion of State appropriations paid to local units of government below the FY 1978-79 level of 48.97%. It is estimated that the initial FY 2018-19 appropriations exceed this minimum constitutional requirement by more than \$2.5 billion. Table 25 provides a summary of the calculations used to determine the State's compliance with this constitutional requirement for FY 2017-18 and FY 2018-19. Table 26 lists State payments to local units of government that are appropriated in each State department or budget area.

**Table 25**

<b>STATE PAYMENTS TO LOCAL UNITS OF GOVERNMENT                      ARTICLE IX, SECTION 30 REQUIREMENT                      FY 2017-18 AND FY 2018-19 ESTIMATES                      (millions of dollars)</b>		
	<b>FY 2017-18                      Estimate</b>	<b>FY 2018-19                      Estimate</b>
State Spending from State Resources .....	\$32,715.3 <sup>a)</sup>	\$33,049.6 <sup>a)</sup>
Required Payments to Local Units of Government (48.97%).....	\$16,020.7	\$16,184.4
Estimated Payments to Local Units of Government.....	\$18,237.9	\$18,755.7
Estimated Payments as a Percentage of Total State Spending.....	55.75%	56.75%
Surplus of Section 30 Payments .....	\$2,217.3	\$2,571.3
<sup>a)</sup> Does not include \$8.586 million of Federal aid counted as GF/GP revenue.		

Table 26

<b>STATE PAYMENTS TO LOCAL UNITS OF GOVERNMENT FY 2017-18 VERSUS FY 2018-19</b>				
<b>Department/Budget Area</b>	<b>FY 2017-18 Year-to-Date Appropriations</b>	<b>FY 2018-19 Initial Appropriations</b>	<b>Dollar Difference</b>	<b>Percent Change</b>
Agriculture & Rural Development .....	\$7,450,000	\$6,350,000	(\$1,100,000)	(14.8%)
Attorney General.....	0	0	0	0.0
Capital Outlay .....	900	0	(900)	(100.0)
Civil Rights .....	0	0	0	0.0
Community Colleges.....	399,326,500	408,215,500	8,889,000	2.2
Corrections.....	113,888,800	122,169,600	8,280,800	7.3
Education .....	14,367,700	14,567,700	200,000	1.4
Environmental Quality.....	4,531,000	5,701,000	1,170,000	25.8
Executive .....	0	0	0	0.0
Health & Human Services.....	1,384,351,400	1,468,359,900	84,008,500	6.1
Higher Education .....	0	0	0	0.0
Insurance & Financial Services .....	0	0	0	0.0
Judiciary.....	147,230,400	148,614,500	1,384,100	0.9
Legislative Auditor General.....	0	0	0	0.0
Legislature .....	0	0	0	0.0
Licensing & Regulatory Affairs.....	30,625,700	105,251,900	74,626,200	243.7
Military & Veterans Affairs .....	142,400	2,242,400	2,100,000	1,474.7
Natural Resources .....	7,154,300	9,475,200	2,320,900	32.4
Natural Resources Trust Fund.....	29,235,000	0	(29,235,000)	(100.0)
School Aid.....	12,768,569,700	12,847,081,000	78,511,300	0.6
State.....	1,215,900	1,129,000	(86,900)	(7.1)
State Police.....	14,113,200	14,231,300	118,100	0.8
Talent & Economic Development .....	11,300,000	31,400,000	20,100,000	177.9
Technology, Management, & Budget .....	0	0	0	0.0
Transportation.....	1,824,418,100	2,036,860,600	212,442,500	11.6
Treasury (Debt Service).....	0	0	0	0.0
Treasury (Operations).....	186,083,500	219,653,600	33,570,100	18.0
Treasury (Revenue Sharing) .....	1,293,928,600	1,314,405,300	20,476,700	1.6
<b>TOTAL BUDGET AREA APPROPRIATIONS</b>	<b>\$18,237,933,100</b>	<b>\$18,755,708,500</b>	<b>\$517,775,400</b>	<b>2.8%</b>

## **FEE AND REVENUE ADJUSTMENTS**

### **Fee Adjustments**

#### **Driver Responsibility Fees**

Public Acts 43 through 50 of 2018 eliminated driver responsibility fees, provided for forgiveness of related debt, and allowed indebted drivers to seek reinstatement of their licenses. The elimination of the fees will reduce General Fund revenue by \$20.6 million in FY 2017-18, \$26.0 million in FY 2018-19, and \$10.0 million in FY 2019-20. Additionally, beginning in FY 2018-19, the funds for the \$8.5 million deposit into the Fire Protection Fund (for fire protection grants) will no longer be available. As discussed below, the loss of revenue for fire protection grants will be offset by modifying distributions of personal property tax reimbursement revenue made by the Local Community Stabilization Authority.

### **Revenue Adjustments**

#### **Personal Property Tax Reform**

Personal property taxes (PPTs) were substantially changed by legislation enacted in 2012, amended in 2013 and 2014, and then made effective by voter approval in 2014. To reimburse local governments that had a lower property tax base as a result of the PPT exemptions and thus received less property tax revenue, the Local Community Stabilization Authority (LCSA) was created. The LCSA is required to levy a fixed dollar amount of the use tax and then distribute that revenue to compensate local governmental units for reduced personal property tax revenue according to a statutory formula.

The Department of Treasury determined that the reimbursements due in FY 2017-18 for calendar year 2017 taxes total \$374.1 million. Of that amount, \$135.4 million is payable to Tier 1 municipalities for millage guaranteed at 100%. The remaining funds available to be distributed to Tier 2 municipalities total \$238.7 million. Of the Tier 2 amount, only \$81.6 million is needed to reimburse the eligible local units for all of their qualified loss, measured by the difference in taxable value since 2013. The remaining \$157.1 million is in excess of the qualified losses. The amount of money necessary to reimburse local governments for Tier 2 millage was overestimated at the time the PPT package was enacted. The statute, however, requires the funds to be distributed.

Public Acts 247 and 248 of 2018 made technical changes regarding the calculation of relevant millage rates and procedures to deal with underpayments and overpayments. Public Act 248 also modified the distribution of Tier 2 payments in excess of qualified losses. The new formula does not allocate any excess revenue to libraries or authorities, and the excess revenue will first be reduced by \$13.6 million to fund Fire Protection Grants, which are funded in FY 2017-18 at a total level of \$10.7 million by a combination of driver responsibility fees (\$8.5 million) and GF/GP revenue (\$2.2 million).

The legislation also delayed the phase-in of the "dynamic formula", which is an alternative distribution based on acquisition cost rather than qualified loss. The LCSA was to begin distributing 5.0% of total disbursements using the dynamic formula in 2019, increasing by five percentage points each year until it reached 100%. Now the dynamic formula will not begin phasing in until 2021, when the LCSA will distribute 15.0% of total disbursements by this method, still increasing by five percentage points each year.

## **Redirection of Transportation Economic Development Fund Revenue**

The Transportation Economic Development Fund (TEDF) was created in 1987 to assist in the funding of highway, road, and street projects necessary to support economic growth. Since 1993, the TEDF has been statutorily split into five categories: A, Targeted Industries; C, Urban County Congestion; D, Rural County Primary; E, Forest Roads; and F, Rural County Urban System. Pursuant to MCL 247.911, the first \$5.0 million allocated to the TEDF must go to Category E. The next \$2.5 million goes to Category F. The remaining funds are divided into three parts, with 50% going to Category A, and 25% going to each of Categories C and D.

The FY 2018-19 Department of Transportation budget redirects \$3.0 million of TEDF "Category A-Targeted Industries" revenue, to a new "Category B-Community Service Infrastructure Fund". The transfer leaves funding for Category A at \$16.7 million for FY 2018-19.

The new Category B will be funded from the 50.0% share typically reserved for Category A. This funding shift, beginning in FY 2018-19, will require additional statutory changes to MCL 247.911.

## **DEBT SERVICE APPROPRIATIONS**

Table 27 provides a summary of debt service appropriations for FY 2018-19. These include State park improvement revenue bonds appropriated in the Department of Natural Resources; School Bond Loan Fund bonds in K-12 School Aid; debt service costs related to the Facility for Rare Isotope Beams and the Community College Skilled Trades Equipment Program appropriated in the Department of Talent and Economic Development; State Building Authority rent payments appropriated in the Department of Technology, Management, and Budget; various transportation-related bonds in the Department of Transportation; and general obligation bonds in the Department of Treasury. Gross appropriations for debt service on these bonds total \$711.7 million for FY 2018-19. This represents a \$15.4 million (2.1%) decrease from the \$727.1 million debt service appropriations in FY 2017-18.

Table 27

<b>DEBT SERVICE APPROPRIATIONS FY 2018-19 COMPARED WITH FY 2017-18</b>				
Department/Program	FY 2017-18 Gross Appropriation	FY 2018-19 Gross Appropriation	Dollar Change	Percent Change
<b>Natural Resources</b>				
State Park Improvement Revenue Bonds .....	\$1,191,000	\$1,195,700	\$4,700	0.4%
<b>Subtotal Natural Resources .....</b>	<b>\$1,191,000</b>	<b>\$1,195,700</b>	<b>\$4,700</b>	<b>0.4%</b>
<b>School Aid</b>				
School Bond Loan .....	\$125,500,000	\$125,500,000	\$0	0.0%
<b>Subtotal School Aid .....</b>	<b>\$125,500,000</b>	<b>\$125,500,000</b>	<b>\$0</b>	<b>0.0%</b>
<b>Talent &amp; Economic Development<sup>1</sup></b>				
Facility For Rare Isotope Beams (MSF) .....	\$7,300,000	\$7,300,000	\$0	0.0%
Community College Skilled Trades Equipment Program (MSF) .....	4,600,000	4,600,000	0	0.0
<b>Subtotal Talent &amp; Economic Development .....</b>	<b>\$11,900,000</b>	<b>\$11,900,000</b>	<b>\$0</b>	<b>0.0%</b>
<b>DTMB-State Building Authority Rent</b>				
State Agencies .....	\$49,665,800	\$49,665,800	\$0	0.0
Department of Corrections .....	21,029,900	21,029,900	0	0.0
Universities .....	149,005,500	144,995,300	(4,010,200)	(2.7)
Community Colleges .....	32,317,600	30,879,600	(1,438,000)	(4.4)
<b>Subtotal Technology, Management, &amp; Budget .....</b>	<b>\$252,018,800</b>	<b>\$246,570,600</b>	<b>(\$5,448,200)</b>	<b>(2.2)</b>
<b>Transportation</b>				
State Trunkline .....	\$185,109,100	\$175,580,400	(\$9,528,700)	(5.1%)
Economic Development .....	11,548,300	11,595,300	47,000	0.4
Local Bridge Fund .....	2,315,400	2,315,700	300	0.0
Blue Water Bridge Fund .....	7,105,100	7,106,300	1,200	0.0
Airport Safety and Protection Plan .....	4,617,000	3,437,900	(1,179,100)	(25.5)
Comprehensive Transportation .....	18,244,500	19,401,500	1,157,000	6.3
<b>Subtotal Transportation .....</b>	<b>\$228,939,400</b>	<b>\$219,437,100</b>	<b>(\$9,502,300)</b>	<b>(4.2%)</b>
<b>Treasury</b>				
Quality of Life Bond .....	21,964,000	21,964,000	0	0.0
Clean Michigan Initiative .....	62,751,000	62,251,000	(500,000)	(0.8)
Great Lakes Water Initiative .....	22,865,000	22,865,000	0	0.0
<b>Subtotal Treasury .....</b>	<b>\$107,580,000</b>	<b>\$107,080,000</b>	<b>(\$500,000)</b>	<b>(0.5%)</b>
<b>TOTAL .....</b>	<b>\$727,129,200</b>	<b>\$711,683,400</b>	<b>(\$15,445,800)</b>	<b>(2.1%)</b>

<sup>1</sup> Does not include Michigan Strategic Fund (MSF) bonding for the Cadillac Place, House Office Building, or Senate Office Building, or debt issued by authorities other than the State Building Authority (such as MSHDA or the Michigan Finance Authority).

## TOBACCO SETTLEMENT REVENUE AND APPROPRIATIONS

In 1998, a Master Settlement Agreement was reached between 46 states, including Michigan, and certain U.S. tobacco manufacturers, to provide annual payments to states. The payments began in 2000 and will continue in perpetuity. As [Table 28](#) illustrates, there are several transfers out of the tobacco settlement revenue before it is deposited into the Merit Award Trust Fund, where it is available for appropriation by the Legislature. Pursuant to law, \$75.0 million of the tobacco settlement revenue is earmarked each fiscal year, from FY 2007-08 through FY 2018-19, for the 21<sup>st</sup> Century Jobs Trust Fund. Also pursuant to law, \$17.5 million of the tobacco settlement revenue is deposited each fiscal year, from FY 2014-15 through FY 2034-35, into the Budget Stabilization Fund as repayment for an FY 2013-14 State appropriation of \$194.8 million to the Settlement Administration Fund to help mitigate the impact of the City of Detroit bankruptcy on its pensioners. A new statutory earmark for the Community District Trust Fund of \$72.0 million annually for 10 years, was enacted in FY 2016-17 to implement a new system for schools in Detroit.

The other transfer of funds from tobacco settlement revenue is for debt service on the securitization of a portion of the tobacco settlement revenue in 2006 and 2007. The debt service amount for FY 2018-19 is estimated to be \$68.8 million.

Pursuant to the Michigan Trust Fund Act (Public Act 489 of 2000), tobacco settlement revenue available after the required transfers are netted out is retained in the Michigan Merit Award Trust Fund, from which appropriations may be made. For FY 2018-19, net revenue for the Michigan Merit Award Trust Fund is \$68.1 million. The initial FY 2018-19 budget includes the appropriation of \$54.8 million of tobacco settlement funds through the Michigan Merit Award Trust Fund to four State budget areas. The largest appropriation is \$48.2 million for the Medicaid program in the Department of Health and Human Services, followed by an appropriation of \$4.1 million for the Department's Office of Aging respite services. If the Merit Award Trust Fund appropriations are deducted from the Merit Award Trust Fund net revenue, there is an estimated FY 2018-19 Merit Award Trust Fund year-end balance of \$13.3 million.

Table 28

<b>TOBACCO SETTLEMENT REVENUE AND APPROPRIATIONS ESTIMATES</b>			
<b>FY 2017-18 COMPARED TO FY 2018-19</b>			
<b>(actual dollars)</b>			
	<b>FY 2017-18 Year-To-Date</b>	<b>FY 2018-19 Initial</b>	<b>Initial Chg. From FY 2017-18</b>
<b>Revenue</b>			
Unreserved Balance From Prior Fiscal Year .....	\$4,289,000	\$15,233,900	\$10,944,900
Total Annual Payments .....	309,825,000	303,406,400	(6,418,600)
Assumed Withheld Payments .....	(10,187,400)	(18,204,400)	(8,017,000)
Interest Earnings .....	833,400	893,400	60,000
Total Tobacco Settlement Revenue.....	<u>\$304,760,000</u>	<u>\$301,329,300</u>	<u>(\$3,430,700)</u>
<b>Less Transfers Out For:</b>			
21st Century Jobs Trust Fund .....	(\$75,000,000)	(\$75,000,000)	\$0
Community District Trust Fund (Detroit).....	(72,000,000)	(72,000,000)	0
Payment to Budget Stabilization Fund (Detroit).....	(17,500,000)	(17,500,000)	0
Payment on 2006 Bond Securitization .....	(39,971,700)	(38,045,900)	1,925,800
Payment on 2007 Bond Securitization .....	<u>(32,271,000)</u>	<u>(30,716,300)</u>	<u>1,554,700</u>
Total Transfers Out .....	<u>(\$236,742,700)</u>	<u>(\$233,242,200)</u>	<u>\$3,480,500</u>
<b>Net Revenue To Merit Award Trust Fund .....</b>	<b><u>\$68,017,300</u></b>	<b><u>\$68,067,100</u></b>	<b><u>\$49,800</u></b>
<b>Appropriations</b>			
<b>Attorney General</b>			
Operations .....	\$499,500	\$506,700	\$7,200
<b>Health and Human Services</b>			
Medicaid Base .....	46,200,000	48,200,000	2,000,000
Aging: Respite Care.....	4,068,700	4,068,700	0
<b>State Police</b>			
Tobacco Tax Enforcement.....	843,000	846,800	3,800
<b>Department of Treasury</b>			
Student Financial Services Administration .....	1,172,200	1,187,300	15,100
<b>Total Merit Award Trust Fund Appropriations .....</b>	<b><u>\$52,783,400</u></b>	<b><u>\$54,809,500</u></b>	<b><u>\$2,026,100</u></b>
<b>MERIT AWARD TRUST FUND YEAR-END BALANCE .....</b>	<b><u>\$15,233,900</u></b>	<b><u>\$13,257,600</u></b>	<b><u>(\$1,976,300)</u></b>

## **PROJECTED GF/GP YEAR-END BALANCES**

The FY 2017-18 projected year-end GF/GP balance of \$101.4 million is based on the May 2018 consensus estimate of GF/GP revenue and other revenue adjustments agreed upon as part of the budget process. The FY 2017-18 estimated GF/GP expenditures are based on initial appropriations and enacted supplemental appropriations that include caseload and cost adjustments, an additional \$115.0 million for the State's Budget Stabilization Fund, and a shift of \$136.5 million from GF/GP revenue to SAF revenue as a funding source for the GF/GP budget.

The second column of [Table 29](#) presents the Senate Fiscal Agency's (SFA's) estimate of the FY 2018-19 GF/GP year-end balance of \$6.2 million. The FY 2018-19 projections also are based on the May 2018 consensus estimate of GF/GP revenue and other agreed-upon revenue and expenditure adjustments. Part of the leadership budget target agreement was the decision to use \$261.8 million more of School Aid Fund revenue compared to FY 2017-18, to replace GF/GP in the Higher Education budget. The FY 2018-19 estimated GF/GP expenditures are based on initial ongoing appropriations of \$9.6 billion and initial one-time appropriations of \$410.1 million. When GF/GP estimated revenue is compared to GF/GP estimated expenditures, there is a projected FY 2018-19 ending balance of \$6.2 million.

## **PROJECTED SCHOOL AID FUND (SAF) YEAR-END BALANCES**

The FY 2017-18 projected year-end SAF balance of \$217.7 million is based on the May 2018 consensus estimate of SAF revenue and other revenue adjustments agreed upon as part of the budget process. The FY 2017-18 estimated SAF expenditures are based on initial ongoing and one-time appropriations, enacted supplemental appropriations, and consensus cost adjustments.

The second column of [Table 30](#) presents the SFA's estimate of the FY 2018-19 SAF year-end balance of \$6.9 million. The FY 2018-19 projections also are based on the May 2018 consensus estimate of SAF revenue and other agreed-upon revenue adjustments. Part of the leadership budget target agreement was the decision to appropriate \$100.0 million of Talent Investment Fund revenue to fund the new Marshall Plan for Talent. The FY 2018-19 SAF balance sheet continues to include \$72.0 million from the Community District Education Trust Fund to pay the additional foundation allowance costs for Detroit Public Schools while the district's existing 18-mill property tax levy is diverted from supporting its foundation allowance to pay off debt. New for FY 2017-18, a deposit of \$30.0 million SAF is made to the Mental Health Services and Support Fund, with the intent to spend those dollars in FY 2018-19 as part of a school safety initiative.

The FY 2018-19 estimated SAF expenditures are based on initial ongoing K-12 appropriations of \$14.6 billion and initial one-time K-12 appropriations of \$121.3 million. The SAF balance sheet reflects the continued use of SAF revenue to support the Community Colleges and Higher Education budgets. In the Community Colleges budget, the SAF allocation for FY 2018-19 (including both ongoing and one-time funding) is increased by \$9.9 million over FY 2017-18 to fully fund community colleges with SAF revenue at a level of \$408.2 million in FY 2018-19. The SAF allocation in the Higher Education budget for FY 2018-19 is \$261.8 million higher than for FY 2017-18, when the total SAF allocation was \$238.3 million. Across the two budgets, SAF support of postsecondary purposes totals \$908.3 million for FY 2018-19.

Table 29

<b>FY 2017-18 AND FY 2018-19 GENERAL FUND/GENERAL PURPOSE REVENUE, EXPENDITURES, AND YEAR-END BALANCE ESTIMATES</b> (millions of dollars)		
	<b>FY 2017-18</b>	<b>FY 2018-19</b>
Beginning Balance .....	\$622.5	\$101.4
<b>Ongoing Revenue:</b>		
May 2018 Consensus Revenue Estimate .....	\$10,463.6	\$10,411.6
Revenue Sharing Payments .....	<u>(465.9)</u>	<u>(466.0)</u>
Subtotal Ongoing Revenue.....	\$9,997.7	\$9,945.6
<b>Non-Ongoing Revenue:</b>		
One-Time Appropriation for Revenue Sharing .....	(\$5.8)	(\$13.1)
Redirection of Restricted Revenue .....	(6.7)	(6.3)
Sale of Scott Correctional Facility.....	<u>3.4</u>	<u>0.0</u>
Subtotal Non-Ongoing Revenue.....	<u>(\$9.1)</u>	<u>(\$19.4)</u>
<b>Total Estimated GF/GP Revenue.....</b>	<b>\$10,611.2</b>	<b>\$10,027.6</b>
<b>Expenditures:</b>		
Initial Ongoing Appropriations.....	\$9,784.4	\$9,611.3
<b>One-Time and Other Appropriations:</b>		
Initial One-Time Appropriations .....	\$257.3	\$410.1
Appropriation to Budget Stabilization Fund .....	265.0	0.0
Enacted Supplementals.....	326.2	0.0
Shift from GF/GP to SAF Funding Source.....	(136.5)	0.0
Assign Remaining Principal to School Bond Loan Fund .....	15.6	0.0
Estimated Year-End Lapses .....	<u>(2.2)</u>	<u>0.0</u>
Subtotal One-Time and Other Appropriations .....	<u>\$725.4</u>	<u>\$410.1</u>
<b>Total Estimated GF/GP Expenditures .....</b>	<b>\$10,509.8</b>	<b>\$10,021.4</b>
<b>PROJECTED YEAR-END GF/GP BALANCE .....</b>	<b>\$101.4</b>	<b>\$6.2</b>

**Table 30**  
**FY 2017-18 AND FY 2018-19 SCHOOL AID FUND**  
**REVENUE, EXPENDITURES, AND YEAR-END BALANCE ESTIMATES**  
(millions of dollars)

	<b>FY 2017-18</b>	<b>FY 2018-19</b>
Beginning Balance .....	\$377.4	\$217.7
<b>Ongoing Revenue:</b>		
May 2018 Consensus Revenue Estimate .....	\$13,244.0	\$13,574.4
General Fund/General Purpose Grant .....	78.5	60.0
Community District Education Trust Fund .....	72.0	72.0
Federal Ongoing Aid .....	<u>1,726.9</u>	<u>1,724.7</u>
Subtotal Ongoing Revenue.....	\$15,121.4	\$15,431.1
<b>Non-Ongoing Revenue:</b>		
SAF Deposit into MPSERS Reserve Fund .....	(\$55.0)	\$0.0
Reserve Fund for MPSERS .....	23.1	31.9
SAF Deposit into Mental Health Services and Support Fund.....	(30.0)	0.0
Talent Investment Fund (PA 228 of 2018).....	<u>100.0</u>	<u>0.0</u>
Subtotal Non-Ongoing Revenue.....	\$38.1	\$31.9
<b>Total Estimated School Aid Fund Revenue .....</b>	<b>\$15,536.9</b>	<b>\$15,680.7</b>
<b>Expenditures:</b>		
Initial Ongoing K-12 Appropriations .....	\$14,266.5	\$14,644.2
Funding Community Colleges with School Aid Fund.....	394.7	401.8
Partially Funding Higher Education with School Aid Fund .....	<u>237.9</u>	<u>499.4</u>
Subtotal Ongoing Appropriations.....	\$14,899.0	\$15,545.4
<b>One-Time and Other Appropriations:</b>		
Initial One-Time K-12 Appropriations.....	\$89.3	\$121.3
Initial One-Time Community College Appropriations.....	3.6	6.4
Initial One-Time Higher Education Appropriations .....	0.4	0.7
Enacted Supplementals (PAs 143 and 265 of 2018).....	3.8	0.0
MPSERS PA 92 of 2017 Costs and Additional UAAL Payment.....	223.1	0.0
Marshall Plan for Talent (PA 227 of 2018) .....	<u>100.0</u>	<u>0.0</u>
Subtotal One-Time and Other Appropriations .....	\$420.2	\$128.4
<b>Total Estimated School Aid Fund Expenditures .....</b>	<b>\$15,319.3</b>	<b>\$15,673.8</b>
<b>PROJECTED YEAR-END SCHOOL AID FUND BALANCE.....</b>	<b>\$217.7</b>	<b>\$6.9</b>

## ECONOMIC FORECAST AND REVENUE ESTIMATES

### A. ECONOMIC FORECAST

The economic forecast on which the enacted fiscal year (FY) 2018-19 State budget was based is the consensus economic forecast adopted at the May 2018 Consensus Revenue Estimating Conference. Under this consensus economic forecast, the U.S. economy will grow 2.7% in 2018 and 2019, and 1.9% in 2020. Relatively flat to declining total vehicle sales and Detroit 3 market share will combine with slow but steady economic growth nationally to result in Michigan employment growing, but more slowly than any time since 2010. Michigan personal income, adjusted for inflation, is expected to rise over the forecast, as wages rise in response to low unemployment rates and tight labor markets. Low inflation and the employment situation are expected to result in inflation-adjusted personal income rising 1.8% in 2018, 2.4% in 2019, and 2.0% in 2020. The highlights of the economic outlook for both the U.S. and Michigan economies are as follows:

#### 1. U.S. Economy

- Real Gross Domestic Product (GDP) will rise an estimated 2.7% in both 2018 and 2019, and 1.9% in 2020, compared with 2.3% growth in 2017. While consumer spending and wage growth are expected to improve, the growth will remain weak by historical standards. In contrast, light vehicle sales are expected to decline and productivity growth is forecasted to remain very low. When combined with an improving housing market, the forecast predicts modest increases in the rate of economic growth.
- Employment is expected to grow, although at a progressively slower rate each year of the forecast through 2020, and the U.S. unemployment rate is predicted to decline from 4.4% in 2017 to 4.0% in 2018, and 3.7% in both 2019 and 2020.
- Light vehicle sales are expected to continue declining from the all-time record high of 17.5 million units in 2016, decreasing from 17.1 million units in 2017 to 16.9 million units in 2018, 16.8 million units in 2019, and 16.7 million units in 2020. By comparison, during the most recent recession in 2009, 10.4 million units were sold.
- Housing starts are expected to increase 8.1% in 2018, rising from 1.2 million starts in 2017 to 1.3 million starts. The growth in housing starts will slow in later years, rising 2.3% in 2019 and 0.8% in 2020, so total starts reach 1.34 million in 2020. By comparison, starts totaled 2.1 million in 2006 and 554,000 in 2009.
- Inflation, as measured by the U.S. Consumer Price Index, rose 2.1% in 2017. As energy prices increase modestly, economic activity increases, tariffs take effect, and labor markets tighten, the forecast expects inflation to rise 2.4% in 2018, 2.0% in 2019, and 2.3% in 2020.

#### 2. Michigan Economy

- On an annual basis, although payroll employment in Michigan steadily declined between 2000 and 2010, it has increased in every year since 2010. After rising 1.8% during 2016 and 1.2% in 2017, payroll employment is expected to increase at a slowing rate, rising 1.1% in 2018, 0.9% in 2019, and 0.8% in 2020.
- Michigan's unemployment rate is projected to decrease from 4.6% in 2017 to 4.5% in 2018, 4.4% in 2019, and 4.3% in 2020.
- Tighter labor markets will help increase total wage and salary payments to workers in Michigan over the forecast period. Total payments to wage and salary workers are expected to increase 4.5% during 2018, 4.4% in 2019, and 4.2% in 2020.
- Personal income, the total income received by individuals, will increase at an estimated rate of 4.1% in 2018, compared with a 2.6% increase in 2017, and then rise 4.4% in 2019 and 4.3% in 2020. Adjusted for inflation, personal income is projected to increase 1.8% in 2018, 2.4% in 2019, and 2.0% in 2020.
- Inflation in Michigan, as measured by the Detroit Consumer Price Index, is expected to increase 2.3% in 2018, 1.9% in 2019 and 2.2% in 2020. In comparison, inflation rose 2.1% in 2017.

**B. GENERAL FUND/GENERAL PURPOSE AND SCHOOL AID FUND REVENUE ESTIMATES**

General Fund/General Purpose (GF/GP) and School Aid Fund (SAF) revenue from ongoing sources is expected to total \$25.6 billion in FY 2018-19, down 1.6% from the \$26.1 billion predicted to be received during FY 2017-18. The total revenue collected in a fiscal year includes two major types of revenue: 1) revenue from ongoing revenue sources, and 2) revenue from various revenue adjustments (such as tax changes and one-time sources, including beginning balances carried over from the prior year). The projected levels of revenue from ongoing revenue sources for these two fiscal years are the estimates adopted at the May 2018 Consensus Revenue Estimating Conference. Total combined GF/GP and SAF revenue is expected to decrease 1.6% in FY 2017-18, while combined GF/GP and SAF ongoing revenue is expected to increase 1.2%. The slower growth in total revenue reflects changes in revenue that is not ongoing, such as the substantial decline in the GF/GP beginning balance and changes in the redirection of funds to or from the School Aid Fund. The estimates of total revenue, as well as a breakdown between these two types of revenue, are presented in Table 31 for both the General Fund/General Purpose budget and the School Aid Fund for FY 2017-18 and FY 2018-19.

**Table 31**

<b>GENERAL FUND/GENERAL PURPOSE AND SCHOOL AID FUND REVENUE ESTIMATES FOR FY 2017-18 AND FY 2018-19 (millions of dollars)</b>				
	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>\$ Change</b>	<b>% Change</b>
<b>GENERAL FUND/GENERAL PURPOSE</b>				
Beginning Balance .....	\$622.5	\$101.4	(\$521.1)	---
<u>Consensus Estimate From Ongoing Sources<sup>1)</sup>:</u>				
Net Income .....	7,299.6	7,039.5	(260.1)	(3.6%)
Michigan Business/Corporate Income Tax .....	71.9	273.1	201.2	279.8
Sales & Use Taxes .....	1,896.8	1,912.1	15.3	0.8
Tobacco Taxes .....	184.1	182.1	(2.0)	(1.1)
Insurance Company Premiums .....	398.1	406.3	8.2	2.1
Telephone & Telegraph .....	35.0	35.5	0.5	1.4
Oil & Gas Severance .....	25.0	26.6	1.6	6.4
All Other Taxes .....	186.7	186.0	(0.7)	(0.4)
Subtotal Taxes .....	10,097.2	10,061.2	(36.0)	(0.4)
Nontax Revenue .....	366.4	350.4	(16.0)	(4.4)
Subtotal Consensus Estimates Ongoing Revenue <sup>1)</sup> .....	10,463.6	10,411.6	(52.0)	(0.5)
<u>Revenue Adjustments:</u>				
Revenue Sharing Payments .....	(465.9)	(466.0)	(0.1)	0.0
One-time Appropriation for Revenue Sharing .....	(5.8)	(13.1)	(7.3)	125.9
Sale of Scott Correctional Facility .....	3.4	0.0	(3.4)	(100.0)
Net Redirection of Revenue from Other Funds .....	(6.7)	(6.3)	0.4	(6.0)
Subtotal Revenue Adjustments .....	(475.0)	(485.4)	(10.4)	2.2
<b>TOTAL GF/GP REVENUE .....</b>	<b>\$10,611.2</b>	<b>\$10,027.6</b>	<b>(\$583.6)</b>	<b>(5.5%)</b>

Table 31 - continued

<b>GENERAL FUND/GENERAL PURPOSE AND SCHOOL AID FUND REVENUE ESTIMATES FOR FY 2017-18 AND FY 2018-19 (millions of dollars)</b>				
	FY 2017-18	FY 2018-19	\$ Change	% Change
<b>SCHOOL AID FUND</b>				
Beginning Balance .....	\$377.4	\$217.7	(\$159.7)	---
<u>Consensus Estimate From Ongoing Sources<sup>1)</sup>:</u>				
Sales & Use Taxes .....	6,435.4	6,627.5	192.1	3.0%
Income Tax .....	2,906.1	2,953.1	47.0	1.6
State Education Property Tax .....	2,039.1	2,121.7	82.6	4.1
Real Estate Transfer Tax .....	331.1	336.5	5.4	1.6
Tobacco Taxes .....	352.0	346.7	(5.3)	(1.5)
Casino Wagering Tax .....	114.0	115.0	1.0	0.9
Other Tax Revenue .....	121.9	123.9	2.0	1.6
Subtotal Taxes .....	12,299.6	12,624.4	324.8	2.6
Lottery .....	944.4	950.0	5.6	0.6
Subtotal Consensus Estimates Ongoing Revenue <sup>1)</sup> .....	13,244.0	13,574.4	330.4	2.5
<u>Other Revenue:</u>				
General Fund Grant .....	78.5	60.0	(18.5)	(23.6)
Community District Education Trust Fund .....	72.0	72.0	0.0	---
Talent Investment Fund .....	100.0	0.0	(100.0)	---
Deposit of SAF Revenue into MPSERS Reserve Fund .....	(55.0)	0.0	55.0	---
Reserve Fund for MPSERS .....	23.1	31.9	8.8	---
SAF Deposit to Mental Health Services & Support Fund .....	(30.0)	0.0	30.0	(100.0)
Federal Aid .....	1,726.9	1,724.7	(2.2)	(0.1)
Subtotal Other Revenue .....	1,915.5	1,888.6	(26.9)	(1.4)
<b>TOTAL SAF REVENUE .....</b>	<b>\$15,536.9</b>	<b>\$15,680.7</b>	<b>\$143.8</b>	<b>0.9%</b>
<b>TOTAL GF/GP AND SAF:</b>				
Beginning Balances .....	\$999.9	\$319.1	(\$680.8)	(68.1)
Consensus Estimate Ongoing Revenue .....	23,707.6	23,986.0	278.4	1.2
Other Revenue <sup>2)</sup> .....	1,362.0	1,343.2	(18.8)	(1.4)
<b>TOTAL REVENUE<sup>2)</sup> .....</b>	<b>\$26,069.6</b>	<b>\$25,648.3</b>	<b>(\$421.3)</b>	<b>(1.6%)</b>
<sup>1)</sup> Revenue estimates adopted at the May 2018 Consensus Revenue Estimating Conference.				
<sup>2)</sup> Total and other revenue excludes GF/GP grant to SAF.				

**1. General Fund/General Purpose Revenue**

- In FY 2018-19, GF/GP revenue is projected to total an estimated \$10.0 billion, representing a decrease of 5.5% or \$583.6 million from the revenue estimated for FY 2017-18, as shown in Table 31. The decrease in GF/GP revenue reflects a \$521.1 million decline in the beginning balance and the earmark of \$150.0 million in individual income tax revenue to the Michigan Transportation Fund (the earmark will increase to \$325.0 million in FY 2019-20 and \$600.0 million in FY 2020-21). The growth in ongoing revenue during FY 2018-19 is insufficient to offset those two revenue reductions.

- The balance carried over from FY 2017-18 is expected to total \$101.4 million, which is down \$521.1 million from the \$622.5 million that was carried over from FY 2016-17.
- Revenue from ongoing sources during FY 2018-19 will total an estimated \$10.4 billion, which is down 0.5% or \$52.0 million from the forecasted FY 2017-18 level.
- The decrease in GF/GP ongoing revenue in FY 2017-18 primarily reflects several factors:
  - Policy changes. Legislation enacted with personal property tax reform in 2012 and 2014 is expected to increase General Fund revenue by \$91.1 million in FY 2017-18 and \$97.0 million in FY 2018-19 through an Essential Services Assessment, which levies a new assessment on property that was exempted as part of the tax reform, in order to support ambulance, police, and fire services. However, the increase is more than offset by a \$410.8 million decline in FY 2017-18 and a \$438.0 million decline in FY 2018-19 in State use tax revenue, which is being converted into a local use tax that generates revenue to reimburse local units for other losses associated with the personal property tax reform.
  - Individual income tax. Legislation enacted in 2015 as part of a road funding package increased the Homestead Property Tax Credit and redirected \$150.0 million in individual income tax revenue from the General Fund to the Michigan Transportation Fund. While modest employment gains and tight labor markets will result in baseline individual income tax revenue growing 2.0% in FY 2018-19, the additional \$208.5 million in increased Homestead Property Tax Credit refunds and the revenue transferred to the Michigan Transportation Fund will more than offset the growth. As a result, net GF/GP revenue from the individual income tax is expected to decline 3.6% in FY 2018-19.
  - Certificated Credits. While the Michigan Business Tax (MBT) was effectively eliminated for most taxpayers beginning in 2012, some taxpayers continue to file an MBT return in order to claim certain tax credits that were awarded under the MBT and/or the Single Business Tax, which preceded the MBT. Net MBT is expected to total approximately negative \$787.9 million in FY 2017-18, as refunds exceed collections, but will total approximately negative \$649.5 million in FY 2018-19, reducing the subtraction from (thus increasing) GF/GP revenue by \$201.2 million in FY 2018-19.

## 2. School Aid Fund

- Revenue going to the School Aid Fund will total an estimated \$15.7 billion in FY 2018-19, an increase of 0.9% or \$143.8 million from the SAF revenue estimate for FY 2017-18. The SAF revenue estimate is presented in [Table 31](#).
- Revenue from ongoing taxes and net lottery revenue earmarked to the SAF will total an estimated \$13.6 billion in FY 2018-19, up 2.5% or \$330.4 million from FY 2017-18, reflecting the continued economic growth during 2018 and 2019.
- In addition to the revenue from the ongoing earmarked taxes, the SAF will receive an estimated \$1.9 billion during FY 2018-19, although the additional revenue is \$26.9 million less than is expected in FY 2017-18. The majority of this additional revenue reflects Federal aid totaling an estimated \$1.7 billion. Additional SAF revenue also includes \$60.0 million in grants from the General Fund in FY 2018-19, down from \$78.5 million in FY 2017-18, and a reduction of \$100.0 million because of a one-time transfer to the Talent Investment Fund during FY 2017-18. The SAF will also receive \$72.0 million in revenue from the Community District Education Trust Fund in FY 2018-19, the same as in FY 2017-18.

## C. BUDGET AND ECONOMIC STABILIZATION FUND

Michigan's cyclical economy can produce significant swings in the rate of growth, or decline, in tax revenue from one year to the next. To help smooth the flow of revenue over the economic cyclical swings, Michigan created the Counter-Cyclical Budget and Economic Stabilization Fund in 1977. This Fund, more commonly referred to as the Budget Stabilization Fund (BSF), is designed to be a cash reserve to which the State adds money during good economic times and from which it withdraws money during poor economic years. Having the money available during poor economic years helps the State avoid having to cut spending and/or increase taxes, and therefore helps stabilize the State budget and the tax structure.

Two formulas, based on personal income growth and the unemployment rate, are used to indicate when economic conditions justify transfers into and out of the BSF. However, all transfers into and out of the BSF must be appropriated by the Legislature and approved by the Governor. In addition, the

Legislature and the Governor may appropriate funds into and from the BSF even if these formulas do not trigger a transfer. Historically, most of the BSF transactions have not been directly tied to the formulas, but have been made at the will of the Legislature and Governor.

As shown in [Table 32](#), the BSF ended FY 2016-17 with a balance of \$710.0 million. The budget for FY 2017-18 appropriates \$282.5 million to the BSF, although the formulas calculate no deposit into the Fund. The enacted budget for FY 2018-19 appropriates \$17.5 million of tobacco settlement revenue to repay the BSF for money withdrawn from the BSF as part of the Detroit bankruptcy settlement agreement, although the formulas calculate only a \$13.6 million pay-in. The BSF is expected to end FY 2018-19 with a balance of \$1,039.9 million.

**Table 32**  
**BUDGET AND ECONOMIC STABILIZATION FUND TRANSFERS, EARNINGS, AND FUND BALANCE**  
**FY 1997-98 TO FY 2018-19 ESTIMATE**  
**(millions of dollars)**

<b>Fiscal Year</b>	<b>Pay-In</b>	<b>Interest Earned</b>	<b>Pay-Out</b>	<b>Fund Balance</b>
1997-98	\$0.0	\$60.1	\$212.0	\$1,000.5
1998-99	244.4	51.2	73.7	1,222.5
1999-2000	100.0	73.9	132.0	1,264.4
2000-01	0.0	66.7	337.0	994.2
2001-02	0.0	20.8	869.8	145.2
2002-03	9.1	1.8	156.1	0.0
2003-04	81.3	0.0	0.0	81.3
2004-05	0.0	2.0	81.3	2.0
2005-06	0.0	0.0	0.0	2.0
2006-07	0.0	0.1	0.0	2.1
2007-08	0.0	0.1	0.0	2.2
2008-09	0.0	0.0	0.0	2.2
2009-10	0.0	0.0	0.0	2.2
2010-11	0.0	0.0	0.0	2.2
2011-12	362.7	0.2	0.0	365.1
2012-13	140.0	0.5	0.0	505.6
2013-14	75.0	0.4	194.8	386.2
2014-15	111.5	0.4	0.0	498.1
2015-16	112.5	1.8	0.0	612.4
2016-17	92.5	5.1	0.0	710.0
Estimates:				
2017-18	282.5	10.3	0.0	1,002.8
2018-19	17.5	19.6	0.0	1,039.9

#### **D. CONSTITUTIONAL REVENUE LIMIT**

The Michigan Constitution places a limit on the amount of revenue State government may collect in any fiscal year. The limit essentially requires that total revenue, excluding Federal aid, not exceed 9.49% of personal income.

- As shown in Table 33, revenue subject to the limit has been well below the limit in recent years and revenue is expected to remain considerably below the constitutional limit through FY 2018-19.
- In FY 2008-09, revenue subject to the limit fell below the limit by the greatest margin in the history of the limit: approximately \$8.0 billion or 24.3%; although the greatest absolute amount by which revenue was below the limit was in FY 2013-14, when revenue was \$8.5 billion or 23.6% below the limit.
- In FY 2016-17, the gap between revenue and the limit is estimated to have increased from \$8.1 billion in FY 2015-16 to \$8.6 billion or 21.4% reflecting revenue growing slower than personal income during 2015—the base year used to compute the FY 2016-17 revenue limit. If the estimate is correct, the gap between revenue and the limit in FY 2016-17 will be a new record for the absolute size of the gap.
- In FY 2017-18, the gap between revenue and the limit is estimated to increase to \$8.7 billion or 20.8%, reflecting faster revenue growth during FY 2017-18 combined with slower growth in personal income in 2016—the base year used to compute the FY 2017-18 revenue limit.
- It is estimated that the gap between revenue and the limit will increase to \$9.0 billion or 21.1% in FY 2018-19, reflecting revenue subject to the limit growing more slowly than personal income.

**Table 33**  
**COMPLIANCE WITH CONSTITUTIONAL REVENUE LIMIT**  
**FY 1997-98 TO FY 2018-19**  
(millions of dollars)

<b>Fiscal Year</b>	<b>Revenue Subject to Limit</b>	<b>Revenue Limit</b>	<b>Under (Over) Limit</b>
1997-98	\$22,072.3	\$22,712.4	\$640.1
1998-99	23,208.5	23,186.8	(21.7)
1999-2000	24,362.9	24,203.2	(159.7)
2000-01	23,907.6	26,315.4	2,407.8
2001-02	23,546.0	27,463.1	3,917.1
2002-03	24,061.6	28,243.1	4,181.5
2003-04	24,384.7	28,825.4	4,440.7
2004-05	25,626.8	29,842.3	4,215.5
2005-06	25,814.2	30,760.3	4,946.1
2006-07	26,118.4	31,440.7	5,322.3
2007-08	27,716.3	32,368.0	4,651.7
2008-09	24,838.6	32,824.5	7,985.9
2009-10	25,572.6	33,178.2	7,605.6
2010-11	27,248.2	32,829.0	5,580.8
2011-12	27,288.3	32,518.7	5,230.4
2012-13	28,102.0	33,988.6	5,886.6
2013-14	27,432.5	35,914.2	8,481.7
2014-15	29,277.6	36,676.1	7,398.5
2015-16	30,188.4	38,313.6	8,125.2
Estimates <sup>1)</sup>			
2016-17	31,692.7	40,314.2	8,621.5
2017-18	33,004.9	41,695.4	8,690.5
2018-19	33,767.7	42,785.4	9,017.7

<sup>1)</sup> May 2018 Consensus revenue estimates.

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**BUDGET AREA DETAIL**

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**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT  
P.A. 207 of 2018 – ARTICLE I**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE	FY 2018-19 GOV.'S REC.	FY 2018-19 SENATE	FY 2018-19 HOUSE	FY 2018-19 INITIAL APPROPS.	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
						AMOUNT	PERCENT
FTE Positions .....	493.5	500.5	500.5	502.5	500.5	7.0	1.4
<b>GROSS</b> .....	<b>115,328,600</b>	<b>102,888,100</b>	<b>108,618,100</b>	<b>102,968,000</b>	<b>107,948,100</b>	<b>(7,380,500)</b>	<b>(6.4)</b>
Less:							
Interdepartmental Grants Received .....	310,300	313,900	313,900	313,900	313,900	3,600	1.2
<b>ADJUSTED GROSS</b> .....	<b>115,018,300</b>	<b>102,574,200</b>	<b>108,304,200</b>	<b>102,654,100</b>	<b>107,634,200</b>	<b>(7,384,100)</b>	<b>(6.4)</b>
Less:							
Federal Funds .....	11,753,900	11,695,200	11,775,200	11,775,200	11,775,200	21,300	0.2
Local and Private .....	101,600	101,800	101,800	101,800	101,800	200	0.2
<b>TOTAL STATE SPENDING</b> .....	<b>103,162,800</b>	<b>90,777,200</b>	<b>96,427,200</b>	<b>90,777,100</b>	<b>95,757,200</b>	<b>(7,405,600)</b>	<b>(7.2)</b>
Less:							
Other State Restricted Funds .....	36,661,000	37,072,000	37,072,000	37,072,000	37,172,000	511,000	1.4
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>66,501,800</b>	<b>53,705,200</b>	<b>59,355,200</b>	<b>53,705,100</b>	<b>58,585,200</b>	<b>(7,916,600)</b>	<b>(11.9)</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>7,450,000</b>	<b>6,350,000</b>	<b>6,350,000</b>	<b>6,350,000</b>	<b>6,350,000</b>	<b>(1,100,000)</b>	<b>(14.8)</b>

Includes Ongoing and One-time Appropriations as of July 1, 2018.

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**A. NEW PROGRAMS**

- |   |                        |                            |
|---|------------------------|----------------------------|
| <p><b>1. Agtech Connections Resources Expertise (ACRE) Agriculture Incubator.</b> The budget includes a new, one-time grant appropriation of \$260,000 GF/GP for ACRE, an entrepreneurial support organization specializing in agricultural technologies.</p> | <p>Gross<br/>GF/GP</p> | <p>260,000<br/>260,000</p> |
| <p><b>2. Outdoor Discovery Center (ODC) Network - Project Clarity.</b> The budget includes a new, one-time grant appropriation of \$120,000 GF/GP for the ODC at Lake Macatawa for a watershed quality effort called Project Clarity.</p>                     | <p>Gross<br/>GF/GP</p> | <p>120,000<br/>120,000</p> |

**B. PROGRAM INCREASES**

- |  |  |   |
|--|--|---|
| <p><b>1. Milk Safety and Quality Assurance.</b> The budget includes \$780,000 GF/GP, \$80,000 Federal, and 5.0 FTEs for dairy inspection personnel to address the growth in State dairy production and processing. Current FY 2017-18 milk inspection staffing includes 21.0 FTEs, including 16 inspectors.</p>  | <p>FTE<br/>Gross<br/>Federal<br/>GF/GP</p> | <p>5.0<br/>860,000<br/>80,000<br/>780,000</p> |
| <p><b>2. County Fairs, Shows, and Exposition Grants.</b> The budget includes an increase of \$525,700 for the County Fairs, Shows, and Exposition Grant program, resulting in a total FY 2018-19 appropriation of \$1,175,000 GF/GP, \$775,000 of which is a one-time appropriation.</p>   | <p>Gross<br/>GF/GP</p>                     | <p>525,700<br/>525,700</p>                    |
| <p><b>3. Food and Agriculture Investment Program.</b> The budget includes an increase of \$381,100 GF/GP for the economic development grant program, intended to promote and expand the Michigan food and agriculture sector, increase Michigan exports, and increase food processing and other value-added activities within the State, resulting in a total FY 2018-19 appropriation of \$5,125,000 GF/GP.</p> | <p>Gross<br/>GF/GP</p>                     | <p>381,100<br/>381,100</p>                    |
| <p><b>4. Office of Organization Innovation.</b> The budget includes an increase of \$307,100 GF/GP to support the reclassification of two data management staff from temporary to permanent to analyze data from Department information technology systems and practices.</p>  | <p>Gross<br/>GF/GP</p>                     | <p>307,100<br/>307,100</p>                    |
| <p><b>5. Laboratory Genome Sequencer.</b> The budget includes an increase of \$300,000 in Federal grant funds to support continued use and development of Genome Sequencer in accordance with the International Organization for Standardization (ISO) standards.</p>  | <p>Gross<br/>Federal<br/>GF/GP</p>         | <p>300,000<br/>300,000<br/>0</p>              |

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**C. PROGRAM ELIMINATIONS/REDUCTIONS**

1. <b>Fruit and Vegetable Campus/Mobile Labs.</b> The budget includes an elimination of a one-time grant of \$3.2 million for Michigan State University. The grant was an element of the FY 2017-18 one-time grant of \$8.4 million titled Agriculture Industry Research and Development.	Gross GF/GP	(3,200,000) (3,200,000)
2. <b>Food Bank Council.</b> The budget includes an elimination of a one-time grant of \$2.0 million GF/GP to the Food Bank Council of Michigan to establish an individually quick frozen (IQF) program to flash freeze produce in order to provide nutritious food year-round to Michigan residents in need.	Gross GF/GP	(2,000,000) (2,000,000)
3. <b>Tree Fruit Commission.</b> The budget includes an elimination of a one-time grant of \$1.5 million for the Tree Fruit Commission. The grant was an element of the FY 2017-18 one-time grant of \$8.4 million titled Agriculture Industry Research and Development.	Gross GF/GP	(1,500,000) (1,500,000)
4. <b>Fruit and Vegetable Campus/Mobile Labs Workforce Development Initiative.</b> The budget includes an elimination of a one-time grant of \$1.2 million for Michigan State University. The grant was an element of the FY 2017-18 one-time grant of \$8.4 million titled Agriculture Industry Research and Development.	Gross GF/GP	(1,200,000) (1,200,000)
5. <b>Enhanced Wildlife Risk Management Project.</b> The budget includes the elimination of \$1.0 million GF/GP in one-time funding to support a cost share program for local conservation districts to assess cattle farms and implement practices that will prevent the spread of bovine tuberculosis.	Gross GF/GP	(1,000,000) (1,000,000)
6. <b>Intercounty Drain Mapping Project.</b> The budget includes the elimination of a one-time appropriation to fund a project with the Michigan Association of County Drain Commissioners to establish a State standard drainage infrastructure mapping tool.	Gross GF/GP	(250,000) (250,000)
7. <b>Beer Delivery Systems Training Project.</b> The budget includes the elimination of a FY 2017-18 appropriation of \$150,000 GF/GP to support training for management of draft beer delivery systems.	Gross GF/GP	(150,000) (150,000)
8. <b>Albion Equine Center Campground Project.</b> The budget includes the elimination of a one-time grant of \$100,000 GF/GP to enhance the grounds adjacent to the Albion Equestrian Center.	Gross GF/GP	(100,000) (100,000)

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

<b>9. Drinking Water Declaration of Emergency.</b> The budget includes the elimination of a one-time placeholder appropriation of \$100 GF/GP.	Gross (100) Restricted (100) GF/GP 0
<b>10. Food Safety and Quality Assurance.</b> The budget includes an efficiency reduction of \$250,000 GF/GP, reflecting the completion of one-time projects and the decrease in need for matching funds for Federal grants, and an adjustment in FTEs to accurately reflect program staffing.	FTE 2.0 Gross (250,000) GF/GP (250,000)
<b>11. Qualified Forest Program.</b> The budget includes a total reduction of \$130,000 Gross, including a cut of \$230,000 from GF/GP, offset in part with an increased spending authority of \$100,000 in Restricted revenue.	Gross (130,000) Restricted 100,000 GF/GP (230,000)
<b>12. Environmental Stewardship/Michigan Agriculture Environmental Assurance Program.</b> The budget includes an efficiency reduction of \$100,000 GF/GP.	Gross (100,000) GF/GP (100,000)
<b>13. Farmland and Open Space Program.</b> The budget includes a reduction of \$99,900 GF/GP due to a decrease in temporary staff previously funded to address backlogs in program application processing.	Gross (99,900) GF/GP (99,900)
<b>14. Animal Agriculture Initiative.</b> The budget includes a reduction of \$500,000 GF/GP for the Animal Agriculture Initiative grant program, resulting in a FY 2018-19 one-time appropriation of \$2.0 million GF/GP. The grant was an element of the FY 2017-18 one-time grant of \$8.4 million titled Agriculture Industry Research and Development.	Gross (500,000) GF/GP (500,000)
<b>15. Standardbred Horse Racing Purses.</b> The budget removes this FY 2017-18 supplemental appropriation.	Gross (250,000) GF/GP (250,000)
<b>16. Adjustment for FY 2017-18 Transfers.</b> The budget includes an adjustment to reflect a FY 2017-18 Federal contingency fund transfer of \$380,000.	Gross (380,000) Federal (380,000) GF/GP 0

**D. FUNDING SHIFTS**

<b>Pesticide and Plant Pest Management.</b> The budget includes a reduction of \$200,000 GF/GP to be supplanted by an equal additional amount of State Restricted Fertilizer Control Fund revenue.	Gross 0 Restricted 200,000 GF/GP (200,000)
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**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**E. PROGRAM TRANSFERS - NONE**

**F. OTHER ISSUES**

**Technical Adjustment.** The budget includes an adjustment to reflect actual funds received.

Gross	(86,300)
Federal	(37,800)
Restricted	(48,500)
GF/GP	0

**G. UNCLASSIFIED SALARIES**

The budget increases Gross funding for the unclassified salaries line item from \$562,300 to \$573,500.

Gross	11,200
GF/GP	11,200

**H. FEE INCREASES - NONE**

**I. ECONOMIC ADJUSTMENTS**

The economic adjustment amount includes standard economic factors applied to salaries and wages, retirement, other employment retirement costs (OERC), insurance, rent, motor transport, workers' compensation, and building occupancy charges consistent with factors applied to all budgets. Classified employees will receive a 2.0% base wage increase in FY 2018-19 effective on October 1, 2018. Non-exclusively represented employees (NERES) also will receive a 2.0% base wage increase for FY 2018-19 effective on October 1, 2018.

Gross	1,050,700
IDG	3,600
Federal	59,100
Private	200
Restricted	259,600
GF/GP	728,200

**J. ONE-TIME APPROPRIATIONS**

The budget identifies \$3,155,000 of FY 2018-19 one-time appropriations and eliminates \$8,595,100 of FY 2017-18 one-time appropriations:

	<b>Gross</b>	<b>GF/GP</b>
<b>FY 2018-19</b>		
Animal agriculture initiative .....	\$2,000,000	\$2,000,000
County fairs, shows, and expositions .....	775,000	775,000
ACRE agriculture incubator .....	260,000	260,000
ODC network - project clarity .....	120,000	120,000
<b>Subtotal</b> .....	<b>\$3,155,000</b>	<b>\$3,155,000</b>
<b>FY 2017-18</b>		
Drinking water declaration of emergency .....	(\$100)	\$0
Enhanced wildlife risk management project .....	(1,000,000)	(1,000,000)
Intercounty Drain Mapping Project .....	(250,000)	(250,000)
Agriculture industry research and development .....	(8,400,000)	(8,400,000)
Food Bank Council of Michigan .....	(2,000,000)	(2,000,000)
Albion Equestrian Center .....	(100,000)	(100,000)
<b>Subtotal</b> .....	<b>(\$11,750,100)</b>	<b>(\$11,750,000)</b>

**K. VETOES - NONE**

**DEPARTMENT OF ATTORNEY GENERAL  
P.A. 207 of 2018 – ARTICLE VIII**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE	FY 2018-19 GOV.'S REC.	FY 2018-19 SENATE	FY 2018-19 HOUSE	FY 2018-19 INITIAL APPROPS.	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
						AMOUNT	PERCENT
FTE Positions .....	532.0	530.0	530.0	532.0	531.0	(1.0)	(0.2)
<b>GROSS</b> .....	<b>103,925,000</b>	<b>102,028,900</b>	<b>103,328,900</b>	<b>104,148,900</b>	<b>103,648,900</b>	<b>(276,100)</b>	<b>(0.3)</b>
Less:							
Interdepartmental Grants Received .....	30,470,300	30,386,400	30,386,400	30,386,400	30,386,400	(83,900)	(0.3)
<b>ADJUSTED GROSS</b> .....	<b>73,454,700</b>	<b>71,642,500</b>	<b>72,942,500</b>	<b>73,762,500</b>	<b>73,262,500</b>	<b>(192,200)</b>	<b>(0.3)</b>
Less:							
Federal Funds .....	9,559,200	9,628,500	9,628,500	9,628,500	9,628,500	69,300	0.7
Local and Private .....	85,000	0	0	0	0	(85,000)	(100.0)
<b>TOTAL STATE SPENDING</b> .....	<b>63,810,500</b>	<b>62,014,000</b>	<b>63,314,000</b>	<b>64,134,000</b>	<b>63,634,000</b>	<b>(176,500)</b>	<b>(0.3)</b>
Less:							
Other State Restricted Funds .....	21,561,900	21,907,200	22,607,200	21,727,200	22,427,200	865,300	4.0
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>42,248,600</b>	<b>40,106,800</b>	<b>40,706,800</b>	<b>42,406,800</b>	<b>41,206,800</b>	<b>(1,041,800)</b>	<b>(2.5)</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>

Includes Ongoing and One-time Appropriations as of July 1, 2018.

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**A. NEW PROGRAMS - NONE**

**B. PROGRAM INCREASES**

- |  |            |           |
|--|------------|-----------|
| <p><b>1. Attorney General Special Counsel for Flint Investigation.</b> The budget increases funding by \$600,000 in Restricted funds to maintain the full \$2.6 million authorization for the expenditure of Lawsuit Settlement Proceeds Funds. These funds are used for costs associated with the special counsel and the Flint investigations. The authorization was reduced in the FY 2017-18 budget and later restored via a supplemental appropriation in Public Act (PA) 158 of 2017, explained below.</p> | Gross      | 600,000   |
|  | Restricted | 600,000   |
|  | GF/GP      | 0         |
|  |            |           |
| <p><b>2. Marihuana Regulatory Fund.</b> The budget provides funding for the first full year of operations related to the regulation of medical marihuana and marihuana dispensaries. Total funding for FY 2018-19 is \$126,700.</p>  | Gross      | 126,700   |
|  | Restricted | 126,700   |
|  | GF/GP      | 0         |
|  |            |           |
| <p><b>3. OK2SAY Program.</b> The budget adds an additional \$1.0 million in GF/GP funding and 1.0 additional FTE to enhance this program to combat bullying and promote public awareness of the Program, including the availability of the OK2SAY hotline and website. Total funding for the Program for FY 2018-19 is \$1,470,000 and a total of 2.0 FTEs.</p>  | FTE        | 1.0       |
|  | Gross      | 1,000,000 |
|  | GF/GP      | 1,000,000 |
|  |            |           |
| <p><b>4. One-Time. Juvenile Life without Parole.</b> The budget includes a total of \$700,000 in restricted one-time funding for the Prosecuting Attorneys Coordinating Council (PACC) for costs associated with the re-adjudication of juvenile life without parole cases.</p>  | Gross      | 700,000   |
|  | Restricted | 700,000   |
|  | GF/GP      | 0         |
|  |            |           |
| <p><b>5. One-Time. Forensic Interview Training.</b> The budget includes a total of \$100,000 GF/GP in one-time funding for the PACC to provide additional forensic interviewing training. The funding is intended to fund training for Child Advocacy Centers and local prosecutors.</p>   | Gross      | 100,000   |
|  | GF/GP      | 100,000   |

**C. PROGRAM ELIMINATIONS/REDUCTIONS**

- |   |            |           |
|---|------------|-----------|
| <p><b>1. Bad-Faith Patent Infringement.</b> The budget reduces Restricted funding by \$180,000 for bad-faith patent infringement due to sufficient funding in a work project.</p> | Gross      | (180,000) |
|   | Restricted | (180,000) |
|   | GF/GP      | 0         |

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**2. FY 2017-18 Supplemental Funding.** The budget removes a total of \$2.7 million in supplemental funding added in FY 2017-18. Public Act 158 of 2017 provided \$600,000 in Restricted funding from the Lawsuit Settlement Proceeds Fund for costs associated with Flint Water Crisis investigations and prosecutions. Additionally, PA 82 of 2018 provided \$1.0 million for the Attorney General to investigate systemic issues with sexual misconduct at Michigan State University. Finally, PA 207 of 2018 provided a total of \$1.1 million in funding and 2.0 FTEs as follows: \$126,200 for a work-project appropriation for the PACC's new case management computer system; and 1.0 million and 2.0 FTEs for the OK2SAY student safety program.

FTE	(2.0)
Gross	(2,726,200)
Federal	(41,200)
Local	(85,000)
Restricted	(600,000)
GF/GP	(2,000,000)

**3. Removal of FY 2017-18 One-Time Items.** The budget does not include one-time funding for FY 2017-18 totaling \$1.3 million as follows: \$700,000 for the (PACC) for costs associated with juvenile life without parole cases; and \$600,000 for the PACC to replace their NextGen case management system.

Gross	(1,300,000)
Restricted	(600,000)
GF/GP	(700,000)

**D. FUNDING SHIFTS - NONE**

**E. PROGRAM TRANSFERS - NONE**

**F. OTHER ISSUES**

**Removal of Administrative Transfer # 2018-4.** The budget does not include the adjustment of IDG and Restricted revenue due to an administrative transfer to adjust the funding sources from estimated totals to the actual totals for the fiscal year. Although the transfer is a net zero gross change to the budget, the transfer resulted in a reduction of \$555,000 to the adjusted gross revenue for FY 2017-18.

Gross	0
IDG	(555,000)
Restricted	555,000
GF/GP	0

**G. UNCLASSIFIED SALARIES**

The budget increases Gross funding for the unclassified salaries line item from \$776,600 to \$792,100.

Gross	15,500
GF/GP	15,500

**H. FEE INCREASES - NONE**

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**I. ECONOMIC ADJUSTMENTS**

The economic adjustment amount includes standard economic factors applied to salaries and wages, retirement, other employment retirement costs (OERC), insurance, rent, motor transport, workers' compensation, and building occupancy charges consistent with factors applied to all budgets. Classified employees will receive a 2.0% base wage increase in FY 2018-19 effective on October 1, 2018. Non-exclusively represented employees (NERES) also will receive a 2.0% base wage increase for FY 2018-19 effective on October 1, 2018.

Gross	1,387,900
IDG	471,100
Federal	110,500
Restricted	263,600
GF/GP	542,700

**J. ONE-TIME APPROPRIATIONS**

The budget identifies \$800,000 of FY 2018-19 Gross one-time appropriations and eliminates \$1.3 million of FY 2017-18 Gross one-time appropriations:

	<b>Gross</b>	<b>GF/GP</b>
<b>FY 2018-19</b>		
PACC – Juvenile Life without Parole .....	\$700,000	\$0
PACC – Forensic Interviewing .....	100,000	100,000
<b>Subtotal</b> .....	<b>\$800,000</b>	<b>\$100,000</b>
 <b>FY 2017-18</b>		
PACC – Juvenile Life without Parole .....	(\$700,000)	(\$700,000)
PACC – NextGen IT System .....	(600,000)	0
<b>Subtotal</b> .....	<b>(\$1,300,000)</b>	<b>(\$700,000)</b>

**K. VETOES - NONE**

**DEPARTMENT OF CIVIL RIGHTS  
P.A. 207 of 2018 – ARTICLE VIII**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE	FY 2018-19 GOV.'S REC.	FY 2018-19 SENATE	FY 2018-19 HOUSE	FY 2018-19 INITIAL APPROPS.	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
						AMOUNT	PERCENT
FTE Positions .....	110.0	110.0	110.0	110.0	110.0	0.0	0.0
<b>GROSS</b> .....	<b>16,249,600</b>	<b>16,201,100</b>	<b>16,201,100</b>	<b>16,201,100</b>	<b>16,201,100</b>	<b>(48,500)</b>	<b>(0.3)</b>
Less:							
Interdepartmental Grants Received .....	296,600	299,100	299,100	299,100	299,100	2,500	0.8
<b>ADJUSTED GROSS</b> .....	<b>15,953,000</b>	<b>15,902,000</b>	<b>15,902,000</b>	<b>15,902,000</b>	<b>15,902,000</b>	<b>(51,000)</b>	<b>(0.3)</b>
Less:							
Federal Funds .....	2,775,800	2,802,700	2,802,700	2,802,700	2,802,700	26,900	1.0
Local and Private .....	18,700	18,700	18,700	18,700	18,700	0	0.0
<b>TOTAL STATE SPENDING</b> .....	<b>13,158,500</b>	<b>13,080,600</b>	<b>13,080,600</b>	<b>13,080,600</b>	<b>13,080,600</b>	<b>(77,900)</b>	<b>(0.6)</b>
Less:							
Other State Restricted Funds .....	151,900	58,500	58,500	58,500	58,500	(93,400)	(61.5)
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>13,006,600</b>	<b>13,022,100</b>	<b>13,022,100</b>	<b>13,022,100</b>	<b>13,022,100</b>	<b>15,500</b>	<b>0.1</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>

Includes Ongoing and One-time Appropriations as of July 1, 2018.

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**A. NEW PROGRAMS - NONE**

**B. PROGRAM INCREASES - NONE**

**C. PROGRAM ELIMINATIONS/REDUCTIONS**

**Removal of FY 2017-18 One-Time Items.** The budget does not include one-time funding for FY 2017-18 totaling \$150,000 for a needs assessment of the deaf, deaf/blind, and hard of hearing community across the State to assess the services needed in this community.

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

**D. FUNDING SHIFTS - NONE**

**E. PROGRAM TRANSFERS**

**Transfer of Deafness Fund to Department of Licensing and Regulatory Affairs.** The budget transfers funding to the Department of Licensing and Regulatory Affairs (LARA) to account for the fees actually collected by LARA for certifying deaf interpreters.

Gross	(93,400)
Restricted	(93,400)
GF/GP	0

**F. OTHER ISSUES - NONE**

**G. UNCLASSIFIED SALARIES**

The budget increases Gross funding for the unclassified salaries line item from \$680,100 to \$693,700.

Gross	13,600
GF/GP	13,600

**H. FEE INCREASES - NONE**

**I. ECONOMIC ADJUSTMENTS**

The economic adjustment amount includes standard economic factors applied to salaries and wages, retirement, other employment retirement costs (OERC), insurance, rent, motor transport, workers' compensation, and building occupancy charges consistent with factors applied to all budgets. Classified employees will receive a 2.0% base wage increase in FY 2018-19 effective on October 1, 2018. Non-exclusively represented employees (NERES) also will receive a 2.0% base wage increase for FY 2018-19 effective on October 1, 2018.

Gross	181,300
IDG	2,500
Federal	26,900
GF/GP	151,900

**J. ONE-TIME APPROPRIATIONS**

The budget eliminates \$150,000 of FY 2017-18 one-time appropriations:

	<u>Gross</u>	<u>GF/GP</u>
<b>FY 2017-18</b>		
Deaf, Deaf/Blind, and Hard of Hearing Needs Assessment...	(\$150,000)	(\$150,000)
<b>Subtotal.....</b>	<b>(\$150,000)</b>	<b>(\$150,000)</b>

**K. VETOES - NONE**

**COMMUNITY COLLEGES  
P.A. 265 of 2018 – ARTICLE II**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE	FY 2018-19 GOV.'S REC.	FY 2018-19 SENATE	FY 2018-19 HOUSE	FY 2018-19 INITIAL APPROPS.	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
						AMOUNT	PERCENT
FTE Positions .....	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>GROSS</b> .....	<b>399,326,500</b>	<b>405,015,500</b>	<b>408,206,000</b>	<b>408,215,500</b>	<b>408,215,500</b>	<b>8,889,000</b>	<b>2.2</b>
Less:							
Interdepartmental Grants Received .....	0	0	0	0	0	0	0.0
<b>ADJUSTED GROSS</b> .....	<b>399,326,500</b>	<b>405,015,500</b>	<b>408,206,000</b>	<b>408,215,500</b>	<b>408,215,500</b>	<b>8,889,000</b>	<b>2.2</b>
Less:							
Federal Funds .....	0	0	0	0	0	0	0.0
Local and Private .....	0	0	0	0	0	0	0.0
<b>TOTAL STATE SPENDING</b> .....	<b>399,326,500</b>	<b>405,015,500</b>	<b>408,206,000</b>	<b>408,215,500</b>	<b>408,215,500</b>	<b>8,889,000</b>	<b>2.2</b>
Less:							
Other State Restricted Funds .....	398,301,500	405,015,500	405,015,500	408,215,500	408,215,500	9,914,000	2.5
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>1,025,000</b>	<b>0</b>	<b>3,190,500</b>	<b>0</b>	<b>0</b>	<b>(1,025,000)</b>	<b>(100.0)</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>399,326,500</b>	<b>405,015,500</b>	<b>408,206,000</b>	<b>408,215,500</b>	<b>408,215,500</b>	<b>8,889,000</b>	<b>2.2</b>

Includes Ongoing and One-time Appropriations as of July 1, 2018.

**A. NEW PROGRAMS - NONE**

**B. PROGRAM INCREASES**

- |   |  |
|---|--|
| <p><b>1. College Operations.</b> The Governor did not recommend a funding increase for community college operations, based on additional funding that colleges receive due to changes in the personal property tax (PPT) law. The Governor did recommend legislation to change the distribution of excess PPT funds (payments in excess of 100% of the calculated loss) so that there would be a more equitable allocation of funding. The Senate included a \$3,190,500 GF/GP (1.0%) increase. Of the increase, the Senate allocated \$1.7 million to adjust for PPT payments received by colleges in November 2017. Colleges that received PPT excess payments that equaled less than 3.0% of the colleges FY 2017-18 State operations appropriation would receive a portion of the \$1.7 million distribution. The balance of the funding (\$1.5 million), the Senate distributed based on the 2016 Performance Indicators Review Task Force formula. The House included a \$3.2 million School Aid Fund (SAF) increase distributed entirely through the 2016 Performance Indicators Review Task Force formula. The Conference Committee included a \$3.2 million SAF increase. Of that amount, \$735,400 is allocated to colleges that received PPT excess payments that equaled less than 2.0% of the colleges FY 2017-18 State operations appropriation, and the balance of the funding (\$2,464,600) is distributed based on the 2016 Performance Indicators Review Task Force formula. See <a href="#">Table 1</a> for distributions by college. <a href="#">Table 2</a> provides comparisons between the Governor, Senate, House, and Conference versions of the bill.</p> | <p>Gross                    3,200,000<br/>Restricted            3,200,000<br/>GF/GP                    0</p> |
| <p><b>2. Michigan Public School Employees' Retirement System (MPERS).</b> The budget includes an increase of \$7,662,000 School Aid Fund (SAF) related to decreasing the assumed rate of return for the Unfunded Actuarial Accrued Liability (UAAL), a one-time increase of \$2,819,000 SAF due to decreasing the assumed rate of return for the normal cost hold harmless, and a decrease of \$3,167,000 SAF for the State's rate cap obligation.</p>  | <p>Gross                    7,314,000<br/>Restricted            7,314,000<br/>GF/GP                    0</p> |

**C. PROGRAM ELIMINATIONS/REDUCTIONS**

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| <p><b>1. Michigan Transfer Network Enhancements.</b> The Governor, Senate, and House removed the FY 2017-18 one-time \$1,025,000 GF/GP appropriation for improvements to the Michigan Transfer Network (MTN). The MTN website helps students, advisers, and the general public find transfer course equivalencies between Michigan colleges and universities. The enhancement funding provided for a new MTN website, including a new course equivalency database, information about the Michigan Transfer Agreement, and associate to bachelor's degree transfer pathways that allow a student to maximize coursework at community colleges and universities.</p> | <p>Gross                    (1,025,000)<br/>GF/GP                    (1,025,000)</p> |
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**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

2. **Renaissance Zone Reimbursements.** The appropriation for Renaissance Zone Reimbursements is reduced from \$3.1 million to \$2.5 million SAF based on projected payments and the impact of personal property tax reforms.

Gross	(600,000)
Restricted	(600,000)
GF/GP	0

**D. FUNDING SHIFTS - NONE**

**E. PROGRAM TRANSFERS - NONE**

**F. OTHER ISSUES - NONE**

**G. UNCLASSIFIED SALARIES - NONE**

**H. FEE INCREASES - NONE**

**I. ECONOMIC ADJUSTMENTS - NONE**

**J. ONE-TIME APPROPRIATIONS**

The budget identifies \$6.4 million SAF of FY 2018-19 one-time appropriations for the MPSERS normal cost offset, and eliminates \$1,025,000 GF/GP of FY 2017-18 one-time appropriations for enhancements to the Michigan Transfer Network.

	<u>Gross</u>	<u>GF/GP</u>
<b>FY 2018-19</b>		
MPSERS Normal Cost Offset.....	\$6,431,000	\$0
<b>Subtotal.....</b>	<b>\$6,431,000</b>	<b>\$0</b>
<b>FY 2017-18</b>		
Michigan Transfer Network Enhancements.....	(\$1,025,000)	(\$1,025,000)
<b>Subtotal.....</b>	<b>(\$1,025,000)</b>	<b>(\$1,025,000)</b>

**K. VETOES - NONE**

**Table 1: FY 2018-19 Community College Appropriations - Initial Appropriation**

College	FY 2017-18 Year-To-Date	FY 2018-19 Adjustments											FY 2018-19 Appropriation	Percent Change
		30.0% Sustainability*	10.0% Performance Improvement	10.0% Performance Completion #	10.0% Performance Completion Rate	30.0% Contact Hours	5.0% Administrative Costs	5.0% Local Strategic Value	Total Formula Distribution	Non-Formula Adjustments	Total Adjustments			
Alpena	\$5,627,500	\$13,041	\$3,478	\$2,892	\$9,038	\$6,687	\$4,382	\$2,174	\$41,700	\$38,400	\$80,100	\$5,707,600	1.4%	
Bay de Noc	5,589,000	12,952	3,468	3,310	3,454	6,762	3,662	2,159	35,800	0	35,800	5,624,800	0.6	
Delta	14,990,700	34,740	11,734	13,568	9,264	32,983	5,497	5,790	113,600	0	113,600	15,104,300	0.8	
Glen Oaks	2,601,400	6,029	3,950	1,454	1,608	4,440	151	1,005	18,600	0	18,600	2,620,000	0.7	
Gogebic	4,715,400	10,928	2,914	1,647	9,301	5,139	2,801	1,821	34,600	94,300	128,900	4,844,300	2.7	
Grand Rapids	18,556,800	43,004	11,468	14,338	11,468	59,783	5,246	7,167	152,500	0	152,500	18,709,300	0.8	
Henry Ford	22,299,200	51,677	13,781	11,531	19,443	53,521	5,886	8,613	164,400	0	164,400	22,463,600	0.7	
Jackson	12,590,100	29,177	7,780	6,445	7,780	19,629	5,299	4,863	81,000	27,100	108,100	12,698,200	0.9	
Kalamazoo Valley	12,948,700	30,008	8,002	9,498	8,002	31,977	5,378	5,001	97,900	0	97,900	13,046,600	0.8	
Kellogg	10,143,600	23,507	6,269	6,843	6,269	18,216	5,758	3,918	70,800	0	70,800	10,214,400	0.7	
Kirtland	3,289,400	7,623	7,490	2,688	2,033	6,688	4,448	1,270	32,200	0	32,200	3,321,600	1.0	
Lake Michigan	5,523,600	12,801	3,456	3,126	3,413	13,652	2,537	2,133	41,100	107,400	148,500	5,672,100	2.7	
Lansing	32,324,200	74,909	19,976	22,752	19,976	55,610	4,673	12,485	210,300	191,300	401,600	32,725,800	1.2	
Macomb	33,863,600	78,477	29,132	21,734	26,103	86,522	5,449	13,079	260,400	0	260,400	34,124,000	0.8	
Mid Michigan	4,968,900	11,515	3,071	5,540	3,071	14,963	3,979	1,919	44,100	99,400	143,500	5,112,400	2.9	
Monroe	4,665,500	10,812	6,289	3,531	2,883	12,480	5,294	1,802	43,100	0	43,100	4,708,600	0.9	
Montcalm	3,446,300	7,987	2,130	2,940	2,130	5,796	5,342	1,331	27,700	68,900	96,600	3,542,900	2.8	
Mott	16,258,100	37,677	10,047	16,362	15,160	33,524	4,456	6,280	123,500	0	123,500	16,381,600	0.8	
Muskegon	9,203,000	21,327	5,687	3,880	5,687	15,742	5,803	3,555	61,700	0	61,700	9,264,700	0.7	
North Central	3,353,200	7,771	2,072	2,467	7,466	8,185	4,904	1,295	34,200	15,200	49,400	3,402,600	1.5	
Northwestern	9,508,900	22,036	5,876	5,896	5,876	17,809	4,519	3,673	65,700	50,800	116,500	9,625,400	1.2	
Oakland	21,905,700	50,765	25,985	20,923	13,537	62,671	5,034	8,461	187,300	0	187,300	22,093,000	0.9	
Schoolcraft	12,991,300	30,107	10,601	12,434	13,424	44,814	5,223	5,018	121,600	0	121,600	13,112,900	0.9	
Southwestern	6,860,700	15,899	4,240	4,587	4,240	9,356	2,616	2,650	43,600	42,600	86,200	6,946,900	1.3	
St. Clair	7,300,100	16,918	4,511	4,835	9,807	15,322	4,372	2,820	58,600	0	58,600	7,358,700	0.8	
Washtenaw	13,631,400	31,590	8,424	20,760	13,732	47,632	5,174	5,265	132,600	0	132,600	13,764,000	1.0	
Wayne County	17,338,300	40,180	23,049	18,914	10,715	44,835	4,501	6,697	148,900	0	148,900	17,487,200	0.9	
West Shore	2,556,300	5,924	1,580	1,564	1,580	4,641	846	987	17,100	0	17,100	2,573,400	0.7	
Subtotal Operations:	\$319,050,900	\$739,380	\$246,460	\$246,460	\$246,460	\$739,380	\$123,230	\$123,230	\$2,464,600	\$735,400	\$3,200,000	\$322,250,900	1.0%	
MPERS Retiree Health Care	\$1,733,600									\$0	\$0	\$1,733,600	0.0%	
MPERS Reform Costs	70,805,000									4,495,000	4,495,000	75,300,000	6.3	
Renaissance Zone Reimbursements	3,100,000									(600,000)	(600,000)	2,500,000	(19.4)	
MI Transfer Network Enhancements (one-time)	1,025,000									(1,025,000)	(1,025,000)	0	(100.0)	
MPERS Normal Cost Offset (one-time)	3,612,000									2,819,000	2,819,000	6,431,000	78.0	
Total Appropriations:	\$399,326,500	\$739,380	\$246,460	\$246,460	\$246,460	\$739,380	\$123,230	\$123,230	\$2,464,600	\$6,424,400	\$8,889,000	\$408,215,500	2.2%	
State School Aid Fund	398,301,500	739,380	246,460	246,460	246,460	739,380	123,230	123,230	2,464,600	7,449,400	9,914,000	408,215,500	2.5	
GF/GP	\$1,025,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,025,000)	(\$1,025,000)	\$0	(100.0%)	

Table 2: FY 2018-19 Community College Appropriations

College	FY 2017-18 Year-To-Date	FY 2018-19 Governor's Recommendation			FY 2018-19 Senate			FY 2018-19 House			FY 2018-19 Initial Appropriation		
		Adjustments	Appropriation	Percent Change	Adjustments	Appropriation	Percent Change	Adjustments	Appropriation	Percent Change	Adjustments	Appropriation	Percent Change
Alpena	\$5,627,500	\$0	\$5,627,500	0.0%	\$119,500	\$5,747,000	2.1%	\$54,100	\$5,681,600	1.0%	\$80,100	\$5,707,600	1.4%
Bay de Noc	5,589,000	0	5,589,000	0.0	21,400	5,610,400	0.4	46,400	5,635,400	0.8	35,800	5,624,800	0.6
Delta	14,990,700	0	14,990,700	0.0	67,900	15,058,600	0.5	147,500	15,138,200	1.0	113,600	15,104,300	0.8
Glen Oaks	2,601,400	0	2,601,400	0.0	11,100	2,612,500	0.4	24,200	2,625,600	0.9	18,600	2,620,000	0.7
Gogebic	4,715,400	0	4,715,400	0.0	162,100	4,877,500	3.4	44,900	4,760,300	1.0	128,900	4,844,300	2.7
Grand Rapids	18,556,800	0	18,556,800	0.0	91,100	18,647,900	0.5	198,000	18,754,800	1.1	152,500	18,709,300	0.8
Henry Ford	22,299,200	0	22,299,200	0.0	98,300	22,397,500	0.4	213,500	22,512,700	1.0	164,400	22,463,600	0.7
Jackson	12,590,100	0	12,590,100	0.0	201,400	12,791,500	1.6	105,100	12,695,200	0.8	108,100	12,698,200	0.9
Kalamazoo Valley	12,948,700	0	12,948,700	0.0	58,500	13,007,200	0.5	127,100	13,075,800	1.0	97,900	13,046,600	0.8
Kellogg	10,143,600	0	10,143,600	0.0	42,300	10,185,900	0.4	91,900	10,235,500	0.9	70,800	10,214,400	0.7
Kirtland	3,289,400	0	3,289,400	0.0	19,300	3,308,700	0.6	41,900	3,331,300	1.3	32,200	3,321,600	1.0
Lake Michigan	5,523,600	0	5,523,600	0.0	187,200	5,710,800	3.4	53,400	5,577,000	1.0	148,500	5,672,100	2.7
Lansing	32,324,200	0	32,324,200	0.0	640,200	32,964,400	2.0	273,200	32,597,400	0.8	401,600	32,725,800	1.2
Macomb	33,863,600	0	33,863,600	0.0	155,700	34,019,300	0.5	338,100	34,201,700	1.0	260,400	34,124,000	0.8
Mid Michigan	4,968,900	0	4,968,900	0.0	175,400	5,144,300	3.5	57,200	5,026,100	1.2	143,500	5,112,400	2.9
Monroe	4,665,500	0	4,665,500	0.0	25,800	4,691,300	0.6	55,900	4,721,400	1.2	43,100	4,708,600	0.9
Montcalm	3,446,300	0	3,446,300	0.0	119,900	3,566,200	3.5	35,900	3,482,200	1.0	96,600	3,542,900	2.8
Mott	16,258,100	0	16,258,100	0.0	166,800	16,424,900	1.0	160,400	16,418,500	1.0	123,500	16,381,600	0.8
Muskegon	9,203,000	0	9,203,000	0.0	36,900	9,239,900	0.4	80,100	9,283,100	0.9	61,700	9,264,700	0.7
North Central	3,353,200	0	3,353,200	0.0	69,100	3,422,300	2.1	44,400	3,397,600	1.3	49,400	3,402,600	1.5
Northwestern	9,508,900	0	9,508,900	0.0	185,200	9,694,100	1.9	85,300	9,594,200	0.9	116,500	9,625,400	1.2
Oakland	21,905,700	0	21,905,700	0.0	112,000	22,017,700	0.5	243,300	22,149,000	1.1	187,300	22,093,000	0.9
Schoolcraft	12,991,300	0	12,991,300	0.0	72,700	13,064,000	0.6	157,900	13,149,200	1.2	121,600	13,112,900	0.9
Southwestern	6,860,700	0	6,860,700	0.0	137,300	6,998,000	2.0	56,600	6,917,300	0.8	86,200	6,946,900	1.3
St. Clair	7,300,100	0	7,300,100	0.0	35,000	7,335,100	0.5	76,100	7,376,200	1.0	58,600	7,358,700	0.8
Washtenaw	13,631,400	0	13,631,400	0.0	79,200	13,710,600	0.6	172,100	13,803,500	1.3	132,600	13,764,000	1.0
Wayne County	17,338,300	0	17,338,300	0.0	89,000	17,427,300	0.5	193,300	17,531,600	1.1	148,900	17,487,200	0.9
West Shore	2,556,300	0	2,556,300	0.0	10,200	2,566,500	0.4	22,200	2,578,500	0.9	17,100	2,573,400	0.7
<b>Subtotal Operations:</b>	<b>\$319,050,900</b>	<b>\$0</b>	<b>\$319,050,900</b>	<b>0.0%</b>	<b>\$3,190,500</b>	<b>\$322,241,400</b>	<b>1.0%</b>	<b>\$3,200,000</b>	<b>\$322,250,900</b>	<b>1.0%</b>	<b>\$3,200,000</b>	<b>\$322,250,900</b>	<b>1.0%</b>
MPSERS Retiree Health Care	\$1,733,600	\$0	\$1,733,600	0.0%	\$0	\$1,733,600	0.0%	\$0	\$1,733,600	0.0%	\$0	\$1,733,600	0.0%
MPSERS Reform Costs	70,805,000	4,495,000	75,300,000	6.3	4,495,000	75,300,000	6.3	4,495,000	75,300,000	6.3	4,495,000	75,300,000	6.3
Renaissance Zone Reimbursements	3,100,000	(600,000)	2,500,000	(19.4)	(600,000)	2,500,000	(19.4)	(600,000)	2,500,000	(19.4)	(600,000)	2,500,000	(19.4)
MI Transfer Network Enhancements (one-time)	1,025,000	(1,025,000)	0	(100.0)	(1,025,000)	0	(100.0)	(1,025,000)	0	(100.0)	(1,025,000)	0	(100.0)
MPSERS Normal Cost Offset (one-time)	3,612,000	2,819,000	6,431,000	78.0	2,819,000	6,431,000	78.0	2,819,000	6,431,000	78.0	2,819,000	6,431,000	78.0
<b>Total Appropriations:</b>	<b>\$399,326,500</b>	<b>\$5,689,000</b>	<b>\$405,015,500</b>	<b>1.4%</b>	<b>\$8,879,500</b>	<b>\$408,206,000</b>	<b>2.2%</b>	<b>\$8,889,000</b>	<b>\$408,215,500</b>	<b>2.2%</b>	<b>\$8,889,000</b>	<b>\$408,215,500</b>	<b>2.2%</b>
State School Aid Fund	398,301,500	6,714,000	405,015,500	1.7	6,714,000	405,015,500	1.7	9,914,000	408,215,500	2.5	9,914,000	408,215,500	2.5
GF/GP	\$1,025,000	(\$1,025,000)	\$0	(100.0%)	\$2,165,500	\$3,190,500	211.3%	(\$1,025,000)	\$0	(100.0%)	(\$1,025,000)	\$0	(100.0%)

**DEPARTMENT OF CORRECTIONS  
P.A. 207 of 2018 – ARTICLE V**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE	FY 2018-19 GOV.'S REC.	FY 2018-19 SENATE	FY 2018-19 HOUSE	FY 2018-19 INITIAL APPROPS.	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
						AMOUNT	PERCENT
FTE Positions .....	13,803.9	13,951.2	13,951.2	13,951.2	13,963.2	159.3	1.2
<b>GROSS</b> .....	<b>2,003,669,200</b>	<b>2,035,125,100</b>	<b>2,010,125,100</b>	<b>2,017,125,100</b>	<b>2,017,056,200</b>	<b>13,387,000</b>	<b>0.7</b>
Less:							
Interdepartmental Grants Received .....	0	0	0	0	0	0	0.0
<b>ADJUSTED GROSS</b> .....	<b>2,003,669,200</b>	<b>2,035,125,100</b>	<b>2,010,125,100</b>	<b>2,017,125,100</b>	<b>2,017,056,200</b>	<b>13,387,000</b>	<b>0.7</b>
Less:							
Federal Funds .....	5,293,800	5,315,200	5,315,200	5,315,200	5,315,200	21,400	0.4
Local and Private .....	8,842,400	8,960,100	8,960,100	8,960,100	8,960,100	117,700	1.3
<b>TOTAL STATE SPENDING</b> .....	<b>1,989,533,000</b>	<b>2,020,849,800</b>	<b>1,995,849,800</b>	<b>2,002,849,800</b>	<b>2,002,780,900</b>	<b>13,247,900</b>	<b>0.7</b>
Less:							
Other State Restricted Funds .....	41,149,400	40,939,600	40,939,600	40,939,600	40,939,600	(209,800)	(0.5)
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>1,948,383,600</b>	<b>1,979,910,200</b>	<b>1,954,910,200</b>	<b>1,961,910,200</b>	<b>1,961,841,300</b>	<b>13,457,700</b>	<b>0.7</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>113,888,800</b>	<b>115,868,600</b>	<b>129,048,400</b>	<b>120,319,600</b>	<b>122,169,600</b>	<b>8,280,800</b>	<b>7.3</b>

Includes Ongoing and One-time Appropriations as of July 1, 2018.

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**A. NEW PROGRAMS**

**PTSD Study.** The budget includes funding for a study to examine the prevalence of post-traumatic stress disorder and other psychological issues among correctional officers.

Gross 50,000  
GF/GP 50,000

**B. PROGRAM INCREASES**

**1. Prison Food Service.** The budget does not renew the private contract for prisoner food service and includes a funding increase to transition to State employees.

FTE 352.0  
Gross 13,239,100  
GF/GP 13,239,100

**2. New Custody Staff Training.** The budget includes funding for a one-time officer academy with an expected graduating class of 359 to address higher than anticipated attrition.

Gross 9,227,700  
GF/GP 9,227,700

**3. Higher Custody Level Programming.** The budget includes one-time funding for technology and infrastructure updates to support educational and core programming for higher custody level prisoners (Level IV and V).

Gross 2,400,000  
GF/GP 2,400,000

**4. Probation Residential Services.** The budget increases funding to reflect increased demand for probation residential services and increases reimbursement rate to vendors.

Gross 2,350,000  
GF/GP 2,350,000

**5. Enhanced Food Technology Program.** The budget expands the food technology program whereby program participants complete on-the-job training hours through work in the prison kitchens.

FTE 12.0  
Gross 2,000,000  
GF/GP 2,000,000

**6. Health Care Recruitment and Retention.** The budget increases incentives and compensation for positions with high vacancy rates; primarily dentists, registered nurses, and qualified mental health professionals.

Gross 2,000,000  
GF/GP 2,000,000

**7. Offender with Special Needs Contract Adjustments.** The budget increases funding for reentry costs for offenders with special needs due to increased caseloads.

Gross 1,648,700  
GF/GP 1,648,700

**8. Offender Success Community Partners Contract Adjustments.** The budget increases funding for Prisoner Reentry Service contracts that were re-bid in 2017.

Gross 1,291,400  
GF/GP 1,291,400

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

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| <p><b>9. Medication-Assisted Treatment Reentry Pilot Program.</b> The budget increases funding for the pilot program providing prerelease treatment and postrelease referral for opioid and alcohol addicted offenders using medication-assisted treatment.</p> | <p>Gross 500,000<br/>GF/GP 500,000</p> |
| <p><b>10. Federally Qualified Health Centers Pilot.</b> The budget increases funding for the pilot program linking parolees and probationers with Federally Qualified Health Centers to ensure their behavioral and physical needs are addressed.</p>           | <p>Gross 175,000<br/>GF/GP 175,000</p> |
| <p><b>11. Food Inspections.</b> The budget includes funding to conduct inspections and fix any issues in prison kitchens.</p>   | <p>Gross 50,000<br/>GF/GP 50,000</p>   |

**C. PROGRAM ELIMINATIONS/REDUCTIONS**

- |  |  |
|--|--|
| <p><b>1. Additional Facility Closure.</b> The budget includes savings from the mid-year closure of a correctional facility in addition to the West Shoreline Correctional Facility.</p>  | <p>Gross (19,201,100)<br/>GF/GP (19,201,100)</p>   |
| <p><b>2. West Shoreline Facility Closure.</b> The budget includes net savings from the closure of the West Shoreline Correctional Facility.</p>  | <p>FTE (212.7)<br/>Gross (18,924,700)<br/>Restricted (92,000)<br/>GF/GP (18,832,700)</p> |
| <p><b>3. FY 2017-18 One-time Appropriations Removal.</b> The budget removes one-time funding for an officer academy in FY 2017-18.</p>   | <p>Gross (4,359,000)<br/>GF/GP (4,359,000)</p>   |
| <p><b>4. FY 2017-18 Supplemental Removal.</b> The budget removes support for vocational village education.</p>   | <p>Gross (1,750,000)<br/>GF/GP (1,750,000)</p>   |
| <p><b>5. Future Facility and Staff Transition Costs.</b> The budget eliminates \$1,000,000 placeholder.</p>  | <p>Gross (1,000,000)<br/>GF/GF (1,000,000)</p>   |
| <p><b>6. Corizon Health Care Contract.</b> The budget reduces funding based on updated prisoner population projections.</p>  | <p>Gross (858,500)<br/>GF/GP (858,500)</p>   |
| <p><b>7. Savings from Historical Lapses.</b> The budget includes savings from Prosecutorial and Detainer Expenses (\$100,000), Inmate Legal Services (\$100,000), Community Corrections (\$100,000), and Field Operations (\$250,000).</p> | <p>Gross (550,000)<br/>GF/GP (550,000)</p>   |

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**8. High School Online Equivalency Pilot.** The budget reduces funding for a pilot program providing prisoners with a high school diploma in lieu of a high school equivalency.

Gross (500,000)  
GF/GP (500,000)

**D. FUNDING SHIFTS - NONE**

**E. PROGRAM TRANSFERS - NONE**

**F. OTHER ISSUES**

**Other changes.** The budget includes sewer treatment rate increase at Gus Harrison Correctional Facility, and aligns Restricted funding with expected revenue.

FTE 8.0  
Gross (93,700)  
Restricted (278,000)  
GF/GP (184,300)

**G. UNCLASSIFIED SALARIES**

The budget increases Gross funding for the unclassified salaries line item from \$1,847,600 to \$1,884,600.

Gross 37,000  
GF/GP 37,000

**H. FEE INCREASES - NONE**

**I. ECONOMIC ADJUSTMENTS**

The economic adjustment amount includes standard economic factors applied to salaries and wages, retirement, other employment retirement costs (OERC), insurance, rent, motor transport, workers' compensation, and building occupancy charges consistent with factors applied to all budgets. Classified employees will receive a 2.0% base wage increase in FY 2018-19 effective on October 1, 2018. Non-exclusively represented employees (NERES) also will receive a 2.0% base wage increase for FY 2018-19 effective on October 1, 2018.

Gross 25,655,100  
Federal 21,400  
Local 117,700  
Restricted 160,200  
GF/GP 25,355,800

**J. ONE-TIME APPROPRIATIONS**

The budget identifies \$11,627,700 of FY 2018-19 one-time appropriations and eliminates \$4,359,000 of FY 2017-18 one-time appropriations:

	<b>Gross</b>	<b>GF/GP</b>
<b>FY 2018-19</b>		
New Custody Staff Training .....	\$9,227,700	\$9,227,700
Higher Custody Level Programming.....	2,400,000	2,400,000
<b>Subtotal</b> .....	<b>\$11,627,700</b>	<b>\$11,627,700</b>
<b>FY 2017-18</b>		
New Custody Staff Training .....	(\$4,359,000)	(\$4,359,000)
<b>Subtotal</b> .....	<b>(\$4,359,000)</b>	<b>(\$4,359,000)</b>

**K. VETOES - NONE**

**DEPARTMENT OF EDUCATION  
P.A. 207 of 2018 – ARTICLE VI**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE	FY 2018-19 GOV.'S REC.	FY 2018-19 SENATE	FY 2018-19 HOUSE	FY 2018-19 INITIAL APPROPS.	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
						AMOUNT	PERCENT
FTE Positions .....	603.5	614.5	614.5	614.5	614.5	11.0	1.8
<b>GROSS</b> .....	<b>366,785,100</b>	<b>357,107,300</b>	<b>432,557,400</b>	<b>357,107,300</b>	<b>400,815,000</b>	<b>34,029,900</b>	<b>9.3</b>
Less:							
Interdepartmental Grants Received .....	0	0	0	0	0	0	0.0
<b>ADJUSTED GROSS</b> .....	<b>366,785,100</b>	<b>357,107,300</b>	<b>432,557,400</b>	<b>357,107,300</b>	<b>400,815,000</b>	<b>34,029,900</b>	<b>9.3</b>
Less:							
Federal Funds .....	268,688,600	255,366,800	330,816,800	255,366,800	298,074,500	29,385,900	10.9
Local and Private .....	7,851,500	7,888,600	7,888,600	7,888,600	7,888,600	37,100	0.5
<b>TOTAL STATE SPENDING</b> .....	<b>90,245,000</b>	<b>93,851,900</b>	<b>93,852,000</b>	<b>93,851,900</b>	<b>94,851,900</b>	<b>4,606,900</b>	<b>5.1</b>
Less:							
Other State Restricted Funds .....	8,567,600	8,668,200	8,668,200	8,668,200	8,668,200	100,600	1.2
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>81,677,400</b>	<b>85,183,700</b>	<b>85,183,800</b>	<b>85,183,700</b>	<b>86,183,700</b>	<b>4,506,300</b>	<b>5.5</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>14,367,700</b>	<b>13,567,700</b>	<b>14,567,700</b>	<b>13,567,700</b>	<b>14,567,700</b>	<b>200,000</b>	<b>1.4</b>

Includes Ongoing and One-time Appropriations as of July 1, 2018.

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**A. NEW PROGRAMS - NONE**

**B. PROGRAM INCREASES**

<p><b>1. Child Development and Care Public Assistance.</b> The budget includes an additional \$25.0 million for the Child Development and Care program to implement a biweekly block reimbursement system (\$15.0 million) and to align with the May 2018 Consensus Revenue Estimating Conference. The Gross increase is all supported by Federal funds.</p>	<p>Gross 25,000,000 Federal 25,000,000 GF/GP 0</p>
<p><b>2. TEACH Scholarship Program.</b> The budget includes \$2.5 million in additional Gross and Federal funds for the TEACH scholarship program to encourage child care providers to enter the Great Start to Quality program and to increase their star quality rating by providing scholarships for employees of those child care providers. The budget unrolls this program funding from the Office of Great Start Operations line item. Total FY 2018-19 funding is \$5.0 million Gross and Federal funds.</p>	<p>Gross 2,500,000 Federal 2,500,000 GF/GP 0</p>
<p><b>3. State Aid to Libraries.</b> The budget includes a \$1.0 million Gross and GF/GP increase for State aid to libraries, which increases the per capita rate 9.0%, to \$0.39 per capita.</p>	<p>Gross 1,000,000 GF/GP 1,000,000</p>
<p><b>4. Office of Great Start Operations.</b> The budget includes a \$603,800 Gross and Federal funds increase for the Office of Great Start Operations line item to ensure sufficient funding for administration and staff as a result of rolling the TEACH scholarship program and appropriations for contracted services out of the line item.</p>	<p>Gross 603,800 Federal 603,800 GF/GP 0</p>
<p><b>5. Child Development and Care External Support.</b> The budget includes a \$380,700 Gross and Federal funds increase to account for economic adjustments made in the Department of Licensing and Regulatory Affairs and the Department of Health and Human Services.</p>	<p>Gross 380,700 Federal 380,700 GF/GP 0</p>
<p><b>6. Braille Textbook Production Expansion.</b> The budget includes an additional \$300,000 Gross and Low-Incidence Outreach Funds for the Low-Incidence Outreach Program. This funding is for the production of additional Braille textbooks.</p>	<p>Gross 300,000 Restricted 300,000 GF/GP 0</p>

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**C. PROGRAM ELIMINATIONS/REDUCTIONS**

- |   |   |
|---|---|
| <p><b>1. Supplemental School Water Training Program.</b> The budget removes an FY 2017-18 one-time, supplemental appropriation that provided education on school water testing to schools, parents, and students.</p>   | <p>Gross (1,000,000)<br/>GF/GP (1,000,000)</p>              |
| <p><b>2. Renaissance Zone Reimbursement.</b> The budget reduces the Renaissance Zone Reimbursement line item due to the phase-out and expiration of existing zones and changes to the personal property tax, resulting in significant lapses at the end of each year. Total FY 2018-19 funding is \$2.5 million Gross and GF/GP.</p>  | <p>Gross (800,000)<br/>GF/GP (800,000)</p>                  |
| <p><b>3. State Restricted Fund Adjustment.</b> The budget reduces the State Restricted funds (Student Insurance Revenue, Certification Fees, and Teacher Testing Fees) to align with current revenue projections. The reductions were not replaced with other fund sources, resulting in a gross appropriation reduction. These reductions affect the Michigan Schools for Deaf and Blind Operations line item (\$125,300) and the Professional Preparation Operations line item (\$174,900).</p> | <p>Gross (300,200)<br/>Restricted (300,200)<br/>GF/GP 0</p> |
| <p><b>4. Local Revenue Source Elimination.</b> The budget reduces total local revenue due to the removal of Local District Service Fee Fund revenue in School Support Services. The Fund has not generated revenue in the last 10 budget cycles. The reduction was not replaced with another fund source, resulting in a gross appropriation reduction.</p>   | <p>Gross (11,700)<br/>Local (11,700)<br/>GF/GP 0</p>        |

**D. FUNDING SHIFTS - NONE**

**E. PROGRAM TRANSFERS**

- |  |  |
|--|--|
| <p><b>1. School Reform Office Funding and Staff.</b> The budget transfers FTEs and funding for the School Reform Office from the Department of Technology, Management, and Budget to finalize Executive Order 2017-5. Of the total FTEs and funding, 9.0 FTEs and \$2,853,400 GF/GP are transferred to the Partnership District Support while 2.0 FTEs and \$497,600 GF/GP are transferred to the State Board/Superintendent Operations. Total FY 2018-19 funding is \$3,504,900 Gross and GF/GP for the Partnership District Support line item.</p> | <p>FTEs 11.0<br/>Gross 3,351,000<br/>GF/GP 3,351,000</p> |
|--|--|

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

- |   |                           |                                   |
|---|---------------------------|-----------------------------------|
| <p><b>2. Early Literacy Implementation.</b> The budget transfers \$1.0 million Gross and GF/GP from the School Aid budget for implementation and administration of the early literacy program. The funding is transferred from Section 35 of the School Aid Act to School Support Services.</p> | <p>Gross</p> <p>GF/GP</p> | <p>1,000,000</p> <p>1,000,000</p> |
| <p><b>3. Project UNIFY.</b> The budget transfers \$500,000 Gross and GF/GP for Project UNIFY from the Department of Health and Human Services, which provides grants to Special Olympics programs. The funding is appropriated in School Support Services.</p>                                  | <p>Gross</p> <p>GF/GP</p> | <p>500,000</p> <p>500,000</p>     |

**F. OTHER ISSUES**

<p><b>Adolescent and School Health \$100 Placeholder.</b> The budget includes a \$100 placeholder from the School Support Services line item. The placeholder replaces a Federal reduction in funds from the Federal Department of Health and Human Services - Centers for Disease Control and Prevention to the Department of Education and School Aid Budget for adolescent and school health education.</p>	<p>Gross</p> <p>GF/GP</p>	<p>0</p> <p>0</p>
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**G. UNCLASSIFIED SALARIES**

<p>The budget increases Gross funding for the unclassified salaries line item from \$851,900 to \$868,900 due to economics.</p>	<p>Gross</p> <p>Federal</p> <p>Restricted</p> <p>GF/GP</p>	<p>17,000</p> <p>2,100</p> <p>200</p> <p>14,700</p>
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**H. FEE INCREASES - NONE**

**I. ECONOMIC ADJUSTMENTS**

<p>The economic adjustment amount includes standard economic factors applied to salaries and wages, retirement, other employment retirement costs (OERC), insurance, rent, motor transport, workers' compensation, and building occupancy charges consistent with factors applied to all budgets. Classified employees will receive a 2.0% base wage increase in FY 2018-19 effective on October 1, 2018. Non-exclusively represented employees (NERES) also will receive a 2.0% base wage increase for FY 2018-19 effective on October 1, 2018.</p>	<p>Gross</p> <p>Federal</p> <p>Local</p> <p>Private</p> <p>Restricted</p> <p>GF/GP</p>	<p>1,489,300</p> <p>899,300</p> <p>47,300</p> <p>1,500</p> <p>100,600</p> <p>440,600</p>
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**J. ONE-TIME APPROPRIATIONS**

The budget identifies \$100 of FY 2018-19 one-time appropriations and eliminates \$1.0 million of FY 2017-18 one-time, supplemental appropriations:

	<b>Gross</b>	<b>GF/GP</b>
<b>FY 2018-19</b>		
Drinking Water Declaration of Emergency .....	\$100	\$0
<b>Subtotal</b> .....	<b>\$100</b>	<b>\$0</b>
<b>FY 2017-18</b>		
School Water Training Program .....	(\$1,000,000)	(\$1,000,000)
<b>Subtotal</b> .....	<b>(\$1,000,000)</b>	<b>(\$1,000,000)</b>

**K. VETOES - NONE**

**DEPARTMENT OF ENVIRONMENTAL QUALITY  
P.A. 207 of 2018 – ARTICLE VII**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE	FY 2018-19 GOV.'S REC.	FY 2018-19 SENATE	FY 2018-19 HOUSE	FY 2018-19 INITIAL APPROPS.	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
						AMOUNT	PERCENT
FTE Positions .....	1,246.0	1,257.0	1,219.0	1,215.0	1,231.0	(15.0)	(1.2)
<b>GROSS</b> .....	<b>571,575,200</b>	<b>494,588,000</b>	<b>420,822,600</b>	<b>445,702,600</b>	<b>447,502,600</b>	<b>(124,072,600)</b>	<b>(21.7)</b>
Less:							
Interdepartmental Grants Received .....	3,100,500	3,143,700	3,143,700	3,143,700	3,143,700	43,200	1.4
<b>ADJUSTED GROSS</b> .....	<b>568,474,700</b>	<b>491,444,300</b>	<b>417,678,900</b>	<b>442,558,900</b>	<b>444,358,900</b>	<b>(124,115,800)</b>	<b>(21.8)</b>
Less:							
Federal Funds .....	170,042,600	160,225,400	160,225,400	160,225,400	160,225,400	(9,817,200)	(5.8)
Local and Private .....	555,300	1,061,700	1,061,700	1,061,700	1,061,700	506,400	91.2
<b>TOTAL STATE SPENDING</b> .....	<b>397,876,800</b>	<b>330,157,200</b>	<b>256,391,800</b>	<b>281,271,800</b>	<b>283,071,800</b>	<b>(114,805,000)</b>	<b>(28.9)</b>
Less:							
Other State Restricted Funds .....	316,725,300	283,210,700	209,325,300	209,325,300	209,325,300	(107,400,000)	(33.9)
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>81,151,500</b>	<b>46,946,500</b>	<b>47,066,500</b>	<b>71,946,500</b>	<b>73,746,500</b>	<b>(7,405,000)</b>	<b>(9.1)</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>4,531,000</b>	<b>24,581,000</b>	<b>4,581,000</b>	<b>5,581,000</b>	<b>5,701,000</b>	<b>1,170,000</b>	<b>25.8</b>

Includes Ongoing and One-time Appropriations as of July 1, 2018.

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**A. NEW PROGRAMS**

**Volkswagen Diesel Emissions Mitigation Trust.** The budget includes an appropriation to reflect private funds the DEQ has received to administer benefits to customers affected by the Volkswagen diesel emissions settlement. The settlement funds themselves will not pass through the DEQ; DEQ will act only as an administrator for the Trust.

FTE	3.0
Gross	506,600
Private	506,600
GF/GP	0

**B. PROGRAM INCREASES**

**1. Michigan Geological Survey.** The budget includes one-time GF/GP support for the Michigan Geological Survey at Western Michigan University to assist with geological mapping of the State.

Gross	500,000
GF/GP	500,000

**2. Landfill Research, Design, and Demonstration Project (RDDP).** The budget includes funding for a grant to continue septage waste bioreactor RDDP at the Smith's Creek Landfill in St. Clair County. The project will continue to test the effect of introducing septage into the landfill based on the rate of decomposition of the waste deposited there.

Gross	120,000
GF/GP	120,000

**3. Recycling Initiative.** The budget provides an additional \$1.0 million from the Cleanup and Redevelopment Fund for this program, bringing the total to \$2.0 million.

Gross	1,000,000
Restricted	1,000,000
GF/GP	0

**4. Lead Remediation Grants.** The budget includes \$2.0 million for grants for the remediation and redevelopment of sites contaminated by lead paint: \$1.0 million of these funds came from GF/GP and \$1.0 million from the Cleanup and Redevelopment Fund.

Gross	2,000,000
Restricted	1,000,000
GF/GP	1,000,000

**5. Water Withdrawal Assessment Program.** The budget includes \$180,000 GF/GP for this program to cover additional costs that will be incurred under Public Act 209 of 2018.

FTE	1.0
Gross	180,000
GF/GP	180,000

**6. Rent Adjustment.** The budget includes additional funds to reflect increased private rent costs at certain DEQ facilities.

Gross	17,600
Restricted	13,300
GF/GP	4,300

**7. Environmental Cleanup and Redevelopment Program.** The budget includes a \$25.0 million one-time GF/GP appropriation for additional environmental cleanups under Part 201 of the Natural Resources and Environmental Protection Act.

FTE	11.0
Gross	25,000,000
GF/GP	25,000,000

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**C. PROGRAM ELIMINATIONS/REDUCTIONS**

<p><b>1. Stormwater, Asset Management, and Wastewater Grants and Loans.</b> The budget eliminates appropriations for these grants. The grants were capitalized with \$450.0 million in bond proceeds from the Great Lakes Protection Bond (Proposal 2 of 2002), and all available funds have been awarded.</p>	<p>Gross (62,000,000) Restricted (62,000,000) GF/GP 0</p>
<p><b>2. Clean Michigan Initiative (CMI) - Contaminated Sediments.</b> The budget eliminates the remaining CMI - Contaminated Sediment appropriations as all of these funds have either been spent or encumbered for existing projects.</p>	<p>Gross (1,565,000) Restricted (1,565,000) GF/GP 0</p>
<p><b>3. Wetland Mitigation Banking.</b> Statute allows for up to \$10.0 million from the Great Lakes Protection Bond to be allocated for the establishment of wetland mitigation banks. So far, \$9.0 million has been appropriated for that purpose so the budget reduces this item to appropriate the remaining \$1.0 million.</p>	<p>Gross (2,000,000) Restricted (2,000,000) GF/GP 0</p>
<p><b>4. Emergency Cleanup Actions.</b> The budget removes Cleanup and Redevelopment Fund appropriations for this program, leaving \$1.0 million from the Refined Petroleum Fund as the only remaining support for the program in FY 2018-19. These funds were moved elsewhere in the budget and used to support lead remediation grants and an increase for the Recycling Initiative.</p>	<p>Gross (2,000,000) Restricted (2,000,000) GF/GP 0</p>
<p><b>5. Removal of FY 2017-18 Supplemental Appropriations.</b> The budget does not include the following FY 2017-18 items that were included in supplemental appropriations bills and contingency fund transfers throughout the year: \$2.2 million Restricted funding for integrity monitoring for the Flint water emergency, \$1.0 million GF/GP for vapor intrusion, \$14.0 million Restricted funding for brownfield remediation and redevelopment, \$10.7 million Restricted funding for water infrastructure, \$14.8 million GF/GP for various activities related to remediation and response at confirmed PFAS sites, \$20.0 million for replacement of lead service lines in Flint, and \$70,000 for the Water Withdrawal Assessment Program.</p>	<p>FTE (7.0) Gross (62,807,500) Restricted (28,900,000) GF/GP (33,907,500)</p>
<p><b>6. Removal of FY 2017-18 One-Time Appropriations.</b> The budget removes a number of FY 2017-18 one-time appropriations, and moves one item from one-time to ongoing. Further detail is available in the One-Time Appropriations table below.</p>	<p>Gross (14,900,000) Restricted (14,900,000) GF/GP 0</p>

**D. FUNDING SHIFTS - NONE**

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**E. PROGRAM TRANSFERS**

**Office of the Great Lakes.** The budget reflects Executive Order 2017-9, which transferred the Office of the Great Lakes from the Department of Environmental Quality to the DNR. Twenty-three FTEs and related funding were included in the transfer.

FTE	(23.0)
Gross	(11,743,600)
Federal	(10,439,200)
Restricted	(386,700)
GF/GP	(917,700)

**F. OTHER ISSUES**

**Aquifer Dispute Resolution.** The budget includes a reappropriation of lapsed funds from the Aquifer Protection Revolving Fund that was created through Public Act 602 of 2012. These funds have been used to support dispute resolutions between small and large well owners when it is believed the larger well's withdrawals are affecting the smaller well's ability to gain access to water. Unused funds had been carried forward as a work project through FY 2016-17, but that authority has since expired.

Gross	524,000
Restricted	524,000
GF/GP	0

**G. UNCLASSIFIED SALARIES**

The budget increases Gross funding for the unclassified salaries line item from \$776,600 to \$792,200.

Gross	15,600
Restricted	11,100
GF/GP	4,500

**H. FEE INCREASES - NONE**

**I. ECONOMIC ADJUSTMENTS**

The economic adjustment amount includes standard economic factors applied to salaries and wages, retirement, other employment retirement costs (OERC), insurance, rent, motor transport, workers' compensation, and building occupancy charges consistent with factors applied to all budgets. Classified employees will receive a 2.0% base wage increase in FY 2018-19 effective on October 1, 2018. Non-exclusively represented employees (NERES) also will receive a 2.0% base wage increase for FY 2018-19 effective on October 1, 2018.

Gross	3,079,700
IDG	43,200
Federal	622,000
Private	(200)
Restricted	1,803,300
GF/GP	611,400

**J. ONE-TIME APPROPRIATIONS**

The budget identifies \$25,620,10 of FY 2018-19 one-time appropriations, shifts \$4.0 million of appropriations from one-time to ongoing, and eliminates \$14.9 million of FY 2017-18 one-time appropriations:

	<b>Gross</b>	<b>GF/GP</b>
<b>FY 2018-19</b>		
Drinking Water Declaration of Emergency .....	\$100	\$0
Environmental Cleanup and Redevelopment Program (One-Time) .....	25,000,000	25,000,000
Landfill Research, Design, and Demonstration Project .....	120,000	120,000
Michigan Geological Survey .....	500,000	500,000
<b>Subtotal</b> .....	<b>\$25,620,100</b>	<b>\$25,620,000</b>
<b>FY 2018-19</b>		
Oil, Gas, and Mineral services (One-Time) from One-Time to Ongoing .....	(\$4,000,000)	(\$4,000,000)
<b>Subtotal</b> .....	<b>(\$4,000,000)</b>	<b>(\$4,000,000)</b>
<b>FY 2017-18</b>		
Drinking Water Declaration of Emergency .....	(\$100)	\$0
Refined Petroleum Product Cleanup Program .....	(14,900,000)	0
<b>Subtotal</b> .....	<b>(\$14,900,000)</b>	<b>\$0</b>

**K. VETOES - NONE**

**EXECUTIVE OFFICE  
P.A. 207 of 2018 – ARTICLE VIII**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE	FY 2018-19 GOV.'S REC.	FY 2018-19 SENATE	FY 2018-19 HOUSE	FY 2018-19 INITIAL APPROPS.	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
						AMOUNT	PERCENT
FTE Positions .....	79.2	79.2	79.2	79.2	79.2	0.0	0.0
<b>GROSS</b> .....	<b>6,848,500</b>	<b>6,980,100</b>	<b>6,980,100</b>	<b>6,980,100</b>	<b>6,980,100</b>	<b>131,600</b>	<b>1.9</b>
Less:							
Interdepartmental Grants Received .....	0	0	0	0	0	0	0.0
<b>ADJUSTED GROSS</b> .....	<b>6,848,500</b>	<b>6,980,100</b>	<b>6,980,100</b>	<b>6,980,100</b>	<b>6,980,100</b>	<b>131,600</b>	<b>1.9</b>
Less:							
Federal Funds.....	0	0	0	0	0	0	0.0
Local and Private .....	0	0	0	0	0	0	0.0
<b>TOTAL STATE SPENDING</b> .....	<b>6,848,500</b>	<b>6,980,100</b>	<b>6,980,100</b>	<b>6,980,100</b>	<b>6,980,100</b>	<b>131,600</b>	<b>1.9</b>
Less:							
Other State Restricted Funds .....	0	0	0	0	0	0	0.0
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>6,848,500</b>	<b>6,980,100</b>	<b>6,980,100</b>	<b>6,980,100</b>	<b>6,980,100</b>	<b>131,600</b>	<b>1.9</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>

Includes Ongoing and One-time Appropriations as of July 1, 2018.

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**A. NEW PROGRAMS - NONE**

**B. PROGRAM INCREASES**

**Executive Office Operations.** The budget includes an overall increase of 2.0% to reflect actual costs of operations and expenditures for the Executive Office. Total funding for the Executive Office is \$6,980,100 for FY 2018-19.

Gross	105,400
GF/GP	105,400

**C. PROGRAM ELIMINATIONS/REDUCTIONS - NONE**

**D. FUNDING SHIFTS - NONE**

**E. PROGRAM TRANSFERS - NONE**

**F. OTHER ISSUES - NONE**

**G. UNCLASSIFIED SALARIES**

The budget increases Gross funding for the unclassified salaries line item from \$1,307,300 to \$1,333,500.

Gross	26,200
GF/GP	26,200

**H. FEE INCREASES - NONE**

**I. ECONOMIC ADJUSTMENTS**

There are no economic adjustments for the Executive Office in FY 2018-19.

**J. ONE-TIME APPROPRIATIONS - NONE**

**K. VETOES - NONE**

**DEPARTMENT OF HEALTH AND HUMAN SERVICES  
P.A. 207 of 2018 – ARTICLE X**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE	FY 2018-19 GOV.'S REC.	FY 2018-19 SENATE	FY 2018-19 HOUSE	FY 2018-19 INITIAL APPROPS.	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
						AMOUNT	PERCENT
FTE Positions .....	15,635.5	15,615.7	15,610.7	15,618.7	15,621.7	(13.8)	(0.1)
<b>GROSS</b> .....	<b>24,855,339,300</b>	<b>25,256,378,300</b>	<b>25,117,902,400</b>	<b>25,137,624,300</b>	<b>24,880,165,600</b>	<b>24,826,300</b>	<b>0.1</b>
Less:							
Interdepartmental Grants Received .....	13,640,900	13,813,700	13,813,700	13,813,700	13,813,700	172,800	1.3
<b>ADJUSTED GROSS</b> .....	<b>24,841,698,400</b>	<b>25,242,564,600</b>	<b>25,104,088,700</b>	<b>25,123,810,600</b>	<b>24,866,351,900</b>	<b>24,653,500</b>	<b>0.1</b>
Less:							
Federal Funds .....	17,747,762,800	17,955,593,700	17,854,238,700	17,881,537,800	17,635,395,600	(112,367,200)	(0.6)
Local and Private .....	268,074,700	271,522,800	269,860,600	271,522,800	272,022,500	3,947,800	1.5
<b>TOTAL STATE SPENDING</b> .....	<b>6,825,860,900</b>	<b>7,015,448,100</b>	<b>6,979,989,400</b>	<b>6,970,750,000</b>	<b>6,958,933,800</b>	<b>133,072,900</b>	<b>1.9</b>
Less:							
Other State Restricted Funds .....	2,474,754,700	2,456,898,500	2,461,898,500	2,461,848,200	2,498,846,500	24,091,800	1.0
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>4,351,106,200</b>	<b>4,558,549,600</b>	<b>4,518,090,900</b>	<b>4,508,901,800</b>	<b>4,460,087,300</b>	<b>108,981,100</b>	<b>2.5</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>1,384,351,400</b>	<b>1,466,684,500</b>	<b>1,470,577,000</b>	<b>1,459,338,700</b>	<b>1,468,359,900</b>	<b>84,008,500</b>	<b>6.1</b>

Includes Ongoing and One-time Appropriations as of July 1, 2018.

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**A. NEW PROGRAMS**

<p><b>1. Autism "Train the Trainer" Pilot.</b> The budget includes one-time funding to help train school employees in the Walled Lake School District on the principles and practices of applied behavior analysis, which is the standard treatment for autism.</p>	<p>Gross 55,000 GF/GP 55,000</p>
<p><b>2. County Reimbursement for Community Mental Health (CMH) Guardian and Conservator Costs.</b> The budget includes a funding pool to reimburse counties for half the cost of reimbursing guardians and conservators for those receiving CMH services, with a maximum combined reimbursement of \$83.00 per month.</p>	<p>Gross 1,500,000 GF/GP 1,500,000</p>
<p><b>3. Primary Care Loan Repayment Program.</b> The budget includes \$5.0 million in one-time funding intended to be spread out over five years for a primary care loan repayment program. The program would incentivize placement of primary care physicians in medically underserved areas by providing up to \$50,000 in medical school loan repayment per participating physician.</p>	<p>Gross 5,000,000 GF/GP 5,000,000</p>

**B. PROGRAM INCREASES**

<p><b>1. Technical Adjustments.</b> The budget includes technical changes to recognize \$1.5 million in new gambling addiction revenue and \$144,000 in Federal Title I education grant funding to be used at the Shawono and Bay Pines Centers.</p>	<p>Gross 1,644,000 Federal 144,000 Restricted 1,500,000 GF/GP 0</p>
<p><b>2. Non-state Owned Building Lease Adjustment.</b> The budget recognizes contractual increases in rent costs for non-State owned buildings.</p>	<p>Gross 859,300 Federal 404,200 GF/GP 455,100</p>
<p><b>3. Funding to Support Census Costs.</b> The budget includes funding to support the 2020 Michigan nonprofits count campaign, which would combine Private and State funding, at a 4-1 match, to perform outreach during the 2020 census.</p>	<p>Gross 2,500,000 Private 2,000,000 GF/GP 500,000</p>
<p><b>4. Increased Federal Tax Refund Offset Fees.</b> The budget recognizes funding for the increased cost to process Federal tax refund offsets in child support cases.</p>	<p>Gross 255,600 Federal 168,700 GF/GP 86,900</p>

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

<b>5. Increased Funding for Crime Victims Advocates.</b> The budget reflects the use of \$2.0 million in surplus Crime Victims Rights revenue to support crime victims advocates as part of an expansion of mental health services.	Gross Restricted GF/GP	2,000,000 2,000,000 0
<b>6. Child Welfare Base, Caseload, and Fund Source Adjustments - Foster Care Payments (FC).</b> The budget reflects slight growth in foster care costs with estimated caseload averaging 6,327 cases at an average annual cost of \$32,000.	Gross Federal Local GF/GP	3,552,000 1,243,600 256,100 2,052,300
<b>7. Child Welfare Base, Caseload, and Fund Source Adjustments - Child Care Fund (CCF).</b> The budget reflects a small increase in the expenditures from the Child Care Fund to approximately \$200.0 million annually.	Gross GF/GP	883,800 883,800
<b>8. Child Welfare Base, Caseload, and Fund Source Adjustments - Guardianship Assistance Program (GAP).</b> The budget assumes minor growth in the Guardianship Assistance program with an average caseload estimated of 1,271 cases at \$709.26 monthly.	Gross Federal GF/GP	800,000 (1,100) 801,100
<b>9. Children's Trust Fund Substance Use Disorder Services.</b> The budget includes \$200,000 in GF/GP funding to be dedicated for grants to programs that address substance use disorders.	Gross GF/GP	200,000 200,000
<b>10. Foster Care Education Stability Travel Funding.</b> The budget includes increased funding to support the stability travel needs for children who are awaiting placement into foster care.	Gross Federal GF/GP	1,406,500 418,800 987,700
<b>11. Runaway and Homeless Youth Contracts Increase.</b> The budget includes increased funding for runaway and homeless youth contracts with private child placing agencies.	Gross GF/GP	500,000 500,000
<b>12. Adoption Support Services Rate Increase.</b> The budget includes an approximate 10.0% increase in adoption support services reimbursement rates.	Gross Federal GF/GP	1,750,000 800,000 950,000
<b>13. Family Support Subsidy Rate Increase.</b> The budget includes a \$7.20 per month increase in the Family Support Subsidy rate. This payment goes to certain families with severely disabled children.	Gross Federal GF/GP	494,200 494,200 0

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

<p><b>14. <i>Glisson</i> Decision Costs.</b> The budget reflects the Governor's proposed budget revision tied to the <i>Glisson</i> decision. The <i>Glisson</i> case requires states in the Sixth Circuit to pay the full foster care maintenance rate to unlicensed relative caregivers. This funding includes \$9.9 million to reimburse counties for the State's 50.0% share of costs, \$5.5 million to cover administration rate payments to private child placing agencies, and funding for administrative costs. There would also be a savings in the Family Independence Program line due to the increased foster care funding.</p>	<table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">FTE</td> <td style="text-align: right;">3.0</td> </tr> <tr> <td>Gross</td> <td style="text-align: right;">14,569,800</td> </tr> <tr> <td>Federal</td> <td style="text-align: right;">(1,454,200)</td> </tr> <tr> <td>GF/GP</td> <td style="text-align: right;">16,024,000</td> </tr> </table>	FTE	3.0	Gross	14,569,800	Federal	(1,454,200)	GF/GP	16,024,000
FTE	3.0								
Gross	14,569,800								
Federal	(1,454,200)								
GF/GP	16,024,000								
<p><b>15. Adoption Services Actuarially Sound Rates Study.</b> The budget includes funding for a study to derive actuarially sound rates for adoption services.</p>	<table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">Gross</td> <td style="text-align: right;">50,000</td> </tr> <tr> <td>GF/GP</td> <td style="text-align: right;">50,000</td> </tr> </table>	Gross	50,000	GF/GP	50,000				
Gross	50,000								
GF/GP	50,000								
<p><b>16. Staff to Train Foster Care Private Agency Employees.</b> The budget includes new staff to enhance the State-run training of private agency foster care employees.</p>	<table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">FTE</td> <td style="text-align: right;">6.0</td> </tr> <tr> <td>Gross</td> <td style="text-align: right;">918,000</td> </tr> <tr> <td>Federal</td> <td style="text-align: right;">541,400</td> </tr> <tr> <td>GF/GP</td> <td style="text-align: right;">376,600</td> </tr> </table>	FTE	6.0	Gross	918,000	Federal	541,400	GF/GP	376,600
FTE	6.0								
Gross	918,000								
Federal	541,400								
GF/GP	376,600								
<p><b>17. Public Assistance Base and Caseload Adjustments - Family Assistance Program Base and Caseload.</b> The budget includes a slight increase in funding for the Family Assistance Program.</p>	<table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">Gross</td> <td style="text-align: right;">3,395,900</td> </tr> <tr> <td>Federal</td> <td style="text-align: right;">3,395,900</td> </tr> <tr> <td>GF/GP</td> <td style="text-align: right;">0</td> </tr> </table>	Gross	3,395,900	Federal	3,395,900	GF/GP	0		
Gross	3,395,900								
Federal	3,395,900								
GF/GP	0								
<p><b>18. Increase in Family Independence Program (FIP) Clothing Allowance.</b> The budget includes funding to increase the FIP clothing allowance. This item also includes the shift of Temporary Assistance for Needy Families (TANF) funds to offset GF/GP in the FIP line.</p>	<table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">Gross</td> <td style="text-align: right;">960,000</td> </tr> <tr> <td>Federal</td> <td style="text-align: right;">1,977,600</td> </tr> <tr> <td>GF/GP</td> <td style="text-align: right;">(1,017,600)</td> </tr> </table>	Gross	960,000	Federal	1,977,600	GF/GP	(1,017,600)		
Gross	960,000								
Federal	1,977,600								
GF/GP	(1,017,600)								
<p><b>19. Increase in One-time Multicultural Funding.</b> The budget reflects an increase in funding for behavioral health multicultural funding to the four main recipient groups: The Arab Community Center for Economic and Social Services, the Arab Chaldean Council, the Jewish Federation, and the Chaldean Community Foundation.</p>	<table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">Gross</td> <td style="text-align: right;">1,381,100</td> </tr> <tr> <td>GF/GP</td> <td style="text-align: right;">1,381,100</td> </tr> </table>	Gross	1,381,100	GF/GP	1,381,100				
Gross	1,381,100								
GF/GP	1,381,100								
<p><b>20. Increase in One-time Grant to United Community Family Services.</b> The budget increases funding to the United Community Family Services group, formerly known as the Chaldean Ladies of Charity.</p>	<table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">Gross</td> <td style="text-align: right;">25,000</td> </tr> <tr> <td>GF/GP</td> <td style="text-align: right;">25,000</td> </tr> </table>	Gross	25,000	GF/GP	25,000				
Gross	25,000								
GF/GP	25,000								
<p><b>21. One-time Grant to West Michigan Asian-American Association.</b> The budget includes new funding for a Grand Rapids based group.</p>	<table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">Gross</td> <td style="text-align: right;">150,000</td> </tr> <tr> <td>GF/GP</td> <td style="text-align: right;">150,000</td> </tr> </table>	Gross	150,000	GF/GP	150,000				
Gross	150,000								
GF/GP	150,000								

		<b>FY 2018-19 Change From FY 2017-18 Year-to-Date</b>	
<b>22. Increase Adult Protective Services Guardianship Reimbursement Rate.</b>	The budget reflects an increase in the Adult Protective Services guardianship rate from \$60.00 per month to \$83.00 per month.	Gross GF/GP	210,000 210,000
<b>23. Increase for Centers for Independent Living (CILs).</b>	The budget increases funding for the CILs.	Gross GF/GP	2,000,000 2,000,000
<b>24. Increase in One-time Autism Navigator Funding.</b>	The budget increases funding for autism navigators.	Gross GF/GP	460,000 460,000
<b>25. Electronic Inpatient Psychiatric Bed Registry.</b>	The budget includes funding to create and operate an inpatient psychiatric bed registry.	Gross GF/GP	150,000 150,000
<b>26. Opioid Crisis Outreach Coordinator One-time Funding.</b>	The budget includes one-time funding for an opioid crisis outreach coordinator who would provide education, training, and outreach services.	Gross GF/GP	115,000 115,000
<b>27. Medicaid Base, Caseload, and Fund Source Adjustments - Healthy Michigan Plan (HMP) Behavioral Health.</b>	The budget reflects a small increase in cost of the HMP behavioral health program.	Gross Federal GF/GP	1,247,500 1,125,300 122,200
<b>28. Medicaid Base and Caseload Adjustments - Medicaid Autism Services.</b>	The budget reflects a significant increase in the cost of Medicaid autism services.	Gross Federal GF/GP	40,447,700 25,867,600 14,580,100
<b>29. Medicaid Mental Health Services Actuarial Soundness Adjustment.</b>	The budget reflects a 2.0% actuarial soundness adjustment to capitation rates paid to the pre-paid inpatient health plans (PIHPs) for traditional Medicaid behavioral health services.	Gross Federal GF/GP	45,276,800 29,180,900 16,095,900
<b>30. HMP Behavioral Health Actuarial Soundness Adjustment.</b>	The budget reflects a 2.0% actuarial soundness adjustment to capitation rates paid to the PIHPs for expansion Medicaid behavioral health services.	Gross Federal GF/GP	5,742,200 5,354,600 387,600
<b>31. Substance Use Disorder Liquor License Revenue Increase.</b>	The budget increases funding for substance use disorder services due to an increase in liquor license revenue that is partially dedicated to such services.	Gross Restricted GF/GP	500,000 500,000 0

		<b>FY 2018-19 Change From FY 2017-18 Year-to-Date</b>	
<b>32. CMH non-Medicaid New Formula Hold Harmless Funding.</b>	The budget assumes implementation of a new distribution formula for CMH non-Medicaid services. The budget adds funding to ensure no individual CMH sees a reduction in FY 2018-19.	Gross GF/GP	5,527,800 5,527,800
<b>33. Substance Use Disorder Pilot in Livonia.</b>	The budget includes funding for a substance use disorder pilot at St. Mary's Hospital in Livonia.	Gross GF/GP	500,000 500,000
<b>34. State Facility Pharmacy Inflation.</b>	The budget assumes a 5.0% increase of State psychiatric facility pharmaceutical costs.	Gross Federal Local Restricted GF/GP	502,700 33,800 35,700 15,000 418,200
<b>35. State Facility Revenue and Expenditure Adjustments.</b>	The budget reflects the alignment of authorization for State psychiatric facility appropriations with expected revenue.	Gross Federal Local Restricted GF/GP	423,800 1,893,200 2,985,200 (4,454,600) 0
<b>36. Psychiatrist Salary Increase.</b>	The budget includes an increase in salaries for psychiatrists working in State psychiatric facilities. The increases were approved by the State's Civil Service Commission.	Gross Federal GF/GP	1,394,800 136,200 1,258,600
<b>37. One-time Funding for Western Michigan University (WMU) Unified Clinics.</b>	The budget includes one-time funding for this initiative to enhance primary care service capacity in southwest Michigan.	Gross GF/GP	1,500,000 1,500,000
<b>38. Newborn Screening Fee Revenue.</b>	The budget reflects increases newborn screening fee revenue that will be used to cover the cost of doing the screening.	Gross Restricted GF/GP	168,600 168,600 0
<b>39. Enhanced Opioid Testing Funding.</b>	The budget includes funding to expand State laboratory and county medical examiner testing of opioids in drug overdose and drug poisoning deaths.	Gross GF/GP	1,000,000 1,000,000

		<b>FY 2018-19 Change From FY 2017-18 Year-to-Date</b>	
<b>40. Funding to Combat Emerging Public Health Threats.</b> The budget includes funding to support local health departments (LHDs) as they address emerging public health threats such as PFAS, vapor intrusion, and drinking water contamination.	FTE		2.0
	Gross		4,750,000
	GF/GP		4,750,000
<b>41. Increased Funding for Essential Local Public Health Services.</b> The budget includes a significant increase to the Essential Local Public Health Services line. This funding goes to LHDs for services.	Gross		4,533,200
	GF/GP		4,533,200
<b>42. Pediatric Traumatic Brain Injury (TBI) Funding.</b> The budget includes funding for software used in the treatment of pediatric TBI.	Gross		1,000,000
	GF/GP		1,000,000
<b>43. Real Alternatives Program Funding.</b> The budget increases funding for the "Real Alternatives" program, which provides pregnancy services.	Gross		50,000
	GF/GP		50,000
<b>44. Home Visitation Programs Funding.</b> The budget increases funding for evidence-based home visitation programs designed to reduce infant mortality.	Gross		1,000,000
	GF/GP		1,000,000
<b>45. Cradle Kalamazoo One-time Infant Mortality Project.</b> The budget includes funding for the Cradle Kalamazoo program, which has the goal of reducing racial disparities in infant mortality.	Gross		100,000
	GF/GP		100,000
<b>46. Children's Special Health Care Services (CSHCS) Base, Fund Source, and Caseload.</b> The budget reflects base and caseload adjustments for the CSHCS program, which provides medical services to severely disabled children.	Gross		5,359,800
	Federal		2,887,000
	GF/GP		2,472,800
<b>47. CSHCS Gifts and Bequests Revenue.</b> The budget adjusts funding to reflect increased gifts and bequests revenue used to support the CSHCS program.	Gross		300,000
	Restricted		300,000
	GF/GP		0
<b>48. Senior Volunteer Services Funding.</b> The budget includes an increase for Senior Volunteer Services, allocating an additional \$100,000 apiece for Foster Grandparents, Senior Companion, and the Retired and Senior Volunteer programs.	Gross		300,000
	GF/GP		300,000
<b>49. Aging Community Services Funding.</b> The budget includes additional funding for aging community services provided by Area Agencies on Aging.	Gross		2,500,000
	GF/GP		2,500,000

		<b>FY 2018-19 Change From FY 2017-18 Year-to-Date</b>	
<b>50. Federal Funding for Integrated Service Delivery Efforts.</b>	The budget includes an increase in Federal authorization for the Department's efforts to integrate service delivery.	FTE	15.0
		Gross	13,783,400
		Federal	13,783,400
		GF/GP	0
<b>51. Federal Managed Care Rule Staffing Annualization.</b>	The budget annualizes 15.0 FTEs added in April 2018 to ensure compliance and implementation of new Medicaid managed care rules.	Gross	830,100
		Federal	415,100
		GF/GP	415,000
<b>52. Long-Term Care Affordability Study.</b>	The budget includes State funding to be potentially combined with private dollars to fund a feasibility study and actuarial model for a long-term care benefit.	Gross	100,000
		GF/GP	100,000
<b>53. Changes in Michigan Access to Care Initiative (MACI) Payments.</b>	The budget includes adjustments to reflect changes in the Federal maximum for MACI payments made through the Medicaid health plans to hospitals.	Gross	14,074,700
		Federal	19,720,000
		Local	20,500
		Restricted	(8,226,800)
		GF/GP	2,561,000
<b>54. Graduate Medical Education (GME) Payments to Authority Health and Pine Rest.</b>	The budget reflects approval from the Federal Centers for Medicare and Medicaid Services to make GME innovation payments to Pine Rest and Authority Health.	Gross	10,703,200
		Federal	5,351,600
		Restricted	5,351,600
		GF/GP	0
<b>55. Effects of Title XXI Match Rate Change on Poison Control Funding.</b>	The slight change in the match rate for the State Children's Health Insurance Program (SCHIP) would result in a small increase in funding for the poison control hotline.	Gross	400
		Federal	400
		GF/GP	0
<b>56. Medicaid and HMP Actuarial Soundness.</b>	The budget includes a 2.5% actuarial soundness adjustment for traditional and expansion Medicaid physical health. This increase includes a 1.0% adjustment funded with \$14.0 million in new Insurance Provider Assessment revenue and associated Federal match.	Gross	142,632,800
		Federal	107,730,100
		Restricted	14,000,000
		GF/GP	20,902,700
<b>57. Dental Services Actuarial Soundness.</b>	The budget includes a 1.5% actuarial soundness adjustment for dental services.	Gross	3,577,500
		Federal	2,305,700
		GF/GP	1,271,800

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

<b>58. Shift of Second HMP Waiver Cases to Health Exchanges.</b> The budget annualizes the April 2018 shift of approximately 10,000 HMP cases to the Federal health exchanges. This change was implemented pursuant to a Federal waiver for HMP enrollees above 100% of poverty who have been enrolled in the HMP for at least 48 months. The cost increase is due to the greater cost of exchange products as compared to the HMP.	Gross Federal GF/GP	6,000,000 5,535,000 465,000
<b>59. Hospital Rate Adjustor (HRA) Changes.</b> The budget includes a complex series of adjustments to reflect changes in HRA payment levels and allowable payments. These payments are funded with hospital provider tax revenues plus Medicaid match. One effect of the change is to remove Federal match funding for two hospital pool payments: the Rural and Sole Community Hospital pool and the OB/GYN pool.	Gross Federal Restricted GF/GP	87,395,700 60,511,000 57,292,300 (30,407,600)
<b>60. Additional Funding for Rural and Sole Community and OB/GYN Hospital Pools.</b> The budget includes an additional \$6.0 million GF/GP funding for the Rural and Sole Community Hospital pool and an additional \$4.0 million GF/GP funding for the OB/GYN pool. This funding would partially offset the Federal match lost in the item above.	Gross GF/GP	10,000,000 10,000,000
<b>61. MiDocs GME Consortium.</b> The budget includes funding for the MiDocs GME consortium, which is intended to increase the availability of primary care residencies in underserved areas.	Gross Federal Restricted GF/GP	28,129,400 18,129,400 5,000,000 5,000,000
<b>62. Increase Medicaid Neonatal Reimbursement Rates.</b> The budget includes funding to increase neonatal reimbursement rates to 75.0% of Medicare rates.	Gross Federal GF/GP	2,841,100 1,831,100 1,010,000
<b>63. Increase Adult Foster Care (AFC) Personal Care Services Rate.</b> The budget increases the AFC personal care services rate by \$32.00 per month.	Gross Federal GF/GP	1,156,100 745,100 411,000
<b>64. Nursing Home Quality Assurance Assessment Program (QAAP) Quality Pool.</b> The budget includes a proposed quality incentive pool for nursing homes funded with nursing home provider tax (QAAP) revenue.	Gross Federal Restricted GF/GP	73,000,000 47,048,500 34,168,700 (8,217,200)

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**65. Increased Funding for Information Technology Efforts.** The budget includes additional dollars for the Department's information technology efforts.

Gross	4,108,600
GF/GP	4,108,600

**C. PROGRAM ELIMINATIONS/REDUCTIONS**

**1. Michigan Corner Store Initiative.** The budget removes placeholder funding for this program.

Gross	(100)
GF/GP	(100)

**2. Adjustments to PFAS Funding.** The budget removes a portion of PFAS funding that was related to a one-time purchase of lab equipment funding.

FTE	15.0
Gross	(368,700)
GF/GP	(368,700)

**3. Reduction in University Autism Program Funding.** The budget reduces the funding to the autism training programs at Central Michigan University, Eastern Michigan University, Michigan State University, Oakland University, and Western Michigan University.

Gross	(500,000)
GF/GP	(500,000)

**4. Removal of FY 2017-18 Kalamazoo Opioid Project.** The budget removes funding dedicated to develop a genomic-based demonstration project to predict opioid response and abuse in Kalamazoo County.

Gross	(700,000)
GF/GP	(700,000)

**5. Removal of FY 2017-18 Supplemental Funding for Title IX Regional Consortium.** The budget deletes the one-time funding for the creation of regional investigation centers to investigate campus sexual assault included in Public Act 207 of 2018.

Gross	(1,000,000)
GF/GP	(1,000,000)

**6. Removal of FY 2017-18 Supplemental Funding for PIHP Audit.** The budget removes the funding for an audit of all PIHPs included in Public Act 207 of 2018.

Gross	(1,500,000)
GF/GP	(1,500,000)

**7. Removal of FY 2017-18 Supplemental Funding for Child Welfare Training Workgroup.** The budget removes the one-time funding for the Department to conduct a child welfare training modernization workgroup included in Public Act 207 of 2018.

Gross	(25,000)
GF/GP	(25,000)

**8. Reduction in Emergency Medical Services Fund Source to Statutory Maximum.** The budget reduces the amount of Crime Victims' Rights Fund revenue used to support the Emergency Medical Services and the statewide trauma system to the statutory maximum of \$3.5 million.

Gross	(50,300)
Federal	0
Restricted	(50,300)
GF/GP	0

	<b>FY 2018-19 Change From FY 2017-18 Year-to-Date</b>	
<b>9. Removal of FY 2017-18 Contingency Fund Transfer Cancer License Plate Revenue.</b> The budget reflects the removal of one-time revenue from a FY 2017-18 contingency fund transfer reflecting specialized license plate revenue dedicated to cancer prevention services.	Gross	(100,000)
	Private	(100,000)
	GF/GP	0
<b>10. Reversal of FY 2017-18 Boilerplate Appropriations - Long Term Care Study.</b> The budget does not include \$150,000 Gross in FY 2017-18 university partnership adjustments that were made via boilerplate authorization, or \$150,000 Gross of FY 2017-18 contingency fund transfers.	Gross	(150,000)
	Private	(150,000)
	GF/GP	0
<b>11. Removal of FY 2017-18 Supplemental Funding for MiSACWIS Upgrades.</b> The budget removes the one-time funding for upgrades to implement MCL 400.117a that was included in Public Act 207 of 2018.	Gross	(150,000)
	GF/GP	(150,000)
<b>12. Reduction of U-D Dental Clinic Funding.</b> The budget reduces one-time funding for the University of Detroit Mercy Dental Clinic by \$250,000.	Gross	(250,000)
	GF/GP	(250,000)
<b>13. Public Assistance Base and Caseload Adjustments - State Supplementation Income (SSI).</b> The budget reflects caseload consensus projections of 267,152 cases at a cost of \$18.75 per case per month.	Gross	(287,300)
	GF/GP	(287,300)
<b>14. Removal of FY 2017-18 Funding for "Kids Kicking Cancer" Program.</b> The budget reduces funding for an anti-opioid program run by this group.	Gross	(305,000)
	GF/GP	(305,000)
<b>15. Removal of Excess TANF from Emergency Services.</b> The budget removes excess TANF identified in the Emergency Services - Local Office Allocations line item.	Gross	(350,000)
	Federal	(350,000)
	GF/GP	0
<b>16. Remove FY 2017-18 Early Primary Care Pilot Program.</b> The budget reduces funding for an early primary care pilot program to place physicians in rural and medically underserved urban areas.	Gross	(500,000)
	GF/GP	(500,000)
<b>17. Child Welfare Base, Caseload, and Fund Source Adjustments - Family Support Subsidy (FSS).</b> The budget reflects caseload consensus projections of 5,716 cases at a cost of \$229.31 per case per month.	Gross	(643,900)
	Federal	(643,900)
	GF/GP	0

		<b>FY 2018-19 Change From FY 2017-18 Year-to-Date</b>	
<b>18. Public Assistance Base and Caseload Adjustments - State Disability Assistance (SDA).</b>	The budget reflects caseload consensus projections of 3,119 cases at a cost of \$214.86 per case per month.	Gross	(654,200)
		GF/GP	(654,200)
<b>19. Reduction in SSI Administration.</b>	The budget reflects a decrease in authorization due to a historical appropriation.	Gross	(700,000)
		GF/GP	(700,000)
<b>20. Elimination of Medincentive Program Funding.</b>	The budget removes funding for a demonstration project used to improve health outcomes for participants in the Healthy Michigan Plan.	Gross	(830,000)
		Federal	(415,000)
		GF/GP	(415,000)
<b>21. Removal of FY 2017-18 One-Time Grant Funding to Oaklawn Hospital.</b>	The budget reflects the removal of this one-time funding.	Gross	(850,000)
		GF/GP	(850,000)
<b>22. Savings from Funding Shift Tied to Department Merger.</b>	The budget reflects a \$1.0 million GF/GP savings in the Worker's Compensation line item to produce savings tied to the merger of the Departments of Community Health and Human Services.	Gross	(1,000,000)
		GF/GP	(1,000,000)
<b>23. Adjustment for Excess Food Assistance Recoupment Revenue.</b>	The budget reflects a lower amount of food assistance program overissuance revenue recoupment than has been authorized in past fiscal years.	Gross	(1,290,000)
		Federal	0
		Restricted	(1,290,000)
		GF/GP	0
<b>24. Reduction in Guardianship Rate.</b>	The budget reflects a decrease in guardianship reimbursement from \$95 per month to \$83 per month.	Gross	(1,419,600)
		Federal	(919,600)
		GF/GP	(500,000)
<b>25. Reduction in Funding to Facilitate Licensure of Relative Caregivers.</b>	The budget reduces funding paid to nonprofit private agency foster care agencies for completion of foster care licensure for relative caregivers. The rate for placement within 180 days is maintained at \$4,500 per case.	Gross	(1,500,000)
		GF/GP	(1,500,000)
<b>26. Removal of FY 2017-18 Supplemental Funding for Public Health Projects.</b>	The budget removes the one-time funding for one-time funding of testing and monitoring of potentially contaminated areas that was included in Public Act 207 of 2018.	Gross	(1,500,000)
		GF/GP	(1,500,000)

	<b>FY 2018-19 Change From FY 2017-18 Year-to-Date</b>	
<b>27. Adult Home Help Electronic Verification.</b> The budget includes an elimination in funding for a verification program aimed to reduce fraud in the Adult Home Help program.	Gross	(1,500,000)
	Federal	(1,350,000)
	GF/GP	(150,000)
<b>28. Remove Healthy Michigan Plan Healthy Behavior Gift Card Funding.</b> The budget includes an elimination of funding for gift cards given to Healthy Michigan Plan participants who demonstrate compliance with healthy behavior initiatives.	Gross	(1,745,000)
	Federal	(1,627,200)
	GF/GP	(117,800)
<b>29. Medicaid Base and Caseload Adjustments - Behavioral Health Services.</b> Funding for traditional Medicaid mental health decreases based on the consensus estimate agreed to in May 2018.	Gross	(2,148,700)
	Federal	(1,174,400)
	Restricted	157,200
	GF/GP	(1,131,500)
<b>30. Removal of GF/GP support for "Heat and Eat" Program Funding.</b> The budget removes the \$2.5 million GF/GP support but retains Federal funding to support the \$20.01 payment for a standard utility allowance for food assistance recipients also known as 'Heat and Eat'.	Gross	(2,500,000)
	Federal	0
	GF/GP	(2,500,000)
<b>31. Removal of FY 2017-18 Supplemental Funding for Legal Services Related to Flint Drinking Water Declaration of Emergency.</b> The budget deletes the one-time funding to provide legal services for the Department related to the Flint water emergency investigation included in Public Act 207 of 2018.	Gross	(3,000,000)
	GF/GP	(3,000,000)
<b>32. Medicaid Base and Caseload Adjustments - Substance Use Disorder Utilization and Inflation.</b> Funding for Medicaid substance use disorder services decrease based on the consensus estimate agreed to in May 2018.	Gross	(3,004,200)
	Federal	(1,964,900)
	GF/GP	(1,039,300)
<b>33. Child Welfare Base, Caseload, and Fund Source Adjustments - Adoption Subsidies.</b> The budget reflects caseload consensus projections of 22,920 cases at a cost of \$728.95 per case per month.	Gross	(4,300,500)
	Federal	(2,826,900)
	GF/GP	(1,473,600)
<b>34. Remove Level of Care Determination Funding.</b> The budget removes funding that was dedicated to ensuring conflict-free level of care determination for Medicaid long-term care services.	Gross	(5,000,000)
	Federal	(2,500,000)
	GF/GP	(2,500,000)

		<b>FY 2018-19 Change From FY 2017-18 Year-to-Date</b>	
<b>35. Public Assistance Base and Caseload Adjustments - Family Independence Program (FIP).</b>	The budget reflects caseload consensus projections of 16,912 cases at a cost of \$343.40 per case per month.	Gross	(5,090,500)
		Federal	3,799,100
		Restricted	102,900
		GF/GP	(8,992,500)
<b>36. Adjustment of Revenue Sources to Actual Amounts Received.</b>	The budget reduces various non-GF/GP fund sources to reflect actual revenue, as this revenue was never received in the first place, there is no impact on programming.	FTE	(50.0)
		Gross	(6,608,700)
		Federal	(4,040,000)
		Local	(1,756,900)
		Private	(379,000)
		Restricted	(432,800)
		GF/GP	0
<b>37. Removal of FY 2017-18 Supplemental Funding to Lakeshore PIHP.</b>	The budget removes the one-time funding for payments made to the Lakeshore PIHP that was included in Public Act 207 of 2018.	Gross	(6,974,000)
		GF/GP	(6,974,000)
<b>38. Reversal of FY 2017-18 Boilerplate Appropriations - University Partnerships.</b>	The budget does not include \$7.0 million Gross in FY 2017-18 university partnership adjustments that were made via boilerplate authorization, or \$7.0 million Gross of FY 2017-18 contingency fund transfers.	Gross	(7,000,000)
		Federal	(7,000,000)
		GF/GP	0
<b>39. Elimination of FY 2017-18 One-Time Hepatitis A Funding.</b>	The budget removes funding that was included in the previous fiscal year to address a Hepatitis A outbreak in Michigan.	Gross	(7,100,000)
		GF/GP	(7,100,000)
<b>40. Removal of Most FY 2017-18 One-Time Funding Projects.</b>	The budget reflects the removal of the majority of the items included in the one-time funding section. This includes projects such as Dental Clinic Program, Direct Primary Care Pilot Program, Farmers Market Wireless Equipment Grant, Food Bank Council of Michigan, and Food Pantry Grant.	Gross	(7,508,000)
		Federal	(3,958,000)
		GF/GP	(3,550,000)
<b>41. Reduction in Mental Health and Wellness Commission Programming.</b>	The budget reflects a 45.0% Gross reduction in funding to enact the recommendations of the Mental Health and Wellness Commission.	Gross	(9,000,000)
		Federal	(3,241,500)
		GF/GP	(5,758,500)

		<b>FY 2018-19 Change From FY 2017-18 Year-to-Date</b>	
<b>42. Changes in Federal Authorization.</b>	The budget includes several changes to Federal authorization to reflect the actual level of Federal funding expected to be received resulting in a decrease in authorization.	Gross Federal GF/GP	(10,062,400) (10,062,400) 0
<b>43. Changes in One-Time Flint Drinking Water Declaration of Emergency Funding.</b>	The budget removes one-time funding of \$21.5 million related to the Drinking Water Declaration of Emergency in Flint, but replaces it with new one-time funding of \$4.6 million for the Flint area using surplus Healthy Michigan Fund and other revenue. This funding may be used for such activities as nutrition assistance, epidemiological analysis and case management, support for children's health care access and programming, nursing services, field operations costs, lead poisoning surveillance, nutritional incentives provided through the Double Up Food Bucks Expansion Program, and water tests performed by food inspectors.	FTE Gross Federal Restricted GF/GP	(4.5) (16,920,600) (3,500,000) (15,985,000) 2,564,400
<b>44. Physician Adjustor and Specialty Network Access Fee (SNAF) Adjustments.</b>	The budget includes adjustments to fee-for-service and managed care payments made to publically affiliated clinics through the Physician Adjustor and SNAF programs.	Gross Federal Local Restricted GF/GP	(27,367,500) (25,520,000) (171,100) (1,676,400) 0
<b>45. Reduction in Autism Services Reimbursement Rates.</b>	The budget included two changes to reduce the costs of the Autism Services program: the establishment of a statewide fee schedule (savings of \$19,945,100 Gross, \$7,080,500 GF/GP) and a reduction in base reimbursement rate to \$50.00 per hour (savings of \$14,652,300 Gross, \$5,208,900 GF/GP).	Gross Federal GF/GP	(34,597,400) (22,308,000) (12,289,400)
<b>46. Removal of Excess Federal Authorization for Electronic Health Records.</b>	The budget reflects an authorization reduction due to the phase-out of the Electronic Health Records Program at the end of calendar year 2016. As there was a decline in the number of required Federal incentive payments to health care providers, leading to excess authorization in the line-item.	Gross Federal GF/GP	(48,169,000) (48,169,000) 0
<b>47. Removal of FY 2017-18 Supplemental Funding for One-Time Payment to PIHPs.</b>	The budget removed the one-time funding for payments made to PIHPs that were included in Public Act 207 of 2018. The funding was distributed between several line-items that includes: Medicaid Mental Health Services, Healthy Michigan Plan - Behavioral Health, Medicaid Substance Use Disorder.	Gross Federal GF/GP	(59,800,000) (42,746,300) (17,053,700)

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

<b>48. Medicaid Base and Caseload Adjustments - Traditional Medicaid.</b> The budget reflects the May 2018 consensus agreement on adjustments to the traditional Medicaid line items.	Gross (115,454,800) Federal (68,974,600) Local 164,300 Restricted (46,849,900) GF/GP 205,300
<b>49. Healthy Michigan Plan Base and Caseload.</b> The budget reflects the May 2018 consensus agreement on adjustments to the Healthy Michigan Plan line item. The program caseload averages around 680,000.	Gross (173,018,900) Federal (168,724,400) GF/GP (4,294,500)

**D. FUNDING SHIFTS**

<b>1. Change in Base Medicaid Match Rate for FY 2018-19.</b> The base Medicaid match rate decreases from 64.78% to 64.45% in FY 2018-19, leading to an increase in GF/GP costs.	Gross 0 Federal (45,298,300) Local 491,700 Restricted 6,814,400 GF/GP 37,992,200
<b>2. Change in Title XXI Match Rate for FY 2018-19.</b> The Federal Title XXI match rate, used to support the MICHild program, decreases from 98.35% to 98.12% in FY 2018-19, increasing GF/GP costs.	Gross 0 Federal (579,900) GF/GP 579,900
<b>3. Reduction in Federal Medicaid Expansion Match Rate for FY 2018-19.</b> The expansion Medicaid match rate decreases from 94.0% to 93.0% on January 1, 2019, leading to an increase in GF/GP costs.	Gross 0 Federal (41,831,300) Local 328,600 Restricted 8,531,500 GF/GP 32,971,200
<b>4. Healthy Michigan Fund Revenue.</b> The budget assumes a decrease in available Healthy Michigan Fund revenue used to offset GF/GP support in Medicaid.	Gross 0 Restricted (14,252,500) GF/GP 14,252,500

		<b>FY 2018-19 Change From FY 2017-18 Year-to-Date</b>
<b>5. Swap of Temporary Assistance for Needy Families (TANF) Funding with GF/GP.</b>	The budget includes a fund source shift in the Child Welfare Field Staff line item and the Family Independence Program line item, with TANF revenue being used to offset GF/GP.	Gross 0 Federal 10,000,000 GF/GP (10,000,000)
<b>6. Reclassification of Second Injury Fund Revenue.</b>	The budget reclassifies revenue received from the Second Injury Fund as an IDG from LARA rather than as restricted fund revenue.	Gross 0 IDG 38,300 Restricted (38,300) GF/GP 0
<b>7. Replace Federal Children's Health Insurance Program (CHIP) Funding with GF/GP.</b>	The budget removes CHIP bonus funding that used to support primary care clinics and free clinics, and replaces it with GF/GP	Gross 0 Federal (1,504,500) GF/GP 1,504,500
<b>8. Health Insurance Claims Assessment (HICA) Revenue.</b>	The budget removes one-time HICA revenue that was available in FY 2017-18, as there is no need to pay any HICA rebate in calendar year 2017, and replaces it with GF/GP.	Gross 0 Restricted (60,048,800) GF/GP 60,048,800
<b>9. Merit Award Trust Fund Revenue.</b>	The budget reflects an increase in available Merit Award Trust Fund revenue used to offset GF/GP support in Medicaid.	Gross 0 Tobacco 2,000,000 GF/GP (2,000,000)
<b>10. Medicaid Benefits Trust Fund Revenue.</b>	The budget reflects an increase in available Medicaid Benefits Trust Fund revenue used to offset GF/GP support in Medicaid.	Gross 0 Restricted 38,250,000 GF/GP (38,250,000)
<b>11. Rebasing of University Disproportionate Share Hospital (DSH) Payments to Actual Levels.</b>	The FY 2017-18 supplemental aligned authorization with projected FY 2017-18 DSH payments. The budget continues the corrected authorization alignment and adjusts the funding level to reflect the FY 2018-19 Medicaid match rate.	Gross 0 Federal (2,400) Restricted 2,400 GF/GP 0
<b>12. Change in Effective Match Rate for "Money Follows the Person" Funding.</b>	The budget reflects the end of the "Money Follows the Person" Grant funding and replaces it with GF/GP.	Gross 0 Federal (1,896,100) GF/GP 1,896,100

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**13. Fund Source Error Correction in Community Health Automated Medicaid Processing System (CHAMPS).** The budget reflects an adjustment to correct an error in fund sources in a previous fiscal year in how CHAMPS is financed.

Gross	0
Federal	13,995,100
GF/GP	(13,995,000)

**E. PROGRAM TRANSFERS**

**Mental Health and Wellness Funds to Department of Education (DOE).** The budget transfers mental health and wellness funds for Special Olympics-Project UNIFY to DOE.

Gross	(500,000)
GF/GP	(500,000)

**F. OTHER ISSUES**

**1. Adjustments to FY 2017-18 Supplemental Funding for Sexual Assault Evidence Kit Tracking.** The budget removes \$4.0 million in one-time GF/GP funding to create the Sexual Assault Evidence Tracking Fund and uses \$800,000 from that fund to cover costs in FY 2018-19.

Gross	(3,200,000)
Restricted	800,000
GF/GP	(4,000,000)

**2. Increase in Office of Recipient Rights Staffing.** The budget uses current funding to add 2.0 FTEs in the Office of Recipient Rights.

FTE	2.0
Gross	0
GF/GP	0

**3. Adjustment of FTE Count to Actual.** The budget adjusts the FTE count at State psychiatric facilities to reflect the Department's actual on-board staff. This does not change the actual number of employees at State psychiatric facilities.

FTE	(2.3)
Gross	0
GF/GP	0

**G. UNCLASSIFIED SALARIES**

The budget increases Gross funding for the unclassified salaries line item from \$1,153,000 to \$1,176,100.

Gross	23,100
Federal	7,600
GF/GP	15,500

**H. FEE INCREASES - NONE**

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**I. ECONOMIC ADJUSTMENTS**

The economic adjustment amount includes standard economic factors applied to salaries and wages, retirement, other employment retirement costs (OERC), insurance, rent, motor transport, workers' compensation, and building occupancy charges consistent with factors applied to all budgets. Classified employees will receive a 2.0% base wage increase in FY 2018-19 effective on October 1, 2018. Non-exclusively represented employees (NERES) also will receive a 2.0% base wage increase for FY 2018-19 effective on October 1, 2018.

Gross	32,754,400
IDG	134,500
Federal	15,241,500
Local	150,400
Private	72,300
Restricted	442,600
GF/GP	16,713,100

**J. ONE-TIME APPROPRIATIONS**

The budget identifies \$19,672,200 of FY 2018-19 one-time appropriations, shifts \$0 of appropriations from one-time to ongoing, and eliminates \$46,388,700 of FY 2017-18 one-time appropriations:

	<b>Gross</b>	<b>GF/GP</b>
<b>FY 2018-19</b>		
Michigan Medical Resident Loan Repayment Program .....	\$5,000,000	\$5,000,000
FY 2018-19 Drinking Water Declaration of Emergency.....	4,621,100	4,244,400
Census Related Services .....	2,500,000	500,000
Western Michigan University Clinics.....	1,500,000	1,500,000
Multicultural Integration Funding.....	1,381,100	1,381,100
FY 2018-19 Child Lead Poisoning Elimination Board.....	1,250,000	1,250,000
FY 2018-19 Autism Navigator.....	1,025,000	1,025,000
FY 2018-19 Dental Clinic Program .....	1,000,000	1,000,000
Employment First .....	500,000	500,000
FY 2018-19 Primary Care and Dental Health Services .....	300,000	300,000
FY 2018-19 Refugee Assistance Grant.....	175,000	175,000
Asian American Health Care and Wellness Initiative .....	150,000	150,000
Opioid Outreach Coordinator .....	115,000	115,000

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

Infant Mortality Program Grant .....	100,000	100,000
Autism Train the Trainer Grant .....	55,000	55,000
<b>Subtotal</b> .....	<b>\$19,672,200</b>	<b>\$17,295,500</b>

**FY 2017-18**

FY 2017-18 Drinking Water Declaration of Emergency.....	(\$21,541,700)	(\$1,680,000)
Lakeshore Regional Entity PIHP Risk Sharing.....	(6,974,000)	(6,974,000)
Direct Primary Care Pilot Program .....	(5,724,000)	(2,016,000)
Drinking Water Declaration of Emergency Legal Services.....	(3,000,000)	(3,000,000)
Public Health Projects.....	(1,500,000)	(1,500,000)
FY 2017-18 Dental Clinic Program .....	(1,250,000)	(1,250,000)
Title XI Regional Consortium Pilot Program .....	(1,000,000)	(1,000,000)
Primary Care Hospital Grant.....	(850,000)	(850,000)
Double Up Food Bucks.....	(750,000)	(750,000)
FY 2017-18 Autism Navigator.....	(565,000)	(565,000)
Farmer's Market Wireless Equipment Purchases.....	(500,000)	(250,000)
University Autism Programs .....	(500,000)	(500,000)
FY 2017-18 Primary Care and Dental Health Services.....	(300,000)	(300,000)
Food Bank Council of Michigan .....	(184,000)	(184,000)
Prenatal Diagnosis Clearinghouse Website .....	(150,000)	(150,000)
FY 2017-18 Refugee Assistance Grant.....	(150,000)	(150,000)
Oakland Hope Food Pantry Program .....	(100,000)	(100,000)
Special Olympics Michigan.....	(100,000)	(100,000)
<b>Subtotal</b> .....	<b>(\$46,388,700)</b>	<b>(\$22,569,000)</b>

**K. VETOES - NONE**

**HIGHER EDUCATION  
P.A. 265 of 2018 – ARTICLE III**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE	FY 2018-19 GOV.'S REC.	FY 2018-19 SENATE	FY 2018-19 HOUSE	FY 2018-19 INITIAL APPROPS.	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
						AMOUNT	PERCENT
FTE Positions .....	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>GROSS</b> .....	<b>1,629,224,400</b>	<b>1,658,932,600</b>	<b>1,680,147,700</b>	<b>1,650,317,500</b>	<b>1,669,732,600</b>	<b>40,508,200</b>	<b>2.5</b>
Less:							
Interdepartmental Grants Received .....	0	0	0	0	0	0	0.0
<b>ADJUSTED GROSS</b> .....	<b>1,629,224,400</b>	<b>1,658,932,600</b>	<b>1,680,147,700</b>	<b>1,650,317,500</b>	<b>1,669,732,600</b>	<b>40,508,200</b>	<b>2.5</b>
Less:							
Federal Funds .....	111,526,400	113,026,400	119,026,400	119,026,400	123,526,400	12,000,000	10.8
Local and Private .....	0	0	0	0	0	0	0.0
<b>TOTAL STATE SPENDING</b> .....	<b>1,517,698,000</b>	<b>1,545,906,200</b>	<b>1,561,121,300</b>	<b>1,531,291,100</b>	<b>1,546,206,200</b>	<b>28,508,200</b>	<b>1.9</b>
Less:							
Other State Restricted Funds .....	238,443,500	385,688,300	385,688,300	385,688,300	500,188,300	261,744,800	109.8
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>1,279,254,500</b>	<b>1,160,217,900</b>	<b>1,175,433,000</b>	<b>1,145,602,800</b>	<b>1,046,017,900</b>	<b>(233,236,600)</b>	<b>(18.2)</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>

Includes Ongoing and One-time Appropriations as of July 1, 2018.

**A. NEW PROGRAMS - NONE**

**B. PROGRAM INCREASES**

1. **University Operations.** The Governor recommended an overall \$28.6 million School Aid Fund (SAF) (2.0%) increase for university operations. The formula included performance metrics used in recent years. Half of the funding increase was allocated proportional to FY 2010-11 (across-the-board). The balance of the funding was allocated using metrics that include weighted undergraduate completions in critical skills, research and development expenditures, six-year graduation rates, total degree completions, administrative costs, and percentage of students receiving Pell Grants. The Governor proposed a minor modification to the formula by increasing the weighting for associate degrees and certificates in the critical skills metric.

Gross	28,566,800
Restricted	28,566,800
GF/GP	0

The Senate did not concur with the Governor's revised weighting for the critical skills metric and maintained the existing performance funding formula for the 2.0% SAF increase. The Senate included an additional \$14.3 million GF/GP, resulting in an overall 3.0% increase for university operations. The additional funds added by the Senate were to be allocated proportional to FY 2010-11 operations funding (across-the-board) and were required to be used for campus safety programs, sexual assault prevention programs, and student mental health programs.

The House did not concur with Governor's revised weighting for the critical skills metric and maintained the existing performance funding formula, but reduced the increase for university operations by \$14.3 million SAF (1.0%).

The Conference Committee included a \$28.6 million SAF (2.0%) increase based on the distribution formula used by the Senate and House. No distribution was based on the Senate's campus initiatives funding category.

Table 1 includes details of formula allocations. Table 2 provides a comparison of the FY 2018-19 Governor, Senate, House, and Initial - appropriations versions of the budget.

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**2. Tuition Incentive Program (TIP).** The TIP is a financial aid program targeted toward low-income middle school and high school students. It was established in FY 1986-87 through language in the Department of Social Services appropriation bill and was transferred to the Higher Education budget in FY 1992-93. The TIP provides an incentive to students to complete high school and go on to college by pledging to pay their tuition and fees for associate degree or certificate programs (Phase I), as well as up to \$2,000 at a four-year institution (Phase II). Students in grades 6 through 12 who are Michigan Medicaid-eligible for 24 months in a 36-consecutive-month period can qualify for TIP. The Governor increased funding by \$1.5 million Federal Temporary Assistance for Needy Families (TANF), from \$58.3 million to \$59.8 million. The Senate and House concurred with Governor. The Conference Committee increased TIP funding by another \$4.5 million TANF, resulting in a \$6.0 million increase and bringing FY 2018-19 total funding to \$64.3 million in order to fund the elimination of cost containment measures in Section 256 of the State School Aid Act. The eliminated cost containment measures included the \$8.5 million TIP maximum payment cap for eligible students enrolled in same the institution (effective in FY 2017-18) and the three times the average community college in-district per-credit tuition reimbursement cap for students enrolled in public universities (which was set to be effective in FY 2018-19).

Gross	6,000,000
Federal	6,000,000
GF/GP	0

**3. Tuition Grants.** Public Act 313 of 1966 established Tuition Grants. Undergraduate students at Michigan private institutions are eligible for up to 10 semesters if they have financial need. The Governor recommended decreasing funding for Tuition Grants by \$6.0 million TANF, from \$38,021,500 to \$32,021,500, based on enrollments and projected amounts needed to fund the grant award amount set in the State School Aid Act. The Governor recommended the same adjustment in an FY 2017-18 Supplemental (DTMB Supplemental Request 2018-5). The Senate and House did not include the proposed \$6.0 million reduction for FY 2018-19, and also did not include the proposed FY 2017-18 supplemental reduction. The FY 2018-19 budget maintained the \$38.0 million funding level for Tuition Grants in FY 2018-19, but did reduce Tuition Grants in FY 2017-18 to fund the FY 2017-18 \$6.0 million increase for Competitive Scholarships in that year.

Gross	6,000,000
Federal	6,000,000
GF/GP	0

Important language sections affecting the program that were changed for FY 2018-19 include:

- a) Current law sets the maximum state tuition grant award per student, which shall not be less than \$2,000. The Governor set the award amount at \$2,100. The Senate increased the per student award to \$2,400. The House increased the per student award to \$2,300. The budget set the per student award at \$2,400.

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

- b) Increasing the maximum award for an independent nonprofit college by \$700,000, from \$3.5 million to \$4.2 million. The \$4.2 million per institution limit does not apply to any other student financial aid program or combination with any other student financial aid program.
- c) Removing the provision that limited duration of grant eligibility to ten years after eligibility is first determined.
- 4. Competitive Scholarships.** Public Act 208 of 1964 established State Competitive Scholarships. Undergraduate students at Michigan two-year and four-year, public and private institutions are eligible for up to 10 semesters if they have financial need and a qualifying SAT score. The Governor recommended increasing funding by 6.0 million (TANF) (22.8%), from \$26,361,700 to \$32,361,700, offset by a \$6.0 million reduction to the Tuition Grant Program (see item #2 above). These adjustments are recommended based on eligible students and fully funding the grant award amounts set in the State School Aid Act (Sections 251 and 252). The Governor recommended the same adjustment in an FY 2017-18 Supplemental (DTMB Supplemental Request 2018-5). The Senate and House included the \$6.0 million increase for Competitive Scholarships in FY 2018-19, but did not include the FY 2017-18 supplemental. The budget included the FY 2017-18 adjustment and maintained the FY 2018-19 budget at the supplemented-level of \$32,361,700.
- |  |         |   |
|--|---------|---|
|  | Gross   | 0 |
|  | Federal | 0 |
|  | GF/GP   | 0 |
- 5. MSU AgBioResearch.** MSU AgBioResearch performs agricultural research to promote efficient production, marketing, distribution, and use of farm products. The Governor included a \$678,300 GF/GP (2.0%) increase. The Senate provided a \$1,017,400 GF/GP (3.0%) increase. The House reduced the increase to \$339,100 GF/GP (1.0%). The budget included a \$678,300 GF/GP (2.0%) increase, bringing total FY 2018-19 funding to \$34,591,400.
- |  |       |         |
|--|-------|---------|
|  | Gross | 678,300 |
|  | GF/GP | 678,300 |
- 6. MSU Extension.** MSU Extension identifies and solves farm, home, and community problems through the practical application of research findings. MSU Extension operates Michigan's Expanded Food and Nutrition Education Program (EFNEP), serves as a resource for youth 4-H programs, and provides information on family financial planning. The Governor included a \$585,100 GF/GP (2.0%) increase. The Senate included an \$877,600 GF/GP (3.0%) increase. The House reduced the increase to \$292,500 GF/GP (1.0%). The budget included a \$585,100 GF/GP (2.0%) increase, bringing total FY 2018-19 funding to \$29,837,700.
- |  |       |         |
|--|-------|---------|
|  | Gross | 585,100 |
|  | GF/GP | 585,100 |

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**C. PROGRAM ELIMINATIONS/REDUCTIONS**

**Michigan Public School Employees' Retirement System (MPSERS).** The budget includes a decrease of \$1,572,000 (SAF) based on the rate cap for the Unfunded Actuarial Accrued Liability (UAAL), and a one-time increase of \$250,000 SAF due to decreasing the assumed rate of return for the normal cost offset. A total of \$5.8 million SAF is included in the FY 2018-19 budget for MPSERS costs. Of that amount \$669,000 SAF is one-time for the normal cost offset. There are seven universities that receive MPSERS funding (Central, Eastern, Ferris, Lake Superior, Michigan Tech, Northern, and Western).

Gross	(1,322,000)
Restricted	(1,322,000)
GF/GP	0

**D. FUNDING SHIFTS**

**School Aid Fund.** The Governor and Senate shifted \$120.0 million in funding for university operations from the State General Fund to the SAF. The House shifted an additional \$14.3 million to the SAF. The Conference Committee shifted a total of \$234.5 million from the State General Fund to the SAF. This results in a total Higher Education SAF appropriation of \$500.1 million.

Gross	0
Restricted	234,500,000
GF/G	(234,500,000)

**E. PROGRAM TRANSFERS - NONE**

**F. OTHER ISSUES**

**1. North American Indian Tuition Waiver.** Public Act 174 of 1976 provides for free tuition for Michigan resident North American Indians who attend Michigan public community colleges and universities, and certain Federal tribally-controlled community colleges. State appropriations in university operation budgets have not kept pace with actual waiver costs. In FY 2016-17, universities absorbed \$6.5 million in waiver costs. The FY 2017-18 budget included a separate appropriation of \$300,000 to partially offset the shortfall in State funding. The Governor recommended removing the \$300,000 in FY 2018-19. The Senate, House, and FY 2018-19 budget maintained the \$300,000 appropriation.

Gross	0
GF/GP	0

2. **Significant Language Section Changes.** New language requires public universities to develop, maintain, and update a "campus safety information and resources" link, prominently displayed on the homepage of its website. The information that must be included on the "campus safety information and resources" section of each public university's website includes emergency contacts and Title IX offices, listings of safety and security services, a directory of resources for survivors of sexual assault, security policies, crime statistics, and other information (Sec. 245a). Tuition restraint is set at the greater of 3.8% or \$490. The penalty for exceeding tuition restraint or not complying with other prerequisites is increased to the loss of performance funding for three fiscal years (Sec. 265 and Sec. 265a).

New language prescribes a 10.0% penalty for universities that do not comply with specified sexual assault prevention policies and Title IX investigation standards (Sec. 265b). Other language encourages universities to enter into a memorandum of understanding with at least one local law enforcement agency for communication and coordination of responses to incidents of sexual assault (Sec. 265d). In addition, language expresses legislative intent that a portion of the funds appropriated to universities be spent on campus safety programs, sexual assault prevention programs, and student mental health programs (Sec. 265e).

**G. UNCLASSIFIED SALARIES - NONE**

**H. FEE INCREASES - NONE**

**I. ECONOMIC ADJUSTMENTS - NONE**

**J. ONE-TIME APPROPRIATIONS**

The budget identifies \$669,000 of FY 2018-19 one-time appropriations:

	<u>Gross</u>	<u>GF/GP</u>
<b>FY 2018-19</b>		
MPSERS Normal cost offset.....	\$669,000	\$0
<b>Subtotal.....</b>	<b>\$669,000</b>	<b>\$0</b>

**K. VETOES - NONE**

Table 1: FY 2018-19 Higher Education Appropriations: Initial Appropriation

University	FY 2017-18 Year-To-Date Appropriation	FY 2018-19 Adjustments						FY 2018-19 Initial	Dollar Change From 2017-18	Percent Change	2018-19 Appropriation Per FYES
		Proportional to FY 2010-11	Critical Skills	Research & Development	Metrics based on Carnegie Peers	Total Formula Distribution	Other Changes				
Central	\$85,654,400	\$805,831	\$147,790	\$15,721	\$791,249	\$1,760,600	\$0	\$87,415,000	\$1,760,600	2.1%	\$4,327
Eastern	75,169,900	764,542	168,749	5,118	870,986	1,809,400	0	76,979,300	1,809,400	2.4	4,603
Ferris	53,595,500	488,929	248,412	0	617,870	1,355,200	0	54,950,700	1,355,200	2.5	4,722
Grand Valley	70,100,100	623,253	249,885	0	1,083,375	1,956,500	0	72,056,600	1,956,500	2.8	3,151
Lake Superior	13,775,000	127,657	32,552	0	51,786	212,000	0	13,987,000	212,000	1.5	7,247
Michigan State	281,239,100	2,852,821	581,357	369,240	1,231,666	5,035,100	0	286,274,200	5,035,100	1.8	6,231
Michigan Tech	49,052,200	481,940	165,646	62,637	187,141	897,400	0	49,949,600	897,400	1.8	7,510
Northern	47,137,400	453,944	100,049	0	306,972	861,000	0	47,998,400	861,000	1.8	6,965
Oakland	51,235,900	510,470	242,509	13,313	816,981	1,583,300	0	52,819,200	1,583,300	3.1	2,957
Saginaw Valley	29,766,100	278,767	88,962	0	394,140	761,900	0	30,528,000	761,900	2.6	3,867
UM-Ann Arbor	314,589,100	3,180,347	568,224	905,443	1,539,429	6,193,300	0	320,782,400	6,193,300	2.0	7,014
UM-Dearborn	25,421,900	248,654	86,569	0	314,672	649,900	0	26,071,800	649,900	2.6	3,776
UM-Flint	23,061,800	210,156	109,651	0	203,840	523,600	0	23,585,400	523,600	2.3	3,662
Wayne State	199,169,800	2,153,770	172,797	191,499	675,324	3,193,400	0	202,363,200	3,193,400	1.6	8,990
Western	109,376,800	1,102,321	210,936	24,074	436,835	1,774,200	0	111,151,000	1,774,200	1.6	5,698
<b>Subtotal University Operations:</b>	<b>\$1,428,345,000</b>	<b>\$14,283,400</b>	<b>\$3,174,089</b>	<b>\$1,587,044</b>	<b>\$9,522,267</b>	<b>\$28,566,800</b>	<b>\$0</b>	<b>\$1,456,911,800</b>	<b>\$28,566,800</b>	<b>2.0%</b>	<b>\$5,610</b>
MPERS Reimbursement	\$6,705,000						(\$1,572,000)	\$5,133,000	(\$1,572,000)	(23.4%)	
MSU AgBioResearch	33,913,100						678,300	34,591,400	678,300	2.0	
MSU Extension	29,252,600						585,100	29,837,700	585,100	2.0	
Higher Education Database	200,000						0	200,000	0	0.0	
Midwest Higher Ed Compact	115,000						0	115,000	0	0.0	
King-Chavez-Parks	2,691,500						0	2,691,500	0	0.0	
MPERS Normal Cost Hold Harmless (one-time)	419,000						250,000	669,000	250,000	59.7	
<b>Total Universities</b>	<b>\$1,501,641,200</b>	<b>\$14,283,400</b>	<b>\$3,174,089</b>	<b>\$1,587,044</b>	<b>\$9,522,267</b>	<b>\$28,566,800</b>	<b>(\$58,600)</b>	<b>\$1,530,149,400</b>	<b>\$28,508,200</b>	<b>1.9%</b>	
<b>School Aid Fund</b>	<b>238,343,500</b>	<b>14,283,400</b>	<b>3,174,089</b>	<b>1,587,044</b>	<b>9,522,267</b>	<b>28,566,800</b>	<b>233,178,000</b>	<b>500,088,300</b>	<b>261,744,800</b>	<b>109.8</b>	
<b>State GF/GP</b>	<b>\$1,263,297,700</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$233,236,600)</b>	<b>\$1,030,061,100</b>	<b>(\$233,236,600)</b>	<b>(18.5%)</b>	
<b>Grants and Financial Aid</b>	<b>\$127,583,200</b>						<b>\$12,000,000</b>	<b>\$139,583,200</b>	<b>\$12,000,000</b>	<b>9.4%</b>	
State Competitive Scholarships	\$32,361,700						\$0	\$32,361,700	\$0	0.0%	
Tuition Grants	32,021,500						6,000,000	38,021,500	6,000,000	18.7	
Tuition Incentive Program (TIP)	58,300,000						6,000,000	64,300,000	6,000,000	10.3	
Children of Veterans & Officer's Tuition	1,400,000						0	1,400,000	0	0.0	
Project Gear-Up	3,200,000						0	3,200,000	0	0.0	
North American Indian Tuition Waiver	300,000						0	300,000	0	0.0	
<b>Federal Higher Ed Act</b>	<b>3,200,000</b>						<b>0</b>	<b>3,200,000</b>	<b>0</b>	<b>0.0</b>	
<b>Federal TANF</b>	<b>108,326,400</b>						<b>12,000,000</b>	<b>120,326,400</b>	<b>12,000,000</b>	<b>11.1</b>	
<b>Veterans Tax Check-off</b>	<b>100,000</b>						<b>0</b>	<b>100,000</b>	<b>0</b>	<b>0.0</b>	
<b>State GF/GP</b>	<b>\$15,956,800</b>		<b>\$0</b>		<b>\$0</b>		<b>\$0</b>	<b>\$15,956,800</b>	<b>\$0</b>	<b>0.0</b>	
<b>TOTAL HIGHER EDUCATION</b>											
<b>TOTAL ALL FUNDS</b>	<b>\$1,629,224,400</b>	<b>\$14,283,400</b>	<b>\$3,174,089</b>	<b>\$1,587,044</b>	<b>\$9,522,267</b>	<b>\$28,566,800</b>	<b>\$11,941,400</b>	<b>\$1,669,732,600</b>	<b>\$40,508,200</b>	<b>2.5%</b>	
<b>TOTAL FEDERAL</b>	<b>111,526,400</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,000,000</b>	<b>123,526,400</b>	<b>12,000,000</b>	<b>10.8</b>	
<b>TOTAL STATE RESTRICTED</b>	<b>238,443,500</b>	<b>14,283,400</b>	<b>3,174,089</b>	<b>1,587,044</b>	<b>9,522,267</b>	<b>28,566,800</b>	<b>233,178,000</b>	<b>500,188,300</b>	<b>261,744,800</b>	<b>109.8</b>	
<b>TOTAL STATE GF/GP</b>	<b>\$1,279,254,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$233,236,600)</b>	<b>\$1,046,017,900</b>	<b>(\$233,236,600)</b>	<b>(18.2%)</b>	

Table 2: FY 2018-19 Higher Education Appropriation

University	FY 2017-18 Year-To-Date	Governor			Senate			House			Initial Appropriation		
		FY 2018-19 Gov. Rec.	Dollar Change	Percent Change	FY 2018-19 Senate	Dollar Change	Percent Change	FY 2018-19 House	Dollar Change	Percent Change	FY 2018-19 Conference	Dollar Change	Percent Change
Central	\$85,654,400	\$87,413,100	\$1,758,700	2.1%	\$88,220,800	\$2,566,400	3.0%	\$86,534,700	\$880,300	1.0%	\$87,415,000	\$1,760,600	2.1%
Eastern	75,169,900	76,977,200	1,807,300	2.4	77,743,800	2,573,900	3.4	76,074,600	904,700	1.2	76,979,300	1,809,400	2.4
Ferris	53,595,500	54,975,900	1,380,400	2.6	55,439,600	1,844,100	3.4	54,273,100	677,600	1.3	54,950,700	1,355,200	2.5
Grand Valley	70,100,100	72,053,500	1,953,400	2.8	72,679,900	2,579,800	3.7	71,078,400	978,300	1.4	72,056,600	1,956,500	2.8
Lake Superior	13,775,000	13,988,400	213,400	1.5	14,114,700	339,700	2.5	13,881,000	106,000	0.8	13,987,000	212,000	1.5
Michigan State	281,239,100	286,268,900	5,029,800	1.8	289,127,000	7,887,900	2.8	283,756,700	2,517,600	0.9	286,274,200	5,035,100	1.8
Michigan Tech	49,052,200	49,947,900	895,700	1.8	50,431,500	1,379,300	2.8	49,500,900	448,700	0.9	49,949,600	897,400	1.8
Northern	47,137,400	48,004,600	867,200	1.8	48,452,300	1,314,900	2.8	47,567,900	430,500	0.9	47,998,400	861,000	1.8
Oakland	51,235,900	52,816,100	1,580,200	3.1	53,329,700	2,093,800	4.1	52,027,500	791,600	1.5	52,819,200	1,583,300	3.1
Saginaw Valley	29,766,100	30,526,800	760,700	2.6	30,806,800	1,040,700	3.5	30,147,000	380,900	1.3	30,528,000	761,900	2.6
UM-Ann Arbor	314,589,100	320,775,300	6,186,200	2.0	323,962,800	9,373,700	3.0	317,685,800	3,096,700	1.0	320,782,400	6,193,300	2.0
UM-Dearborn	25,421,900	26,070,700	648,800	2.6	26,320,500	898,600	3.5	25,746,900	325,000	1.3	26,071,800	649,900	2.6
UM-Flint	23,061,800	23,584,100	522,300	2.3	23,795,600	733,800	3.2	23,323,600	261,800	1.1	23,585,400	523,600	2.3
Wayne State	199,169,800	202,361,000	3,191,200	1.6	204,517,000	5,347,200	2.7	200,766,500	1,596,700	0.8	202,363,200	3,193,400	1.6
Western	109,376,800	111,148,300	1,771,500	1.6	112,253,300	2,876,500	2.6	110,263,900	887,100	0.8	111,151,000	1,774,200	1.6
<b>Subtotal University Operations:</b>	<b>\$1,428,345,000</b>	<b>\$1,456,911,800</b>	<b>\$28,566,800</b>	<b>2.0%</b>	<b>\$1,471,195,300</b>	<b>\$42,850,300</b>	<b>3.0%</b>	<b>\$1,442,628,500</b>	<b>\$14,283,500</b>	<b>1.0%</b>	<b>\$1,456,911,800</b>	<b>\$28,566,800</b>	<b>2.0%</b>
MPSERS Reimbursement	\$6,705,000	\$5,133,000	(\$1,572,000)	(23.4%)	\$5,133,000	(\$1,572,000)	(23.4%)	\$5,133,000	(\$1,572,000)	(23.4%)	\$5,133,000	(\$1,572,000)	(23.4%)
MSU AgBioResearch	33,913,100	34,591,400	678,300	2.0	34,930,500	1,017,400	3.0	34,252,200	339,100	1.0	34,591,400	678,300	2.0
MSU Extension	29,252,600	29,837,700	585,100	2.0	30,130,200	877,600	3.0	29,545,100	292,500	1.0	29,837,700	585,100	2.0
Higher Education Database	200,000	200,000	0	0.0	200,000	0	0.0	200,000	0	0.0	200,000	0	0.0
Midwest Higher Ed Compact	115,000	115,000	0	0.0	115,000	0	0.0	115,000	0	0.0	115,000	0	0.0
King-Chavez-Parks	2,691,500	2,691,500	0	0.0	2,691,500	0	0.0	2,691,500	0	0.0	2,691,500	0	0.0
MPSERS Normal Cost Offset (one-time)	419,000	669,000	250,000	59.7	669,000	250,000	59.7	669,000	250,000	59.7	669,000	250,000	59.7
<b>Total Universities</b>	<b>\$1,501,641,200</b>	<b>\$1,530,149,400</b>	<b>\$28,508,200</b>	<b>1.9%</b>	<b>\$1,545,064,500</b>	<b>\$43,423,300</b>	<b>2.9%</b>	<b>\$1,515,234,300</b>	<b>\$13,593,100</b>	<b>0.9%</b>	<b>\$1,530,149,400</b>	<b>\$28,508,200</b>	<b>1.9%</b>
<b>School Aid Fund</b>	<b>238,343,500</b>	<b>385,588,300</b>	<b>147,244,800</b>	<b>61.8</b>	<b>385,588,300</b>	<b>147,244,800</b>	<b>61.8</b>	<b>385,588,300</b>	<b>147,244,800</b>	<b>61.8</b>	<b>500,088,300</b>	<b>261,744,800</b>	<b>109.8</b>
<b>State GF/GP</b>	<b>\$1,263,297,700</b>	<b>\$1,144,561,100</b>	<b>(\$118,736,600)</b>	<b>(9.4%)</b>	<b>\$1,159,476,200</b>	<b>(\$103,821,500)</b>	<b>(8.2%)</b>	<b>\$1,129,646,000</b>	<b>(\$133,651,700)</b>	<b>(10.6%)</b>	<b>\$1,030,061,100</b>	<b>(\$233,236,600)</b>	<b>(18.5%)</b>
<b>Grants and Financial Aid</b>													
State Competitive Scholarships	\$32,361,700	\$32,361,700	\$0	0.0%	32,361,700	0	0.0%	\$32,361,700	\$0	0.0%	\$32,361,700	\$0	0.0%
Tuition Grants	32,021,500	32,021,500	0	0.0	38,021,500	6,000,000	18.7	38,021,500	6,000,000	18.7	38,021,500	6,000,000	18.7
Tuition Incentive Program (TIP)	58,300,000	59,800,000	1,500,000	2.6	59,800,000	1,500,000	2.6	59,800,000	1,500,000	2.6	64,300,000	6,000,000	10.3
Children of Veterans & Officer's Tuition	1,400,000	1,400,000	0	0.0	1,400,000	0	0.0	1,400,000	0	0.0	1,400,000	0	0.0
Project Gear-Up	3,200,000	3,200,000	0	0.0	3,200,000	0	0.0	3,200,000	0	0.0	3,200,000	0	0.0
North American Indian Tuition Waiver	300,000	0	(300,000)	(100.0)	300,000	0	0.0	300,000	0	0.0	300,000	0	0.0
<b>Total Grants/Financial Aid</b>	<b>\$127,583,200</b>	<b>\$128,783,200</b>	<b>\$1,200,000</b>	<b>0.9%</b>	<b>\$135,083,200</b>	<b>\$7,500,000</b>	<b>5.9%</b>	<b>\$135,083,200</b>	<b>\$7,500,000</b>	<b>5.9%</b>	<b>\$139,583,200</b>	<b>\$12,000,000</b>	<b>9.4%</b>
<b>Federal Higher Ed Act</b>	<b>3,200,000</b>	<b>3,200,000</b>	<b>0</b>	<b>0.0</b>	<b>3,200,000</b>	<b>0</b>	<b>0.0</b>	<b>3,200,000</b>	<b>0</b>	<b>0.0</b>	<b>3,200,000</b>	<b>0</b>	<b>0.0</b>
<b>Federal TANF</b>	<b>108,326,400</b>	<b>109,826,400</b>	<b>1,500,000</b>	<b>1.4</b>	<b>115,826,400</b>	<b>7,500,000</b>	<b>6.9</b>	<b>115,826,400</b>	<b>7,500,000</b>	<b>6.9</b>	<b>120,326,400</b>	<b>12,000,000</b>	<b>11.1</b>
<b>Veterans Tax Check-off</b>	<b>100,000</b>	<b>100,000</b>	<b>0</b>	<b>0.0</b>	<b>100,000</b>	<b>0</b>	<b>0.0</b>	<b>100,000</b>	<b>0</b>	<b>0.0</b>	<b>100,000</b>	<b>0</b>	<b>0.0</b>
<b>State GF/GP</b>	<b>\$15,956,800</b>	<b>\$15,656,800</b>	<b>(\$300,000)</b>	<b>(1.9)</b>	<b>\$15,956,800</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$15,956,800</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$15,956,800</b>	<b>\$0</b>	<b>0.0</b>
<b>TOTAL HIGHER EDUCATION</b>													
<b>TOTAL ALL FUNDS</b>	<b>\$1,629,224,400</b>	<b>\$1,658,932,600</b>	<b>\$29,708,200</b>	<b>1.8%</b>	<b>\$1,680,147,700</b>	<b>\$50,923,300</b>	<b>3.1%</b>	<b>\$1,650,317,500</b>	<b>\$21,093,100</b>	<b>1.3%</b>	<b>\$1,669,732,600</b>	<b>\$40,508,200</b>	<b>2.5%</b>
<b>TOTAL FEDERAL</b>	<b>111,526,400</b>	<b>113,026,400</b>	<b>1,500,000</b>	<b>1.3</b>	<b>119,026,400</b>	<b>7,500,000</b>	<b>6.7</b>	<b>119,026,400</b>	<b>7,500,000</b>	<b>6.7</b>	<b>123,526,400</b>	<b>12,000,000</b>	<b>10.8</b>
<b>TOTAL STATE RESTRICTED</b>	<b>238,443,500</b>	<b>385,688,300</b>	<b>147,244,800</b>	<b>61.8</b>	<b>385,688,300</b>	<b>147,244,800</b>	<b>61.8</b>	<b>385,688,300</b>	<b>147,244,800</b>	<b>61.8</b>	<b>500,188,300</b>	<b>261,744,800</b>	<b>109.8</b>
<b>TOTAL STATE GF/GP</b>	<b>\$1,279,254,500</b>	<b>\$1,160,217,900</b>	<b>(\$119,036,600)</b>	<b>(9.3%)</b>	<b>\$1,175,433,000</b>	<b>(\$103,821,500)</b>	<b>(8.1%)</b>	<b>\$1,145,602,800</b>	<b>(\$133,651,700)</b>	<b>(10.4%)</b>	<b>\$1,046,017,900</b>	<b>(\$233,236,600)</b>	<b>(18.2%)</b>

**DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES  
P.A. 207 of 2018 – ARTICLE XI**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE	FY 2018-19 GOV.'S REC.	FY 2018-19 SENATE	FY 2018-19 HOUSE	FY 2018-19 INITIAL APPROPS.	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
						AMOUNT	PERCENT
FTE Positions .....	336.5	336.5	336.5	336.5	336.5	0.0	0.0
<b>GROSS</b> .....	<b>66,741,400</b>	<b>67,571,900</b>	<b>67,971,900</b>	<b>67,971,900</b>	<b>67,971,900</b>	<b>1,230,500</b>	<b>1.8</b>
Less:							
Interdepartmental Grants Received .....	707,600	713,800	713,800	713,800	713,800	6,200	0.9
<b>ADJUSTED GROSS</b> .....	<b>66,033,800</b>	<b>66,858,100</b>	<b>67,258,100</b>	<b>67,258,100</b>	<b>67,258,100</b>	<b>1,224,300</b>	<b>1.9</b>
Less:							
Federal Funds.....	2,014,700	2,017,300	2,017,300	2,017,300	2,017,300	2,600	0.1
Local and Private .....	0	0	0	0	0	0	0.0
<b>TOTAL STATE SPENDING</b> .....	<b>64,019,100</b>	<b>64,840,800</b>	<b>65,240,800</b>	<b>65,240,800</b>	<b>65,240,800</b>	<b>1,221,700</b>	<b>1.9</b>
Less:							
Other State Restricted Funds .....	63,869,100	64,690,800	65,090,800	65,090,800	64,690,800	821,700	1.3
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>	<b>550,000</b>	<b>400,000</b>	<b>266.7</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>

Includes Ongoing and One-time Appropriations as of July 1, 2018.

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**A. NEW PROGRAMS**

**Insurance Evaluation Enhancement.** The budget includes \$400,000 in GF/GP funding from the Insurance Bureau Fund for the Department to complete a one-time study in relation to Michigan's pursuit of a State innovation waiver, as permitted under Section 1332 of the Patient Protection and Affordable Care Act (PPACA). A Section 1332 waiver would allow the State to modify certain aspects of the implementation of the PPACA. The study will be completed with the assistance of an actuarial firm and will provide data to confirm that the State's proposed waiver will meet the Federal government's criteria.

Gross	400,000
Restricted	0
GF/GP	400,000

**B. PROGRAM INCREASES - NONE**

**C. PROGRAM ELIMINATIONS/REDUCTIONS - NONE**

**D. FUNDING SHIFTS - NONE**

**E. PROGRAM TRANSFERS - NONE**

**F. OTHER ISSUES - NONE**

**G. UNCLASSIFIED SALARIES**

The budget increases Gross funding for the unclassified salaries line item from \$769,100 to \$784,500.

Gross	15,400
Restricted	15,400
GF/GP	0

**H. FEE INCREASES - NONE**

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**I. ECONOMIC ADJUSTMENTS**

The economic adjustment amount includes standard economic factors applied to salaries and wages, retirement, other employment retirement costs (OERC), insurance, rent, motor transport, workers' compensation, and building occupancy charges consistent with factors applied to all budgets. Classified employees will receive a 2.0% base wage increase in FY 2018-19 effective on October 1, 2018. Non-exclusively represented employees (NERES) also will receive a 2.0% base wage increase for FY 2018-19 effective on October 1, 2018. There will be no lump-sum payments for either classified employees or NERES in FY 2018-19.

Gross	815,100
IDG	6,200
Federal	2,600
Restricted	806,300
GF/GP	0

**J. ONE-TIME APPROPRIATIONS**

The budget identifies \$400,000 of FY 2018-19 one-time appropriations, shifts \$0 of appropriations from one-time to ongoing, and eliminates \$0 of FY 2017-18 one-time appropriations:

	<u>Gross</u>	<u>GF/GP</u>
<b>FY 2018-19</b>		
Insurance Evaluation Enhancement.....	\$400,000	\$400,000
<b>Subtotal.....</b>	<b>\$400,000</b>	<b>\$400,000</b>

**K. VETOES - NONE**

**JUDICIARY**  
**P.A. 207 of 2018 – ARTICLE XII**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE	FY 2018-19 GOV.'S REC.	FY 2018-19 SENATE	FY 2018-19 HOUSE	FY 2018-19 INITIAL APPROPS.	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
						AMOUNT	PERCENT
FTE Positions .....	501.0	501.0	501.0	502.0	502.0	1.0	0.2
<b>GROSS</b> .....	<b>300,043,000</b>	<b>302,483,300</b>	<b>303,483,300</b>	<b>303,983,300</b>	<b>304,079,100</b>	<b>4,036,100</b>	<b>1.3</b>
Less:							
Interdepartmental Grants Received .....	1,550,600	1,551,300	1,551,300	1,551,300	1,551,300	700	0.0
<b>ADJUSTED GROSS</b> .....	<b>298,492,400</b>	<b>300,932,000</b>	<b>301,932,000</b>	<b>302,432,000</b>	<b>302,527,800</b>	<b>4,035,400</b>	<b>1.4</b>
Less:							
Federal Funds .....	6,464,100	5,987,400	5,987,400	5,987,400	5,987,400	(476,700)	(7.4)
Local and Private .....	6,924,900	7,581,400	7,581,400	7,481,400	7,481,400	556,500	8.0
<b>TOTAL STATE SPENDING</b> .....	<b>285,103,400</b>	<b>287,363,200</b>	<b>288,363,200</b>	<b>288,963,200</b>	<b>289,059,000</b>	<b>3,955,600</b>	<b>1.4</b>
Less:							
Other State Restricted Funds .....	92,529,000	92,879,500	92,879,500	92,979,500	92,979,500	450,500	0.5
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>192,574,400</b>	<b>194,483,700</b>	<b>195,483,700</b>	<b>195,983,700</b>	<b>196,079,500</b>	<b>3,505,100</b>	<b>1.8</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>147,230,400</b>	<b>147,443,700</b>	<b>147,943,700</b>	<b>148,443,800</b>	<b>148,614,500</b>	<b>1,384,100</b>	<b>0.9</b>

Includes Ongoing and One-time Appropriations as of July 1, 2018.

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**A. NEW PROGRAMS**

**Youthful Sex Offender Treatment Pilot Program.** The one-time funding for the pilot program is intended to help identify low-risk sex offenders, ages 17-24, for treatment, including individual and group counseling.

Gross	75,000
GF/GP	75,000

**B. PROGRAM INCREASES**

**1. Direct Trial Court Automation Support.** Additional user fee revenue is anticipated for FY 2018-19 and is authorized by the budget.

Gross	544,700
Local	544,700
GF/GP	0

**2. Expansion of Problem-Solving Courts.** One-time funding for problem-solving courts is increased to \$750,000 from \$219,300 in FY 2017-18. The total funding for problem-solving courts (drug treatment, DWI/sobriety, mental health, and veterans treatment) for FY 2018-19 is \$18,986,200.

Gross	530,700
GF/GP	530,700

**3. Community Dispute Resolution.** The budget includes new GF/GP revenue for Community Dispute Resolution, increasing the total appropriation amount to \$2,815,800 for FY 2018-19.

Gross	425,000
GF/GP	425,000

**4. Federal Grant for Appellate Public Defender Program.** The program receives an additional \$275,000 from the United States Department of Justice for post-conviction DNA testing.

Gross	275,000
Federal	275,000
GF/GP	0

**5. Additional Circuit Court Judgeship Positions.** Two additional Circuit Court Positions are added to the budget.

Gross	255,300
Restricted	13,100
GF/GP	242,200

**C. PROGRAM ELIMINATIONS/REDUCTIONS**

**1. Federal Health and Human Services Grant Awards.** Federal grant awards have fallen short for several years. The budget reflects a reduced expectation for Federal grants for access and visitation grants (\$147,900), court improvement projects (\$420,600), and child support programs (\$231,800).

Gross	(800,300)
Federal	(800,300)
GF/GP	0

**2. Pretrial Risk Assessment.** One-time FY 2017-18 funding for pretrial risk assessment is eliminated from the budget. This reduction lowers the total appropriation for FY 2018-19 to \$305,700.

Gross	(300,000)
GF/GP	(300,000)

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**D. FUNDING SHIFTS**

1. <b>Judges Salaries.</b> The budget reduces the GF/GP appropriation for judges salaries by \$600,000 and replaces it with court fee fund revenue.	Gross Restricted GF/GP	0 600,000 (600,000)
2. <b>Swift and Sure Sanctions Program.</b> GF/GP is used to replace a reduction in Restricted funding.	Gross Restricted GF/GP	0 (191,800) 191,800
3. <b>Building Occupancy.</b> The budget replaces \$100,000 of Local revenue with GF/GP for building occupancy charges. This shift has a net zero effect on the budget.	Gross Local GF/GP	0 (100,000) 100,000

**E. PROGRAM TRANSFERS - NONE**

**F. OTHER ISSUES**

1. <b>Branchwide Appropriations.</b> There is a small increase in GF/GP to cover rent for the Court of Appeals Troy office.	Gross GF/GP	23,600 23,600
2. <b>Additional FTE Position for Juror Compensation Staffing.</b> One FTE is added without an appropriation increase. The position was authorized by PA 52 of 2017.	FTE Gross GF/GP	1.0 0 0
3. <b>Court of Claims.</b> The budget includes a shift of \$511,900 in GF/GP funding for the Court of Claims from the Supreme Court line item to the Court of Appeals line item. This shift has a zero effect on the budget.	Gross GF/GP	0 0
4. <b>Pretrial Risk Assessment.</b> \$305,700 of GF/GP ongoing funding for pretrial risk assessment is moved to the One-time section. This shift has a net zero effect on the budget.	Gross GF/GP	0 0
5. <b>Other Revenue Adjustments.</b> Law exam fee revenue increases by \$63,000. Miscellaneous revenue for the State Court Administrative Office is reduced by \$34,600. Miscellaneous revenue for the State Appellate Defender Office is decreased by \$46,900.	Gross Restricted GF/GP	(18,500) (18,500) 0

**G. UNCLASSIFIED SALARIES - NONE**

**H. FEE INCREASES - NONE**

**I. ECONOMIC ADJUSTMENTS**

The economic adjustment amount includes standard economic factors applied to salaries and wages, retirement, other employment retirement costs (OERC), insurance, rent, motor transport, workers' compensation, and building occupancy charges consistent with factors applied to all budgets. Employees will receive a 2.0% base wage increase in FY 2018-19 effective on October 1, 2018. Non-exclusively represented employees (NERES) also will receive a 2.0% base wage increase for FY 2018-19 effective on October 1, 2018.

Gross	3,025,600
IDG	700
Federal	48,600
Local	99,800
Private	12,000
Restricted	47,700
GF/GP	2,816,800

**J. ONE-TIME APPROPRIATIONS**

The budget identifies \$1,830,700 of FY 2018-19 one-time appropriations and eliminates \$1,219,300 of FY 2017-18 one-time appropriations:

	<b>Gross</b>	<b>GF/GP</b>
<b>FY 2018-19</b>		
Compliance with <i>Montgomery v. Louisiana</i> Decision .....	\$700,000	\$700,000
Expansion of Problem Solving Courts .....	750,000	750,000
Pretrial Risk Assessment.....	305,700	305,700
Youthful Sex Offender Treatment Pilot Program .....	75,000	75,000
<b>Subtotal</b> .....	<b>\$1,830,700</b>	<b>\$1,830,700</b>
<b>FY 2017-18</b>		
Compliance with <i>Montgomery v. Louisiana</i> Decision .....	( <b>\$700,000</b> )	( <b>\$700,000</b> )
Expansion of Problem Solving Courts .....	(219,300)	(219,300)
Pretrial Risk Assessment.....	(300,000)	(300,000)
<b>Subtotal</b> .....	<b>(\$1,219,300)</b>	<b>(\$1,219,300)</b>

**K. VETOES - NONE**

**LEGISLATURE**  
**P.A. 207 of 2018 – ARTICLE VIII**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE	FY 2018-19 GOV.'S REC.	FY 2018-19 SENATE	FY 2018-19 HOUSE	FY 2018-19 INITIAL APPROPS.	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
						AMOUNT	PERCENT
FTE Positions .....	0.0	0.0	0.0	0.0	0.0	N/A	N/A
<b>GROSS</b> .....	<b>179,561,000</b>	<b>182,219,800</b>	<b>182,450,600</b>	<b>182,969,800</b>	<b>183,050,500</b>	<b>3,489,500</b>	<b>1.9</b>
Less:							
Interdepartmental Grants Received .....	5,709,200	5,823,400	5,823,400	5,823,400	5,823,400	114,200	2.0
<b>ADJUSTED GROSS</b> .....	<b>173,851,800</b>	<b>176,396,400</b>	<b>176,627,200</b>	<b>177,146,400</b>	<b>177,227,100</b>	<b>3,375,300</b>	<b>1.9</b>
Less:							
Federal Funds .....	0	0	0	0	0	0	0.0
Local and Private .....	400,000	400,000	400,000	400,000	400,000	0	0.0
<b>TOTAL STATE SPENDING</b> .....	<b>173,451,800</b>	<b>175,996,400</b>	<b>176,227,200</b>	<b>176,746,400</b>	<b>176,827,100</b>	<b>3,375,300</b>	<b>1.9</b>
Less:							
Other State Restricted Funds .....	6,247,100	6,403,100	6,403,100	6,403,100	6,403,100	156,000	2.5
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>167,204,700</b>	<b>169,593,300</b>	<b>169,824,100</b>	<b>170,343,300</b>	<b>170,424,000</b>	<b>3,219,300</b>	<b>1.9</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>

Includes Ongoing and One-time Appropriations as of July 1, 2018.

**A. NEW PROGRAMS - NONE**

**B. PROGRAM INCREASES**

- |   |   |       |           |            |         |            |           |       |         |
|---|---|-------|-----------|------------|---------|------------|-----------|-------|---------|
| <p><b>1. Legislative Adjustment.</b> The budget increases overall funding for the Legislature by a total of 3.0% (excluding one-time funds). The Senate receives an increase of \$1.2 million overall while the House receives an overall increase of \$1.7 million. The House and Senate Fiscal Agencies receive an increase of \$96,900 each. The Legislative Council receives an increase of \$449,100 while the Retirement System receives an increase of \$140,100. The Binsfeld Office Building receives an increase of \$240,900 while the Cora Anderson House Building receives an increase totaling \$353,100. The budget also includes additional funding of \$226,200 for the State Capitol Historic Site line item (\$133,200 for general operations and \$93,000 for restoration, renewal, and maintenance) along with a conference target total allocating an additional \$300,000 to each the Senate and the Michigan House of Representatives. Funding for the Legislature totals \$158.1 million (\$152.6 million GF/GP) for FY 2018-19.</p> | <table border="0"> <tr> <td>Gross</td> <td style="text-align: right;">5,087,700</td> </tr> <tr> <td>Restricted</td> <td style="text-align: right;">116,600</td> </tr> <tr> <td>GF/GP</td> <td style="text-align: right;">4,971,100</td> </tr> </table>  | Gross | 5,087,700 | Restricted | 116,600 | GF/GP      | 4,971,100 |       |         |
| Gross   | 5,087,700   |       |           |            |         |            |           |       |         |
| Restricted  | 116,600   |       |           |            |         |            |           |       |         |
| GF/GP   | 4,971,100   |       |           |            |         |            |           |       |         |
| <p><b>2. Auditor General Adjustment.</b> The budget increases overall funding for the Auditor General operations by a total of 3.0%. The increase totals \$645,000, of which \$491,400 is General Fund support. Funding for the Auditor General totals \$24.9 million (\$17.1 million GF/GP) for FY 2018-19.</p>  | <table border="0"> <tr> <td>Gross</td> <td style="text-align: right;">645,000</td> </tr> <tr> <td>IDG</td> <td style="text-align: right;">114,200</td> </tr> <tr> <td>Restricted</td> <td style="text-align: right;">39,400</td> </tr> <tr> <td>GF/GP</td> <td style="text-align: right;">491,400</td> </tr> </table> | Gross | 645,000   | IDG        | 114,200 | Restricted | 39,400    | GF/GP | 491,400 |
| Gross   | 645,000   |       |           |            |         |            |           |       |         |
| IDG   | 114,200   |       |           |            |         |            |           |       |         |
| Restricted  | 39,400  |       |           |            |         |            |           |       |         |
| GF/GP   | 491,400   |       |           |            |         |            |           |       |         |
| <p><b>3. One-Time. Legislative Computer Upgrade.</b> The budget includes the final appropriation of \$750,000 in one-time funding to complete the upgrade and integration of the legislative computer system (Chamber Automation System). The total cost of the project is \$12.8 million.</p>  | <table border="0"> <tr> <td>Gross</td> <td style="text-align: right;">750,000</td> </tr> <tr> <td>GF/GP</td> <td style="text-align: right;">750,000</td> </tr> </table>   | Gross | 750,000   | GF/GP      | 750,000 |            |           |       |         |
| Gross   | 750,000   |       |           |            |         |            |           |       |         |
| GF/GP   | 750,000   |       |           |            |         |            |           |       |         |

**C. PROGRAM ELIMINATIONS/REDUCTIONS**

- |  |   |       |             |       |             |
|--|---|-------|-------------|-------|-------------|
| <p><b>Removal of FY 2017-18 One-Time Items.</b> The budget does not include one-time funding for FY 2017-18 totaling \$3.0 million (all GF/GP) for the upgrade and integration of the legislative computer system (Chamber Automation System).</p> | <table border="0"> <tr> <td>Gross</td> <td style="text-align: right;">(3,000,000)</td> </tr> <tr> <td>GF/GP</td> <td style="text-align: right;">(3,000,000)</td> </tr> </table> | Gross | (3,000,000) | GF/GP | (3,000,000) |
| Gross  | (3,000,000)   |       |             |       |             |
| GF/GP  | (3,000,000)   |       |             |       |             |

**D. FUNDING SHIFTS - NONE**

**E. PROGRAM TRANSFERS - NONE**

**F. OTHER ISSUES - NONE**

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**G. UNCLASSIFIED SALARIES (Auditor General)**

The budget increases Gross funding for the unclassified salaries line item from \$339,200 to \$346,000.

Gross	6,800
GF/GP	6,800

**H. FEE INCREASES - NONE**

**I. ECONOMIC ADJUSTMENTS - NONE**

**J. ONE-TIME APPROPRIATIONS**

The budget identifies \$750,000 of FY 2018-19 one-time appropriations and eliminates \$3.0 million of FY 2017-18 one-time appropriations:

	<b>Gross</b>	<b>GF/GP</b>
<b>FY 2018-19</b>		
Legislative IT Systems Design Project .....	\$750,000	\$750,000
<b>Subtotal</b> .....	<b>\$750,000</b>	<b>\$750,000</b>
 <b>FY 2017-18</b>		
Legislative IT Systems Design Project .....	(\$3,000,000)	(\$3,000,000)
<b>Subtotal</b> .....	<b>(\$3,000,000)</b>	<b>(\$3,000,000)</b>

**K. VETOES - NONE**

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
P.A. 207 of 2018 – ARTICLE XIII**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE	FY 2018-19 GOV.'S REC.	FY 2018-19 SENATE	FY 2018-19 HOUSE	FY 2018-19 INITIAL APPROPS.	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
						AMOUNT	PERCENT
FTE Positions .....	2,322.3	2,322.3	2,322.3	2,322.3	2,322.3	0.0	0.0
<b>GROSS</b> .....	<b>435,272,000</b>	<b>491,962,100</b>	<b>479,662,200</b>	<b>491,962,100</b>	<b>517,762,200</b>	<b>82,490,200</b>	<b>19.0</b>
Less:							
Interdepartmental Grants Received .....	47,835,100	48,414,300	48,414,300	48,414,300	48,414,300	579,200	1.2
<b>ADJUSTED GROSS</b> .....	<b>387,436,900</b>	<b>443,547,800</b>	<b>431,247,900</b>	<b>443,547,800</b>	<b>469,347,900</b>	<b>81,911,000</b>	<b>21.1</b>
Less:							
Federal Funds.....	65,020,900	65,744,400	65,744,400	65,744,400	65,744,400	723,500	1.1
Local and Private .....	361,800	211,800	211,800	211,800	211,800	(150,000)	(41.5)
<b>TOTAL STATE SPENDING</b> .....	<b>322,054,200</b>	<b>377,591,600</b>	<b>365,291,700</b>	<b>377,591,600</b>	<b>403,391,700</b>	<b>81,337,500</b>	<b>25.3</b>
Less:							
Other State Restricted Funds .....	277,637,600	288,771,300	276,471,400	288,771,300	276,471,400	(1,166,200)	(0.4)
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>44,416,600</b>	<b>88,820,300</b>	<b>88,820,300</b>	<b>88,820,300</b>	<b>126,920,300</b>	<b>82,503,700</b>	<b>185.7</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>30,625,700</b>	<b>87,951,800</b>	<b>67,151,900</b>	<b>79,451,800</b>	<b>105,251,900</b>	<b>74,626,200</b>	<b>243.7</b>

Includes Ongoing and One-time Appropriations as of July 1, 2018.

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**A. NEW PROGRAMS**

- |   |   |
|---|---|
| <p><b>1. Michigan Indigent Defense Commission Grants.</b> The budget includes \$84.1 million General Fund/General Purpose and a \$100 Restricted fund placeholder for grants to local indigent defense systems to implement the four initial standards established by the Commission.</p> | <p>Gross 84,100,100<br/>Restricted 100<br/>GF/GP 84,100,000</p> |
| <p><b>2. Substance Use Disorder Programs.</b> The budget includes \$500,000 in Medical Marihuana Regulatory Fund revenue for substance use disorder programs as required under Public Act 281 of 2016.</p>  | <p>Gross 500,000<br/>Restricted 500,000<br/>GF/GP 0</p>         |

**B. PROGRAM INCREASES**

- |   |   |
|---|---|
| <p><b>1. First Responder Presumed Coverage Fund.</b> The budget includes a \$3.5 million increase for claims against the First Responder Presumed Coverage Fund. The Fund is capitalized with excise tax revenue from retail medical marihuana sales.</p>   | <p>Gross 3,465,000<br/>Restricted 3,465,000<br/>GF/GP 0</p> |
| <p><b>2. Liquor Licenses Law Enforcement Grants.</b> The budget includes 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 make the statutorily required payments.</p> | <p>Gross 1,200,000<br/>Restricted 1,200,000<br/>GF/GP 0</p> |

**C. PROGRAM ELIMINATIONS/REDUCTIONS**

- |  |   |
|--|---|
| <p><b>1. Fire Protection Grants.</b> The budget eliminates \$9.3 million in funding for Fire Protection Grants largely due to the elimination of Driver Responsibility Fees. The Governor has recommended a statutory change to allocate funds from excess personal property tax reimbursements to fund the grants, which would continue to be distributed through the Fire Protection Grants formula.</p> | <p>Gross (9,273,900)<br/>Restricted (8,500,000)<br/>GF/GP (773,900)</p> |
| <p><b>2. Administrative Support for the Local Community Stabilization Authority (LCSA).</b> The budget removes funding for administrative support for the LCSA, as responsibility for those services was transferred to the Michigan Municipal Services Authority effective October 1, 2017.</p>   | <p>Gross (150,000)<br/>Local (150,000)<br/>GF/GP 0</p>                  |
| <p><b>3. Remove FY 2017-18 One-Time Appropriations.</b> The budget removes a \$100 placeholder from the Drinking Water Declaration of Emergency Reserve Fund, and \$1.4 million in GF/GP funding for Fire Protection Grants.</p>   | <p>Gross (1,400,100)<br/>Restricted (100)<br/>GF/GP (1,400,000)</p>     |

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**4. Reduction of Overstated Restricted Funds.** The budget includes reductions to a number of line items and Restricted fund sources to better reflect actual revenue and expenditure levels.

Gross	(639,300)
Restricted	(639,300)
GF/GP	0

**D. FUNDING SHIFTS - NONE**

**E. PROGRAM TRANSFERS**

**Division on Deafness Fund.** The budget reflects the transfer of all of the Department of Civil Rights's responsibilities under the Deaf Persons' Interpreters Act, including the Division on Deafness Fund, to LARA pursuant to Executive Order 2017-8.

Gross	93,400
Restricted	93,400
GF/GP	0

**F. OTHER ISSUES - NONE**

**G. UNCLASSIFIED SALARIES**

The budget increases Gross funding for the unclassified salaries line item from \$5,007,500 to \$5,107,700.

Gross	100,200
IDG	13,100
Federal	800
Restricted	80,600
GF/GP	5,700

**H. FEE INCREASES - NONE**

**I. ECONOMIC ADJUSTMENTS**

The economic adjustment amount includes standard economic factors applied to salaries and wages, retirement, other employment retirement costs (OERC), insurance, rent, motor transport, workers' compensation, and building occupancy charges consistent with factors applied to all budgets. Classified employees will receive a 2.0% base wage increase in FY 2018-19 effective on October 1, 2018. Non-exclusively represented employees (NERES) also will receive a 2.0% base wage increase for FY 2018-19 effective on October 1, 2018.

Gross	4,494,800
IDG	566,100
Federal	722,700
Restricted	2,634,100
GF/GP	571,900

**J. ONE-TIME APPROPRIATIONS**

The budget identifies \$0 of FY 2018-19 one-time appropriations, shifts \$0 of appropriations from one-time to ongoing, and eliminates \$1,400,100 of FY 2017-18 one-time appropriations:

	<b>Gross</b>	<b>GF/GP</b>
<b>FY 2017-18</b>		
Fire Protection Grants.....	(\$1,400,000)	(\$1,400,000)
Drinking Water Declaration of Emergency Reserve Fund.....	(100)	0
<b>Subtotal.....</b>	<b>(\$1,400,100)</b>	<b>(\$1,400,000)</b>

**K. VETOES - NONE**

**DEPARTMENT OF MILITARY AND VETERANS AFFAIRS  
P.A. 207 of 2018 – ARTICLE XIV**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE	FY 2018-19 GOV.'S REC.	FY 2018-19 SENATE	FY 2018-19 HOUSE	FY 2018-19 INITIAL APPROPS.	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
						AMOUNT	PERCENT
FTE Positions .....	904.5	904.5	904.5	912.5	912.5	8.0	0.9
<b>GROSS</b> .....	<b>183,271,100</b>	<b>189,089,300</b>	<b>191,166,100</b>	<b>189,977,600</b>	<b>192,564,300</b>	<b>9,293,200</b>	<b>5.1</b>
Less:							
Interdepartmental Grants Received .....	101,800	101,800	101,800	101,800	101,800	0	0.0
<b>ADJUSTED GROSS</b> .....	<b>183,169,300</b>	<b>188,987,500</b>	<b>191,064,300</b>	<b>189,875,800</b>	<b>192,462,500</b>	<b>9,293,200</b>	<b>5.1</b>
Less:							
Federal Funds .....	92,334,100	98,170,200	98,170,200	98,170,200	98,170,200	5,836,100	6.3
Local and Private .....	2,168,400	2,175,400	2,175,400	2,175,400	2,175,400	7,000	0.3
<b>TOTAL STATE SPENDING</b> .....	<b>88,666,800</b>	<b>88,641,900</b>	<b>90,718,700</b>	<b>89,530,200</b>	<b>92,116,900</b>	<b>3,450,100</b>	<b>3.9</b>
Less:							
Other State Restricted Funds .....	22,332,600	23,279,500	23,279,500	23,279,500	23,279,500	946,900	4.2
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>66,334,200</b>	<b>65,362,400</b>	<b>67,439,200</b>	<b>66,250,700</b>	<b>68,837,400</b>	<b>2,503,200</b>	<b>3.8</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>142,400</b>	<b>142,400</b>	<b>142,400</b>	<b>2,642,500</b>	<b>2,242,400</b>	<b>2,100,000</b>	<b>1,474.7</b>

Includes Ongoing and One-time Appropriations as of July 1, 2018.

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**A. NEW PROGRAMS**

- |  |  |
|--|--|
| <p><b>1. County Veteran Service Fund.</b> The budget includes \$2.1 million GF/GP for a new ongoing grant program to help county veterans counselors provide benefit counseling and other assistance to veterans as provided under PA 210 of 2018.</p>   | <p>Gross 2,100,000<br/>GF/GP 2,100,000</p> |
| <p><b>2. Vietnam Veterans Outreach.</b> The budget includes a new, one-time appropriation of \$600,000 GF/GP to support an outreach program targeted toward Vietnam veterans to assist them in obtaining State and U.S. Department of Veterans Affairs benefits.</p>   | <p>Gross 600,000<br/>GF/GP 600,000</p>     |
| <p><b>3. Grand Rapids Home for Veterans Video Monitoring Pilot Project.</b> The budget includes a one-time appropriation of \$275,000 GF/GP for an in-room video monitoring pilot project at the Grand Rapids Home for Veterans, with the expenditure subject to a feasibility study. The total budget for the Grand Rapids Home for Veterans is 347.0 FTEs and \$50,869,200 (\$21,413,900 Federal, \$6,693,000 Restricted, and \$22,762,300 GF/GP).</p> | <p>Gross 275,000<br/>GF/GP 275,000</p>     |

**B. PROGRAM INCREASES**

- |   |  |
|---|--|
| <p><b>1. Special Maintenance - Federal.</b> The budget includes \$5.0 million in Federal authorization to allow for expenditure of matching funds (50-50) provided by the U.S. National Guard Bureau in support of ongoing sustainment, restoration, and modernization improvements to Michigan National Guard training facilities.</p>   | <p>Gross 5,000,000<br/>Federal 5,000,000<br/>GF/GP 0</p> |
| <p><b>2. National Guard Tuition Assistance Program.</b> The budget includes a \$2.5 million increase to the National Guard Tuition Assistance Fund to provide educational tuition support for the approximately 1,332 Guard members projected to participate in the benefit program in FY 2018-19. The total appropriation for FY 2017-18 is \$6,507,000 GF/GP.</p>                 | <p>Gross 2,500,000<br/>GF/GP 2,500,000</p>               |
| <p><b>3. D.J. Jacobetti Home for Veterans.</b> The budget includes \$1.1 million GF/GP to support ongoing changes in staffing and operations to obtain Centers for Medicare and Medicaid Services Certification. The total budget for the D.J. Jacobetti Home for Veterans is 179.5 FTEs and \$23,687,200 (\$8,396,100 Federal, \$5,064,700 Restricted, and \$9,926,400 GF/GP).</p> | <p>Gross 1,111,700<br/>GF/GP 1,111,700</p>               |
| <p><b>4. Land Acquisitions and Appraisals.</b> The budget includes an increase of \$900,000 Restricted for land and facility acquisition for a total FY 2018-19 recommended Land Acquisition and Appraisals appropriation of \$2.9 million Restricted armory construction fund revenue.</p>   | <p>Gross 900,000<br/>Restricted 900,000<br/>GF/GP 0</p>  |

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

5. **Camp Grayling.** The budget includes 8.0 FTEs and \$750,000 GF/GP to assist with the ongoing costs of the Camp Grayling Operation Northern Strike military exercise.

FTE	8.0
Gross	750,000
GF/GP	750,000

**C. PROGRAM ELIMINATIONS/REDUCTIONS**

1. **Armory - Special Maintenance.** The budget includes a reduction of \$1.5 million one-time appropriations for maintenance of State-owned armory training facilities, leaving a one-time total appropriation of \$1.0 million GF/GP for FY 2018-19.

Gross	(1,500,000)
GF/GP	(1,500,000)

2. **Adjustment for FY 2017-18 Supplemental Appropriations.** The budget includes a technical adjustment reversing FY 2017-18 supplemental appropriations (\$2.5 million GF/GP for National Guard Tuition Assistance Program and \$1,266,700 GF/GP for the D.J. Jacobetti Home for Veterans Medicaid certification).

Gross	(3,766,700)
GF/GP	(3,766,700)

**D. FUNDING SHIFTS - NONE**

**E. PROGRAM TRANSFERS - NONE**

**F. OTHER ISSUES**

**Technical Adjustment for Actual Funds Received.** The budget includes a technical adjustment to reflect reductions of \$145,000 in Private and Restricted funds.

Gross	(145,000)
Private	(10,000)
Restricted	(135,000)
GF/GP	0

**G. UNCLASSIFIED SALARIES**

The budget increases Gross funding for the unclassified salaries line item from \$1,468,300 to \$1,497,700.

Gross	29,400
GF/GP	29,400

**H. FEE INCREASES - NONE**

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**I. ECONOMIC ADJUSTMENTS**

The economic adjustment amount includes standard economic factors applied to salaries and wages, retirement, other employment retirement costs (OERC), insurance, rent, motor transport, workers' compensation, and building occupancy charges consistent with factors applied to all budgets. Classified employees will receive a 2.0% base wage increase in FY 2018-19 effective on October 1, 2018. Non-exclusively represented employees (NERES) also will receive a 2.0% base wage increase for FY 2018-19 effective on October 1, 2018.

Gross	1,438,800
Federal	836,100
Local	17,000
Restricted	181,900
GF/GP	403,800

**J. ONE-TIME APPROPRIATIONS**

The budget identifies \$1,875,000 of FY 2018-19 one-time appropriations and eliminates \$625,000 of FY 2017-18 one-time appropriations:

	<u>Gross</u>	<u>GF/GP</u>
<b>FY 2018-19</b>		
Armory Maintenance.....	\$1,000,000	\$1,000,000
Vietnam veterans outreach.....	600,000	600,000
Grand Rapids Home for Veterans video monitoring pilot project .....	275,000	275,000
<b>Subtotal.....</b>	<b>\$1,875,000</b>	<b>\$1,875,000</b>
<b>FY 2017-18</b>		
Armory Maintenance.....	(\$2,500,000)	(\$2,500,000)
<b>Subtotal.....</b>	<b>(\$2,500,000)</b>	<b>(\$2,500,000)</b>

**K. VETOES - NONE**

**DEPARTMENT OF NATURAL RESOURCES  
P.A. 207 of 2018 – ARTICLE XV**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE	FY 2018-19 GOV.'S REC.	FY 2018-19 SENATE	FY 2018-19 HOUSE	FY 2018-19 INITIAL APPROPS.	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
						AMOUNT	PERCENT
FTE Positions .....	2,261.8	2,327.3	2,327.3	2,322.3	2,324.3	62.5	2.8
<b>GROSS</b> .....	<b>422,742,200</b>	<b>436,705,300</b>	<b>438,075,400</b>	<b>436,105,300</b>	<b>438,442,800</b>	<b>15,700,600</b>	<b>3.7</b>
Less:							
Interdepartmental Grants Received .....	232,200	232,200	232,200	232,200	232,200	0	0.0
<b>ADJUSTED GROSS</b> .....	<b>422,510,000</b>	<b>436,473,100</b>	<b>437,843,200</b>	<b>435,873,100</b>	<b>438,210,600</b>	<b>15,700,600</b>	<b>3.7</b>
Less:							
Federal Funds.....	70,095,700	81,731,600	81,731,600	81,731,600	81,731,600	11,635,900	16.6
Local and Private .....	7,446,000	7,431,400	7,431,400	7,431,400	7,431,400	(14,600)	(0.2)
<b>TOTAL STATE SPENDING</b> .....	<b>344,968,300</b>	<b>347,310,100</b>	<b>348,680,200</b>	<b>346,710,100</b>	<b>349,047,600</b>	<b>4,079,300</b>	<b>1.2</b>
Less:							
Other State Restricted Funds .....	280,447,200	299,965,800	300,965,800	299,965,800	299,965,800	19,518,600	7.0
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>64,521,100</b>	<b>47,344,300</b>	<b>47,714,400</b>	<b>46,744,300</b>	<b>49,081,800</b>	<b>(15,439,300)</b>	<b>(23.9)</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>7,154,300</b>	<b>7,712,700</b>	<b>7,832,800</b>	<b>7,975,200</b>	<b>9,475,200</b>	<b>2,320,900</b>	<b>32.4</b>

Includes Ongoing and One-time Appropriations as of July 1, 2018.

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**A. NEW PROGRAMS - NONE**

**B. PROGRAM INCREASES**

<p><b>1. State Parks Repair and Maintenance.</b> The budget includes an additional \$10.0 million from the Park Improvement Fund and \$4.0 million from Recreation Passport Fees to support various capital outlay projects in State parks. This adjustment brings the total ongoing amount available for State park repair and maintenance to \$23.5 million.</p>	<p>Gross 14,000,000 Restricted 14,000,000 GF/GP 0</p>
<p><b>2. Recreational Program Revenue.</b> The budget includes additional appropriations to reflect increased revenue in several areas: \$1.75 million in additional Recreation Passport funds allocated according to statute, \$400,000 State Waterways fund for the Recreational Boating program, and \$1,925,000 Park Improvement Fund to support the operation of State parks. This increase also will support an additional 26.5 FTEs across the affected programs.</p>	<p>FTE 26.5 Gross 4,075,000 Restricted 4,075,000 GF/GP 0</p>
<p><b>3. Off-Road Vehicle Trail Improvement Fund.</b> The budget includes additional appropriations from this Fund to reflect increased sales of ORV permits. Funds are allocated according to statute, including an additional \$950,600 for ORV trail improvement grants, and \$308,800 and 2.0 FTEs for law enforcement. The remaining \$40,600 would cover administrative costs in various parts of the Department.</p>	<p>FTE 2.0 Gross 1,300,000 Restricted 1,300,000 GF/GP 0</p>
<p><b>4. FY 2018-19 Waterways Projects.</b> The budget includes additional funding for capital outlay projects funded from the Michigan State Waterways Fund in FY 2018-19. This includes \$541,900 for Presque Isle Marina improvements, \$643,000 for Ottawa Beach Marina improvements, and \$601,100 for Elmwood Township Marina improvements. The budget also includes an additional \$377,500 for State boating infrastructure maintenance, bringing the total for that item to \$5,952,500.</p>	<p>Gross 2,163,500 Restricted 2,163,500 GF/GP 0</p>
<p><b>5. Forest Development Infrastructure.</b> The budget includes additional Forest Development Fund for various infrastructure projects to maintain and improve access to State forest lands.</p>	<p>Gross 3,500,000 Restricted 3,500,000 GF/GP 0</p>
<p><b>6. Wildlife Division.</b> The budget includes an additional \$2.6 million GF/GP and 3.0 FTEs to fund lab technicians, testing and disposal costs, supplies, and other costs related to the DNR response to chronic wasting disease in Michigan.</p>	<p>FTE 3.0 Gross 2,600,000 GF/GP 2,600,000</p>

		<b>FY 2018-19 Change From FY 2017-18 Year-to-Date</b>	
<b>7. Dam Management Grant Program.</b>	The budget includes additional one-time funds for this program. Accompanying boilerplate would effectively dedicate the additional funds to the removal of a dam on the Grand River in Grand Rapids.	Gross GF/GP	1,500,000 1,500,000
<b>8. Conservation Officers.</b>	The budget includes additional GF/GP and 7.0 FTEs to train and hire seven new conservation officers.	FTE Gross GF/GP	7.0 1,050,000 1,050,000
<b>9. State Parks Technical Adjustments.</b>	The budget includes additional Park Improvement Fund appropriations to reflect increases in the costs to operate State parks. These costs primarily stem from vendor costs due to increased camping reservations (\$750,000). State park improvement bond debt service increases comprise the rest of this item.	Gross Restricted GF/GP	754,700 754,700 0
<b>10. Mackinac Island State Park Historic Facilities.</b>	The budget includes additional GF/GP for ongoing maintenance on the historic facilities on Mackinac Island bringing the total for operations and maintenance at the Park to \$1.8 million.	Gross GF/GP	200,000 200,000
<b>11. Great Lakes Protection Fund.</b>	The budget includes an increase in the Great Lakes Protection Fund appropriation for the Office of the Great Lakes to reflect available revenue in that Fund.	Gross Restricted GF/GP	128,900 128,900 0
<b>12. Hunter Education Program - Federal Funds.</b>	The budget includes additional Federal appropriations to reflect actual revenues for the Hunter Education Program.	Gross Federal GF/GP	84,400 84,400 0
<b>13. Grindstone Harbor Development.</b>	The budget includes \$120,000 GF/GP for a grant to Port Austin Township to make improvements to Grindstone Harbor.	Gross GF/GP	120,000 120,000
<b>14. Snowmobile Trail Groomer Development.</b>	The budget includes one-time funding from the Snowmobile Trail Improvement Fund for a contract to develop a state-of-the-art snowmobile trail groomer.	Gross Restricted GF/GP	200,000 200,000 0
<b>15. Tribal Consent Decree Negotiation.</b>	The budget includes \$240,000 ongoing and \$37,500 one-time to hire a biologist and cover Attorney General costs associated with the renegotiation of the 2000 tribal consent decree for the allocation, management, and regulation of State and Tribal fisheries. The consent decree is renegotiated every 20 years.	FTE Gross GF/GP	1.0 277,500 277,500

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

<b>16. Wildlife and Fisheries Health Study.</b> The budget includes \$115,000 GF/GP for a study on the effects of perfluoroalkyl and polyfluoroalkyl substances (PFAS) on fish and wildlife.	Gross GF/GP	115,000 115,000
<b>17. Lake Level Assessments.</b> The budget includes GF/GP to cover the costs municipalities incur when they are required to perform a lake level assessment.	Gross GF/GP	35,000 35,000
<b>18. Long Lake Boat Launch.</b> The budget includes GF/GP for the construction of a boat launch on Long Lake.	Gross GF/GP	142,500 142,500
<b>19. Cooperative Resource Management.</b> The budget includes additional one-time GF/GP for this program, which would be dedicated to Wayne County soil mapping.	Gross GF/GP	25,000 25,000
<b>20. Swimmer's Itch Pilot.</b> The budget continues to include \$250,000 GF/GP in one-time funds for grants to combat swimmer's itch.	Gross GF/GP	0 0

**C. PROGRAM ELIMINATIONS/REDUCTIONS**

<b>1. FY 2017-18 Waterways Projects.</b> The budget removes funding for capital outlay projects funded from the Michigan State Waterways Fund in FY 2017-18. This includes \$750,000 for the East Tawas State Harbor, and \$770,500 for local boating infrastructure and maintenance. The total amount included for the latter item is about \$1.7 million.	Gross Federal Restricted GF/GP	(1,520,500) 643,000 (2,163,500) 0
<b>2. Wetlands Restoration, Enhancement, and Acquisition.</b> This item is funded using waterfowl hunt stamp revenue, and provides authority to purchase and enhance wetlands to provide habitat for various waterfowl species. The budget reduces this item to \$1.0 million to reflect available revenue.	Gross Restricted GF/GP	(500,000) (500,000) 0
<b>3. Remove Obsolete Fund Sources.</b> The budget removes two fund sources (Clean Michigan Initiative and Mann House Trust Fund) to reflect that these two funds are no longer anticipated to receive revenue.	Gross Private Restricted GF/GP	(15,100) (15,000) (100) 0

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**4. Removal of FY 2017-18 Supplemental Appropriations.** The budget does not include the following FY 2017-18 items that were included in supplemental appropriations bills and contingency fund transfers throughout the year: \$400,000 for a playscape at Bay City Recreation Area, \$400,000 for a park pavilion at Onaway State Park, \$226,200 for snowmobile local grants, \$5.3 million for research and response to chronic wasting disease, \$1.9 million for the timber management system, \$1.0 million for the Nongame Fish and Wildlife Trust Fund, \$250,000 for invasive species programs, and \$4.3 million for staffing at State parks and boating access areas.

Gross	(13,774,900)
Restricted	(6,198,700)
GF/GP	(7,576,200)

**5. Removal of FY 2017-18 One-Time Appropriations.** The budget removes a number of FY 2017-18 one-time appropriations. Further detail is available in the One-Time Appropriations table below.

Gross	(16,400,000)
Restricted	(1,000,000)
GF/GP	(15,400,000)

**D. FUNDING SHIFTS - NONE**

**E. PROGRAM TRANSFERS**

**Office of the Great Lakes.** The budget reflects Executive Order 2017-9, which transferred the Office of the Great Lakes from the Department of Environmental Quality to the DNR. This transfer affected 23.0 FTEs and related funding.

FTE	23.0
Gross	11,801,800
Federal	10,471,600
Restricted	400,600
GF/GP	929,600

**F. OTHER ISSUES**

**Historical Marker Program.** The budget includes additional Restricted funds to reflect receipt of this program from the Michigan History Foundation.

Gross	60,000
Restricted	60,000
GF/GP	0

**G. UNCLASSIFIED SALARIES**

The budget increases Gross funding for the unclassified salaries line item from \$776,700 to \$792,200.

Gross	15,500
Restricted	15,500
GF/GP	0

**H. FEE INCREASES - NONE**

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**I. ECONOMIC ADJUSTMENTS**

The economic adjustment amount includes standard economic factors applied to salaries and wages, retirement, other employment retirement costs (OERC), insurance, rent, motor transport, workers' compensation, and building occupancy charges consistent with factors applied to all budgets. Classified employees will receive a 2.0% base wage increase in FY 2018-19 effective on October 1, 2018. Non-exclusively represented employees (NERES) also will receive a 2.0% base wage increase for FY 2018-19 effective on October 1, 2018.

Gross	3,762,300
Federal	436,900
Private	400
Restricted	2,782,700
GF/GP	542,300

**J. ONE-TIME APPROPRIATIONS**

The budget identifies \$2,425,000 of FY 2018-19 one-time appropriations, and eliminates \$16,650,000 of FY 2017-18 one-time appropriations:

	<b>Gross</b>	<b>GF/GP</b>
<b>FY 2018-19</b>		
Cooperative Resources Programs (one-time).....	\$25,000	\$25,000
Dam Management Grant Program (one-time).....	1,500,000	1,500,000
Grindstone Harbor Development Program .....	120,000	120,000
Lake Level Assessments .....	35,000	35,000
Legal Services .....	37,500	37,500
Long Lake Boat Launch.....	142,500	142,500
Snowmobile Trail Groomer Pilot.....	200,000	0
Swimmer's Itch Pilot Program.....	250,000	250,000
Wildlife and Fisheries Health Study.....	115,000	115,000
<b>Subtotal.....</b>	<b>\$2,425,000</b>	<b>\$2,225,000</b>

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**FY 2017-18**

Invasive Species (one-time) .....	(\$200,000)	(\$200,000)
Land Ownership Tracking System.....	(2,900,000)	(1,900,000)
Mineral Extraction Summit.....	(50,000)	(50,000)
Shooting Range Construction, Repair, and Maintenance .....	(250,000)	(250,000)
State Parks Repair and Maintenance.....	(7,000,000)	(7,000,000)
Swimmer's Itch Pilot Project .....	(250,000)	(250,000)
Trail Development.....	(5,000,000)	(5,000,000)
Wildlife Management .....	(1,000,000)	(1,000,000)
<b>Subtotal.....</b>	<b>(\$16,650,000)</b>	<b>(\$15,650,000)</b>

**K. VETOES - NONE**

**SCHOOL AID  
P.A. 265 of 2018 – ARTICLE I**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE	FY 2018-19 GOV.'S REC.	FY 2018-19 SENATE	FY 2018-19 HOUSE	FY 2018-19 INITIAL APPROPS.	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
						AMOUNT	PERCENT
FTE Positions .....	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>GROSS</b> .....	<b>14,682,670,800</b>	<b>14,635,968,800</b>	<b>14,732,850,300</b>	<b>14,825,189,100</b>	<b>14,765,468,800</b>	<b>82,798,000</b>	<b>0.6</b>
Less:							
Interdepartmental Grants Received .....	0	0	0	0	0	0	0.0
<b>ADJUSTED GROSS</b> .....	<b>14,682,670,800</b>	<b>14,635,968,800</b>	<b>14,732,850,300</b>	<b>14,825,189,100</b>	<b>14,765,468,800</b>	<b>82,798,000</b>	<b>0.6</b>
Less:							
Federal Funds .....	1,726,943,500	1,724,743,500	1,724,743,500	1,724,743,500	1,724,743,500	(2,200,000)	(0.1)
Local and Private .....	0	0	0	0	0	0	0.0
<b>TOTAL STATE SPENDING</b> .....	<b>12,955,727,300</b>	<b>12,911,225,300</b>	<b>13,008,106,800</b>	<b>13,100,445,600</b>	<b>13,040,725,300</b>	<b>84,998,000</b>	<b>0.7</b>
Less:							
Other State Restricted Funds .....	12,877,227,300	12,851,225,300	12,857,606,800	13,053,045,600	12,980,725,300	103,498,000	0.8
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>78,500,000</b>	<b>60,000,000</b>	<b>150,500,000</b>	<b>47,400,000</b>	<b>60,000,000</b>	<b>(18,500,000)</b>	<b>(23.6)</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>12,768,569,700</b>	<b>12,733,596,100</b>	<b>12,819,958,800</b>	<b>12,860,406,200</b>	<b>12,847,081,000</b>	<b>78,511,300</b>	<b>0.6</b>

Includes Ongoing and One-time Appropriations as of July 1, 2018. FY 2017-18 YTD includes \$100.0 million for Marshall Plan for Talent.

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**A. NEW PROGRAMS**

- |   |   |  |
|---|---|--|
| <p><b>1. Career and Technical Education (CTE) Incentive Payments.</b> The budget includes \$5.0 million for a new categorical to reimburse and to provide an incentive for districts to enroll students in CTE programs, with \$25 per pupil for each CTE course, and an additional \$25 per pupil for high-demand courses.</p> | <p>Gross</p> <p>Restricted</p> <p>GF/GP</p> | <p>5,000,000</p> <p>5,000,000</p> <p>0</p> |
| <p><b>2. Special Education Early On.</b> The budget includes \$5.0 million for a new categorical for intermediate school districts (ISDs) to offer Early On special education services to children up to three years of age with a developmental delay or disability, or both.</p>  | <p>Gross</p> <p>Restricted</p> <p>GF/GP</p> | <p>5,000,000</p> <p>5,000,000</p> <p>0</p> |

**B. PROGRAM INCREASES**

- |  |   |   |
|--|---|---|
| <p><b>1. Foundation Allowance.</b> The budget increases the basic foundation allowance by \$120 and the minimum foundation allowance by \$240, using the "2x" formula, at a cost of \$312.0 million.</p>   | <p>Gross</p> <p>Restricted</p> <p>GF/GP</p> | <p>312,000,000</p> <p>312,000,000</p> <p>0</p>    |
| <p><b>2. Retirement System Rate Cap.</b> The budget includes an increase of nearly \$72.0 million to fund the statutorily-required employer contribution rate cap in the Michigan Public School Employees' Retirement System (MPERS). Total funding for FY 2018-19 for the cap is over \$1.0 billion.</p>  | <p>Gross</p> <p>Restricted</p> <p>GF/GP</p> | <p>71,916,000</p> <p>71,870,000</p> <p>46,000</p> |
| <p><b>3. Retirement System Lower Rate of Return Costs.</b> The budget includes an increase of \$39.2 million to hold districts and other school employers harmless from the reduction in the assumed rate of return in MPERS (from 7.75% to 7.5%). The total cost is for FY 2018-19 is \$88.1 million.</p> | <p>Gross</p> <p>Restricted</p> <p>GF/GP</p> | <p>39,170,000</p> <p>39,151,000</p> <p>19,000</p> |
| <p><b>4. Retirement System Additional Employer Defined Contribution Costs.</b> The budget includes an increase of \$14.5 million to pay the statutorily-required employer costs of matching defined contributions in MPERS. The total cost for FY 2018-19 is \$37.6 million.</p>                           | <p>Gross</p> <p>Restricted</p> <p>GF/GP</p> | <p>14,500,000</p> <p>14,500,000</p> <p>0</p>      |
| <p><b>5. Special Education.</b> The budget includes an increase of \$20.5 million to support special education programs, based on updated cost estimates. Total State funding for special education programming for FY 2018-19 is estimated at \$983.2 million.</p>  | <p>Gross</p> <p>Restricted</p> <p>GF/GP</p> | <p>20,500,000</p> <p>20,500,000</p> <p>0</p>      |
| <p><b>6. Cash Flow Borrowing, Promise Zone Costs, and School Lunch.</b> The budget includes an increase of \$6.0 million for cash flow borrowing costs, \$1.4 million for promise zone reimbursements, and \$342,000 for State support of school lunch programs.</p>                                       | <p>Gross</p> <p>Restricted</p> <p>GF/GP</p> | <p>7,742,000</p> <p>7,742,000</p> <p>0</p>        |

		<b>FY 2018-19 Change From FY 2017-18 Year-to-Date</b>	
<b>7. Computer Adaptive Tests.</b>	The budget increases funding for computer adaptive tests and benchmark assessments from \$4.0 million to \$9.2 million, or an increase of \$5.2 million, for FY 2018-19.	Gross Restricted GF/GP	5,200,000 5,200,000 0
<b>8. Adult Education.</b>	The budget increases adult education funding by \$3.5 million, of which \$2.0 million is to expand the project linking CTE with adult education statewide, \$1.0 million is to hold providers harmless from a formula change, and \$500,000 is for administrative reimbursement.	Gross Restricted GF/GP	3,500,000 3,500,000 0
<b>9. Assessments.</b>	The budget increases assessments funding by \$2.8 million (to a total of \$32.5 million), with \$500,000 of the increase earmarked as an increase for the kindergarten entry observation tool (to a total of \$1.5 million).	Gross Restricted GF/GP	2,800,000 2,800,000 0
<b>10. ISD Special Education Millage Equalization.</b>	The budget increases funding to ISDs for the equalization of special education millage revenue by \$2.25 million, bringing the total to just over \$40.0 million.	Gross Restricted GF/GP	2,250,000 2,250,000 0
<b>11. ISD General Operations Support.</b>	The budget increases funding to ISDs by 2.0%, or \$1.3 million, for general operations support.	Gross Restricted GF/GP	1,345,000 1,345,000 0
<b>12. Partnership Districts - Additional Assistance.</b>	The budget increases the categorical that provides additional targeted financial assistance to partnership districts, from \$6.0 million to \$7.0 million.	Gross Restricted GF/GP	1,000,000 1,000,000 0
<b>13. Isolated District Funding.</b>	The budget increases funding for isolated districts by \$1.0 million (from \$4.0 million to \$5.0 million) and broadens eligibility from districts with no more than 7.3 pupils per square mile to those with no more than 7.7 pupils per square mile.	Gross Restricted GF/GP	1,000,000 1,000,000 0
<b>14. Online Mathematics Program.</b>	The budget doubles funding for Imagine Learning, which provides online mathematics support. Out of the increase, \$500,000 is for Imagine Español.	Gross GF/GP	1,000,000 1,000,000
<b>15. Online Algebra Tool.</b>	The budget increases funding for Algebra Nation, which provides online support for students taking algebra. The total allocation is \$1.5 million in FY 2018-19.	Gross GF/GP	400,000 400,000
<b>16. Advanced Placement (AP) Incentive Program.</b>	The budget increases funding for the AP incentive program from \$750,000 to \$1.0 million, and broadens the fees that may be reimbursed to include college-level examination program fees. The program supports low-income pupils.	Gross GF/GP	250,000 250,000

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

<b>17. 10 Cents a Meal Program.</b> The budget increases funding for the 10 Cents a Meal program (which supports schools' purchases of local agricultural products) from \$375,000 to \$575,000.	Gross GF/GP	200,000 200,000
<b>18. Conductive Learning Center.</b> The budget adds \$100,000 to the existing \$150,000, and appropriates a total of \$250,000 supporting operations of the Center.	Gross GF/GP	100,000 100,000
<b>19. Youth Challenge Program.</b> The budget increases funding in support of the Youth Challenge Program by \$80,000 for students who enroll in July but drop out before the pupil membership count day that occurs in October.	Gross Restricted GF/GP	80,000 80,000 0
<b>20. Detroit Precollege Engineering Program (DAPCEP).</b> The budget increases funding for DAPCEP from \$340,000 to \$400,000.	Gross Restricted GF/GP	60,000 60,000 0
<b>21. Michigan Restaurant Association (MRA) Culinary Training.</b> The budget increases funding support the MRA's culinary training grant from \$79,000 to \$100,000.	Gross GF/GP	21,000 21,000
<b>22. Summer Reading Project.</b> The budget includes \$500,000 for a new summer reading project designed to reduce deterioration in kids' reading abilities over the summer break.	Gross GF/GP	500,000 500,000
<b>23. District and Dyslexia Center Collaboration Grant.</b> The budget includes \$250,000 for a grant to a district to create a pilot program to support a multisensory structured language education method to improve reading proficiency rates of K-3 pupils with a literacy delay or deficiency.	Gross Restricted GF/GP	250,000 250,000 0
<b>24. Dropout Prevention Program.</b> The budget includes \$100,000 for a program to reduce the number of high school dropouts.	Gross GF/GP	100,000 100,000
<b>25. Dana Center.</b> The budget includes \$25,000 for a provider that works to create seamless transitions between the K-12 and the postsecondary education systems.	Gross GF/GP	25,000 25,000

**C. PROGRAM ELIMINATIONS/REDUCTIONS**

<b>1. Additional One-Time Payment toward Retirement System Liabilities.</b> The budget eliminates a one-time extra payment toward MPERS unfunded accrued liabilities.	Gross Restricted GF/GP	(200,000,000) (200,000,000) 0
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		<b>FY 2018-19 Change From FY 2017-18 Year-to-Date</b>	
<b>2. Marshall Plan for Talent.</b>	The budget does not continue one-time funding for the Marshall Plan for Talent, which was appropriated under Article V of the School Aid Act.	Gross Restricted GF/GP	(100,000,000) (100,000,000) 0
<b>3. Career Preparation and Readiness Platform.</b>	The budget eliminates funding for MiBright Future, as this funding instead was supported in the Marshall Plan for Talent (S.B. 941).	Gross GF/GP	(1,000,000) (1,000,000)
<b>4. Competency-Based Education Grants.</b>	The budget eliminates funding for competency-based education grants, as this funding instead was supported in the Marshall Plan for Talent (S.B. 941).	Gross Restricted GF/GP	(500,000) (500,000) 0
<b>5. Cybersecurity Competitions.</b>	The budget eliminates funding for cybersecurity competitions, as this funding instead was supported in the Marshall Plan for Talent (S.B. 941).	Gross Restricted GF/GP	(500,000) (500,000) 0
<b>6. CTE Planning Grant.</b>	The budget eliminates a one-time grant to St. Joseph Schools for the support of a CTE planning grant.	Gross Restricted GF/GP	(250,000) (250,000) 0
<b>7. Digital Assessment Preparation.</b>	The budget eliminates a grant to a provider of digital assessment preparation.	Gross GF/GP	(250,000) (250,000)
<b>8. CTE Counselors.</b>	The budget eliminates \$160,000 in support of CTE counselors in certain districts, but retained \$1.0 million in support of other CTE counselors. In addition, the Marshall Plan for Talent provides funding for career navigators under Public Act 227 of 2018.	Gross Restricted GF/GP	(160,000) (160,000) 0
<b>9. Van Andel Education Institute.</b>	The budget eliminates a grant for the Van Andel Education Institute.	Gross GF/GP	(150,000) (150,000)
<b>10. Technical Foundation Allowance Cost Reductions.</b>	The budget realizes \$86.0 million in technical foundation allowance savings stemming from increasing taxable values (which increase the local support of the foundation allowance and lower the State share) and declining pupils.	Gross Restricted GF/GP	(86,000,000) (86,000,000) 0
<b>11. CTE Equipment Grants.</b>	The budget reduces funding for CTE equipment grants from \$12.5 million to \$2.5 million; funding is distributed to career education planning districts.	Gross GF/GP	(10,000,000) (10,000,000)

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

<b>12. Flint Declaration of Emergency.</b> The budget reduces Flint declaration of emergency funding from \$8.7 million to \$3.2 million.	Gross GF/GP	(5,500,000) (5,500,000)
<b>13. Reduction in Federal Grants.</b> The budget recognizes an anticipated reduction in Federal grants totaling \$2.2 million. Total Federal grants are anticipated to be over \$1.7 billion for FY 2018-19.	Gross Federal GF/GP	(2,200,000) (2,200,000) 0
<b>14. Consolidation Incentive Grants.</b> The budget removes funding for consolidation incentive grants. These grants were ended after FY 2016-17, but funding that was supposed to be paid in FY 2016-17 had to be re-appropriated in FY 2017-18 to make those payments.	Gross Restricted GF/GP	(2,800,000) (2,800,000) 0
<b>15. Reimbursement for Mandates on Nonpublic Schools.</b> The budget reduces from \$2.5 million to \$250,000 payments to nonpublic schools to reimburse costs associated with State mandates.	Gross GF/GP	(2,250,000) (2,250,000)
<b>16. Year-Round Schools Grants.</b> The budget reduces from \$1.5 million to \$750,000 grants to provide payments to districts for one-time costs associated with updating schools to be able to offer year-round instruction.	Gross Restricted GF/GP	(750,000) (750,000) 0

**D. FUNDING SHIFTS**

After accounting for the changes identified above and identified below under Program Transfers and Economic Adjustments, the budget includes a net fund shift of \$1,151,700 School Aid Fund revenue in place of General Fund/General Purpose support of the foundation allowance. Note, however, that the supplemental for FY 2017-18 (which is part of the FY 2018-19 budget bill) reduced GF/GP support of the School Aid budget from \$215.0 million to \$78.5 million, and then the FY 2018-19 budget further reduced GF/GP support of the School Aid budget to \$60.0 million.	Gross Restricted GF/GP	0 1,151,700 (1,151,700)
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**E. PROGRAM TRANSFERS**

The budget transfers \$1.0 million GF/GP to the Michigan Department of Education for administration of early literacy programs funded under Section 35a of the School Aid Act.	Gross GF/GP	(1,000,000) (1,000,000)
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**F. OTHER ISSUES - NONE**

**G. UNCLASSIFIED SALARIES - NONE**

**H. FEE INCREASES - NONE**

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**I. ECONOMIC ADJUSTMENTS**

The economic adjustment amount includes standard economic factors applied to salaries and wages, retirement, other employment retirement costs (OERC), insurance, rent, motor transport, workers' compensation, and building occupancy charges consistent with factors applied to all budgets. Classified employees will receive a 2.0% base wage increase in FY 2018-19 effective on October 1, 2018. Non-exclusively represented employees (NERES) also will receive a 2.0% base wage increase for FY 2018-19 effective on October 1, 2018.

Gross	199,000
Restricted	58,300
GF/GP	140,700

**J. ONE-TIME APPROPRIATIONS**

The budget identifies \$121,324,100 of FY 2018-19 one-time appropriations and eliminates \$3,550,000 of FY 2017-18 one-time appropriations, as well as not continuing the Marshall Plan (\$100.0 million):

	<b>Gross</b>	<b>GF/GP</b>
<b>FY 2018-19</b>		
MPSERS normal cost offset from lower rate of return.....	\$88,139,000	\$48,000
Computer adaptive tests and benchmark assessments.....	9,200,000	0
Flint declaration of emergency.....	3,230,100	3,230,000
CTE equipment upgrades.....	2,500,000	2,500,000
Value-added growth and projection analytics system.....	2,500,000	2,500,000
Michigan Education Corps.....	2,500,000	2,500,000
Information technology certifications.....	2,300,000	2,300,000
Online mathematics program.....	2,000,000	2,000,000
Kindergarten entry observation tool.....	1,500,000	0
Financial data analysis tools.....	1,500,000	0
Online algebra tool.....	1,500,000	1,500,000
CTE counselors.....	1,000,000	0
Year-round school grants.....	750,000	0
10 Cents a Meal.....	575,000	575,000
Summer reading project.....	500,000	500,000
Detroit Area Precollege Engineering Program.....	400,000	0

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

Conductive Learning Center .....	250,000	250,000
District and dyslexia center collaboration grant .....	250,000	0
Reimbursement to nonpublic schools for mandates.....	250,000	250,000
Early learning collaborative.....	175,000	0
Dropout prevention program.....	100,000	100,000
Michigan Restaurant Association culinary training grant.....	100,000	100,000
Youth ChalleNGe Program .....	80,000	0
Dana Center.....	25,000	25,000
<b>Subtotal.....</b>	<b>\$121,324,100</b>	<b>\$18,378,000</b>

**FY 2017-18**

Marshall Plan for Talent.....	(\$100,000,00)	\$0
Consolidation incentive grants.....	(2,800,000)	0
FIRST Robotics increase .....	(500,000)	0
CTE consolidation grant .....	(250,000)	0
<b>Subtotal.....</b>	<b>(\$103,550,000)</b>	<b>\$0</b>

**K. VETOES - NONE**

**DEPARTMENT OF STATE  
P.A. 207 of 2018 – ARTICLE VIII**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE	FY 2018-19 GOV.'S REC.	FY 2018-19 SENATE	FY 2018-19 HOUSE	FY 2018-19 INITIAL APPROPS.	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
						AMOUNT	PERCENT
FTE Positions .....	1,686.0	1,586.0	1,686.0	1,586.0	1,586.0	(100.0)	(5.9)
<b>GROSS</b> .....	<b>271,450,900</b>	<b>254,662,800</b>	<b>255,662,800</b>	<b>247,662,800</b>	<b>246,662,800</b>	<b>(24,788,100)</b>	<b>(9.1)</b>
Less:							
Interdepartmental Grants Received .....	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	0	0.0
<b>ADJUSTED GROSS</b> .....	<b>251,450,900</b>	<b>234,662,800</b>	<b>235,662,800</b>	<b>227,662,800</b>	<b>226,662,800</b>	<b>(24,788,100)</b>	<b>(9.9)</b>
Less:							
Federal Funds .....	16,167,000	1,460,000	1,460,000	1,460,000	1,460,000	(14,707,000)	(91.0)
Local and Private .....	50,100	50,100	50,100	50,100	50,100	0	0.0
<b>TOTAL STATE SPENDING</b> .....	<b>235,233,800</b>	<b>233,152,700</b>	<b>234,152,700</b>	<b>226,152,700</b>	<b>225,152,700</b>	<b>(10,081,100)</b>	<b>(4.3)</b>
Less:							
Other State Restricted Funds .....	210,959,400	214,686,400	215,686,400	206,686,400	206,686,400	(4,273,000)	(2.0)
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>24,274,400</b>	<b>18,466,300</b>	<b>18,466,300</b>	<b>19,466,300</b>	<b>18,466,300</b>	<b>(5,808,100)</b>	<b>(23.9)</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>1,215,900</b>	<b>1,129,000</b>	<b>1,129,000</b>	<b>1,129,000</b>	<b>1,129,000</b>	<b>(86,900)</b>	<b>(7.1)</b>

Includes Ongoing and One-time Appropriations as of July 1, 2018.

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**A. NEW PROGRAMS - NONE**

**B. PROGRAM INCREASES**

- |  |   |
|--|---|
| <p><b>1. Driver License Contracting Costs.</b> The budget includes additional Restricted funding to cover the costs of extending the current contract with the State's vendor that produces State-issued driver license and personal identification cards.</p>   | <p>Gross                    925,000<br/>Restricted                925,000<br/>GF/GP                     0</p> |
| <p><b>2. Information Technology (IT) Increase.</b> The budget includes additional Restricted funding totaling \$800,000 for two items that increased IT costs. Funding of \$500,000 is provided to cover the increased IT rate increases charged to the Department by the Department of Technology, Management, and Budget for providing IT assistance. The remaining \$300,000 will fund a project to create a disaster recovery plan for the Qualified Voter File (QVF) in the event that the security of the QVF is breached.</p> | <p>Gross                    800,000<br/>Restricted                800,000<br/>GF/GP                     0</p> |
| <p><b>3. Commercial Driver License Testing Kiosks.</b> Additional Restricted funding is included for maintenance costs of the testing kiosks for commercial driver licenses located at various branch offices across the State. The kiosks were provided by the Federal government to comply with new Federal regulations; however, maintenance costs are the responsibility of the State.</p>   | <p>Gross                    500,000<br/>Restricted                500,000<br/>GF/GP                     0</p> |

**C. PROGRAM ELIMINATIONS/REDUCTIONS**

- |  |  |
|--|--|
| <p><b>1. FY 2017-18 Supplemental Funding.</b> The budget does not include a total of \$21.0 million in supplemental funding for FY 2017-18. Public Act (PA) 158 of 2017 provided \$5.0 million GF/GP for voting machine replacements. Additionally, PA 82 of 2018 provided \$4.0 million in Federal funding for Federal Help America Vote Act (HAVA) grants to complete the replacement of voting machines across the State. Finally, PA 207 of 2018 provided a total of \$12.0 million in supplemental funding as follows: 1) \$10.7 million for Federal HAVA election security funding; 2) \$1.0 million and 100.0 temporary FTEs for driver license reinstatement of driver responsibility fees; 3) \$250,000 for the Motorcycle Safety Fund; and 4) \$135,400 GF/GP as partial State match for Federal HAVA funds.</p> | <p>FTE                                    (100.0)<br/>Gross                                (21,092,400)<br/>Federal                               (14,707,000)<br/>Restricted                           (1,250,000)<br/>GF/GP                                (5,135,400)</p> |
|--|--|

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**2. Debit and Credit Card Fee Assessments.** The budget removed the line item and the \$8.0 million authorization in Restricted funds but retained the boilerplate language that allows the Department to collect and spend the fee revenue necessary to pay administrative fees charged by the debit and credit card companies. The elimination of this line item removes the cap (currently set at \$8.0 million) while the retention of the boilerplate language allows the Department to collect the fees, which are then submitted to the debit and credit card companies.

Gross	(8,000,000)
Restricted	(8,000,000)
GF/GP	0

**3. FY 2017-18 Contingency Fund Transfer.** The budget does not include \$1.0 million from a Restricted contingency fund transfer via transfer letter # 2018-6. This contingency fund transfer provided authorization for the Department to collect an additional \$1.0 million in revenue from credit and debit card transactions, which in turn were used to pay the administrative fees charged to the State by the debit and credit card companies.

Gross	(1,000,000)
Restricted	(1,000,000)
GF/GP	0

**D. FUNDING SHIFTS**

**Replacement of GF/GP with Restricted Funds.** The budget includes a shift of Restricted funds in replacement of General Fund/General Purpose (GF/GP) dollars. General Fund dollars that are currently used to fund the Department are replaced with Restricted funds from the Transportation Administration Collection Fund (TACF). While this has a net zero effect on the Gross for the Department, this reduces overall GF/GP expenditures for the State by \$1.1 million in FY 2018-19.

Gross	0
Restricted	1,148,300
GF/GP	(1,148,300)

**E. PROGRAM TRANSFERS - NONE**

**F. OTHER ISSUES - NONE**

**G. UNCLASSIFIED SALARIES**

The budget increases Gross funding for the unclassified salaries line item from \$647,700 to \$660,700.

Gross	13,000
GF/GP	13,000

**H. FEE INCREASES - NONE**

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**I. ECONOMIC ADJUSTMENTS**

The economic adjustment amount includes standard economic factors applied to salaries and wages, retirement, other employment retirement costs (OERC), insurance, rent, motor transport, workers' compensation, and building occupancy charges consistent with factors applied to all budgets. Classified employees will receive a 2.0% base wage increase in FY 2018-19 effective on October 1, 2018. Non-exclusively represented employees (NERES) also will receive a 2.0% base wage increase for FY 2018-19 effective on October 1, 2018.

Gross	3,066,300
Restricted	2,603,700
GF/GP	462,600

**J. ONE-TIME APPROPRIATIONS**

The budget identifies \$0 of FY 2018-19 one-time appropriations, shifts \$0 of appropriations from one-time to ongoing, and eliminates \$5.0 million of FY 2017-18 one-time appropriations:

	<b>Gross</b>	<b>GF/GP</b>
<b>FY 2017-18</b>		
Election Administration and Services .....	(\$5,000,000)	(\$5,000,000)
<b>Subtotal</b> .....	<b>(\$5,000,000)</b>	<b>(\$5,000,000)</b>

**K. VETOES - NONE**

**DEPARTMENT OF STATE POLICE  
P.A. 207 of 2018 – ARTICLE XVI**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE	FY 2018-19 GOV.'S REC.	FY 2018-19 SENATE	FY 2018-19 HOUSE	FY 2018-19 INITIAL APPROPS.	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
						AMOUNT	PERCENT
FTE Positions .....	3,438.0	3,490.0	3,491.0	3,490.0	3,518.0	80.0	2.3
<b>GROSS</b> .....	<b>734,363,400</b>	<b>711,814,700</b>	<b>717,384,600</b>	<b>762,714,500</b>	<b>716,459,500</b>	<b>(17,903,900)</b>	<b>(2.4)</b>
Less:							
Interdepartmental Grants Received .....	26,221,600	24,728,300	24,748,300	24,748,300	24,748,300	(1,473,300)	(5.6)
<b>ADJUSTED GROSS</b> .....	<b>708,141,800</b>	<b>687,086,400</b>	<b>692,636,300</b>	<b>737,966,200</b>	<b>691,711,200</b>	<b>(16,430,600)</b>	<b>(2.3)</b>
Less:							
Federal Funds .....	83,686,500	78,223,600	78,297,900	78,297,900	78,297,900	(5,388,600)	(6.4)
Local and Private .....	6,013,300	5,261,800	5,261,800	5,261,800	5,261,800	(751,500)	(12.5)
<b>TOTAL STATE SPENDING</b> .....	<b>618,442,000</b>	<b>603,601,000</b>	<b>609,076,600</b>	<b>654,406,500</b>	<b>608,151,500</b>	<b>(10,290,500)</b>	<b>(1.7)</b>
Less:							
Other State Restricted Funds .....	146,440,300	148,698,200	149,103,700	174,103,700	149,103,700	2,663,400	1.8
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>472,001,700</b>	<b>454,902,800</b>	<b>459,972,900</b>	<b>480,302,800</b>	<b>459,047,800</b>	<b>(12,953,900)</b>	<b>(2.7)</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>14,113,200</b>	<b>14,231,300</b>	<b>14,231,300</b>	<b>39,231,300</b>	<b>14,231,300</b>	<b>118,100</b>	<b>0.8</b>

Includes Ongoing and One-time Appropriations as of July 1, 2018.

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**A. NEW PROGRAMS**

**Medical Marihuana Field Sobriety Testing.** The budget includes \$900,000 Restricted Marihuana Regulatory Fund revenue to support the implementation of standardized field sobriety test for tetrahydrocannabinol (THC) intoxication, per PA 281 of 2016.

Gross	900,000
Restricted	900,000
GF/GP	0

**B. PROGRAM INCREASES**

**1. FY 2017-18 Trooper Schools.** The budget includes the FY 2018-19 annualized costs for 150 expected new trooper graduates from FY 2017-18, including \$16.8 million GF/GP for salaries and benefits and \$3.5 million GF/GP for various other expenses such as fleet leasing and equipment.

Gross	20,267,100
GF/GP	20,267,100

**2. FY 2018-19 Trooper School - Replacement for Attrition.** The budget includes \$3.0 million GF/GP in one-time funding in support of a trooper school designed to graduate 80 troopers to replace 80 enlisted employees expected to be lost to attrition. The Department plan is to conduct a trooper school, beginning in August 2019, designed to graduate 80 new troopers. These funds provide training and equipment, and salaries and benefits will be assumed by existing FY 2018-19 appropriations.

Gross	3,000,000
GF/GP	3,000,000

**3. FY 2018-19 Trooper Schools - New Positions.** The budget includes \$8,870,000 GF/GP to support the costs of trooper schools that will add 75 new positions to the enlisted strength of the Department, which is projected to result in an enlisted strength of 2,197 at the close of FY 2018-19. The Department plan is to conduct a trooper school beginning in March 2019 to graduate 50 new troopers and to add 25 new troopers to those expected to graduate from the attrition school (see B-2). The appropriation includes \$4,751,300 GF/GP one-time for training costs, \$722,100 GF/GP for Department-wide and fleet leasing expenses, and \$3,396,600 GF/GP for partial-year salaries and benefits for the new troopers.

FTE	75.0
Gross	8,870,000
GF/GP	8,870,000

**4. Medical Marihuana Regulation.** The budget includes \$2.9 million Marihuana Regulatory Fund revenue to annualize FY 2017-18 costs, including salary and benefits, fleet leasing, and other administrative costs of the medical marihuana regulation structure created in FY 2017-18 and established under Public Act 281 of 2016.

Gross	2,924,200
Restricted	2,924,200
GF/GP	0

**5. Michigan Commission on Law Enforcement Standards (MCOLES)** The budget includes an increase of \$2.5 million Restricted from the Medical Marihuana Excise Fund (per PA 281 of 2016) to provide administrative support for the Commission's regulatory and grant-issuing responsibilities and to reduce MCOLES's reliance on Michigan Justice Training Fund revenue.

Gross	2,500,000
Restricted	2,500,000
GF/GP	0

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

<b>6. In-Car Camera Replacements for Troopers.</b> The budget includes \$1.3 million GF/GP to provide lifecycle replacement of vehicle-mounted in-car cameras. The cameras have a six-year lifespan.	Gross GF/GP	1,252,500 1,252,500
<b>7. Pay Increases for Lieutenants and Lab Managers.</b> The budget includes \$935,600 Gross (\$8,000 IDG/IDT, \$33,400 Federal, \$71,900 Restricted, \$822,300 GF/GP) to support pay increases for State Police Lieutenants and Laboratory Managers to improve retention and recruitment for these positions, as recommended by the Office of the State Employer and approved by the Civil Service Commission in December 2017.	Gross IDG Federal Restricted GF/GP	935,600 8,000 33,400 71,900 822,300
<b>8. Cyber Crimes Unit.</b> The budget includes 5.0 FTEs and \$618,400 GF/GP to provide additional support for administration and operations of the Michigan Cyber Command Center.	FTE Gross GF/GP	5.0 618,400 618,400
<b>9. Forensic Science.</b> The budget includes \$500,000 GF/GP to provide for equipment maintenance, lifecycle equipment replacement, and to acquire a TruNarc drug scanning device for each State Police lab.	Gross GF/GP	500,000 500,000
<b>10. Sexual Assault Prevention and Education Initiative.</b> The budget includes an increase of \$400,000 GF/GP for the one-time appropriation for grants to institutions of higher education to support on-campus sexual assault and prevention and education programs. The total one-time appropriation for FY 2018-19 is \$1.0 million GF/GP.	Gross GF/GP	400,000 400,000
<b>11. OK2SAY Staff Upgrade.</b> The budget includes an additional \$350,000 GF/GP and 2.0 FTEs to support the OK2SAY call center within the Intelligence Operations unit.	FTE Gross GF/GP	2.0 350,000 350,000
<b>12. Sexual Assault Evidence Kit Tracking.</b> The budget includes \$158,900 GF/GP and 1.0 FTE to support the implementation of the Sexual Assault Evidence Kit Tracking System, as required under PA 158 of 2017.	FTE Gross GF/GP	1.0 158,900 158,900
<b>13. Public Safety Officer Benefit Program.</b> The budget includes \$150,000 GF/GP to increase funding for FY 2018-19 for the Program to \$301,600 GF/GP to better ensure sufficient funds are available for the \$25,000 benefit provided to survivors of public safety officers killed or permanently disabled in the line of duty.	Gross GF/GP	150,000 150,000

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

- |   |                        |                            |
|---|------------------------|----------------------------|
| <p><b>14. Grants and Community Services.</b> The budget includes additional support of 1.0 FTE and \$150,000 GF/GP for administration of State and Federal grants processed by the grants office.</p>   | <p>FTE</p>             | <p>1.0</p>                 |
|   | <p>Gross<br/>GF/GP</p> | <p>150,000<br/>150,000</p> |
| <p><b>15. OK2SAY Information Technology Upgrade.</b> The budget includes a one-time placeholder appropriation of \$100, shifted from an existing line item, for the potential receipt of additional appropriations to upgrade the information tracking system used by the OK2SAY call center personnel.</p> | <p>Gross<br/>GF/GP</p> | <p>0<br/>0</p>             |

**C. PROGRAM ELIMINATIONS/REDUCTIONS**

- |   |                        |                                    |
|---|------------------------|------------------------------------|
| <p><b>1. Advanced 9-1-1.</b> The budget includes the elimination of \$2.2 million GF/GP for a one-time FY 2017-18 grant to encourage statewide use of Advanced 9-1-1 systems.</p>   | <p>Gross<br/>GF/GP</p> | <p>(2,200,000)<br/>(2,200,000)</p> |
| <p><b>2. Fair and Impartial Police Training Grants.</b> The budget includes the elimination of a FY 2017-18 one-time appropriation of \$980,000 GF/GP for training programs to law enforcement agencies that have been developed by the U.S. Department of Justice for fair and impartial policing training.</p>  | <p>Gross<br/>GF/GP</p> | <p>(980,000)<br/>(980,000)</p>     |
| <p><b>3. Impaired Driving Safety Commission.</b> The budget includes the elimination of a FY 2017-18 one-time appropriation of \$250,000 GF/GP for the Impaired Driving Safety Commission, pursuant to PA 243 of 2016, to conduct a university-based study of the effects of THC on a person's ability to drive a motor vehicle.</p>  | <p>Gross<br/>GF/GP</p> | <p>(250,000)<br/>(250,000)</p>     |
| <p><b>4. Law Enforcement Job Analysis Project.</b> The budget includes the elimination of a FY 2017-18 one-time \$200,000 GF/GP appropriation to support the MCOLES decennial job task analysis to identify essential skills and abilities for core law enforcement positions.</p>  | <p>Gross<br/>GF/GP</p> | <p>(200,000)<br/>(200,000)</p>     |
| <p><b>5. Disaster and Emergency Contingency Fund.</b> The budget includes the elimination of an initial FY 2017-18 one-time, \$5.0 million GF/GP appropriation to the Disaster and Emergency Contingency Fund established in the State's Emergency Management Act. The Act provides for a statutory cap on the Fund of \$10.0 million. Article XX of PA 207 of 2018 appropriated \$2.5 million GF/GP to the fund (see G-1), bringing the Fund to its statutory cap.</p> | <p>Gross<br/>GF/GP</p> | <p>(5,000,000)<br/>(5,000,000)</p> |
| <p><b>6. Secure Cities Initiative.</b> The budget includes the elimination of FY 2017-18 one-time funding of \$1.0 million GF/GP for lifecycle replacement of equipment for the Secure Cities initiative.</p>   | <p>Gross<br/>GF/GP</p> | <p>(1,000,000)<br/>(1,000,000)</p> |

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

<p><b>7. Forensic Science Enhancements.</b> The budget includes the elimination of a FY 2017-18 one-time appropriation of \$730,000 GF/GP to support biological casework.</p>	<p>Gross (730,000) GF/GP (730,000)</p>
<p><b>8. Emergency Management/Homeland Security.</b> The budget includes an efficiency reduction of 3.0 FTEs and \$392,400 GF/GP from the Emergency Management and Homeland Security Division. The FTEs are unfilled.</p>	<p>FTE (3.0) Gross (392,400) GF/GP (392,400)</p>
<p><b>9. Forensic Science Overtime.</b> The budget includes a reduction of \$274,400 GF/GP from the Forensic Science Division to reflect a lessening need to pay overtime, as recently hired forensic scientists have finished training and have increased overall laboratory productivity.</p>	<p>Gross (274,400) GF/GP (274,400)</p>
<p><b>10. Adjustment for FY 2017-18 Supplemental Appropriations and Transfers.</b> Technical adjustment for FY 2017-18 supplemental GF/GP appropriations (\$20,000 for training, \$20,000 for standards and training/justice training grants, \$150,000 for Public Safety Officers Benefit Program, \$250,000 for post operations, \$4.5 million for Disaster and Emergency Contingency Fund, \$1.0 million for information technology, \$268,900 for grants and community services, \$350,000 for OK2SAY, \$1.0 million for recruitment and \$25.0 million for school safety grants) plus a \$3,016,600 Restricted contingency fund transfer.</p>	<p>Gross (35,575,500) Restricted (3,016,600) GF/GP (32,558,900)</p>
<p><b>11. Adjustment for FY 2017-18 Boilerplate Appropriations.</b> Technical adjustment for FY 2017-18 receive and expend appropriations from boilerplate authorization, including \$4.0 million Restricted and \$24,000 Federal.</p>	<p>Gross (4,024,000) Federal (24,000) Restricted (4,000,000) GF/GP 0</p>
<p><b>12. One-Time FY 2017-18 Trooper School Costs.</b> The budget eliminates one-time funding for the one-time costs of the FY 2017-18 trooper school.</p>	<p>Gross (9,286,200) GF/GP (9,286,200)</p>

**D. FUNDING SHIFTS - NONE**

**E. PROGRAM TRANSFERS - NONE**

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**F. OTHER ISSUES**

**Technical Adjustment for Actual Funds Received.** The budget includes technical adjustments to reflect reductions of \$980,000 in IDGs, \$5,675,700 Federal, \$716,000 local, \$63,100 private, and \$1,274,400 Restricted.

FTE	(1.0)
Gross	(5,754,900)
IDG	(1,698,500)
Federal	(5,675,700)
Local	(716,000)
Private	(63,100)
Restricted	2,398,400
GF/GP	0

**G. UNCLASSIFIED SALARIES**

The budget increases Gross funding for the unclassified salaries line item from \$586,100 to \$598,000.

Gross	11,900
GF/GP	11,900

**H. FEE INCREASES - NONE**

**I. ECONOMIC ADJUSTMENTS**

The economic adjustment amount includes standard economic factors applied to salaries and wages, retirement, other employment retirement costs (OERC), insurance, rent, motor transport, workers' compensation, and building occupancy charges consistent with factors applied to all budgets. Classified employees will receive a 2.0% base wage increase in FY 2018-19 effective on October 1, 2018. Non-exclusively represented employees (NERES) also will receive a 2.0% base wage increase for FY 2018-19 effective on October 1, 2018.

Gross	4,774,900
IDG	217,200
Federal	277,700
Local	27,600
Restricted	885,500
GF/GP	3,366,900

**J. ONE-TIME APPROPRIATIONS**

The budget identifies \$9,476,400 of FY 2018-19 one-time appropriations and eliminates \$20,721,200 of FY 2017-18 one-time appropriations:

	<b>Gross</b>	<b>GF/GP</b>
<b>FY 2018-19</b>		
Sexual assault prevention and education initiative .....	\$1,000,000	\$1,000,000
Michigan International Speedway traffic control .....	725,000	725,000
OKAY2SAY information technology upgrade .....	100	100
Trooper school .....	7,751,300	7,751,300
<b>Subtotal</b> .....	<b>\$9,476,400</b>	<b>\$9,476,400</b>
<b>FY 2017-18</b>		
Disaster and emergency contingency fund .....	(\$5,000,000)	(\$5,000,000)
Equipment lifecycle replacement - secure cities.....	(1,000,000)	(1,000,000)
Fair and impartial policing training grants .....	(980,000)	(980,000)
Forensic science .....	(730,000)	(730,000)
Law enforcement job task analysis .....	(200,000)	(200,000)
Sexual assault prevention and education initiative.....	(600,000)	(600,000)
Advanced 9-1-1.....	(2,200,000)	(2,200,000)
Michigan International Speedway traffic control .....	(725,000)	(725,000)
Trooper school .....	(9,286,200)	(9,286,200)
<b>Subtotal</b> .....	<b>(\$20,721,200)</b>	<b>(\$20,721,200)</b>

**K. VETOES - NONE**

**DEPARTMENT OF TALENT AND ECONOMIC DEVELOPMENT  
P.A. 207 of 2018 – ARTICLE VIII**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE	FY 2018-19 GOV.'S REC.	FY 2018-19 SENATE	FY 2018-19 HOUSE	FY 2018-19 INITIAL APPROPS.	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
						AMOUNT	PERCENT
FTE Positions .....	1,447.0	1,450.0	1,450.0	1,450.0	1,450.0	3.0	0.2
<b>GROSS</b> .....	<b>1,202,577,900</b>	<b>1,118,945,600</b>	<b>1,116,065,700</b>	<b>1,107,565,700</b>	<b>1,115,295,600</b>	<b>(87,282,300)</b>	<b>(7.3)</b>
Less:							
Interdepartmental Grants Received .....	0	0	0	0	0	0	0.0
<b>ADJUSTED GROSS</b> .....	<b>1,202,577,900</b>	<b>1,118,945,600</b>	<b>1,116,065,700</b>	<b>1,107,565,700</b>	<b>1,115,295,600</b>	<b>(87,282,300)</b>	<b>(7.3)</b>
Less:							
Federal Funds.....	762,144,800	762,645,800	762,645,800	762,645,800	762,645,800	501,000	0.1
Local and Private .....	6,120,900	6,121,700	6,121,700	6,121,700	6,121,700	800	0.0
<b>TOTAL STATE SPENDING</b> .....	<b>434,312,200</b>	<b>350,178,100</b>	<b>347,298,200</b>	<b>338,798,200</b>	<b>346,528,100</b>	<b>(87,784,100)</b>	<b>(20.2)</b>
Less:							
Other State Restricted Funds .....	206,056,700	183,432,300	208,432,300	205,332,300	205,432,300	(624,400)	(0.3)
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>228,255,500</b>	<b>166,745,800</b>	<b>138,865,900</b>	<b>133,465,900</b>	<b>141,095,800</b>	<b>(87,159,700)</b>	<b>(38.2)</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>11,300,000</b>	<b>32,400,000</b>	<b>31,400,000</b>	<b>11,300,000</b>	<b>31,400,000</b>	<b>20,100,000</b>	<b>177.9</b>

Includes Ongoing and One-time Appropriations as of July 1, 2018.

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**A. NEW PROGRAMS**

**Rural Blight Elimination.** The budget includes a new rural blight elimination program. The program will provide grants up to \$50,000 for blight elimination in rural counties that have experienced the greatest population decline over the past 10 years. The funding is included in the MSF-grants line item as one-time appropriations.

Gross	350,000
GF/GP	350,000

**B. PROGRAM INCREASES**

**1. Pure Michigan.** The budget includes a \$1.0 million GF/GP increase for Pure Michigan. Total FY 2018-19 funding is \$36.0 million.

Gross	1,000,000
GF/GP	1,000,000

**2. Workforce Development Program.** The budget increases the Workforce Development Program due to an increase in the Federal award amount for the Employment and Training Program. Federal funds support the total increase to the program.

Gross	501,000
Federal	501,000
GF/GP	0

**3. Drinking Water Declaration of Emergency.** The budget includes a \$100 placeholder to allow for transfers from the Drinking Water Declaration of Emergency Reserve Fund in the event that funds are needed.

Gross	100
Restricted	100
GF/GP	0

**C. PROGRAM ELIMINATIONS/REDUCTIONS**

**1. Grants.** The budget eliminates 86 one-time, Michigan enhancement grants and the supplemental appropriations for the Law Enforcement Officers' Memorial Fund (\$1,181,100). Of the total Michigan enhancement grants eliminated, 36 were part of the FY 2017-18 initial appropriations (\$35.9 million) and 50 were included as a supplemental in Article XX of this budget appropriations bill (\$22.0 million). The table below includes the 50 Michigan enhancement grants from Article XX, FY 2017-18 supplemental appropriations.

Gross	(59,053,100)
GF/GP	(59,053,100)

<b>Michigan Enhancement Grants</b>		
<b>Municipality</b>	<b>Recipient/Purpose</b>	<b>Amount</b>
Ottawa County	Grand Haven State Park	\$1,900,000
Oceana County	County bike trails	1,400,000
Ottawa/Kent County	Grand River dredging	1,150,000
City of Grand Rapids	Civic Theatre	1,000,000
Lowell Township	Riverfront Park	750,000
Genesee County	Sloan Museum	500,000
City of Grand Rapids	Kids Food Basket	500,000
City of Dearborn	Henry Ford Museum	500,000
Branch County	Road project	500,000
City of Dearborn	Arab American Museum	500,000
City of Detroit	Wright Museum	500,000
City of Farmington Hills	Holocaust Memorial Museum	500,000
Tuscola County	County trail	300,000
White Lake Township	Environmental clean-up	250,000
Lake Superior State University	Superior Room	150,000
City of Detroit	North Rosedale Park	150,000
City of Au Gres	Au Gres boat launch	100,000
Saginaw County	Saginaw River deepening	100,000
City of Kalamazoo	Community engagement grant	100,000
City of Lansing	Cristo Rey Community Center	100,000
Lenawee County	Lenawee Conservation District	45,000
City of Sault Ste. Marie	350th Soo anniversary	25,000
City of Beaverton	Beaverton World War I project	5,000
City of Albion	Water and sewer project	500,000
City of Albion	Behavioral and physical health clinic	200,000
Oscoda Township	Water pipeline hookup	325,000
Presque Isle Township	Rural broadband	100,000
City of Monroe	Community center construction	100,000
Monroe Township	Women's addiction center construction	100,000
City of Monroe	Center for the Arts	73,000
City of Bay Harbor	Great Lakes Center for the Arts	1,000,000
Bay Mills Township	Indian community hospital	1,500,000
Statewide	Holy Cross	1,000,000
City of Utica	DDA property redevelopment	500,000
City of Utica	Park development	25,000
Chesterfield Township	Veterans Park sidewalk repair	50,000
Western Michigan University	SIETA Scholarship Program	500,000
City of Sterling Heights	Chaldean Community Foundation	500,000
City of Westland	Community vitality center	100,000
Delta County	Veterans Hall of Fame	500,000

Michigan Enhancement Grants		
Municipality	Recipient/Purpose	Amount
Macomb County	Community Mental Health	1,000,000
Glen Oaks Township	Glen Oaks Community College	1,500,000
Plymouth Township/City	VIPER 911 system	200,000
Plymouth Township	New fire engine	400,000
City Northville	Library upgrades	81,000
City of Plymouth	Library upgrades	96,000
Grayling County	Law enforcement building improvements	75,000
Grayling County	Airport tree cutting	125,000
Statewide	MI Corps Lakes Monitoring Program	150,000
Pittsfield Township	Michigan Research Institute Incubation Center	250,000
<b>Total Supplemental Michigan Enhancement Grants .....</b>		<b>\$21,975,000</b>

- |  |                              |   |
|--|------------------------------|---|
| 2. <b>Talent Marketing.</b> The budget eliminates funding for attracting out-of-State talent to Michigan.  | Gross<br>GF/GP               | (5,000,000)<br>(5,000,000)              |
| 3. <b>Department of Talent and Economic Development (DTED)-Grants.</b> The budget eliminates three one-time special grants from FY 2017-18.  | Gross<br>GF/GP               | (2,700,000)<br>(2,700,000)              |
| 4. <b>Protect and Grow.</b> The budget eliminates the one-time Protect and Grow funding from FY 2017-18. This funding focused on retaining and expanding the defense industry in Michigan.   | Gross<br>GF/GP               | (1,000,000)<br>(1,000,000)              |
| 5. <b>Business Attraction and Community Revitalization.</b> The budget includes a decrease in Business Attraction and Community Revitalization of \$10,120,100 Gross and GF/GP. Total FY 2018-19 funding is \$105,379,900 Gross, \$23.6 million 21 <sup>st</sup> Century Jobs Trust Fund, and \$81,779,900 GF/GP.                                  | Gross<br>Restricted<br>GF/GP | (10,120,100)<br>0<br>(10,120,100)       |
| 6. <b>Going Pro.</b> The budget includes a decrease in the Going Pro program of \$5.5 million Gross and GF/GP. The budget also unrolls \$3.0 million in At-Risk Youth Grants from the line item. Total FY 2018-19 funding is \$37,918,800.   | Gross<br>GF/GP               | (5,500,000)<br>(5,500,000)              |
| 7. <b>Community Ventures.</b> The budget includes a program decrease for Community Ventures of \$4,300,000 Gross (\$3,993,300 in Penalties and Interest revenue and \$306,700 GF/GP). The budget also transferred 7.0 FTEs and \$1,524,800 Gross and Penalties and Interest revenue to the Workforce Development Program Administration line item. | Gross<br>Restricted<br>GF/GP | (4,300,000)<br>(3,993,300)<br>(306,700) |

8. <b>Technical Adjustments.</b> The budget reflects a \$1.7 million reduction to adjust economic increases in certain Federal and Restricted fund sources that do not allow for economic increases.	Gross Federal Restricted GF/GP	(1,653,900) (1,622,100) (31,800) 0
9. <b>Entrepreneurship Eco-System.</b> The budget reduces Entrepreneurship Eco-System by \$1.5 million in 21 <sup>st</sup> Century Jobs Trust Fund dollars. The budget also moves \$2.5 million GF/GP to one-time appropriations. Total FY 2018-19 funding is \$18.9 million.	Gross Restricted GF/GP	(1,500,000) (1,500,000) 0
10. <b>Land Bank Fast Track Authority.</b> The budget reduces the Land Bank Fast Track Authority by \$1.0 million Gross and GF/GP and adds an additional 3.0 FTE positions. Total FY 2018-19 funding is \$4.1 million.	Gross GF/GP	(1,000,000) (1,000,000)
11. <b>Project Rising Tide.</b> The budget includes a \$1.0 million decrease in one-time appropriations for Project Rising Tide. The funding allows the program to provide technical assistance to additional rural communities working through the Redevelopment Ready Certification program. Total FY 2018-19 funding is \$1.0 million.	Gross GF/GP	(1,000,000) (1,000,000)

**D. FUNDING SHIFTS**

1. <b>Going Pro.</b> The budget includes a \$10.0 million fund shift from Penalties and Interest revenue to GF/GP in one-time appropriations for Going Pro.	Gross Restricted GF/GP	0 (10,000,000) 10,000,000
2. <b>Workforce Development Programs.</b> The budget includes an \$8.0 million fund shift from GF/GP to Penalties and Interest revenue in the Workforce Development Programs line item.	Gross Restricted GF/GP	0 8,000,000 (8,000,000)
3. <b>Community College Skilled Trades Equipment Program Debt Service.</b> The budget includes a \$4.6 million fund shift from GF/GP to Penalties and Interest revenue.	Gross Restricted GF/GP	0 4,600,000 (4,600,000)
4. <b>Business Attraction and Community Revitalization.</b> The budget includes a \$2.0 million fund shift from GF/GP to 21 <sup>st</sup> Century Jobs Trust Fund.	Gross Restricted GF/GP	0 2,000,000 (2,000,000)
5. <b>Entrepreneurship Eco-System.</b> The budget includes a \$500,000 fund shift from 21 <sup>st</sup> Century Jobs Trust Fund to GF/GP.	Gross Restricted GF/GP	0 (500,000) 500,000

**E. PROGRAM TRANSFERS - NONE**

**F. OTHER ISSUES**

**Van Andel Research Center.** The budget continues grant funding for the Van Andel Biomedical Research Center. The grant previously was funded by boilerplate appropriations from Entrepreneurship Eco-System. The funding is included in the MSF- grants line item as a one-time appropriation.

Gross	1,000,000
GF/GP	1,000,000

**G. UNCLASSIFIED SALARIES**

The budget increases Gross funding for the unclassified salaries line item from \$1,086,900 to \$1,108,500 due to economics.

Gross	21,600
Federal	14,600
Restricted	4,700
GF/GP	2,300

**H. FEE INCREASES - NONE**

**I. ECONOMIC ADJUSTMENTS**

The economic adjustment amount includes standard economic factors applied to salaries and wages, retirement, other employment retirement costs (OERC), insurance, rent, motor transport, workers' compensation, and building occupancy charges consistent with factors applied to all budgets. Classified employees will receive a 2.0% base wage increase in FY 2018-19 effective on October 1, 2018. Non-exclusively represented employees (NERES) also will receive a 2.0% base wage increase for FY 2018-19 effective on October 1, 2018.

Gross	2,672,100
Federal	1,607,500
Private	800
Restricted	795,900
GF/GP	267,900

**J. ONE-TIME APPROPRIATIONS**

The budget identifies \$15,850,100 of FY 2018-19 one-time appropriations and eliminates \$67,753,100 of FY 2017-18 one-time appropriations:

	<u>Gross</u>	<u>GF/GP</u>
<b>FY 2018-19</b>		
Arts and Cultural Grants .....	\$1,000,000	\$1,000,000
Drinking Water Declaration of Emergency .....	100	0
Going Pro .....	10,000,000	10,000,000
MSF - grants .....	1,350,000	1,350,000
Project Rising Tide.....	1,000,000	1,000,000

Entrepreneurship Eco-System.....	2,500,000	2,500,000
<b>Subtotal.....</b>	<b>\$15,850,100</b>	<b>\$15,850,000</b>
<b>FY 2017-18</b>		
Michigan Enhancement Grants .....	(\$57,872,000)	(\$57,872,000)
DTED Grants .....	(2,700,000)	(2,700,000)
Law Enforcement Officers Memorial Fund .....	(1,181,100)	(1,181,100)
Protect and Grow .....	(1,000,000)	(1,000,000)
Talent Marketing .....	(5,000,000)	(5,000,000)
<b>Subtotal.....</b>	<b>(\$67,753,100)</b>	<b>(\$67,753,100)</b>

**K. VETOES - NONE**

**DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET  
P.A. 207 of 2018 – ARTICLE VIII**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE	FY 2018-19 GOV.'S REC.	FY 2018-19 SENATE	FY 2018-19 HOUSE	FY 2018-19 INITIAL APPROPS.	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
						AMOUNT	PERCENT
FTE Positions .....	2,937.0	3,116.0	3,116.0	3,105.0	3,116.0	179.0	6.1
<b>GROSS</b> .....	<b>1,434,261,400</b>	<b>1,433,670,400</b>	<b>1,368,911,200</b>	<b>1,328,661,000</b>	<b>1,347,108,600</b>	<b>(87,152,800)</b>	<b>(6.1)</b>
Less:							
Interdepartmental Grants Received .....	713,959,000	751,777,000	751,777,000	751,777,000	751,777,000	37,818,000	5.3
<b>ADJUSTED GROSS</b> .....	<b>720,302,400</b>	<b>681,893,400</b>	<b>617,134,200</b>	<b>576,884,000</b>	<b>595,331,600</b>	<b>(124,970,800)</b>	<b>(17.3)</b>
Less:							
Federal Funds .....	4,985,300	5,033,700	5,033,700	5,033,700	5,033,700	48,400	1.0
Local and Private .....	2,444,400	2,471,000	2,471,000	2,471,000	2,471,000	26,600	1.1
<b>TOTAL STATE SPENDING</b> .....	<b>712,872,700</b>	<b>674,388,700</b>	<b>609,629,500</b>	<b>569,379,300</b>	<b>587,826,900</b>	<b>(125,045,800)</b>	<b>(17.5)</b>
Less:							
Other State Restricted Funds .....	111,819,300	114,457,400	114,457,400	114,457,400	114,037,400	2,218,100	2.0
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>601,053,400</b>	<b>559,931,300</b>	<b>495,172,100</b>	<b>454,921,900</b>	<b>473,789,500</b>	<b>(127,263,900)</b>	<b>(21.2)</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>0</b>	<b>4,000,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>

Includes Ongoing and One-time Appropriations as of July 1, 2018.

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**A. NEW PROGRAMS - NONE**

**B. PROGRAM INCREASES**

<b>1. Legislative Retirement.</b> The budget includes a total of \$12.4 million GF/GP per conference target agreement for increased pension and other post-employment benefits annual required contributions for the Michigan Legislative Retirement System.	Gross GF/GP	12,400,000 12,400,000
<b>2. Procurement Improvement Plan Completion.</b> Provides Restricted funding and 6.0 FTEs to improve procurement services such as permanent supplier relationship management, contract management, and an enterprisewide professional development certification program for procurement professionals.	FTE Gross Restricted GF/GP	6.0 891,900 891,900 0
<b>3. Financial Services Support.</b> Increases funding and adds 6.0 FTEs to alleviate the increased workload related to procurement of information technology (IT) services and commodities and to reduce billing errors.	FTE Gross IDG Restricted GF/GP	6.0 559,400 317,900 228,600 12,900
<b>4. DTMB Building Operating Costs Special Maintenance.</b> Increases authorization in the Department's interdepartmental grants (IDG) allowance for building operating costs to accommodate increased utility costs and other building service contracts such as elevators, security guards, and janitorial services.	Gross IDG GF/GP	1,800,000 1,800,000 0
<b>5. Information Technology (IT) – Alignment of IDG funding.</b> The budget includes a net increase of \$31.0 million and 10.0 FTE positions for the IT portion of the budget to align its IDG funding with enacted FY 2017-18 appropriations for all State departments. Funding appropriated in the budget for statewide IT costs for FY 2018-19 totals \$655.1 million.	FTE Gross IDG GF/GP	10.0 31,023,400 31,023,400 0
<b>6. Regional Prosperity Grants.</b> The budget increased funding by \$1.5 million GF/GP to encourage local private, public, and nonprofit partners to create vibrant regional economies and to allow better collaboration among the 11 existing prosperity regions. Total funding in FY 2018-19 for regional prosperity grants is set at \$4.0 million.	Gross GF/GP	1,500,000 1,500,000
<b>7. Enterprise Portfolio Management Office.</b> The budget provides funding and 11.0 FTEs to support expenses associated with establishing the Enterprise Portfolio Management Office. Services are provided across the portfolio of the IT projects across all of State government.	FTE Gross GF/GP	11.0 2,010,000 2,010,000

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

<p><b>8. Agency Services Rate Adjustment.</b> The budget includes additional funding of \$1.0 million GF/GP to provide continued support for pay-per-performance incentives in an effort to retain important and talented IT personnel.</p>	<p>Gross 1,000,000 GF/GP 1,000,000</p>
<p><b>9. One-Time. Corrections Officers Retirement Benefits.</b> The budget includes \$4,000 in GF/GP funding from the one-time funds appropriated in Part 1 for retirement services for actuarial analysis. The funding must be used to conduct an actuarial analysis to determine the costs incurred by the State Employees Retirement System as a result of implementing House Bill 5411 of the 99<sup>th</sup> Legislature. The funds may be used only upon enactment of House Bill 5411 of the 99<sup>th</sup> Legislature.</p>	<p>Gross 4,000 GF/GP 4,000</p>
<p><b>10. One-Time. National Guard Retirees.</b> The budget includes \$6,000 in GF/GP funding from the one-time funds appropriated in Part 1 for retirement services for actuarial analysis. The funding must be used to conduct an actuarial analysis to determine the costs incurred by the State Employees Retirement System as a result of implementing Senate Bill 747 of the 99<sup>th</sup> Legislature. The funds may be used only upon enactment of Senate Bill 747 of the 99<sup>th</sup> Legislature.</p>	<p>Gross 6,000 GF/GP 6,000</p>
<p><b>11. One-Time. \$100 One-Time Placeholders.</b> The budget includes two \$100 placeholders funded with one-time funding: \$100 Restricted fund placeholder for any needed appropriations for costs associated with the Flint Water Emergency; and a \$100 GF/GP placeholder for the broadband initiative for any needed funding in the future for the Michigan Nonprofit Association to assist in the 2020 Census.</p>	<p>Gross 200 Restricted 100 GF/GP 100</p>

**C. PROGRAM ELIMINATIONS/REDUCTIONS**

<p><b>1. Professional Development Funds Adjustment.</b> The budget reduced the authorization for professional development funds for non-exclusively represented employees (NEREs) based on approved civil service contracts for FY 2018-19.</p>	<p>Gross (50,000) IDG (50,000) GF/GP 0</p>
<p><b>2. State Police Employees Retirement System Supplemental Payment.</b> The budget reduced funding to adjust for a decline in the number of retirement beneficiaries. Supplemental payments have been made for these retirees and beneficiaries pursuant to PA 168 of 2015.</p>	<p>Gross (87,000) GF/GP (87,000)</p>

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

- |  |   |
|--|---|
| <p><b>3. IT Investment Fund (ITIF) Reduction.</b> The budget includes a General Fund reduction of \$30.0 million to the ITIF line item to adjust its funding level to account for the near completion of the SIGMA project. Because the project is nearly completed, costs will be reduced going forward. The budget also removes \$7.5 million of one-time FY 2017-18 funding. Total funding for the ITIF is \$35.0 million for FY 2018-19.</p>   | <p>Gross (37,500,000)<br/>GF/GP (37,500,000)</p>                          |
| <p><b>4. Homeland/Cyber Security Reduction.</b> The budget includes a General Fund reduction of \$1.5 million to enterprise data network and backend network equipment updates. These updates can be put on hold without affecting the State's security posture. Funding in FY 2018-19 for this line item totals \$14.7 million.</p>   | <p>Gross (1,500,000)<br/>GF/GP (1,500,000)</p>                            |
| <p><b>5. IT Services and Projects.</b> The budget reduces funding by \$200,000 per target agreement for total funding in FY 2018-19 set at \$27.8 million.</p>   | <p>Gross (200,000)<br/>GF/GP (200,000)</p>                                |
| <p><b>6. FY 2017-18 Supplemental Funding.</b> The budget does not include supplemental funding added in FY 2017-18 totaling \$21.7 million. Public Act (PA) 201 of 2017 allocated \$100,000 for the implementation of House Bill 4644 (a bill that establishes size and weight permit fees for motor vehicles), contingent on the bill's enactment. Additionally, Article XX of PA 207 of 2018 provided supplemental funding totaling \$21.6 million for the following purposes: 1) \$11.0 million for the Michigan Military Retirement Act additional benefit costs; 2) \$5.4 million for State Building Authority Rent cost increases; 3) \$3.0 million for demolition costs for the Caro Center; 4) \$1.8 million for gubernatorial transition costs; and 5) \$420,000 for the Michigan Civilian Cyber Corps.</p> | <p>Gross (21,718,200)<br/>Restricted (420,000)<br/>GF/GP (21,298,200)</p> |
| <p><b>7. Removal of FY 2017-18 One-Time Items.</b> The budget does not include one-time funding for FY 2017-18 totaling \$82.0 million (all GF/GP) and 10.0 FTEs that funded a variety of one-time items. (See Item J.)</p>  | <p>FTE (10.0)<br/>Gross (82,025,100)<br/>GF/GP (82,025,100)</p>           |

**D. FUNDING SHIFTS**

- |  |  |
|--|--|
| <p><b>Statewide Cost Allocation Plan Adjustments.</b> The budget includes adjustments to IDG, Restricted, and GF/GP funding sources that are adjusted to reflect actual appropriations. The changes result in a net zero gross change.</p> | <p>Gross 0<br/>IDG (36,300)<br/>Restricted 81,400<br/>GF/GP (45,100)</p> |
|--|--|

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**E. PROGRAM TRANSFERS**

**School Reform Office Transferred to Department of Education.** The budget includes the transfer of the School Reform Office to the Department of Education pursuant to Executive Order 2017-5, which transfers the funds and accompanying 11.0 FTEs for the School Reform Office from DTMB to the Department of Education where the Office now resides.

FTE	(11.0)
Gross	(3,353,800)
GF/GP	(3,353,800)

**F. OTHER ISSUES**

**FTE Adjustment.** The budget includes adjusted FTE allocations by adding an additional 167.0 FTEs to better align with the appropriated funds and the associated positions across several lines within the Technology Services funding unit. The Department has both appropriated and unappropriated FTEs that are allocated as needed by the agency. The Department expects to exceed their appropriated FTE count related to increases in Federally mandated programs, new systems, and contractor conversions and IT talent retention. There are no costs associated with this realignment.

FTE	167.0
Gross	0
GF/GP	0

**G. UNCLASSIFIED SALARIES**

The budget increases Gross funding for the unclassified salaries line item from \$884,4000 to \$905,100.

Gross	20,700
IDG	8,300
Restricted	1,400
GF/GP	11,000

**H. FEE INCREASES - NONE**

**I. ECONOMIC ADJUSTMENTS**

The economic adjustment amount includes standard economic factors applied to salaries and wages, retirement, other employment retirement costs (OERC), insurance, rent, motor transport, workers' compensation, and building occupancy charges consistent with factors applied to all budgets. Classified employees will receive a 2.0% base wage increase in FY 2018-19 effective on October 1, 2018. Non-exclusively represented employees (NERES) also will receive a 2.0% base wage increase for FY 2018-19 effective on October 1, 2018.

Gross	8,065,700
IDG	4,754,700
Federal	48,400
Local	24,900
Private	1,700
Restricted	1,434,700
GF/GP	1,801,300

**J. ONE-TIME APPROPRIATIONS**

The budget identifies \$10,200 of FY 2018-19 one-time appropriations and eliminates \$89,525,100 of FY 2017-18 one-time appropriations:

	<b>Gross</b>	<b>GF/GP</b>
<b>FY 2018-19</b>		
Office of Retirement Services Actuarial Analyses .....	\$10,000	\$10,000
Drinking Water Declaration of Emergency .....	100	0
Census-Related Services .....	100	100
<b>Subtotal</b> .....	<b>\$10,200</b>	<b>\$10,100</b>
<b>FY 2017-18</b>		
ITIF Augmentation .....	(\$7,500,000)	(\$7,500,000)
Citizen Centric IT Initiative .....	(2,000,000)	(2,000,000)
MAIN Operations for FY 2016-17 Closeout.....	(2,087,600)	(2,087,600)
Michigan Infrastructure Fund .....	(35,000,000)	(35,000,000)
Cyber Security .....	(3,700,000)	(3,700,000)
Drinking Water Declaration of Emergency Reserve Fund.....	(25,000,000)	(25,000,000)
MPSCS Lifecycle Replacement.....	(5,000,000)	(5,000,000)
Michigan.gov Content Management.....	(6,171,300)	(6,171,300)
School Reform Office – Performance Information System.....	(353,000)	(353,000)
SIGMA Transition Support (10.0 FTEs).....	(2,413,200)	(2,413,200)
Vendor Data Tracking Pilot Program.....	(300,000)	(300,000)
<b>Subtotal</b> .....	<b>(\$89,525,100)</b>	<b>(\$89,525,100)</b>

**K. VETOES - NONE**

**DEPARTMENT OF TRANSPORTATION  
P.A. 207 of 2018 – ARTICLE XVII**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE	FY 2018-19 GOV.'S REC.	FY 2018-19 SENATE	FY 2018-19 HOUSE	FY 2018-19 INITIAL APPROPS.	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
						AMOUNT	PERCENT
FTE Positions .....	2,820.3	2,820.3	2,820.3	2,723.3	2,818.3	(2.0)	(0.1)
<b>GROSS</b> .....	<b>4,559,088,000</b>	<b>4,530,089,900</b>	<b>4,540,089,900</b>	<b>4,543,089,900</b>	<b>4,843,089,900</b>	<b>284,001,900</b>	<b>6.2</b>
Less:							
Interdepartmental Grants Received .....	4,039,300	4,092,500	4,092,500	4,092,500	4,092,500	53,200	1.3
<b>ADJUSTED GROSS</b> .....	<b>4,555,048,700</b>	<b>4,525,997,400</b>	<b>4,535,997,400</b>	<b>4,538,997,400</b>	<b>4,838,997,400</b>	<b>283,948,700</b>	<b>6.2</b>
Less:							
Federal Funds .....	1,344,601,200	1,318,271,700	1,318,271,700	1,318,271,700	1,318,271,700	(26,329,500)	(2.0)
Local and Private .....	50,977,000	51,432,000	51,432,000	51,432,000	51,432,000	455,000	0.9
<b>TOTAL STATE SPENDING</b> .....	<b>3,159,470,500</b>	<b>3,156,293,700</b>	<b>3,166,293,700</b>	<b>3,169,293,700</b>	<b>3,469,293,700</b>	<b>309,823,200</b>	<b>9.8</b>
Less:							
Other State Restricted Funds .....	2,954,470,500	3,156,293,700	3,166,293,700	3,169,293,700	3,169,293,700	214,823,200	7.3
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>205,000,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>300,000,000</b>	<b>95,000,000</b>	<b>46.3</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>1,824,418,100</b>	<b>1,853,548,900</b>	<b>1,863,548,900</b>	<b>1,852,542,400</b>	<b>2,036,860,600</b>	<b>212,442,500</b>	<b>11.6</b>

Includes Ongoing and One-time Appropriations as of July 1, 2018.

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**A. NEW PROGRAMS**

**TEDF Category B: Community Service Infrastructure Fund.** This new ongoing program is funded with Transportation Economic Development Fund revenue and is designed to provide matching road and bridge construction grants to cities and villages with a population of 10,000 or less.

Gross	3,000,000
Restricted	3,000,000
GF/GP	0

**B. PROGRAM INCREASES**

**1. One-time Funding for Roads.** Funding for roads is increased for FY 2018-19 with GF/GP and is split between the Department (\$117.3 million), Counties (\$117.3 million), and Cities/Villages (\$65.4 million).

Gross	300,000,000
GF/GP	300,000,000

**2. Transportation Fund Revenue Adjustments.** Income tax earmarks from the Road Funding Package of 2015 make up the bulk of this increase in revenue for road and bridge work: Department and Blue Water Bridge (\$56.0 million), Counties (\$77.9 million), Cities/Villages (\$43.4 million), Transportation Economic Development (\$1.2 million), and the Local Bridge Program (\$117,900).

Gross	178,969,000
Restricted	178,969,000
GF/GP	0

**3. Federal Funding Adjustments.** Federal funding is increased for Federal Highways (\$24.3 million) under the FAST Act reauthorization, Transportation Planning (\$2.8 million), and Local Transit Agencies (\$2.0 million).

Gross	29,054,400
Federal	29,054,400
GF/GP	0

**4. Priority Maintenance.** Additional funds are included for maintenance of bridges (\$8.0 million), culverts (\$8.0 million), and program development, delivery, and system operations (\$2.0 million).

Gross	18,000,000
Restricted	18,000,000
GF/GP	0

**5. Transit and Rail Program Adjustments.** Comprehensive Transportation Fund revenue is increased for Rail Operations and Infrastructure (\$4.8 million), Transit Capital (\$7.2 million), Local Bus Operating (\$2.5 million), and the Detroit/Wayne County Port Authority (\$218,000).

Gross	14,985,300
Private	800,000
Restricted	14,185,300
GF/GP	0

**6. Highway Maintenance.** Additional funds are included for increased materials costs (\$4.0 million), and maintenance for an additional 49 trunkline lane miles (\$337,600).

Gross	4,337,600
Restricted	4,337,600
GF/GP	0

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

7. <b>Information Technology System Upgrades.</b> Additional funds are included to support work station replacement and application modernization.	Gross Restricted GF/GP	2,000,000 2,000,000 0
8. <b>Comprehensive Transportation Fund Investments.</b> Additional funds are included to support local transit agencies for service initiatives (\$1.2 million) and the Transportation to Work Program (\$175,000).	Gross Restricted GF/GP	1,375,000 1,375,000 0
9. <b>Technical Adjustments.</b> The budget includes a slight increase for Interdepartmental Grants (\$966,200), a statutory increase for the Moveable Bridge Program (\$112,400), and other minor adjustments (\$72,300).	Gross Restricted GF/GP	1,006,300 1,006,300 0

**C. PROGRAM ELIMINATIONS/REDUCTIONS**

1. <b>Federal Funding Adjustments.</b> The budget includes a Federal authorization reduction to align with anticipated Federal grant funding in support of the Detroit-Chicago high speed rail corridor project.	Gross Federal GF/GP	(50,100,000) (50,100,000) 0
2. <b>Debt Service.</b> Debt Service Payments are reduced from the previous fiscal year because of scheduled payments.	Gross Federal Restricted GF/GP	(9,502,300) (1,919,900) (7,582,400) 0
3. <b>TEDF Category A: Targeted Industries.</b> Funding for economic development (Category A: Targeted Industries) is reduced to allow for the creation of the Community Service Infrastructure Fund.	Gross Restricted GF/GP	(3,000,000) (3,000,000) 0
4. <b>One-time GF/GP reductions from FY 2017-18.</b> One-time supplemental funding for the Asset Management Council (\$2.0 million), Road and Bridge construction (\$175.0 million), and Community Infrastructure Investments (\$30.0 million) for the previous fiscal year is removed.	Gross Restricted GF/GP	(207,000,000) (2,000,000) (205,000,000)
5. <b>Contingency Fund Backout from FY 2017-18.</b> Federal and Private contingency funding increases from Legislative Transfer 2018-6 are removed.	Gross Federal Private GF/GP	(4,645,000) (4,300,000) (345,000) 0

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**6. Aviation Program Adjustments.** Air Fleet Operations and Maintenance is a new line item and was rolled out of the Aviation Services Line item. Full-time equivalents for Air Fleet Operations and Maintenance are reduced from 12.0 to 10.0, and \$300,000 is moved from the new line to the Capital Outlay section for Airport Safety, Protection, and Improvement Programs. Overall State Aeronautics funding for these lines and the Detroit Metropolitan Wayne County Airport is slightly reduced because of less revenue from aviation fuel taxes.

FTE	(2.0)
Gross	(404,800)
Restricted	(404,800)
GF/GP	0

**D. FUNDING SHIFTS - NONE**

**E. PROGRAM TRANSFERS - NONE**

**F. OTHER ISSUES - NONE**

**G. UNCLASSIFIED SALARIES**

The budget increases Gross funding for the unclassified salaries line item from \$776,600 to \$792,100.

Gross	15,500
Restricted	15,500
GF/GP	0

**H. FEE INCREASES - NONE**

**I. ECONOMIC ADJUSTMENTS**

The economic adjustment amount includes standard economic factors applied to salaries and wages, retirement, other employment retirement costs (OERC), insurance, rent, motor transport, workers' compensation, and building occupancy charges consistent with factors applied to all budgets. Classified employees will receive a 2.0% base wage increase in FY 2018-19 effective on October 1, 2018. Non-exclusively represented employees (NERES) also will receive a 2.0% base wage increase for FY 2018-19 effective on October 1, 2018.

Gross	5,910,900
IDGs	53,200
Federal	936,000
Local	0
Private	0
Restricted	4,921,700
GF/GP	0

**J. ONE-TIME APPROPRIATIONS**

The budget identifies \$300.0 million of FY 2018-19 one-time appropriations and eliminates \$177.0 million of FY 2017-18 one-time appropriations:

	<b>Gross</b>	<b>GF/GP</b>
<b>FY 2018-19</b>		
State Road and Bridge Construction .....	\$117,300,000	\$117,300,000
County Road Commissions .....	117,300,000	117,300,000
Cities and Villages .....	65,400,000	65,400,000
<b>Subtotal</b> .....	<b>\$300,000,000</b>	<b>\$300,000,000</b>
<b>FY 2017-18</b>		
State Road and Bridge Construction .....	(\$68,425,000)	(\$68,425,000)
County Road Commissions .....	(68,425,000)	(68,425,000)
Cities and Villages .....	(38,150,000)	(38,150,000)
Asset Management Council.....	(2,000,000)	0
<b>Subtotal</b> .....	<b>(\$177,000,000)</b>	<b>(\$175,000,000)</b>

**K. VETOES - NONE**

**DEPARTMENT OF TREASURY - DEBT SERVICE  
P.A. 207 of 2018 – ARTICLE VIII**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE	FY 2018-19 GOV.'S REC.	FY 2018-19 SENATE	FY 2018-19 HOUSE	FY 2018-19 INITIAL APPROPS.	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
						AMOUNT	PERCENT
FTE Positions .....	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>GROSS</b> .....	<b>107,580,000</b>	<b>107,580,000</b>	<b>107,080,000</b>	<b>107,580,000</b>	<b>107,080,000</b>	<b>(500,000)</b>	<b>(0.5)</b>
Less:							
Interdepartmental Grants Received .....	0	0	0	0	0	0	0.0
<b>ADJUSTED GROSS</b> .....	<b>107,580,000</b>	<b>107,580,000</b>	<b>107,080,000</b>	<b>107,580,000</b>	<b>107,080,000</b>	<b>(500,000)</b>	<b>(0.5)</b>
Less:							
Federal Funds .....	0	0	0	0	0	0	0.0
Local and Private .....	0	0	0	0	0	0	0.0
<b>TOTAL STATE SPENDING</b> .....	<b>107,580,000</b>	<b>107,580,000</b>	<b>107,080,000</b>	<b>107,580,000</b>	<b>107,080,000</b>	<b>(500,000)</b>	<b>(0.5)</b>
Less:							
Other State Restricted Funds .....	0	0	0	0	0	0	0.0
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>107,580,000</b>	<b>107,580,000</b>	<b>107,080,000</b>	<b>107,580,000</b>	<b>107,080,000</b>	<b>(500,000)</b>	<b>(0.5)</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>

Includes Ongoing and One-time Appropriations as of July 1, 2018.

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**A. NEW PROGRAMS - NONE**

**B. PROGRAM INCREASES - NONE**

**C. PROGRAM ELIMINATIONS/REDUCTIONS**

**Clean Michigan Initiative.** The budget reduces debt service payments for this bond because of projected decreases in scheduled bond payments, with no new projected bonds being issued for FY 2018-19. This decreases total debt service payments to \$62,251,000.

Gross	(500,000)
GF/GP	(500,000)

**D. FUNDING SHIFTS - NONE**

**E. PROGRAM TRANSFERS - NONE**

**F. OTHER ISSUES - NONE**

**G. UNCLASSIFIED SALARIES - NONE**

**H. FEE INCREASES - NONE**

**I. ECONOMIC ADJUSTMENTS - NONE**

**J. ONE-TIME APPROPRIATIONS - NONE**

**K. VETOES - NONE**

**DEPARTMENT OF TREASURY - OPERATIONS  
P.A. 207 of 2018 – ARTICLE VIII**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE	FY 2018-19 GOV.'S REC.	FY 2018-19 SENATE	FY 2018-19 HOUSE	FY 2018-19 INITIAL APPROPS.	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
						AMOUNT	PERCENT
FTE Positions .....	1,852.5	1,862.5	1,860.5	1,860.5	1,862.5	10.0	0.5
<b>GROSS</b> .....	<b>524,828,200</b>	<b>525,621,200</b>	<b>552,075,300</b>	<b>526,454,100</b>	<b>562,928,500</b>	<b>38,100,300</b>	<b>7.3</b>
Less:							
Interdepartmental Grants Received .....	12,613,700	12,780,300	12,780,300	12,780,300	12,780,300	166,600	1.3
<b>ADJUSTED GROSS</b> .....	<b>512,214,500</b>	<b>512,840,900</b>	<b>539,295,000</b>	<b>513,673,800</b>	<b>550,148,200</b>	<b>37,933,700</b>	<b>7.4</b>
Less:							
Federal Funds .....	27,022,600	27,128,000	27,128,000	27,128,000	27,128,000	105,400	0.4
Local and Private .....	14,543,500	13,163,200	13,163,200	13,163,200	13,163,200	(1,380,300)	(9.5)
<b>TOTAL STATE SPENDING</b> .....	<b>470,648,400</b>	<b>472,549,700</b>	<b>499,003,800</b>	<b>473,382,600</b>	<b>509,857,000</b>	<b>39,208,600</b>	<b>8.3</b>
Less:							
Other State Restricted Funds .....	370,681,500	371,069,400	397,521,400	371,569,400	407,475,700	36,794,200	9.9
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>99,966,900</b>	<b>101,480,300</b>	<b>101,482,400</b>	<b>101,813,200</b>	<b>102,381,300</b>	<b>2,414,400</b>	<b>2.4</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>186,083,500</b>	<b>161,949,700</b>	<b>219,653,600</b>	<b>188,657,600</b>	<b>219,653,600</b>	<b>33,570,100</b>	<b>18.0</b>

Includes Ongoing and One-time Appropriations as of July 1, 2018.

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**A. NEW PROGRAMS - NONE**

**B. PROGRAM INCREASES**

<p><b>1. Emergency 9-1-1 Payments.</b> The budget increases Emergency 9-1-1 payments to align funding with cost projections from implementation of PA 51 of 2018, which increases the 9-1-1 rates and grant distributions to local units of government.</p>	<table border="0" style="margin-left: 20px;"> <tr><td>Gross</td><td style="text-align: right;">21,800,000</td></tr> <tr><td>Restricted</td><td style="text-align: right;">21,800,000</td></tr> <tr><td>GF/GP</td><td style="text-align: right;">0</td></tr> </table>	Gross	21,800,000	Restricted	21,800,000	GF/GP	0		
Gross	21,800,000								
Restricted	21,800,000								
GF/GP	0								
<p><b>2. Convention Facility Development Fund Distribution.</b> The budget increases the total Convention Facility Development Fund distributions to align with current projections.</p>	<table border="0" style="margin-left: 20px;"> <tr><td>Gross</td><td style="text-align: right;">14,406,300</td></tr> <tr><td>Restricted</td><td style="text-align: right;">14,406,300</td></tr> <tr><td>GF/GP</td><td style="text-align: right;">0</td></tr> </table>	Gross	14,406,300	Restricted	14,406,300	GF/GP	0		
Gross	14,406,300								
Restricted	14,406,300								
GF/GP	0								
<p><b>3. Medical Marihuana Excise Fund.</b> The budget increases appropriations for administration and grant distribution from the Medical Marihuana Excise Fund to align with current revenue projections. Of the total increase, \$6,930,000 accounts for increases in grant distributions and \$227,100 accounts for increases in administration. The increase is all supported by the Medical Marihuana Excise Fund. The total for appropriations from the Medical Marihuana Excise Fund to the Department of Treasury for FY 2018-19 is \$11.8 million.</p>	<table border="0" style="margin-left: 20px;"> <tr><td>Gross</td><td style="text-align: right;">7,157,100</td></tr> <tr><td>Restricted</td><td style="text-align: right;">7,157,100</td></tr> <tr><td>GF/GP</td><td style="text-align: right;">0</td></tr> </table>	Gross	7,157,100	Restricted	7,157,100	GF/GP	0		
Gross	7,157,100								
Restricted	7,157,100								
GF/GP	0								
<p><b>4. Information Technology.</b> The budget increases appropriations for information technology to account for a rate increase charged from the Department of Technology, Management, and Budget (DTMB). The increase accounts for additional FTEs and appropriations in the DTMB for continuing mainframe legacy upgrades, cloud hosting, and security upgrades. This increases total appropriations for Information Technology to \$36.2 million for FY 2018-19.</p>	<table border="0" style="margin-left: 20px;"> <tr><td>Gross</td><td style="text-align: right;">5,000,000</td></tr> <tr><td>GF/GP</td><td style="text-align: right;">5,000,000</td></tr> </table>	Gross	5,000,000	GF/GP	5,000,000				
Gross	5,000,000								
GF/GP	5,000,000								
<p><b>5. State Lottery.</b> The budget includes an additional 5.0 FTEs and ongoing appropriations for the Bureau of State Lottery due to increased workloads in the Bureau from growth in the Michigan Lottery, especially for online games. The increase is all supported by State lottery revenue.</p>	<table border="0" style="margin-left: 20px;"> <tr><td>FTEs</td><td style="text-align: right;">5.0</td></tr> <tr><td>Gross</td><td style="text-align: right;">637,200</td></tr> <tr><td>Restricted</td><td style="text-align: right;">637,200</td></tr> <tr><td>GF/GP</td><td style="text-align: right;">0</td></tr> </table>	FTEs	5.0	Gross	637,200	Restricted	637,200	GF/GP	0
FTEs	5.0								
Gross	637,200								
Restricted	637,200								
GF/GP	0								

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

<b>6. Other Post-Employment Benefits (OPEB)/Tax Increment Financing (TIF) Oversight.</b> The budget includes an additional 4.0 FTEs and ongoing appropriations to continue implementation of PA 202 of 2017 and PA 57 of 2018, which require monitoring, evaluating, and reporting on pension and retirement health benefits offered by 1,400 local units of government, and oversight of TIF zones throughout the State, respectively. The increase is all supported by GF/GP and is an increase above FY 2017-18 supplemental appropriations in Article XX of this budget.	FTEs Gross GF/GP	4.0 347,500 347,500
<b>7. MI Thrive Program Administration.</b> The budget includes an additional FTE and ongoing appropriations to allow the Department of Treasury to calculate income tax revenue generated from approved MI Thrive projects that clean up contaminated environmental sites in Brownfield Development Districts. The funding is all supported by the Brownfield Development Fund.	FTEs Gross Restricted GF/GP	1.0 214,300 214,300 0
<b>8. Technical Adjustment.</b> The budget increases Interdepartmental Grant (IDG) Accounting Services Center User Charges in the Office of Accounting by \$30,000 due to increases in accounting services for other departments, and increases defined contribution revenue in the Bureau of Investments by \$200,000 to align with the current workload of investing employee pensions.	Gross IDG Restricted GF/GP	230,000 30,000 200,000 0
<b>9. Courageous Cadets.</b> The budget includes a new, one-time appropriation grant for the Courageous Cadets program.	Gross GF/GP	50,000 50,000

**C. PROGRAM ELIMINATIONS/REDUCTIONS**

<b>1. One-Time Information Technology.</b> The budget removes one-time appropriations for information technology. Of the total, \$2.0 million was for improvements to the Systems, Applications, and Process Support systems and \$1,015,000 was supplemental appropriations for information technology costs from implementing PA 57 of 2018, which requires oversight of tax increment financing zones throughout the State.	Gross GF/GP	(3,015,000) (3,015,000)
<b>2. One-Time City Income Tax Administration.</b> The budget removes one-time appropriations for the City Income Tax Administration program that allowed an additional city to join the program. The funding was all supported by the City Income Tax Fund, which is paid for by cities that are part of the program.	Gross Local GF/GP	(1,500,000) (1,500,000) 0
<b>3. One-Time Michigan Infrastructure Council.</b> The budget removes one-time, supplemental appropriations to the Michigan Infrastructure Council. The funding was all supported by the Michigan Infrastructure Fund.	Gross Restricted GF/GP	(1,500,000) (1,500,000) 0

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

<p><b>4. Tax and Economic Policy.</b> The budget removes Emergency 9-1-1 Restricted funds from the Tax and Economic Policy line item because of the sunset of authorization from that fund to the Department of Treasury. The decrease was not replaced with another revenue source resulting in a gross reduction to the line item.</p>	<p>Gross (158,700) Restricted (158,700) GF/GP 0</p>
<p><b>5. Drinking Water Declaration of Emergency.</b> The budget removed one-time funding from the Drinking Water Declaration of Emergency Fund, which was for pipeline replacement and information technology costs for tracking pipeline replacements on titles with the Register of Deeds office.</p>	<p>Gross (9,049,900) Restricted (9,049,900) GF/GP 0</p>
<p><b>6. Administrative Efficiency Reduction.</b> The budget reduces Gross and GF/GP appropriations to the Department Services (\$250,000), Supervision of the General Property Tax Law (\$150,000), and Tax Compliance (\$350,000) line items because of administrative efficiencies.</p>	<p>Gross (750,000) GF/GP (750,000)</p>
<p><b>7. Supplemental and Transfer Adjustment.</b> The budget removes two supplemental appropriations. The supplemental appropriations were for removal of Driver Responsibility Fees (\$250,000) and funding for a trial court commission (\$200,000). The budget also reverses Legislative Transfer 2018-3, which moved \$100 from Executive Direction to Supplemental Revenue Sharing to correct a rounding error.</p>	<p>Gross (449,900) Restricted (250,000) GF/GP (199,900)</p>
<p><b>8. Senior Citizen Cooperative Housing.</b> The budget reduces reimbursements for Senior Citizen Cooperative Housing Tax Exemption to align with current projections.</p>	<p>Gross (199,000) GF/GP (199,000)</p>

**D. FUNDING SHIFTS - NONE**

**E. PROGRAM TRANSFERS - NONE**

**F. OTHER ISSUES**

<p><b>1. Financial Independence Team Roll Up.</b> The budget rolls 9.0 FTEs and \$4,245,800 for the Financial Independence Team into the Supervision of the General Property Tax Law line item, which oversees local units of government that are in financial distress.</p>	<p>Gross 0 GF/GP 0</p>
<p><b>2. Forensic Science Commission.</b> The budget moved a \$100 placeholder from the Supervision of the General Property Tax Law line item to a stand-alone line item for the Forensic Science Commission.</p>	<p>Gross 0 GF/GP 0</p>

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**3. Financial Data Analytical Tool Reimbursement.** The budget continues \$500,000 for financial data analytical tool reimbursement for local units of government. The grant program was moved from ongoing to one-time appropriations.

Gross	0
GF/GP	0

**G. UNCLASSIFIED SALARIES**

The budget increases Gross funding for the unclassified salaries line item from \$1,025,300 to \$1,045,800.

Gross	20,500
Federal	1,400
Restricted	6,900
GF/GP	12,200

**H. FEE INCREASES - NONE**

**I. ECONOMIC ADJUSTMENTS**

The economic adjustment amount includes standard economic factors applied to salaries and wages, retirement, other employment retirement costs (OERC), insurance, rent, motor transport, workers' compensation, and building occupancy charges consistent with factors applied to all budgets. Classified employees will receive a 2.0% base wage increase in FY 2018-19 effective on October 1, 2018. Non-exclusively represented employees (NERES) also will receive a 2.0% base wage increase for FY 2018-19 effective on October 1, 2018.

Gross	4,859,900
IDG	136,600
Federal	104,000
Local	119,700
Restricted	3,331,000
GF/GP	1,168,600

**J. ONE-TIME APPROPRIATIONS**

The budget identifies \$1,550,100 of FY 2018-19 one-time appropriations and eliminates \$6,015,000 of FY 2017-18 one-time appropriations:

	<b>Gross</b>	<b>GF/GP</b>
<b>FY 2018-19</b>		
Beat the Streets .....	\$100,000	\$100,000
Courageous Cadets .....	50,000	50,000
Drinking Water Declaration of Emergency .....	100	0
Financial Data Analytic Tool Reimbursement.....	500,000	500,000
Urban Search and Rescue .....	900,000	900,000
<b>Subtotal</b> .....	<b>\$1,550,100</b>	<b>\$1,550,000</b>
<b>FY 2017-18</b>		
Information technology .....	(\$3,015,000)	(\$3,015,000)
City Income Tax Administration .....	(1,500,000)	0
Michigan Infrastructure Council .....	(1,500,000)	0
<b>Subtotal</b> .....	<b>(\$6,015,000)</b>	<b>(\$3,015,000)</b>

**K. VETOES - NONE**

**DEPARTMENT OF TREASURY - REVENUE SHARING  
P.A. 207 of 2018 – ARTICLE VIII**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2017-18 YEAR-TO-DATE	FY 2018-19 GOV.'S REC.	FY 2018-19 SENATE	FY 2018-19 HOUSE	FY 2018-19 INITIAL APPROPS.	CHANGES FROM FY 2017-18 YEAR-TO-DATE	
						AMOUNT	PERCENT
FTE Positions .....	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>GROSS</b> .....	<b>1,293,928,600</b>	<b>1,298,609,300</b>	<b>1,308,889,900</b>	<b>1,307,009,400</b>	<b>1,314,405,300</b>	<b>20,476,700</b>	<b>1.6</b>
Less:							
Interdepartmental Grants Received .....	0	0	0	0	0	0	0.0
<b>ADJUSTED GROSS</b> .....	<b>1,293,928,600</b>	<b>1,298,609,300</b>	<b>1,308,889,900</b>	<b>1,307,009,400</b>	<b>1,314,405,300</b>	<b>20,476,700</b>	<b>1.6</b>
Less:							
Federal Funds.....	0	0	0	0	0	0	0.0
Local and Private .....	0	0	0	0	0	0	0.0
<b>TOTAL STATE SPENDING</b> .....	<b>1,293,928,600</b>	<b>1,298,609,300</b>	<b>1,308,889,900</b>	<b>1,307,009,400</b>	<b>1,314,405,300</b>	<b>20,476,700</b>	<b>1.6</b>
Less:							
Other State Restricted Funds .....	1,285,549,400	1,298,609,300	1,298,609,300	1,303,909,300	1,314,405,300	28,855,900	2.2
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>8,379,200</b>	<b>0</b>	<b>10,280,600</b>	<b>3,100,100</b>	<b>0</b>	<b>(8,379,200)</b>	<b>(100.0)</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>1,293,928,600</b>	<b>1,298,609,300</b>	<b>1,308,883,900</b>	<b>1,307,009,300</b>	<b>1,314,405,300</b>	<b>20,476,700</b>	<b>1.6</b>

Includes Ongoing and One-time Appropriations as of July 1, 2018.

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**A. NEW PROGRAMS**

**Supplemental County Revenue Sharing.** The budget includes a one-time payment to each county in an amount equal to 0.4627% of the amount it is entitled to under the Glenn Steil State Revenue Sharing Act. This supplemental funding must be used by a county to reduce debt, pension, or other post-employment benefit (OPEB) obligations, if the county has any such obligations.

Gross	1,000,000
Restricted	1,000,000
GF/GP	0

**B. PROGRAM INCREASES**

**1. Constitutional Revenue Sharing.** The State Constitution requires the payment of 15.0% of sales tax revenue collected at a 4.0% rate to cities, villages, and townships (CVTs) on a per capita basis. The budget includes \$835,333,800 for estimated constitutional revenue sharing payments in FY 2018-19 based on the May 2018 consensus revenue estimates. This is a 2.6% increase over the revised estimate for FY 2017-18 payments. Actual payments will be made based on actual revenue collections.

Gross	21,532,500
Restricted	21,532,500
GF/GP	0

**2. Revenue Sharing Payments to Counties.** A county that has completed withdrawals from its revenue sharing reserve fund is eligible for State-paid revenue sharing through two line items: County Revenue Sharing and the County Incentive Program. The budget provides a total of \$220,415,500 for revenue sharing payments to counties consisting of \$177,196,700 for County Revenue Sharing and \$43,218,800 for the County Incentive Program, which requires compliance with accountability and transparency conditions. These appropriations cover the \$328,300 in additional costs (\$269,900 in County Revenue Sharing and \$58,400 in the County Incentive Program) in FY 2018-19 for Antrim, Keweenaw, and Mackinac Counties, which reenter State-paid revenue sharing in FY 2018-19.

Gross	328,300
Restricted	328,300
GF/GP	0

**3. City, Village, and Township Revenue Sharing (One-time).** The budget provides an increase of \$116,000 to CVT Revenue Sharing to allow any CVT that received at least \$1,000 in "statutory" payments in FY 2009-10 to receive 78.51044% of the amount the CVT received in FY 2009-10. Previously, only CVTs that had received at least \$4,500 in payments were eligible.

Gross	116,000
Restricted	116,000
GF/GP	0

**FY 2018-19 Change From  
FY 2017-18 Year-to-Date**

**C. PROGRAM ELIMINATIONS/REDUCTIONS**

**Financially Distressed Cities, Villages, and Townships.** The budget reduces funding for grants to financially distressed CVTs, down from \$5.0 million in FY 2017-18. Grants of up to \$2.0 million are awarded by the Department of Treasury to cities, villages, or townships with signs of probable financial distress. Use of the grants is limited to approved projects that move the local government toward financial stability.

Gross	(2,500,000)
Restricted	(2,500,000)
GF/GP	0

**D. FUNDING SHIFTS**

**1. Supplemental City, Village, and Township Revenue Sharing.** The budget again includes \$6.2 million in one-time GF/GP revenue for payment of \$0.807929 per capita to local governments that currently are eligible for City, Village, and Township Revenue Sharing. This supplemental funding must be used by a local unit to reduce debt, pension, or OPEB obligations, if the local unit has any such obligations. The budget shifts funding from GF/GP revenue to sales tax revenue and removes \$100 that was transferred in FY 2017-18 to solve a rounding error.

Gross	(100)
Restricted	6,200,000
GF/GP	(6,200,100)

**2. Revenue Sharing Payments to Counties.** The budget shifts \$2,179,100 from GF/GP revenue to sales tax revenue.

Gross	0
Restricted	2,179,100
GF/GP	(2,179,100)

**E. PROGRAM TRANSFERS - NONE**

**F. OTHER ISSUES - NONE**

**G. UNCLASSIFIED SALARIES - NONE**

**H. FEE INCREASES - NONE**

**I. ECONOMIC ADJUSTMENTS - NONE**

**J. ONE-TIME APPROPRIATIONS**

The budget identifies \$13,116,000 of FY 2018-19 one-time appropriations and eliminates \$12,000,000 of FY 2017-18 one-time appropriations:

	<b>Gross</b>	<b>GF/GP</b>
<b>FY 2018-19</b>		
City, Village, and Township Revenue Sharing .....	\$5,916,000	\$0
Supplemental City, Village, and Township Revenue Sharing ....	6,200,000	0
Supplemental County Revenue Sharing .....	1,000,000	0
<b>Subtotal</b> .....	<b>\$13,116,000</b>	<b>\$0</b>
<b>FY 2017-18</b>		
City, Village, and Township Revenue Sharing .....	(\$5,800,000)	\$0
Supplemental City, Village, and Township Revenue Sharing ....	(6,200,000)	(6,200,000)
<b>Subtotal</b> .....	<b>(\$12,000,000)</b>	<b>(\$6,200,000)</b>

**K. VETOES - NONE**



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# **APPENDIX**

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**Appendix A**

**FY 2018-19  
APPROPRIATIONS BILL INDEX**

<b>DEPARTMENT/BUDGET AREA</b>	<b>BILL NUMBER</b>	<b>PUBLIC ACT NUMBER</b>	<b>LINE-ITEM VETOES</b>
Agriculture and Rural Development.....	Senate Bill 848	P.A. 207 of 2018	No
Attorney General.....	Senate Bill 848	P.A. 207 of 2018	No
Civil Rights.....	Senate Bill 848	P.A. 207 of 2018	No
Community Colleges.....	House Bill 5579	P.A. 265 of 2018	No
Corrections.....	Senate Bill 848	P.A. 207 of 2018	No
Education.....	Senate Bill 848	P.A. 207 of 2018	No
Environmental Quality.....	Senate Bill 848	P.A. 207 of 2018	No
Executive.....	Senate Bill 848	P.A. 207 of 2018	No
Health and Human Services.....	Senate Bill 848	P.A. 207 of 2018	No
Higher Education.....	House Bill 5579	P.A. 265 of 2018	No
Insurance and Financial Services.....	Senate Bill 848	P.A. 207 of 2018	No
Judiciary.....	Senate Bill 848	P.A. 207 of 2018	No
Legislative Auditor General.....	Senate Bill 848	P.A. 207 of 2018	No
Legislature.....	Senate Bill 848	P.A. 207 of 2018	No
Licensing & Regulatory Affairs.....	Senate Bill 848	P.A. 207 of 2018	No
Military and Veterans Affairs.....	Senate Bill 848	P.A. 207 of 2018	No
Natural Resources.....	Senate Bill 848	P.A. 207 of 2018	No
School Aid.....	House Bill 5579	P.A. 265 of 2018	No
State.....	Senate Bill 848	P.A. 207 of 2018	No
State Police.....	Senate Bill 848	P.A. 207 of 2018	No
Talent and Economic Development.....	Senate Bill 848	P.A. 207 of 2018	No
Technology, Management, and Budget.....	Senate Bill 848	P.A. 207 of 2018	No
Transportation.....	Senate Bill 848	P.A. 207 of 2018	No
Treasury (Debt Service).....	Senate Bill 848	P.A. 207 of 2018	No
Treasury (Operations).....	Senate Bill 848	P.A. 207 of 2018	No
Treasury (Revenue Sharing).....	Senate Bill 848	P.A. 207 of 2018	No

**Appendix B**  
**FY 2018-19 VEHICLE BILLS USED IN BUDGET DEVELOPMENT**

<b>DEPARTMENT</b>	<b>GOVERNOR'S REC OMNIBUS</b>	<b>SENATE SUB. COM.</b>	<b>SENATE FULL COM.</b>	<b>SENATE PASSED</b>	<b>HOUSE SUB. COM.</b>	<b>HOUSE FULL COM. OMNIBUS</b>	<b>HOUSE PASSED OMNIBUS</b>	<b>CONF. COM.</b>	<b>CONF/ENACTED OMNIBUS</b>
Agriculture and Rural Development	S.B. 912	S.B. 850	S.B. 850	S.B. 850	H.B. 5568	H.B. 5578	H.B. 5578	H.B. 5568	S.B. 848/P.A. 207
Attorney General	S.B. 912	S.B. 855	S.B. 855	S.B. 855	H.B. 5567	H.B. 5578	H.B. 5578	H.B. 5567	S.B. 848/P.A. 207
Capital Outlay	S.B. 912	N/A	N/A	N/A	N/A	N/A	N/A	N/A	S.B. 848/P.A. 207
Civil Rights	S.B. 912	S.B. 855	S.B. 855	S.B. 855	H.B. 5567	H.B. 5578	H.B. 5578	H.B. 5567	S.B. 848/P.A. 207
Community Colleges	S.B. 913	S.B. 851	S.B. 851	S.B. 851	H.B. 5564	H.B. 5579	H.B. 5579	S.B. 851	H.B. 5579/P.A. 265
Corrections	S.B. 912	S.B. 852	S.B. 852	S.B. 852	H.B. 5562	H.B. 5578	H.B. 5578	H.B. 5562	S.B. 848/P.A. 207
Education	S.B. 912	S.B. 853	S.B. 853	S.B. 853	H.B. 5577	H.B. 5578	H.B. 5578	S.B. 853	S.B. 848/P.A. 207
Environmental Quality	S.B. 912	S.B. 854	S.B. 854	S.B. 854	H.B. 5573	H.B. 5578	H.B. 5578	S.B. 854	S.B. 848/P.A. 207
Executive	S.B. 912	S.B. 855	S.B. 855	S.B. 855	H.B. 5567	H.B. 5578	H.B. 5578	H.B. 5567	S.B. 848/P.A. 207
Health and Human Services	S.B. 912	S.B. 856	S.B. 856	S.B. 856	H.B. 5565	H.B. 5578	H.B. 5578	S.B. 856	S.B. 848/P.A. 207
Higher Education	S.B. 913	S.B. 857	S.B. 857	S.B. 857	H.B. 5571	H.B. 5579	H.B. 5579	S.B. 857	H.B. 5579/P.A. 265
Insurance and Financial Services	S.B. 912	S.B. 858	S.B. 858	S.B. 858	H.B. 5575	H.B. 5578	H.B. 5578	H.B. 5575	S.B. 848/P.A. 207
Judiciary	S.B. 912	S.B. 859	S.B. 859	S.B. 859	H.B. 5566	H.B. 5578	H.B. 5578	S.B. 859	S.B. 848/P.A. 207
Legislative Auditor General	S.B. 912	S.B. 855	S.B. 855	S.B. 855	H.B. 5567	H.B. 5578	H.B. 5578	H.B. 5567	S.B. 848/P.A. 207
Legislature	S.B. 912	S.B. 855	S.B. 855	S.B. 855	H.B. 5567	H.B. 5578	H.B. 5578	H.B. 5567	S.B. 848/P.A. 207
Licensing and Regulatory Affairs	S.B. 912	S.B. 860	S.B. 860	S.B. 860	H.B. 5574	H.B. 5578	H.B. 5578	H.B. 5574	S.B. 848/P.A. 207
Military and Veterans Affairs	S.B. 912	S.B. 861	S.B. 861	S.B. 861	H.B. 5570	H.B. 5578	H.B. 5578	H.B. 5570	S.B. 848/P.A. 207
Natural Resources	S.B. 912	S.B. 862	S.B. 862	S.B. 862	H.B. 5569	H.B. 5578	H.B. 5578	S.B. 862	S.B. 848/P.A. 207
School Aid	S.B. 913	S.B. 863	S.B. 863	S.B. 863	H.B. 5576	H.B. 5579	H.B. 5579	S.B. 863	H.B. 5579/P.A. 265
State	S.B. 912	S.B. 855	S.B. 855	S.B. 855	H.B. 5567	H.B. 5578	H.B. 5578	H.B. 5567	S.B. 848/P.A. 207
State Police	S.B. 912	S.B. 864	S.B. 864	S.B. 864	H.B. 5561	H.B. 5578	H.B. 5578	H.B. 5561	S.B. 848/P.A. 207
Talent and Economic Development	S.B. 912	S.B. 855	S.B. 855	S.B. 855	H.B. 5567	H.B. 5578	H.B. 5578	H.B. 5567	S.B. 848/P.A. 207
Technology, Management, and Budget	S.B. 912	S.B. 855	S.B. 855	S.B. 855	H.B. 5567	H.B. 5578	H.B. 5578	H.B. 5567	S.B. 848/P.A. 207
Transportation	S.B. 912	S.B. 865	S.B. 865	S.B. 865	H.B. 5572	H.B. 5578	H.B. 5578	H.B. 5572	S.B. 848/P.A. 207
Treasury (Debt Service)	S.B. 912	S.B. 855	S.B. 855	S.B. 855	H.B. 5567	H.B. 5578	H.B. 5578	H.B. 5567	S.B. 848/P.A. 207
Treasury (Operations)	S.B. 912	S.B. 855	S.B. 855	S.B. 855	H.B. 5567	H.B. 5578	H.B. 5578	H.B. 5567	S.B. 848/P.A. 207
Treasury (Revenue Sharing)	S.B. 912	S.B. 855	S.B. 855	S.B. 855	H.B. 5567	H.B. 5578	H.B. 5578	H.B. 5567	S.B. 848/P.A. 207









## RECENT SENATE FISCAL AGENCY PUBLICATIONS

<b>August 2018</b> • "Reports Required by Boilerplate in Appropriation Acts"	<b>Boilerplate Report</b>	<b>October 2017</b> • "The Economy and State Revenue"	<b>State Budget Overview</b>	<b>Spring 2017</b> • "General Fund/General Purpose Revenue Growth"	<b>State Notes</b>
<b>Spring 2018</b> • "Funding Michigan Indigent Defense Commission Grants" • "Overview: Michigan's Medical Marihuana Laws and Funding" • "A Funding History of Fire Protection Grants"	<b>State Notes</b>	<b>September 2017</b> • "Reports Required by Boilerplate in Appropriation Acts"	<b>Boilerplate Report</b>	<b>March 2017</b> • "FY 2017-18 Appropriations Report - Part I - Governor's Recommendations"	<b>Appropriations Report</b>
<b>May 2018</b> • "Michigan's Economic Outlook and Budget Review FY 2017-18, FY 2018-19, and FY 2019-20"	<b>Economic Outlook</b>	<b>August 2017</b> • "FY 2017-18 Appropriations Report - Part II - Initial Appropriations"	<b>Appropriations Report</b>	<b>February 2017</b> • "FY 2015-16 Appropriations Report - Part III - Year-End Appropriations"	<b>Appropriations Report</b>
<b>April 2018</b> • "FY 2016-17 Status of Lawsuits Involving the State of Michigan"	<b>Lawsuit Report</b>	<b>Summer 2017</b> • "State Capitol Restoration/Infrastructure Upgrade Project" • "Public Act 107 of 2017: FY 2016-17 Capital Outlay Supplemental Appropriation" • "Telehealth: How Communications Technology is Changing the Provision of Health Care" • "Overview of State Appropriations for the Flint Drinking Water Emergency-Update" • "Funding Cuts to the Detroit/Wayne County Port Authority" • "Recent Trends and Changes in Shared Time Public/Private/Home-School Education" • "Michigan Use Tax Basics"	<b>State Notes</b>	<b>February 2017</b> • "An Introduction to the History and Regulation of Online Gaming"	<b>Issue Paper</b>
<b>February 2018</b> • "FY 2018-19 Appropriations Report - Part I - Governor's Recommendations"	<b>Appropriations Report</b>	<b>May 2017</b> • "Michigan's Economic Outlook and Budget Review FY 2016-17, FY 2017-18, and FY 2018-19"	<b>Economic Outlook</b>	<b>February 2017</b> • "FY 2015-16 Status of Lawsuits Involving the State of Michigan"	<b>Lawsuit Report</b>
<b>December 2017</b> • "Michigan's Economic Outlook and Budget Review FY 2016-17, FY 2017-18, FY 2018-19, and FY 2019-20"	<b>Economic Outlook</b>	<b>Spring 2017</b> • "Tuition Incentive Program Update"	<b>State Notes</b>	<b>Winter 2017</b> • "Capital Outlay Construction Authorizations" • "State of Michigan Highway Negligence Litigation History" • "Michigan Department of Health and Human Services Flint Drinking Water Emergency Expenditures" • "Transportation Revenue, Appropriations, and Road Quality after the Road Funding Package" • "Michigan Natural Resources Trust Fund Board Project Recommendations for Application Year 2016" • "Update on the Michigan Early Stage Venture Capital Tax Vouchers"	<b>State Notes</b>
<b>Fall 2017</b> • "Performance-Based Funding for Child Welfare Services" • "Automated Vehicle Domestic Developments: A Snapshot"	<b>State Notes</b>				

## RECURRING SENATE FISCAL AGENCY REPORTS

- *Appropriations Report – Part I - Governor's Recommendations*
- *Appropriations Report – Part II - Initial Appropriations*
- *Appropriations Report – Part III - Year-End Appropriations*
- *Status of Lawsuits Against the State*
- *Higher Education Appropriations Report*
- *Michigan Economic Outlook and Budget Review*
- *Monthly Revenue Report*
- *Monthly Michigan Economic Indicators*
- *State Notes: Topics of Legislative Interest*