



FY 2020-21
APPROPRIATIONS REPORT
Part II - Initial Appropriations

December 2020



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THE SENATE FISCAL AGENCY

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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

FY 2020-21 INITIAL APPROPRIATIONS OVERVIEW

On February 6, 2020, Governor Gretchen Whitmer presented her fiscal year (FY) 2020-21 and budget projections for FY 2021-22. Public Act (PA) 389 of 2018, requires the Governor to propose a budget for the upcoming fiscal year and the following fiscal year. Pursuant to an Attorney General's letter opinion issued on February 9, 2011, the Governor is allowed to propose a two-year budget and the Legislature can enact a two-year budget but the second year would only be an expression of an "intent to appropriate", not binding or legally enforceable. Beginning with FY 2020-21, the Governor also produced a five-year strategic plan for the State accompanying the budget recommendation submitted to the Legislature.

On September 23, 2020, the Legislature passed the FY 2020-21 School Aid Act and general budget omnibus bills. The budget passed by the Legislature was balanced based on the consensus revenue estimates agreed to on August 24, 2020. There were significant variations from previous fiscal years in the budget process for FY 2020-21, primarily resulting from the Coronavirus Disease 2019 (COVID-19) global pandemic. After receiving the Governor's budget recommendation, both the House of Representatives and Senate initiated their respective budget processes. However, the virus that causes COVID-19, a respiratory illness that can spread from person to person, was first identified in the State by the Michigan Department of Health and Human Services (DHHS) on March 10, 2020. An increasing number of positive cases of COVID-19 resulted in the Michigan Legislature significantly reducing its scheduled session days and in-person committee hearings. The House of Representatives and Senate held intermittent committee hearings through the next several months, though neither chamber produced a FY 2020-21 budget recommendation in response to the Governor's proposed budget. The COVID-19 pandemic and the actions taken to mitigate the spread of the virus through the State caused uncertainty in revenue projections. A third Consensus Revenue Estimating Conference (CREC) was held on August 24, 2020, after which representatives from the House, Senate, and Administration negotiated targets for the FY 2020-21 budget. Unlike the previous year, in which the Legislature reported 16 individual appropriation bills for signature by the Governor, the negotiated content of the FY 2020-21 budget was first released to the public at conference committees for two bills, an Education omnibus bill (Senate Bill (SB) 927) and a General omnibus bill (House Bill (HB) 5396). The two conference reports were approved by the House and Senate and sent to the Governor for her signature.

The budget bills presented to the Governor were signed on September 30, 2020, with a single veto message returned to the Legislature. The veto message returned to the Legislature was a placeholder in the School Aid budget and reduced the FY 2020-21 appropriations recommended by the Legislature by \$100 Gross¹ and General Fund/General Purpose² (GF/GP). The Education omnibus bill for FY 2020-21 was enacted as Public Act 165 and the General omnibus bill for FY 2020-21 was enacted as Public Act 166 of 2020. Unlike the actions taken by the Governor after signing the FY 2019-20 budget, the Governor did not use the State Administrative Board to transfer appropriated dollars from specified line items into other line items within the same department budgets for the initial budget for FY 2020-21, under Section 3 of Public Act 2 of 1921 (MCL 17.3).

On an overall basis, the initial level of FY 2020-21 Gross appropriations for State budget areas totals \$62.8 billion, while State Spending from State Resources³ appropriations total \$35.4 billion. The Gross total includes \$62.2 billion in ongoing appropriations and \$550.0 million in one-time appropriations. [Table 1](#) outlines the totals by department for the initial ongoing Gross appropriations of \$62.2 billion and the ongoing GF/GP appropriations of \$10.3 billion, as well as the one-time Gross appropriations of \$550.0 million and the one-time GF/GP appropriations of \$272.3 million. [Table 2](#) provides the detail by budget area, program, and fund source, for the FY 2020-21 one-time appropriations.

This Senate Fiscal Agency report, *FY 2020-21 Appropriations Report Part II - Initial Appropriations*, is the second SFA report in a series that also 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 2020-21.

¹ Gross appropriations are defined as total appropriations from all fund sources.

² General Fund/General Purpose appropriations are State Spending from State Resources appropriations less State Restricted revenue.

³ State Spending from State Resources appropriations are appropriations from State Restricted and GF/GP revenue.

Table 1

FY 2020-21 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	\$116,895,000	\$59,216,800	\$4,400,000	\$4,400,000	\$121,295,000	\$63,616,800
Attorney General	106,828,600	41,148,400	0	0	106,828,600	41,148,400
Capital Outlay	0	0	0	0	0	0
Civil Rights	18,037,400	14,792,200	0	0	18,037,400	14,792,200
Community Colleges	425,667,600	0	0	0	425,667,600	0
Corrections	2,045,788,400	1,794,258,400	15,000,000	15,000,000	2,060,788,400	1,809,258,400
Education	450,695,700	89,067,100	1,000,000	1,000,000	451,695,700	90,067,100
Environment, Great Lakes, & Energy	505,799,200	53,883,900	5,560,000	5,560,000	511,359,200	59,443,900
Executive	7,114,300	7,114,300	0	0	7,114,300	7,114,300
Health & Human Services	28,314,293,800	5,036,966,300	184,154,800	53,404,800	28,498,448,600	5,090,371,100
Higher Education	1,698,925,400	1,216,835,700	1,000,000	1,000,000	1,699,925,400	1,217,835,700
Insurance & Financial Services	73,315,700	0	0	0	73,315,700	0
Judiciary	311,834,400	200,127,500	1,806,800	1,806,800	313,641,200	201,934,300
Labor & Economic Opportunity	1,554,575,500	161,578,800	71,288,800	31,288,800	1,625,864,300	192,867,600
Legislature	202,453,800	189,026,600	0	0	202,453,800	189,026,600
Licensing & Regulatory Affairs	483,389,600	148,605,600	1,000,000	1,000,000	484,389,600	149,605,600
Military & Veterans Affairs	212,609,500	67,938,200	13,483,000	13,483,000	226,092,500	81,421,200
Natural Resources	461,194,100	48,197,300	8,400,000	2,500,000	469,594,100	50,697,300
School Aid	15,430,164,800	50,964,600	95,000,000	0	15,525,164,800	50,964,600
State	254,297,500	12,597,500	0	0	254,297,500	12,597,500
State Police	730,376,400	431,667,500	7,709,100	7,709,100	738,085,500	439,376,600
Technology, Management, & Budget	1,640,300,000	487,021,100	31,405,000	29,305,000	1,671,705,000	516,326,100
Transportation	5,107,470,600	0	0	0	5,107,470,600	0
Treasury (Debt Service)	113,735,000	113,735,000	0	0	113,735,000	113,735,000
Treasury (Operations)	602,158,500	105,132,200	108,825,000	104,800,000	710,983,500	209,932,200
Treasury (Revenue Sharing)	1,341,924,300	0	0	0	1,341,924,300	0
TOTAL INITIAL APPROPRIATIONS	\$62,209,845,100	\$10,329,875,000	\$550,032,500	\$272,257,500	\$62,759,877,600	\$10,602,132,500

Table 2

FY 2020-21 INITIAL ONE-TIME APPROPRIATIONS BY FUND SOURCE					
Department/Budget Area	Gross	Federal	Local/ Private	State Restricted	GF/GP
Agriculture & Rural Development					
Industrial hemp program	\$4,400,000	\$0	\$0	\$0	\$4,400,000
Total Agriculture & Rural Development	\$4,400,000	\$0	\$0	\$0	\$4,400,000
Corrections					
<i>John Doe v. MDOC</i> settlement agreement	\$15,000,000	\$0	\$0	\$0	\$15,000,000
Total Corrections	\$15,000,000	\$0	\$0	\$0	\$15,000,000
Education					
Educare	\$1,000,000	\$0	\$0	\$0	\$1,000,000
Total Education	\$1,000,000	\$0	\$0	\$0	\$1,000,000
Environment, Great Lakes, & Energy					
Lead and copper rule support	\$2,750,000	\$0	\$0	\$0	\$2,750,000
Madison Heights demolition project	600,000	0	0	0	600,000
Watershed council grants	600,000	0	0	0	600,000
Michigan geological survey	500,000	0	0	0	500,000
Multistate aquifer study	500,000	0	0	0	500,000
Parchment water treatment plant	450,000	0	0	0	450,000
Cooperative lakes monitoring program	150,000	0	0	0	150,000
Blanchard dam study	10,000	0	0	0	10,000
Total Environment, Great Lakes, & Energy	\$5,560,000	\$0	\$0	\$0	\$5,560,000
Health & Human Services					
Direct care worker temporary wage increase	\$150,000,000	\$110,000,000	\$0	\$0	\$40,000,000
Skilled nursing facility personal protective equipment	20,000,000	20,000,000	0	0	0
Statewide health information exchange projects	2,750,000	0	0	0	2,750,000
First responder and public safety staff mental health	2,500,000	0	0	0	2,500,000
Lead poisoning prevention fund	2,000,000	0	0	0	2,000,000
Unified clinics resiliency center for families and children	1,500,000	0	0	0	1,500,000
Autism navigator	1,025,000	0	0	0	1,025,000
Infant rapid whole genome sequencing project	1,000,000	650,000	100,000	0	250,000
Special Olympics capital improvement project	1,000,000	0	0	0	1,000,000
Healthy communities grant	300,000	0	0	0	300,000
Actuarial study	275,000	0	0	0	275,000
County coronavirus-related youth funding	250,000	0	0	0	250,000
Great Lakes recovery center	250,000	0	0	0	250,000
Kids' food basket	250,000	0	0	0	250,000
Autism "train the trainer"	244,800	0	0	0	244,800
Children's center	200,000	0	0	0	200,000
Nonprofit mental health clinics	200,000	0	0	0	200,000
Senior citizen center program grants	150,000	0	0	0	150,000
Substance abuse community and school outreach	100,000	0	0	0	100,000

Table 2 - continued

FY 2020-21 INITIAL ONE-TIME APPROPRIATIONS BY FUND SOURCE					
Department/Budget Area	Gross	Federal	Local/ Private	State Restricted	GF/GP
Health & Human Services (continued)					
Vision clinic	100,000	0	0	0	100,000
Legal assistance	60,000	0	0	0	60,000
Total Health & Human Services	\$184,154,800	\$130,650,000	\$100,000	\$0	\$53,404,800
Higher Education					
Passthrough to Bay Mills Community College	\$1,000,000	\$0	\$0	\$0	\$1,000,000
Total Higher Education	\$1,000,000	\$0	\$0	\$0	\$1,000,000
Judiciary					
Problem solving court expansion	\$600,000	\$0	\$0	\$0	\$600,000
<i>Louisiana v. Montgomery</i> resentencing compliance	881,100	0	0	0	881,100
Pretrial risk assessment tool development	325,700	0	0	0	325,700
Total Judiciary	\$1,806,800	\$0	\$0	\$0	\$1,806,800
Labor & Economic Opportunity					
Michigan enhancement grants	\$31,288,800	\$0	\$0	\$0	\$31,288,800
Michigan reconnect grant program	30,000,000	0	0	30,000,000	0
Coronavirus relief grants	10,000,000	10,000,000	0	0	0
Total Labor & Economic Opportunity	\$71,288,800	\$10,000,000	\$0	\$30,000,000	\$31,288,800
Licensing & Regulatory Affairs					
Michigan Saves Green Bank Reserve Fund and Credit Enhancement	\$1,000,000	\$0	\$0	\$0	\$1,000,000
Total Licensing & Regulatory Affairs	\$1,000,000	\$0	\$0	\$0	\$1,000,000
Military & Veterans Affairs					
Grand Rapids Home Transition Costs - from Ongoing to One-Time	\$13,233,000	\$0	\$0	\$0	\$13,233,000
Veterans Benefits Eligibility Study	250,000	0	0	0	250,000
Total Military & Veterans Affairs	\$13,483,000	\$0	\$0	\$0	\$13,483,000
Natural Resources					
Shooting range development, enhancement, and restoration	\$4,400,000	\$4,000,000	\$0	\$400,000	\$0
Milliken visitor center	2,500,000	0	0	0	2,500,000
Repair and replace aging wildfire equipment	1,000,000	0	0	1,000,000	0
Improve sustainability of cedar forests	500,000	0	0	500,000	0
Total Natural Resources	\$8,400,000	\$4,000,000	\$0	\$1,900,000	\$2,500,000
School Aid					
One-time per-pupil payments	\$95,000,000	\$0	\$0	\$95,000,000	\$0
Total School Aid	\$95,000,000	\$0	\$0	\$95,000,000	\$0
State Police					
Jail and Pretrial Incarceration Training	\$4,200,000	\$0	\$0	\$0	\$4,200,000
Trooper Recruit School	3,509,100	0	0	0	3,509,100
Total State Police	\$7,709,100	\$0	\$0	\$0	\$7,709,100
Technology, Management, & Budget					
State psychiatric hospitals special maintenance	\$15,000,000	\$0	\$0	\$0	\$15,000,000
Broadband grant program	14,305,000	0	0	0	14,305,000
Retirement services customer relationship management	2,100,000	0	0	2,100,000	0
Total Technology, Management, & Budget	\$31,405,000	\$0	\$0	\$2,100,000	\$29,305,000

Table 2 - continued

FY 2020-21 INITIAL ONE-TIME APPROPRIATIONS BY FUND SOURCE					
Department/Budget Area	Gross	Federal	Local/ Private	State Restricted	GF/GP
Treasury - Operations					
Teacher COVID-19 grants	\$53,000,000	\$0	\$0	\$0	\$53,000,000
Disaster relief	24,000,000	0	0	0	24,000,000
School support staff COVID-19 grants	20,000,000	0	0		20,000,000
Historic preservation	5,000,000	0	0		5,000,000
Michigan gaming control board IT upgrade	4,025,000	0	0	4,025,000	0
School district debt relief support	2,000,000	0	0	0	2,000,000
Blight removal grants	800,000	0	0	0	800,000
Total Treasury - Operations	\$108,825,000	\$0	\$0	\$4,025,000	\$104,800,000
TOTAL ONE-TIME APPROPRIATIONS	\$550,032,500	\$144,650,000	\$100,000	\$133,025,000	\$272,257,500

GUBERNATORIAL VETOES

Constitutional line-item veto authority is granted to the Governor under Article V, Section 19 of the State Constitution of 1963. Governor Whitmer chose to veto a single item from the FY 2020-21 appropriation bills. The Governor's veto totaled \$100 Gross (\$100 GF/GP) of the appropriations enrolled by the Legislature. [Table 3](#) outlines the Gross and GF/GP amount vetoed by department.

Additionally, the Governor considered various boilerplate language provisions to be unenforceable. In her signing letter, the Governor stated, "I wish to highlight several constitutional requirements not strictly observed in the boilerplate. What follows is not an exhaustive list...". The unenforceable sections specifically cited by the Governor are summarized in [Table 4](#). It should be noted that no additional list of language deemed unenforceable has been provided to the Legislature. The Governor also referred to boilerplate sections that include statements of legislative intent: "Those provisions of this bill that express merely the intent, advice, preferences, or wishes of the legislature do not impose conditions upon appropriations and are non-binding."

Table 3

FY 2020-21 GUBERNATORIAL VETOES		
Department/Budget Area	Gross	GF/GP
School Aid	\$100	\$100
GOVERNOR'S TOTAL VETOES	\$100	\$100

Table 4

Boilerplate Sections Cited by the Governor as Unenforceable				
Constitutional Provision Cited	Provision	Boilerplate Deemed in Conflict		
		Department	Article	Section Number
Article III, Section 2	Separation of powers	Corrections	2	419
		Transportation	13	309
		State Police	12	601
		Military and Veterans Affairs	10	225
Article IV, Section 22	Legislation must originate in either house	Transportation	13	218
Article IV, Section 24	Prohibition of a change of title for legislation	Health and Human Services	6	225
		Health and Human Services	6	540
		Transportation	13	752
Article IV, Section 25	Prohibition of an amendment by reference	Licensing and Regulatory Affairs	9	217
		Health and Human Services	6	1305
		Labor and Economic Opportunity (Michigan Strategic Fund)	5	983
		General Government	5	229
		Treasury	5	1102
Article IV, Section 53	Constitutional authority of the Auditor General	Transportation	13	306
Article V, Section 28	Constitutional authority of the State	Transportation	13	386
		Transportation Commission		

FY 2020-21 INITIAL APPROPRIATIONS

The initial level of FY 2020-21 Gross appropriations is \$62.8 billion, which is \$5.5 billion, or 8.1%, less than the Gross appropriations for FY 2019-20, as outlined in [Table 5](#). [Table 6](#) summarizes FY 2020-21 appropriations by department and by fund source. The initial level of FY 2020-21 Adjusted Gross⁴ appropriations (the more accurate measure of total appropriations because interdepartmental grants (IDGs) are netted out) totals \$61.6 billion and is illustrated in [Figure A](#). This level of Adjusted Gross appropriations includes \$25.7 billion of Federal funds, \$499.6 million of local and private revenue, \$24.8 billion of State Restricted revenue, and \$10.6 billion of State GF/GP revenue. Initial FY 2020-21 Adjusted Gross appropriations represent a \$5.6 billion, or 8.3%, decrease from the year-to-date (as of September 30, 2020) level of FY 2019-20 appropriations. Initial State Spending from State Resources appropriations total \$35.4 billion, an increase of \$2.3 billion, or 7.0%, from the year-to-date level of FY 2019-20 appropriations. Initial GF/GP appropriations total \$10.6 billion, an increase of \$1.1 billion, or 12.0%, from the year-to-date level of FY 2019-20 appropriations. [Tables 7, 8, and 9](#) and [Figures B, C, and D](#) provide a department-by-department comparison of FY 2020-21 initial appropriations to FY 2019-20 year-to-date appropriations in terms of Adjusted Gross, State Spending from State Resources, and GF/GP appropriations, respectively. The FY 2020-21 Flint drinking water emergency appropriations are summarized in [Table 10](#).

It should be noted that a FY 2019-20 supplemental appropriation was included as Article 14 of the FY 2020-21 General omnibus budget, PA 166 of 2020. While these appropriations are included in the FY 2019-20 year-to-date figures throughout this document, the details of the FY 2019-20 supplemental appropriations will be included in the Senate Fiscal Agency publication: *FY 2019-20 Appropriations Report Part III - Year-End Appropriations*.

⁴ Adjusted Gross appropriations are defined as Gross appropriations less interdepartmental grants received.

HIGHLIGHTS OF CHANGES IN STATE APPROPRIATIONS

There are various elements that account for the \$5.5 billion Gross appropriation decrease and the \$1.1 billion GF/GP increase noted previously. These elements include new programs, program increases, program eliminations and reductions, fund shifts, and economic adjustments. The single largest driver of these changes relates to Federal funding made available during FY 2019-20 to combat Federal, State, and local government pressures resulting from the COVID-19 pandemic. Federal funds for COVID-19 were used in FY 2019-20 in addition to traditional Federal programmatic funding and adjusted Federal match rates were used in place of certain GF/GP funds. Additionally, some COVID-19 Federal funds were available to be appropriated during the first quarter of FY 2020-21 and were included in the initial budget. The \$5.5 billion of Gross appropriation changes consists of \$494.0 million for new programs, \$3.7 billion for program funding increases, \$9.9 billion of savings because of program eliminations and funding reductions, \$527,600 million in reductions from other technical program adjustments and transfers, \$195.6 million for standard economic adjustments, and \$117,100 for unclassified salary increases. A summary of the Gross and GF/GP appropriation changes from FY 2019-20 to FY 2020-21 is presented in [Table 11](#). [Tables 12](#) through [18](#) provide details on the appropriation changes.

There are few new programs for FY 2020-21, and other funding increases are attributable primarily to one-time payments in the School Aid budgets and grants related to COVID-19. [Table 12](#) summarizes FY 2020-21 Gross and GF/GP funding for new programs by department. New programs in various departments account for \$494.0 million of Gross and \$222.6 million of GF/GP appropriations. The single largest Gross piece of the new programs' total is \$95.0 million, all from School Aid Fund (SAF) revenue, for one-time per-pupil payments in the School Aid budget. The second largest Gross new program appropriation is \$73.0 million in the Department of Treasury for education-related COVID-19 grants to teachers (\$53.0 million GF/GP) and school support staff (\$20.0 million GF/GP). The next largest Gross new program is a \$66.0 million Gross (\$66.0 million SAF) categorical to make payments for districts whose FY 2020-21 counts exceed the 75/20 'super blend' calculation in effect for the school year.

In addition to new programs, there are Gross program increases of \$3.7 billion and GF/GP increases of \$1.1 billion, which are outlined in [Table 13](#). The largest Gross funding increase is \$442.0 million (\$161.1 million GF/GP savings) related to Healthy Michigan Plan base and caseload adjustments. Funding of \$392.7 million Gross (\$392.7 million GF/GP) to restore mid-year Executive Order reductions from FY 2019-20 in the Department of Corrections accounts for the second largest program spending increase. The next largest program increases are found in the DHHS related to expansion of Outpatient Hospital Rate Adjustor (HRA) payments (\$305.1 million Gross, \$24.6 million GF/GP reduction), and cost increases associated with the traditional Medicaid base and caseload (\$277.9 million Gross, \$499.4 million GF/GP).

[Table 14](#) outlines the programs eliminated in the FY 2020-21 initial appropriations. Of the total \$4.2 billion in Gross program eliminations (\$184.3 million GF/GP), the single largest areas of elimination across all departments relate to appropriations from one-time Federal funds in FY 2019-20 Coronavirus programming. The eliminations in the Department of Labor and Economic Opportunity (LEO) account for \$3.1 billion Gross and Federal, \$289.4 million Gross and \$21.8 million GF/GP is eliminated in the Department of Treasury, \$234.2 million in Gross and Federal support of one-time programming in the Department of Education, and \$163.3 million Gross is eliminated from the Department of Technology, Management, and Budget (DTMB).

[Table 15](#) lists program reductions in the FY 2020-21 initial appropriations. Of the total \$5.7 billion Gross (\$208.3 million GF/GP) program reductions, the largest areas of reduction also relate to reduced Federal funds available for COVID-19 response. \$1.6 billion Gross, \$25.0 million GF/GP is reduced from the DHHS for Coronavirus-related programming, and \$697.3 million Gross is reduced in the School Aid budget. The third-largest programmatic reductions are in the Michigan State Police (MSP), which reduces programming for Coronavirus and disaster relief by \$682.1 million Gross. Fund shifts affecting the General Fund are listed on [Table 16](#). These shifts represent increases and decreases to GF/GP appropriations totaling \$59.9 million. The largest fund shift includes \$250.1 million of additional GF/GP in the DHHS related to enhanced Medicaid match rates from the Federal government.

The largest single reduction of GF/GP resulting from a fund shift is in the Department of Corrections with \$191.0 million GF/GP replaced with Federal Coronavirus funds. A similar fund shift of \$45.5 million is located in the MSP where lines previously supported with GF/GP were funded with Federal Coronavirus dollars.

Table 17 lists program transfers that reduce FY 2020-21 Gross appropriations by \$527,600 and reduce GF/GP appropriations by \$1.2 million. Table 18 summarizes the FY 2020-21 initial appropriations economic adjustments, which reflect an overall increase of \$195.6 million Gross and \$109.0 million GF/GP. In addition to the economic adjustments, there is a Gross increase for unclassified salaries of \$117,100 and a GF/GP increase of \$50,700. State employee compensation changes are discussed in the next section of this report.

All of the changes listed in Tables 12 through 18 result in an overall appropriation reduction from FY 2019-20 to FY 2020-21 of \$5.5 billion Gross and an appropriation increase of \$1.1 billion GF/GP.

Table 5

GROSS APPROPRIATIONS FY 2019-20 VERSUS FY 2020-21				
Department/Budget Area	FY 2019-20 Year-to-Date Appropriations¹⁾	FY 2020-21 Initial Appropriations	Dollar Difference	Percent Change
Agriculture & Rural Development	\$108,522,300	\$121,295,000	\$12,772,700	11.8%
Attorney General	102,758,100	106,828,600	4,070,500	4.0
Capital Outlay	0	0	0	0.0
Civil Rights	15,329,800	18,037,400	2,707,600	17.7
Community Colleges	414,719,000	425,667,600	10,948,600	2.6
Corrections	2,100,174,900	2,060,788,400	(39,386,500)	(1.9)
Education	654,136,100	451,695,700	(202,440,400)	(30.9)
Environment, Great Lakes, & Energy	617,704,400	511,359,200	(106,345,200)	(17.2)
Executive	6,758,600	7,114,300	355,700	5.3
Health & Human Services	29,382,682,500	28,498,448,600	(884,233,900)	(3.0)
Higher Education	1,691,395,000	1,699,925,400	8,530,400	0.5
Insurance & Financial Services	71,912,800	73,315,700	1,402,900	2.0
Judiciary	308,193,500	313,641,200	5,447,700	1.8
Labor & Economic Opportunity	4,451,388,300	1,625,864,300	(2,825,524,000)	(63.5)
Legislature	201,425,900	202,453,800	1,027,900	0.5
Licensing & Regulatory Affairs	439,682,000	484,389,600	44,707,600	10.2
Military & Veterans Affairs	216,214,900	226,092,500	9,877,600	4.6
Natural Resources	448,591,600	469,594,100	21,002,500	4.7
Natural Resources Trust Fund	28,699,800	0	(28,699,800)	(100.0)
School Aid	16,010,551,700	15,525,164,800	(485,386,900)	(3.0)
State	276,651,600	254,297,500	(22,354,100)	(8.1)
State Police	1,301,816,700	738,085,500	(563,731,200)	(43.3)
Technology, Management, & Budget	1,721,473,400	1,671,705,000	(49,768,400)	(2.9)
Transportation	5,340,053,600	5,107,470,600	(232,583,000)	(4.4)
Treasury (Debt Service)	104,335,000	113,735,000	9,400,000	9.0
Treasury (Operations)	879,834,800	710,983,500	(168,851,300)	(19.2)
Treasury (Revenue Sharing)	1,393,969,900	1,341,924,300	(52,045,600)	(3.7)
TOTAL BUDGET AREA APPROPRIATIONS.....	\$68,288,976,200	\$62,759,877,600	(\$5,529,098,600)	(8.1%)

¹⁾ Appropriations as of September 30, 2020

Table 6

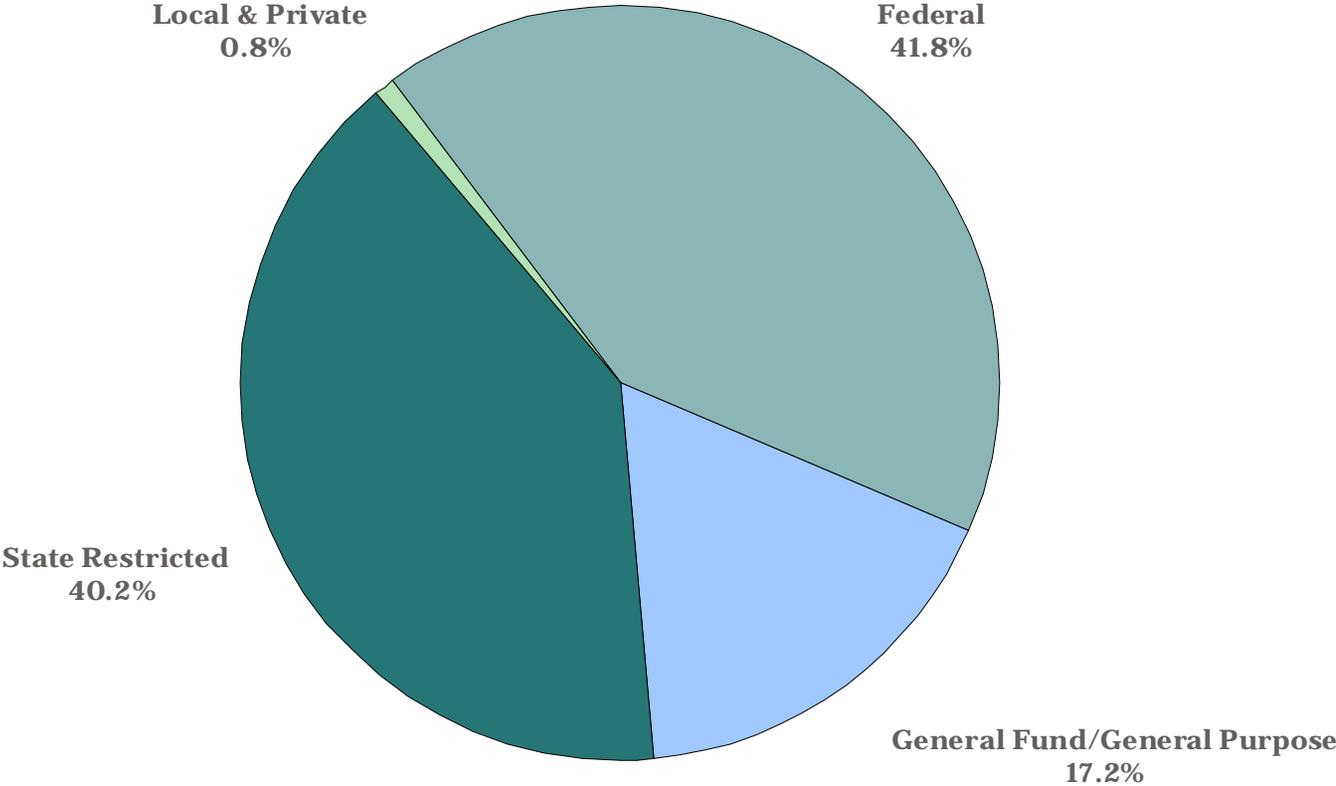
**APPROPRIATIONS BY SOURCE OF FUNDS
FY 2020-21 INITIAL APPROPRIATIONS**

Department/Budget Area	Gross	IDGs	Adjusted Gross	Federal	Local & Private	State Restricted	General Fund/ General Purpose
Agriculture & Rural Development	\$121,295,000	\$324,400	\$120,970,600	\$13,129,500	\$71,300	\$44,153,000	\$63,616,800
Attorney General	106,828,600	35,285,800	71,542,800	9,906,100	0	20,488,300	41,148,400
Capital Outlay	0	0	0	0	0	0	0
Civil Rights	18,037,400	299,800	17,737,600	2,868,200	18,700	58,500	14,792,200
Community Colleges	425,667,600	0	425,667,600	0	0	425,667,600	0
Corrections	2,060,788,400	0	2,060,788,400	196,370,900	9,680,600	45,478,500	1,809,258,400
Education	451,695,700	0	451,695,700	343,701,700	8,111,400	9,815,500	90,067,100
Environment, Great Lakes, & Energy	511,359,200	3,337,700	508,021,500	171,973,000	1,412,800	275,191,800	59,443,900
Executive	7,114,300	0	7,114,300	0	0	0	7,114,300
Health & Human Services	28,498,448,600	13,829,900	28,484,618,700	20,066,172,200	338,595,300	2,989,480,100	5,090,371,100
Higher Education	1,699,925,400	0	1,699,925,400	126,026,400	0	356,063,300	1,217,835,700
Insurance & Financial Services	73,315,700	728,600	72,587,100	1,017,100	0	71,570,000	0
Judiciary	313,641,200	1,552,800	312,088,400	6,393,500	8,883,000	94,877,600	201,934,300
Labor & Economic Opportunity	1,625,864,300	0	1,625,864,300	1,138,389,800	22,217,800	272,389,100	192,867,600
Legislature	202,453,800	6,250,400	196,203,400	0	400,000	6,776,800	189,026,600
Licensing & Regulatory Affairs	484,389,600	46,664,600	437,725,000	28,823,700	0	259,295,700	149,605,600
Military & Veterans Affairs	226,092,500	101,800	225,990,700	123,626,100	630,000	20,313,400	81,421,200
Natural Resources	469,594,100	203,100	469,391,000	88,453,700	7,439,200	322,800,800	50,697,300
Natural Resources Trust Fund	0	0	0	0	0	0	0
School Aid	15,525,164,800	0	15,525,164,800	1,806,878,500	0	13,667,321,700	50,964,600
State	254,297,500	20,000,000	234,297,500	1,460,000	50,100	220,189,900	12,597,500
State Police	738,085,500	24,649,600	713,435,900	124,103,800	4,876,200	145,079,300	439,376,600
Technology, Management, & Budget	1,671,705,000	1,024,720,900	646,984,100	5,139,300	2,472,300	123,046,400	516,326,100
Transportation	5,107,470,600	4,063,100	5,103,407,500	1,424,196,100	81,682,000	3,597,529,400	0
Treasury (Debt Service)	113,735,000	0	113,735,000	0	0	0	113,735,000
Treasury (Operations)	710,983,500	13,112,800	697,870,700	27,421,800	13,088,400	447,428,300	209,932,200
Treasury (Revenue Sharing)	1,341,924,300	0	1,341,924,300	0	0	1,341,924,300	0
TOTAL BUDGET AREA APPROPS	\$62,759,877,600	\$1,195,125,300	\$61,564,752,300	\$25,706,051,400	\$499,629,100	\$24,756,939,300	\$10,602,132,500

Figure A

Appropriations by Source of Funds

FY 2020-21 Initial Adjusted Gross Appropriations



Total = \$ 61,564,752,300

Table 7

ADJUSTED GROSS APPROPRIATIONS FY 2019-20 VERSUS FY 2020-21				
Department/Budget Area	FY 2019-20 Year-to-Date Appropriations¹⁾	FY 2020-21 Initial Appropriations	Dollar Difference	Percent Change
Agriculture & Rural Development	\$107,206,600	\$120,970,600	\$13,764,000	12.8%
Attorney General.....	68,385,100	71,542,800	3,157,700	4.6
Capital Outlay	0	0	0	0.0
Civil Rights.....	15,031,300	17,737,600	2,706,300	18.0
Community Colleges	414,719,000	425,667,600	10,948,600	2.6
Corrections	2,100,174,900	2,060,788,400	(39,386,500)	(1.9)
Education.....	654,136,100	451,695,700	(202,440,400)	(30.9)
Environment, Great Lakes, & Energy	614,527,800	508,021,500	(106,506,300)	(17.3)
Executive	6,758,600	7,114,300	355,700	5.3
Health & Human Services	29,368,863,200	28,484,618,700	(884,244,500)	(3.0)
Higher Education	1,691,395,000	1,699,925,400	8,530,400	0.5
Insurance & Financial Services	71,189,700	72,587,100	1,397,400	2.0
Judiciary.....	306,641,800	312,088,400	5,446,600	1.8
Labor & Economic Opportunity.....	4,451,388,300	1,625,864,300	(2,825,524,000)	(63.5)
Legislature	195,357,500	196,203,400	845,900	0.4
Licensing & Regulatory Affairs	395,456,700	437,725,000	42,268,300	10.7
Military & Veterans Affairs	216,113,100	225,990,700	9,877,600	4.6
Natural Resources	448,394,400	469,391,000	20,996,600	4.7
Natural Resources Trust Fund	28,699,800	0	(28,699,800)	(100.0)
School Aid.....	16,010,551,700	15,525,164,800	(485,386,900)	(3.0)
State	256,651,600	234,297,500	(22,354,100)	(8.7)
State Police.....	1,276,882,800	713,435,900	(563,446,900)	(44.1)
Technology, Management, & Budget	770,984,600	646,984,100	(124,000,500)	(16.1)
Transportation.....	5,336,079,300	5,103,407,500	(232,671,800)	(4.4)
Treasury (Debt Service)	104,335,000	113,735,000	9,400,000	9.0
Treasury (Operations)	866,929,200	697,870,700	(169,058,500)	(19.5)
Treasury (Revenue Sharing)	1,393,969,900	1,341,924,300	(52,045,600)	(3.7)
TOTAL BUDGET AREA APPROPRIATIONS.....	\$67,170,823,000	\$61,564,752,300	(\$5,606,070,700)	(8.3%)

¹⁾ Appropriations as of September 30, 2020

Figure B
Adjusted Gross Appropriations by Major Category

FY 2020-21 Initial Appropriations

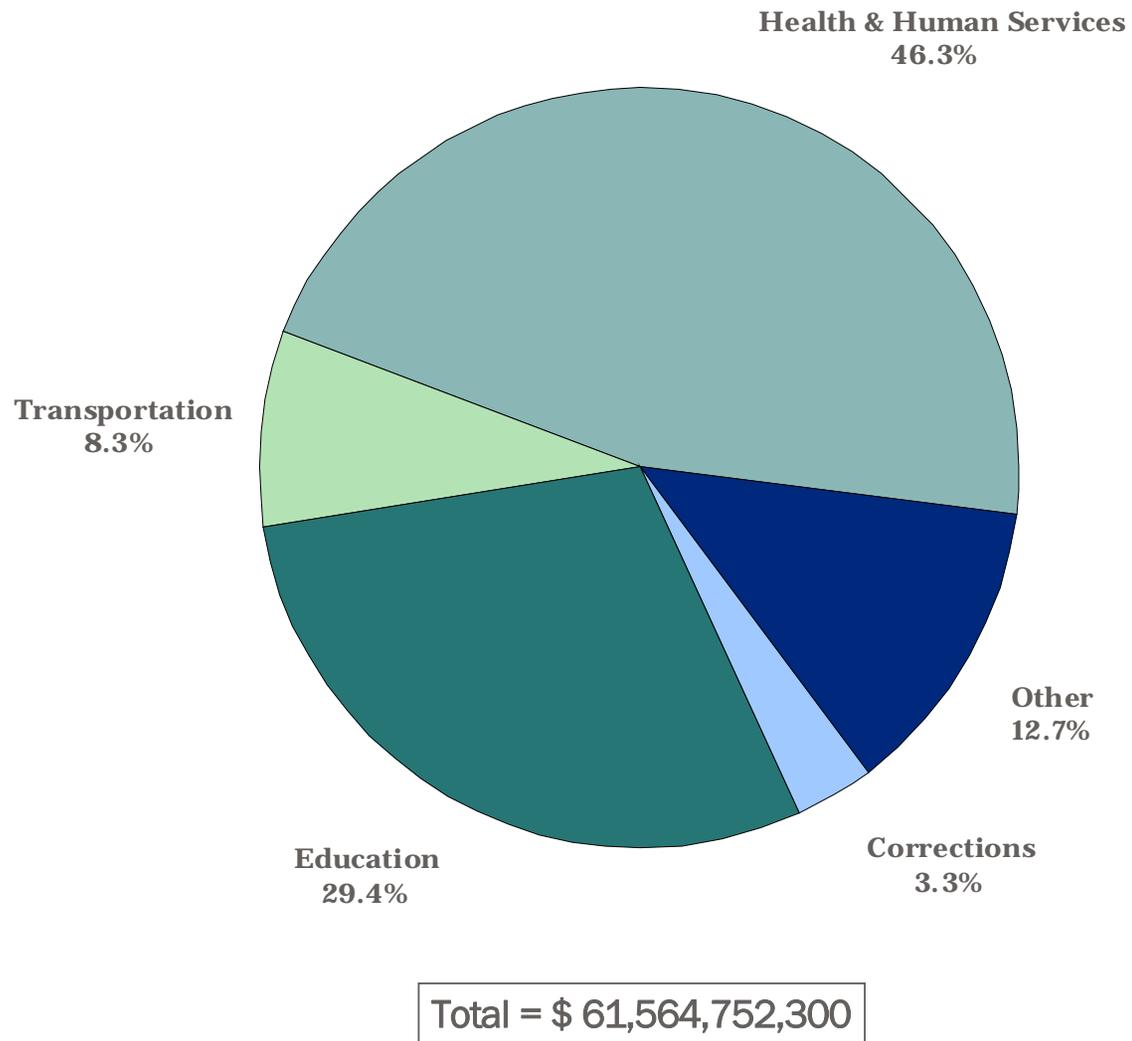


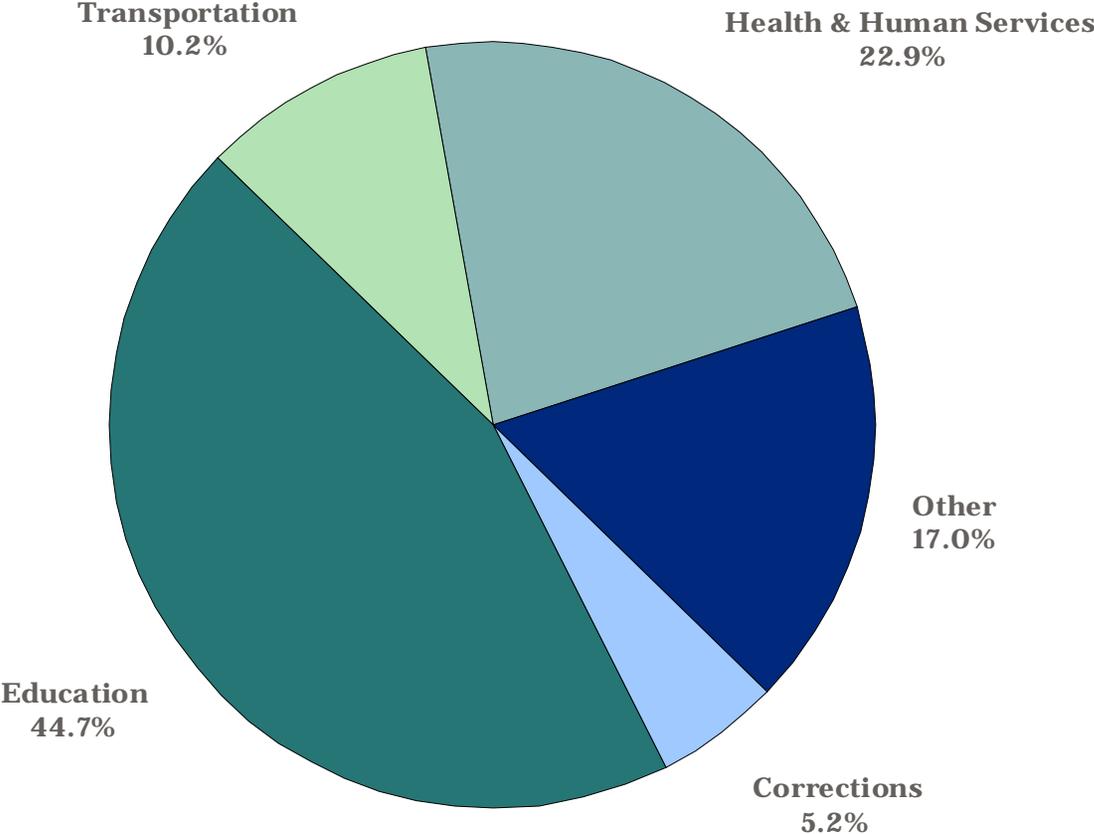
Table 8

STATE SPENDING FROM STATE RESOURCES FY 2019-20 VERSUS FY 2020-21				
Department/Budget Area	FY 2019-20 Year-to-Date Appropriations¹⁾	FY 2020-21 Initial Appropriations	Dollar Difference	Percent Change
Agriculture & Rural Development	\$92,980,900	\$107,769,800	\$14,788,900	15.9%
Attorney General.....	58,167,000	61,636,700	3,469,700	6.0
Capital Outlay	0	0	0	0.0
Civil Rights	12,195,700	14,850,700	2,655,000	21.8
Community Colleges.....	378,445,600	425,667,600	47,222,000	12.5
Corrections.....	1,657,581,300	1,854,736,900	197,155,600	11.9
Education	93,344,000	99,882,600	6,538,600	7.0
Environment, Great Lakes, & Energy	435,056,100	334,635,700	(100,420,400)	(23.1)
Executive	6,758,600	7,114,300	355,700	5.3
Health & Human Services.....	7,285,527,800	8,079,851,200	794,323,400	10.9
Higher Education	1,393,642,000	1,573,899,000	180,257,000	12.9
Insurance & Financial Services	70,172,100	71,570,000	1,397,900	2.0
Judiciary.....	293,119,600	296,811,900	3,692,300	1.3
Labor & Economic Opportunity.....	331,884,500	465,256,700	133,372,200	40.2
Legislature	194,957,500	195,803,400	845,900	0.4
Licensing & Regulatory Affairs.....	362,506,300	408,901,300	46,395,000	12.8
Military & Veterans Affairs	95,985,300	101,734,600	5,749,300	6.0
Natural Resources	363,907,400	373,498,100	9,590,700	2.6
Natural Resources Trust Fund.....	28,699,800	0	(28,699,800)	(100.0)
School Aid.....	13,051,648,700	13,718,286,300	666,637,600	5.1
State.....	229,984,700	232,787,400	2,802,700	1.2
State Police.....	516,789,800	584,455,900	67,666,100	13.1
Technology, Management, & Budget	598,760,700	639,372,500	40,611,800	6.8
Transportation.....	3,587,151,500	3,597,529,400	10,377,900	0.3
Treasury (Debt Service).....	104,335,000	113,735,000	9,400,000	9.0
Treasury (Operations).....	558,943,300	657,360,500	98,417,200	17.6
Treasury (Revenue Sharing)	1,243,969,900	1,341,924,300	97,954,400	7.9
TOTAL BUDGET AREA APPROPRIATIONS.....	\$33,046,515,100	\$35,359,071,800	\$2,312,556,700	7.0%
¹⁾ Appropriations as of September 30, 2019				

Figure C

State Spending From State Resources

FY 2020-21 Initial Appropriations



Total = \$ 35,359,071,800

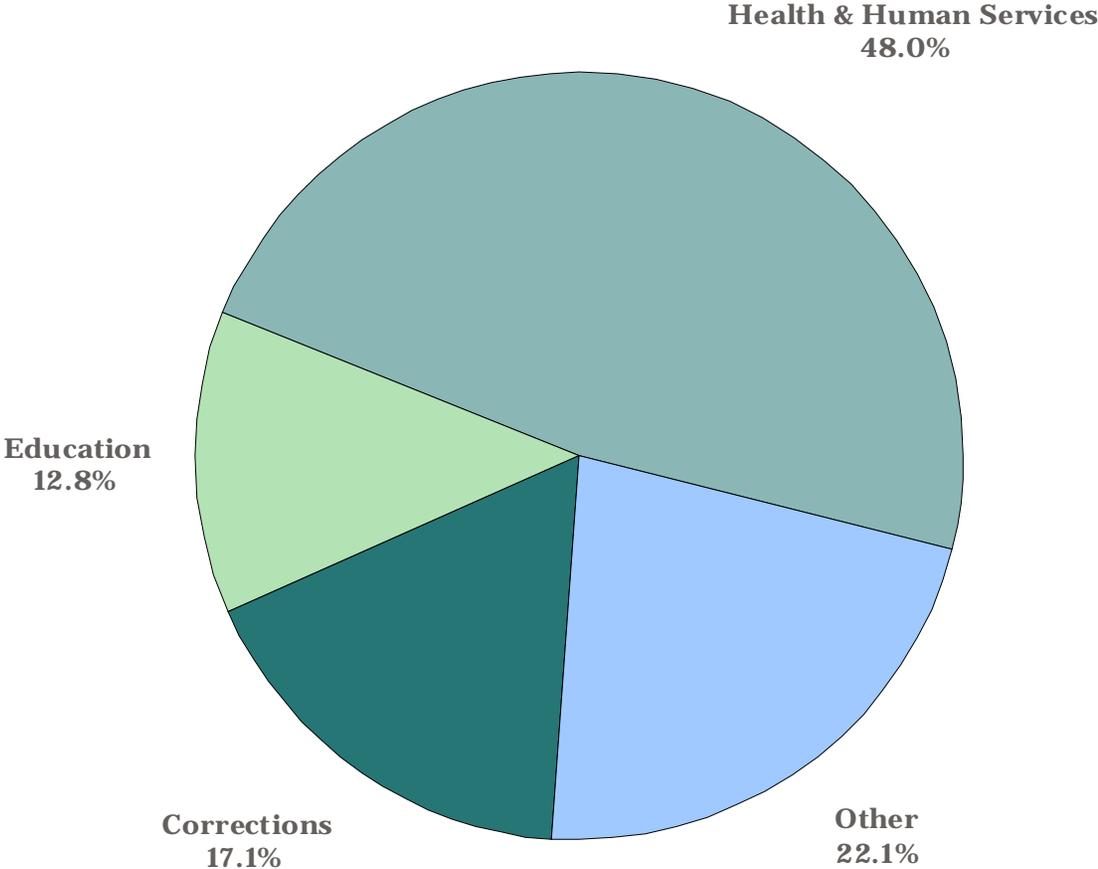
Table 9

GENERAL FUND/GENERAL PURPOSE APPROPRIATIONS FY 2019-20 VERSUS FY 2020-21				
Department/Budget Area	FY 2019-20 Year-to-Date Appropriations ¹⁾	FY 2020-21 Initial Appropriations	Dollar Difference	Percent Change
Agriculture & Rural Development	\$51,597,200	\$63,616,800	\$12,019,600	23.3%
Attorney General.....	37,547,600	41,148,400	3,600,800	9.6
Capital Outlay	0	0	0	0.0
Civil Rights	12,137,200	14,792,200	2,655,000	21.9
Community Colleges.....	0	0	0	0.0
Corrections.....	1,610,468,800	1,809,258,400	198,789,600	12.3
Education	82,065,700	90,067,100	8,001,400	9.7
Environment, Great Lakes, & Energy	170,516,000	59,443,900	(111,072,100)	(65.1)
Executive	6,758,600	7,114,300	355,700	5.3
Health & Human Services.....	4,331,779,900	5,090,371,100	758,591,200	17.5
Higher Education	1,207,949,300	1,217,835,700	9,886,400	0.8
Insurance & Financial Services	0	0	0	0.0
Judiciary.....	198,893,600	201,934,300	3,040,700	1.5
Labor & Economic Opportunity.....	135,810,700	192,867,600	57,056,900	42.0
Legislature	188,366,300	189,026,600	660,300	0.4
Licensing & Regulatory Affairs.....	109,450,900	149,605,600	40,154,700	36.7
Military & Veterans Affairs	70,984,200	81,421,200	10,437,000	14.7
Natural Resources	45,138,800	50,697,300	5,558,500	12.3
Natural Resources Trust Fund.....	0	0	0	0.0
School Aid.....	104,660,000	50,964,600	(53,695,400)	(51.3)
State.....	12,153,000	12,597,500	444,500	3.7
State Police.....	363,938,200	439,376,600	75,438,400	20.7
Technology, Management, & Budget	478,261,100	516,326,100	38,065,000	8.0
Transportation.....	11,999,900	0	(11,999,900)	(100.0)
Treasury (Debt Service).....	104,335,000	113,735,000	9,400,000	9.0
Treasury (Operations).....	128,219,600	209,932,200	81,712,600	63.7
Treasury (Revenue Sharing)	0	0	0	0.0
TOTAL BUDGET AREA APPROPRIATIONS.....	\$9,463,031,600	\$10,602,132,500	\$1,139,100,900	12.0%
¹⁾ Appropriations as of September 30, 2019				

Figure D

General Fund/General Purpose

FY 2020-21 Initial Appropriations



Total = \$ 10,602,132,500

Table 10

FY 2020-21 FLINT DRINKING WATER EMERGENCY INITIAL APPROPRIATIONS PUBLIC ACTS 165 and 166 of 2020					
Department/Program	Gross	Federal	Reserve Fund	Other State Restricted	GF/GP
Health & Human Services					
Medicaid waiver	\$30,352,500	\$24,254,400	\$0	\$0	\$6,098,100
Drinking water emergency response	3,821,100	0	0	0	3,821,100
Rides to wellness	300,000	0	0	0	500,000
Federally qualified health centers	500,000	0	0	0	300,000
Total Health & Human Services	\$34,973,600	\$24,254,400	\$0	\$0	\$10,719,200
School Aid					
Flint declaration of emergency	\$8,075,100	\$0	\$0	\$5,000,100	\$3,075,000
Total School Aid	\$8,075,100	\$0	\$0	\$5,000,100	\$3,075,000
TOTAL FY 2019-20 INITIAL APPROPRIATIONS	\$43,048,700	\$24,254,400	\$0	\$5,000,100	\$13,794,200

Table 11

SUMMARY OF FY 2020-21 APPROPRIATION CHANGES		
	Gross	GF/GP
FY 2019-20 Year-To-Date Appropriation¹⁾	\$68,288,976,200	\$9,463,031,600
Changes for FY 2020-21:		
New Programs	\$494,001,000	\$222,624,400
Program Increases	3,659,970,200	1,141,454,900
Program Eliminations	(4,183,940,500)	(184,344,800)
Program Reductions	(5,694,328,200)	(208,291,100)
Major Fund Shifts Affecting GF/GP	0	59,878,900
Other Technical Program Transfers/Adjustments	(527,600)	(1,237,600)
Economic Adjustments	195,609,400	108,965,500
Unclassified Salaries Adjustments (Executive Branch)	117,100	50,700
Total Changes	(\$5,529,098,600)	\$1,139,100,900
FY 2020-21 INITIAL APPROPRIATION	\$62,759,877,600	\$10,602,132,500

¹⁾ Appropriation as of September 30, 2020

Table 12
FY 2020-21 INITIAL APPROPRIATIONS
NEW PROGRAMS

Budget Area/Program	Gross	GF/GP
Agriculture & Rural Development		
Conservation Reserve Enhancement Program - One-Time	\$4,400,000	\$4,400,000
Conservation Reserve Enhancement Program - Ongoing.....	600,000	600,000
Education		
Special education virtual learning.....	\$1,500,000	\$1,500,000
Educare	1,000,000	1,000,000
Teacher recruitment placeholder.....	100	0
Environment, Great Lakes, & Energy		
Scrap tire project	\$3,000,000	\$0
Lead and copper rule support	2,750,000	2,750,000
Madison Heights demolition site.....	600,000	600,000
Watershed council grants.....	600,000	600,000
Multistate aquifer study	500,000	500,000
Parchment water treatment plant	450,000	450,000
Efficiency and renewable energy revolving loan fund.....	250,000	0
Blanchard Dam study	10,000	10,000
Health & Human Services		
Healthy Moms, Healthy Babies	\$23,531,900	\$12,631,500
Programmatic increases related to KB v Lyon lawsuit.....	19,102,000	2,666,700
One-Time funding for first responder & public safety staff mental health initiative.....	2,500,000	2,500,000
Higher Education		
Bay Mills Community College one-time passthrough payment.....	\$1,000,000	\$1,000,000
Indian tuition waiver reimbursement for KBOCC	50,000	50,000
Labor & Economic Opportunity		
Special grants.....	\$32,038,800	\$32,038,800
Michigan reconnect grant program.....	30,000,000	0
Going pro.....	27,920,700	18,379,900
Pure Michigan.....	25,000,000	15,000,000
Coronavirus relief grants	10,000,000	0
Legislature		
Census tracking and reapportionment	\$340,000	\$340,000
Licensing & Regulatory Affairs		
Michigan saves green bank reserve fund and credit enhancement.....	\$1,000,000	\$1,000,000
Natural Resources		
Newberry mass timber building	\$5,000,000	\$0
Fish hatchery infrastructure investment	2,500,000	0
Milliken visitor center	2,500,000	2,500,000
Marine patrol grants	1,750,000	1,750,000
Wetland restoration, enhancement, and acquisition	1,000,000	0

Table 12 - continued

FY 2020-21 INITIAL APPROPRIATIONS NEW PROGRAMS		
Budget Area/Program	Gross	GF/GP
Natural Resources (continued)		
Michigan Conservation Corps restoration	934,400	934,400
Improve sustainability of cedar forests	500,000	0
School Aid		
One-time per-pupil payment.....	\$95,000,000	\$0
Growing districts payments	66,000,000	0
Teacher retention incentives	5,000,000	0
Michigan Education Corps	2,773,000	2,773,000
Attendance recovery	2,000,000	2,000,000
Virtual learning supports.....	2,000,000	0
Education Value-added Assessment System	2,000,000	2,000,000
Detroit Public Television curriculum	2,000,000	0
Imagine Learning.....	1,500,000	1,500,000
School meal debt forgiveness	1,000,000	0
Benton Harbor three-year average pupil count.....	1,000,000	0
Boys and Girls Club.....	1,000,000	1,000,000
Algebra Nation.....	1,000,000	1,000,000
Teach for America	1,000,000	1,000,000
Orton-Gillingham dyslexia tools.....	500,000	500,000
Chaldean Community Foundation.....	500,000	500,000
Digital literacy training	500,000	500,000
Fitness Foundation	400,000	400,000
Children's Choice Initiative	250,000	250,000
Conductive Learning Center.....	250,000	250,000
Women in Technology.....	150,000	150,000
Study of virtual learning.....	150,000	150,000
Michigan Industrial Technology Education Society.....	50,000	50,000
Placeholder for connecting information in education commission	100	100
Treasury - Operations		
Education COVID-19 Grants	\$73,000,000	\$73,000,000
Disaster relief.....	24,000,000	24,000,000
Historic preservation.....	5,000,000	5,000,000
School district debt relief support	2,000,000	2,000,000
Michigan infrastructure council.....	850,000	600,000
Blight elimination grants	800,000	800,000
TOTAL NEW PROGRAMS	\$494,001,000	\$222,624,400

Table 13

FY 2020-21 INITIAL APPROPRIATIONS
PROGRAM INCREASES

Budget Area/Program	Gross	GF/GP
Agriculture & Rural Development		
Michigan animal agriculture alliance	\$3,000,000	\$3,000,000
Food and agriculture investment program	1,470,600	1,470,600
Food safety - marihuana edibles inspections.....	700,000	0
Industrial hemp - pesticide and plant pest management	602,900	0
Feed and fertilizer compliance audit.....	504,000	0
County fairs, shows, and exhibition grants.....	500,000	500,000
Industrial hemp laboratory and licensing.....	469,000	0
Technical adjustment to align authorization with revenues.....	350,000	0
Licensing and inspection IT upgrade maintenance and hosting costs.....	225,000	210,000
Food safety - general support	205,000	205,000
Milk safety - general support	144,300	144,300
Cervid program certification for breeding herds	76,900	76,900
Attorney General		
Reversal of FY 2019-20 reduction and supplemental adjustments	\$3,629,100	\$4,188,700
Elder Abuse Task Force	387,500	387,500
Civil Rights		
Museums support.....	\$1,500,000	\$1,500,000
Reversal of FY 2019-20 reduction adjustments	1,058,500	1,058,500
Community Colleges		
MPSERS UAL stabilization payment	\$10,800,000	\$0
MPSERS normal cost offset.....	182,000	0
Corrections		
Reverse Executive Order reductions from FY 2019-20	\$392,669,100	\$392,669,100
John Doe v MDOC settlement agreement	15,000,000	15,000,000
Coronavirus Relief Fund (CRF) FY 2019-20 supplemental reduction	13,400,000	0
New custody staff training	4,000,000	4,000,000
Corizon health care contract adjustment.....	3,239,500	3,239,500
Water rate increase	575,500	575,500
Employee wellness enhancements	500,000	500,000
Education		
Child development and care public assistance	\$24,622,000	\$0
Child development and care external support.....	1,300,000	0
State aid to libraries.....	1,000,000	1,000,000
Camp Tuhsmeheeta	202,000	0
MOECS IT system maintenance	200,000	0
Environment, Great Lakes, & Energy		
Reversal of reductions from EO 2020-155.....	\$1,961,400	\$1,961,400
Michigan geological survey	500,000	500,000
Renew Michigan restoration.....	500,000	0
Increase MAHS IDG authorization	500,000	129,000

Table 13 - continued

FY 2020-21 INITIAL APPROPRIATIONS PROGRAM INCREASES		
Budget Area/Program	Gross	GF/GP
Environment, Great Lakes, & Energy (continued)		
Dam safety	350,000	350,000
Increase workshops and conferences authorization	335,900	0
Remediation and redevelopment	243,900	0
Cooperative lakes monitoring program	150,000	150,000
Oil and gas program restoration	100,000	100,000
Executive		
Reversal of FY 2019-20 reduction adjustments	\$355,700	\$355,700
Health & Human Services		
Healthy Michigan Plan base and caseload	\$441,967,900	(\$161,138,400)
Expansion of hospital outpatient hospital rate adjustor (HRA) payments	305,055,400	(24,555,000)
Traditional Medicaid base and caseload	277,856,000	499,399,600
Conference initiated one-time programs	173,685,000	42,935,000
HMP behavioral health base/caseload	150,536,300	15,342,200
Medicaid and Healthy Michigan Plan actuarial soundness adjustment	140,298,000	39,053,100
Medicaid Mental Health Services actuarial soundness adjustment	49,509,000	17,783,700
Increase in managed care pharmacy dispensing fee for independent pharmacies	45,300,000	11,337,400
Reversal of FY 2019-20 contingency fund transfers & Executive Order reductions	27,596,600	36,463,400
Graduate Medical Education (GME) shift to HMP funding	26,504,700	(11,054,000)
Health homes funding	23,400,700	2,466,300
Health plan risk corridor savings	20,867,100	(1,000,000)
Recognize Federal reimbursement for tribal pharmacy services	17,000,000	0
Medicaid behavioral health base/caseload	16,023,900	13,093,700
Family independence program base/caseload	15,668,400	15,517,900
Executive revisions	11,562,400	(50,600)
Medicaid autism services actuarial soundness adjustment	11,491,000	4,127,600
Changes in Federal authorization	10,625,200	0
Foster care child caring institution rate increase	7,086,100	4,600,000
HMP behavioral health services actuarial soundness adjustment	6,515,000	651,500
Child care fund base/caseload	6,500,000	17,849,800
MiDocs Graduate Medical Education (GME) consortium	5,400,000	1,350,000
Additional staff at State facilities	5,000,000	5,000,000
Medicaid general special financing and provider tax adjustments	4,589,400	361,300
Replacement of MiSACWIS with new system	4,389,400	2,600,000
New children's protective services legal representation programs	4,263,300	0
10% rate increase for Medicaid private duty nursing services	3,780,600	1,299,400
Assessments for foster care qualified residential treatment	3,410,600	2,500,000
Autism services base/caseload	2,689,500	2,704,100
One-time funding for lead poisoning prevention fund	2,000,000	2,000,000
Supplemental security income base/caseload	1,881,700	1,881,700
Family preservation rate increase	1,750,000	1,750,000
Nursing home PAS/ARR-OBRA cost increase	1,631,100	407,700

Table 13 - continued

FY 2020-21 INITIAL APPROPRIATIONS PROGRAM INCREASES		
Budget Area/Program	Gross	GF/GP
Health & Human Services (continued)		
Recognition of newborn screening fee revenue increase	1,516,200	0
Adoption support services rate increase	1,500,000	1,000,000
Prevention of foster care and congregate care entry adjustments	1,217,600	1,026,000
Expansion of ClaimSure contract.....	1,200,000	300,000
Compulsive gaming prevention revenue adjustment	1,000,000	0
Child Advocacy Centers (CACs) FY 2019-20 funding increase.....	999,900	999,900
Non-State-owned building lease adjustment.....	866,300	671,400
Increase in health endowment fund revenue	750,000	0
Increase in homeless emergency shelter payments	649,800	649,800
Food assistance program reinvestment	535,200	535,200
School success partnership	525,000	0
Pharmacy inflation at state facilities	515,000	446,800
Funding for cord blood bank.....	500,000	500,000
Increase in private revenue	500,000	0
Court-Appointed Special Advocates (CASA) funding	499,900	499,900
Runaway and homeless youth grant.....	400,000	400,000
Foster care administrative rates actuarial study.....	250,000	250,000
Adoptive family support network funding	250,000	250,000
Funding for Be the Match Bone Marrow registry.....	250,000	250,000
Private authorization from Kresge Foundation	250,000	0
Kinship care funding	200,000	200,000
Recognition of private funding in cancer prevention line	200,000	0
Raise the age staffing adjustments	139,800	103,000
Increase in medical marihuana revenue	78,700	0
Rare disease panel funding.....	70,000	70,000
Guardianship base/caseload.....	62,400	(133,000)
Senior call check pilot program	40,000	40,000
Family emergency readiness expo.....	25,000	25,000
State Psychiatric Disproportionate Share Hospital (DSH) payments.....	100	(7,409,200)
Higher Education		
MPSERS UAL stabilization payment	\$6,678,000	\$0
Indian tuition waiver reimbursement adjustment.....	886,400	886,400
Indian tuition waiver reimbursement for Saginaw Chippewa Tribal Col.....	50,000	50,000
Judiciary		
Reversal of FY 2019-20 reduction adjustments	\$3,120,000	\$2,550,000
Direct trial court automation support revenue increase	920,500	0
Drug treatment courts.....	250,000	0
One-time problem-solving courts expansion.....	200,000	200,000
State court administrative office	126,900	0
Judicial institute	100,000	0
Community dispute resolution.....	85,000	0

Table 13 - continued

FY 2020-21 INITIAL APPROPRIATIONS PROGRAM INCREASES		
Budget Area/Program	Gross	GF/GP
Judiciary (continued)		
<i>Louisiana v. Montgomery</i> resentencing compliance	39,200	39,200
Federal funding authorization for Appellate Defender Office	17,500	0
Labor & Economic Opportunity		
Federal revenue adjustments	\$174,883,800	\$0
Business attraction and community revitalization	20,620,100	0
First responders presumed coverage claims	3,750,000	(250,000)
Centers for independent living	3,500,000	3,500,000
Executive Order 2019-13	2,570,100	118,200
Legislature		
Auditor general	\$778,100	\$533,700
State capitol historic site	98,700	0
Legislative retirement system	24,500	0
Licensing & Regulatory Affairs		
MIDC grants increase	\$36,467,800	\$36,467,800
Childcare licensing background checks costs	1,300,000	0
Marijuana Regulatory Agency staffing	1,116,800	0
FY 2019-20 Year-to-Date adjustments	1,035,300	2,155,500
Corporations, securities, and commercial licensing alignment	925,100	0
Urban search and rescue	399,900	400,000
Marihuana regulation fund alignment	302,000	0
Marihuana regulatory fund adjustment	280,000	0
Adult-use marijuana IT funding	250,000	0
Fireworks safety fund authorization	200,000	0
Bureau of Professional Licensing authorization	80,000	0
MIDC grant management IT costs	72,000	72,000
Military & Veterans Affairs		
New Armory/Readiness Center at Grayling Army Airfield	\$18,905,000	\$0
Grand Rapids Home transition costs, one-time - removed from ongoing and moved to one-time appropriations	13,233,000	13,233,000
Job ChalleNGe Program	2,011,000	0
New Veterans Homes cost adjustment - Grand Rapids and Chesterfield Township	1,160,800	7,649,000
IT services funding adjustment	432,300	0
Veterans benefit eligibility study - one-time	250,000	250,000
Natural Resources		
Increase good neighbor authorization - 7.0 FTEs	\$8,143,400	\$0
Shooting range development, enhancement, and restoration	4,400,000	0
Reversal of FY 2019-20 reduction adjustments	1,846,200	1,846,200
Repair and replace aging wildfire equipment - 1.0 FTE	1,375,000	0
Improve state park employee retention - 4.0 FTEs	567,800	0
Northeast Lower Michigan doe license discount	505,000	505,000
Local boating infrastructure maintenance and improvements	472,500	0

Table 13 - continued

FY 2020-21 INITIAL APPROPRIATIONS PROGRAM INCREASES		
Budget Area/Program	Gross	GF/GP
Natural Resources (continued)		
Minimum wage increase.....	277,500	0
Increase Belle Isle authorization	200,000	0
Increase Sportsmen Against Hunger authorization.....	123,600	0
Northern Lower Michigan deer private land assistance network	145,800	145,800
State boating infrastructure maintenance	27,500	0
State park improvement bond debt service.....	3,800	0
School Aid		
Restoration of \$175 per-pupil reduction in FY 2019-20	\$256,000,000	\$0
MPSERS rate cap cost adjustment	188,900,000	0
Non-COVID Federal grants	57,300,000	0
State special education cost adjustments	55,300,000	0
MPSERS additional normal and defined contribution costs.....	23,029,000	0
School mental health grants.....	5,600,000	0
State assessments	5,000,000	0
Cash flow borrowing costs	4,400,000	0
Literacy essentials	3,000,000	0
Promise zone reimbursement	2,300,000	0
10 Cents a Meal	1,425,000	(375,000)
Michigan Virtual High School	1,187,500	1,187,500
Robotics.....	800,000	300,000
Center for Educational Performance and Information.....	411,400	411,400
Advanced Placement incentives	200,000	200,000
Partnership model districts	137,400	0
Payments in lieu of taxes	3,900	0
State Police		
Jail and pretrial incarceration training - one-time	\$4,200,000	\$4,200,000
Additional trooper school - ongoing cost	3,500,000	3,500,000
Attrition trooper recruit school one-time cost.....	2,509,100	2,509,100
Annualization of FY 2019-20 trooper school grads cost	2,012,200	2,012,200
Additional trooper school - one-time cost.....	1,000,000	1,000,000
Technology, Management, & Budget		
IT IDG baseline adjustments	\$59,425,400	\$0
Venture Michigan Fund II voucher purchase	18,100,000	18,100,000
State psychiatric hospitals special maintenance.....	15,000,000	15,000,000
Broadband grant program	14,305,000	14,305,000
State Building Authority rent adjustments	8,100,000	8,100,000
Reversal of FY 2019-20 reduction adjustments	7,230,400	11,313,100
Motor vehicle fleet	5,000,000	0
Retirement services customer relationship management one-time	2,100,000	0
Rate changes	962,600	0
Retirement services customer relationship management.....	400,000	0

Table 13 - continued

FY 2020-21 INITIAL APPROPRIATIONS PROGRAM INCREASES		
Budget Area/Program	Gross	GF/GP
Technology, Management, & Budget (continued)		
State psychiatric hospitals special maintenance.....	400,000	0
Retirement services accounting activities	400,000	0
Comprehensive risk and information subscription report.....	110,000	0
Michigan supplier summit.....	75,000	0
Transportation		
Transit capital service and safety	\$39,450,000	\$0
Airport improvement program grants.....	25,598,300	0
County road commissions road and bridge.....	22,625,900	0
Rail track and bridge improvements and rail freight projects	13,171,300	0
City/village road and bridge.....	12,615,000	0
Local federal aid road and bridge.....	12,187,500	0
Maintenance materials cost increase	7,625,600	0
Traffic signal program.....	2,400,000	0
Planning services	2,000,000	0
Debt service.....	1,198,800	0
IT upgrades to service initiatives	886,000	0
Interdepartmental grant increases.....	872,800	0
Defined calculations restore	207,300	0
Reporting requirement veto restore	122,000	0
Movable bridge statutory increase	106,800	0
Treasury - Debt Service		
Great Lakes water quality bond.....	\$8,828,000	\$8,828,000
Clean Michigan initiative.....	487,000	487,000
Quality of life bond.....	85,000	85,000
Treasury - Operations		
Internet and sports betting implementation	\$5,450,000	\$0
Michigan gaming control board IT upgrade.....	4,025,000	0
Marihuana grants	3,150,000	0
Convention facility development fund adjustment.....	2,531,600	0
Supervision of the general property tax law	1,150,000	1,150,000
Marihuana administration	725,800	0
Purchased lands.....	640,600	165,900
State lottery administration.....	508,700	0
Treasury - Revenue Sharing		
County revenue sharing	\$53,033,700	\$0
City, village, & township revenue sharing	43,505,400	0
Constitutional state revenue sharing grants.....	1,411,200	0
County incentive program.....	4,100	0
TOTAL PROGRAM INCREASES	\$3,659,970,200	\$1,141,454,900

Table 14

FY 2020-21 INITIAL APPROPRIATIONS
PROGRAM ELIMINATIONS

Budget Area/Program	Gross	GF/GP
Agriculture & Rural Development		
Farm Stress Program - one-time	(\$500,000)	(\$500,000)
Industrial Hemp Program - one-time	(360,000)	(150,000)
Corrections		
Detroit Reentry Center	(\$12,300,000)	(\$12,300,000)
Education		
Removal of FY 2019-20 one-time adjustments	(\$234,239,600)	\$5,146,300
Placeholder removal	(300)	0
Environment, Great Lakes, & Energy		
Remove one-time water infrastructure funding	(\$120,000,100)	(\$120,000,000)
Health & Human Services		
Community Mental Health (CMH) court appointed guardian funding	(\$1,100)	(\$1,100)
Higher Education		
Indian tuition waiver reimbursement for Bay Mills Community College	(\$100,000)	(\$100,000)
Judiciary		
One-time website upgrade	(\$1,475,000)	(\$1,475,000)
Kalamazoo County Trauma Court	(250,000)	(250,000)
Labor & Economic Opportunity		
Removal of FY 2019-20 one-time adjustments	\$3,144,031,200)	\$6,497,600
Grant removal	(2,250,100)	(2,250,100)
Placeholder removal	(600)	(200)
Military & Veterans Affairs		
Board of Managers	(\$400,000)	\$0
Natural Resources		
One-time funding for Brandon Road Lock and Dam	(\$8,000,000)	\$0
One-time wildlife management	(2,000,000)	(2,000,000)
One-time boilerplate appropriation	(1,554,200)	0
One-time wildlife and fisheries health study	(200,000)	(200,000)
Remove Michigan heritage publications fund authorization	(22,300)	0
School Aid		
Summer school reading program	(\$5,000,000)	\$0
PLAY project - autism intervention	(350,000)	(350,000)
Multisensory education	(300,000)	0
State Police		
FY 2019-20 Trooper School - one-time	(\$5,321,600)	(\$5,321,600)
In-Car camera video streaming network - one-time	(2,766,500)	(2,766,500)
Sexual assault prevention and education initiative - one-time	(1,321,000)	(1,321,000)
First responder communications network - one-time	(100)	(100)

Table 14 - continued

FY 2020-21 INITIAL APPROPRIATIONS PROGRAM ELIMINATIONS		
Budget Area/Program	Gross	GF/GP
Technology, Management, & Budget		
One-time coronavirus funding	(\$163,303,300)	\$0
One-time 2020 census funding	(10,000,000)	(10,000,000)
One-time proposal 2 implementation	(2,000,000)	(2,000,000)
Public Private Partnership line item.....	(1,500,000)	0
One-time drinking water declaration of emergency placeholder	(100)	0
Transportation		
Removal of one-time projects.....	(\$23,700,000)	(\$11,999,900)
Treasury - Operations		
Removal of FY 2019-20 one-time adjustments	(\$289,442,900)	(\$21,752,800)
Municipal cost sharing grants	(1,250,000)	(1,250,000)
Placeholder removal.....	(500)	(400)
Treasury - Revenue Sharing		
Coronavirus relief local government grants.....	(\$150,000,000)	\$0
TOTAL PROGRAM ELIMINATIONS	(\$4,183,940,500)	(\$184,344,800)

Table 15

FY 2020-21 INITIAL APPROPRIATIONS PROGRAM REDUCTIONS		
Budget Area/Program	Gross	GF/GP
Agriculture & Rural Development		
Technical adjustment to align authorization with revenues.....	(\$848,600)	\$0
Technical adjustment to reflect FY 2019-20 adjustments	(308,500)	1,179,000
Fair Food Network/Double Up Food Bucks.....	(100,000)	(100,000)
Laboratory services	(90,000)	(90,000)
Qualified forest program.....	(50,000)	(150,000)
Farmland preservation	(20,600)	(20,600)
Indemnification - livestock deprivation	(10,000)	(10,000)
Attorney General		
NextGen Case Tracking System and DNA testing.....	(\$404,400)	\$0
Attorney general operations	(305,900)	(305,900)
Sexual assault kit initiative	(269,800)	(269,800)
Prosecuting Attorneys Coordinating Council.....	(40,700)	(40,700)
Child support enforcement	(31,600)	(31,600)
Public safety initiative	(21,100)	(21,100)
Elimination of remaining \$100 line items.....	(4,300)	(500)
Civil Rights		
Complaint investigation and enforcement	(\$150,000)	(\$150,000)
Law and policy	(100,000)	(100,000)
Community Colleges		
North American Indian tuition waiver adjustment.....	(\$33,400)	\$0

Table 15 - continued

FY 2020-21 INITIAL APPROPRIATIONS PROGRAM REDUCTIONS		
Budget Area/Program	Gross	GF/GP
Corrections		
Reverse FY 2019-20 use of Federal coronavirus funding	(\$425,582,700)	\$0
Reverse coronavirus FY 2019-20 supplemental funding	(38,400,000)	(23,000,000)
Removal of FY 2019-20 one-time funding	(\$15,033,900)	(\$15,033,900)
Relocation of Special Alternative to Incarceration Program.....	(10,046,700)	(10,046,700)
Substance Use Disorder (SUD) Program	(7,000,000)	(7,000,000)
Lake County residential contract	(4,000,000)	(4,000,000)
Local revenue adjustment for Detroit Detention Center	(2,287,700)	0
Hepatitis C treatments	(2,190,000)	(2,190,000)
Criminal justice reinvestment	(2,000,000)	(2,000,000)
Field operations	(800,000)	(800,000)
Digital dental X-rays	(610,000)	(610,000)
Urine test monitoring	(300,000)	(300,000)
Community corrections plans	(300,000)	(300,000)
Goodwill flip the script	(250,000)	(250,000)
Residential probation diversions	(250,000)	(250,000)
Education		
General fund reductions	(\$800,000)	(\$800,000)
Environment, Great Lakes, & Energy		
Reversal of FY 2019-20 supplemental funding	(\$5,000,000)	(\$3,900,000)
Mapping and other support	(\$300,000)	(\$300,000)
Information technology services and projects	(225,000)	(225,000)
Office of the Great Lakes	(75,000)	(75,000)
Health & Human Services		
Reversal of one-time FY 2019-20 coronavirus related funding.....	(\$1,646,953,800)	(\$25,000,000)
Food assistance payments base and caseload	(600,000,000)	0
Single Medicaid preferred drug list.....	(236,062,800)	(59,080,000)
Removal of FY 2019-20 one-time projects.....	(194,310,900)	(62,770,000)
Dental risk corridor savings	(33,686,000)	(12,100,000)
Third party liability collaboration savings.....	(30,623,600)	(11,000,000)
Healthy Michigan Plan (HMP) work engagement staff	(20,721,400)	(15,180,100)
Minor programmatic reductions	(15,378,500)	(11,866,400)
State Innovation Model (SIM) grant expiration	(10,002,700)	0
Children's special health care services base and caseload.....	(8,699,400)	(1,791,000)
Shift one-time information technology (IT) funding to ongoing	(7,000,000)	(1,750,000)
Adoption subsidies base and caseload	(4,035,300)	(884,900)
Child support operations reduction	(3,900,000)	(1,326,000)
Relative licensure incentive funds	(2,250,000)	(800,000)
Adjustment to transfer of various programs to LEO	(2,015,600)	200,200
Foster care payments base and caseload	(1,897,400)	4,014,800
Funding adjustment for West Michigan Partnership for Children (WMPC).....	(1,872,300)	(3,215,000)
Remove Office of Inspector General (OIG) vacancies.....	(1,303,100)	(671,900)

Table 15 - continued

FY 2020-21 INITIAL APPROPRIATIONS PROGRAM REDUCTIONS		
Budget Area/Program	Gross	GF/GP
Health & Human Services (continued)		
Termination of Non-Emergency Medical Transportation (NEMT) contracts	(1,165,800)	(400,700)
Michigan Essential Health Provider Program.....	(1,000,000)	(1,000,000)
Family support subsidy base and caseload	(487,300)	0
Sexually Transmitted Disease (STD) administration funding.....	(250,000)	(250,000)
Remove family health services vacancies	(150,000)	(150,000)
State disability assistance base and caseload.....	(142,900)	(485,000)
Technical adjustment to critical access hospital funding	(74,300)	43,100
Shift Flint Drinking Water Declaration of Emergency funding to ongoing	(100)	(100)
Higher Education		
MPSERS normal cost offset.....	(\$34,000)	\$0
Judiciary		
Branch-wide reductions.....	(\$2,000,000)	(\$2,000,000)
Swift and sure sanctions program	(250,000)	(250,000)
Labor & Economic Opportunity		
Technical adjustment	(\$7,753,900)	\$0
General fund reduction.....	(6,000,000)	(6,000,000)
Legislature		
Independent Citizens' Redistricting Commission	(\$213,400)	(\$213,400)
Licensing & Regulatory Affairs		
Adjustments related to LARA and LEO reorganization.....	(\$1,096,700)	(\$141,500)
Centers for Medicare and Medicaid services	(3,424,800)	0
Nursing home inspection control surveys	(1,400,000)	0
One-time refugee services database funding	(520,000)	0
Property management restricted fund reduction	(610,300)	0
Corporations, Securities, and Commercial Licensing Bureau.....	(606,900)	0
Technical adjustments.....	(207,300)	0
One-time marijuana educational materials funding.....	(10,000)	0
Military & Veterans Affairs		
Grand Rapids Home transition costs - moved from ongoing to one-time appropriation.....	(\$13,233,000)	(\$13,233,000)
Technical adjustment to reflect FY 20 adjustments	(12,149,800)	2,263,300
Technical adjustment to align authorization with revenues.....	(6,170,000)	0
Military retirement.....	(342,000)	(342,000)
Michigan Veterans Facility Authority - efficiencies	(250,000)	(250,000)
Michigan Veterans Affairs Agency - efficiencies	(79,000)	(79,000)
Headquarters and Armories - efficiencies	(79,000)	(79,000)
Armory maintenance, one-time	(65,100)	(65,100)

Table 15 - continued

FY 2020-21 INITIAL APPROPRIATIONS PROGRAM REDUCTIONS		
Budget Area/Program	Gross	GF/GP
Natural Resources		
Remove FY 2019-20 DNR Trust Fund.....	(\$28,699,800)	\$0
State parks repair and maintenance adjustment.....	(1,975,000)	0
Forest development infrastructure adjustment.....	(1,650,000)	0
Marketing and outreach.....	(1,000,000)	0
Chronic wasting disease	(1,000,000)	(1,000,000)
Forest recreation and trails.....	(564,000)	0
Michigan historical center statutory fund shift	(396,200)	0
Recreation improvement fund grants	(188,000)	0
State parks operations fund shift.....	(100,000)	0
Recognize conservation officer travel savings	(91,700)	(91,700)
School Aid		
Removal of one-time CARES Act funding.....	(\$697,324,500)	\$0
Removal of one-time Coronavirus Relief Fund per-pupil payments	(512,000,000)	0
Foundation allowance technical cost adjustments	(45,000,000)	0
MPERS normal cost reduction due to change in distribution	(16,863,000)	(13,000)
State		
Removal of Help America Vote Act funding	(\$13,909,000)	\$0
Removal of FY 2019-20 supplemental funding	(12,349,600)	1,298,200
Branch operations	(870,000)	(870,000)
Information technology	(130,000)	(130,000)
State Police		
Adjustment to reflect FY 20 EOs/supplementals/transfers	\$108,570,100	\$111,763,500
Adjustment to reflect FY 20 disaster/CRF boilerplate	(682,063,300)	0
Commercial vehicle enforcement.....	(1,000,000)	(1,000,000)
Technical adjustment to align authorization with revenues.....	(489,300)	0
Technology, Management, & Budget		
One-time enterprisewide special maintenance for state facilities	(\$5,000,000)	(\$5,000,000)
One-time Michigan public safety communications system upgrades	(4,948,100)	(4,948,100)
Ongoing enterprisewide special maintenance	(3,000,000)	(3,000,000)
Information technology investment fund	(2,500,000)	(2,500,000)
Savings from hiring freezes and discretionary spending reductions.....	(1,750,000)	(1,750,000)
Administrative efficiencies within Administrative Services unit	(500,000)	(500,000)
Michigan State Police Retirement System supplemental payments.....	(5,000)	(5,000)
Remove \$100 placeholders.....	(500)	(500)

Table 15 - continued

FY 2020-21 INITIAL APPROPRIATIONS PROGRAM REDUCTIONS		
Budget Area/Program	Gross	GF/GP
Transportation		
Remove FY 2019-20 CARES Act funding	(\$344,645,700)	\$0
State trunkline road and bridge	(3,801,600)	0
Local bus operating	(3,000,000)	0
Economic development	(2,464,300)	0
Local bridge program	(2,077,700)	0
Detroit airport revenue decrease	(1,547,000)	0
Aeronautics.....	(1,150,000)	0
Intercity services.....	(600,000)	0
Marine passenger.....	(572,000)	0
Van pooling.....	(45,000)	0
Detroit/Wayne County Port Authority	(18,200)	0
Treasury (Operations)		
Wrongful imprisonment compensation fund	(\$7,000,000)	(\$2,000,000)
General fund reductions	(1,500,000)	(1,500,000)
Audit charge revenue	(241,200)	0
Accounting service center revenue	(150,300)	0
TOTAL PROGRAM REDUCTIONS	(\$5,694,328,200)	(\$208,291,100)

Table 16

FY 2020-21 INITIAL APPROPRIATIONS FUND SHIFTS TO INCREASE/(REDUCE) GF/GP	
Budget Area/Program	GF/GP
Attorney General	
Attorney General operations	(\$352,000)
Community Colleges	
Coronavirus Relief Fund to School Aid Fund shift	\$0
Corrections	
Coronavirus Relief Fund	(\$191,000,000)
Education	
Child development and care matching adjustment.....	(\$597,800)
Environment, Great Lakes, & Energy	
Departmentwide cost allocation	\$8,000
Oil and gas program - oil and gas fund to GF/GP	3,900,000
Health & Human Services	
Change in Base Medicaid Match Rate for FY 2020-21	(\$2,161,000)
Change in Title XXI Match Rate for FY 2020-21	28,196,500
Annualization of the Federal Medicaid Expansion Match Rate.....	22,488,300
Recognition of Enhanced Medicaid Match Rate	250,054,200
Supplemental Security Income (SSI) Recoveries Shortfall	700,000
Decreased Temporary Assistance for Needy Families (TANF) Support	1,000,000

Table 16 - continued

FY 2020-21 INITIAL APPROPRIATIONS FUND SHIFTS TO INCREASE/(REDUCE) GF/GP	
Budget Area/Program	GF/GP
Health & Human Services (continued)	
Reversal of One-Time 1st/3rd Party Revenue	13,100,000
Use of Federal Coronavirus Relief Funding (CRF) to Offset GF/GP	(22,500,000)
Health and Human Services Policy and Initiatives Fund Source Shift.....	0
Reversal of FY 2019-20 Supplemental Fund Source Shift	1,000,000
Children's Special Health Care Services (CSHCS) Parent Participation Fee Revenue	(500,000)
Merit Award Trust Fund Revenue	20,000,000
Healthy Michigan Fund Revenue	4,700,000
Medicaid benefits Trust Fund Revenue	43,000,000
Health Insurance Claims Assessment (HICA) Revenue	7,245,300
Higher Education	
Michigan tuition grants TANF to GF/GP fund shift	\$8,000,000
Coronavirus Relief Fund to School Aid Fund shift	0
Labor & Economic Opportunity	
Business attraction and community revitalization	(\$10,379,900)
Licensing & Regulatory Affairs	
Bureau of Construction Codes shift.....	(\$100,000)
Bureau of Professional Licensing shift	(550,000)
Natural Resources	
Real estate services fund shift	\$0
State forest management and wildfire protection fund shift	0
School Aid	
General GF/GP support of budget shifting to SAF	(\$69,471,100)
State	
General Fund reduction and replaced with increased Enhanced Driver License revenue	(\$663,200)
State Police	
State Services Fee Fund to GF/GP.....	\$1,900,000
Michigan Commission on Law Enforcement Standards.....	(1,000,000)
CRF Fund Shift to Cover COVID-19 Response Costs.....	(45,500,000)
Michigan Cyber Command Center - From IDG - DTMB to GF/GP	665,100
Technology, Management, & Budget	
Procurement fund shift	(\$1,500,000)
Statewide Cost Allocation adjustments	196,500
TOTAL FUND SHIFTS AFFECTING GF/GP	\$59,878,900

Table 17

FY 2020-21 INITIAL APPROPRIATIONS - PROGRAM TRANSFERS		
Budget Area/Program	Gross	GF/GP
Attorney General		
OK2SAY	(\$1,481,000)	(\$1,011,400)
Corrections		
Green Oaks Training Facility Staff from DHHS	\$109,200	\$109,200
Health & Human Services		
Transfer Maxey School Facility Manager FTE to DOC	(\$106,700)	(\$106,700)
State Police		
OK2SAY Admin and Outreach - From Attorney General	\$906,000	\$436,400
Technology, Management, & Budget		
Jacobetti Home for Veterans Acct. Service Center from DMVA.....	\$710,000	\$0
Michigan Cyber Command Center Funding to MSP.....	(665,100)	(665,100)
TOTAL PROGRAM TRANSFERS	(\$527,600)	(\$1,237,600)

Table 18

FY 2020-21 INITIAL APPROPRIATIONS ECONOMIC AND UNCLASSIFIED SALARIES ADJUSTMENTS BY FUND SOURCE							
Department/Budget Area	Gross	IDGs	Adjusted Gross	Federal	Local & Private	State Restricted	GF/GP
Agriculture & Rural Development	\$1,809,500	\$6,000	\$1,803,500	\$133,800	\$0	\$418,500	\$1,251,200
Attorney General	2,608,300	915,100	1,693,200	192,600	0	447,400	1,053,200
Civil Rights	395,300	1,300	394,000	51,300	0	0	342,700
Corrections	52,460,600	0	52,460,600	47,200	281,100	366,000	51,766,300
Education	2,768,800	0	2,768,800	1,839,500	(20,200)	201,700	747,800
Environment, Great Lakes, & Energy	6,449,200	87,900	6,361,300	1,027,000	1,600	3,914,600	1,418,100
Executive	0	0	0	0	0	0	0
Health & Human Services	53,891,600	10,600	53,881,000	18,153,300	340,500	699,900	34,687,300
Insurance & Financial Services	1,398,500	5,500	1,393,000	(500)	0	1,393,500	0
Judiciary	4,563,600	1,100	4,562,500	77,600	176,800	81,600	4,226,500
Labor & Economic Opportunity	4,222,200	0	4,222,200	2,764,000	2,100	1,054,100	402,000
Legislature	0	0	0	0	0	0	0
Licensing & Regulatory Affairs	9,122,700	909,100	8,213,600	1,320,400	0	6,043,400	849,800
Military & Veterans Affairs	6,645,000	0	6,645,000	5,276,500	0	287,100	1,081,400
Natural Resources	7,467,000	5,700	7,461,300	809,100	3,800	5,479,600	1,168,800
School Aid	433,300	0	433,300	0	0	41,600	391,700
State	4,900,800	0	4,900,800	0	0	4,095,000	805,800
State Police	6,529,500	380,800	6,148,700	575,300	55,700	1,158,000	4,359,700
Technology, Management, & Budget	13,080,200	7,649,900	5,430,300	170,900	20,000	2,322,700	2,916,700
Transportation	9,966,700	88,800	9,877,900	1,070,100	0	8,807,800	0
Treasury (Operations)	6,896,600	107,500	6,789,100	184,900	84,900	5,022,800	1,496,500
TOTAL ECONOMIC ADJUSTMENTS	\$195,609,400	\$10,169,300	\$185,440,100	\$33,693,000	\$946,300	\$41,835,300	\$108,965,500
UNCLASSIFIED SALARIES ADJ.	\$117,100	\$6,000	\$111,100	\$10,800	\$0	\$49,600	\$50,700

STATE EMPLOYEE COMPENSATION CHANGES AND EMPLOYMENT LEVELS

The FY 2020-21 initial budget reflects the recommendations for State employee compensation adopted by the Civil Service Commission on December 11, 2019. 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 2020-21 a 2.0% base wage increase to become effective October 1, 2020, and another 1% base wage increase to become effective April 1, 2021, for most represented employees. No lump-sum payment will be provided in FY 2020-21. Contracts will 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 nonexclusively represented State classified employees (NEREs) for FY 2020-21. The Commission approved a 2.0% base wage increase to become effective October 1, 2020, and another 1.0% base wage increase to become effective April 1, 2021. No lump-sum payment will be provided in FY 2020-21. They also continue to be required to pay an employee share of health insurance premiums of 20.0%.

Table 19 provides a summary of the incremental State employee cost changes for FY 2020-21, including employee salary increases of \$29.8 million. The State's portion of the cost increase for employee health insurance is estimated at \$1.5 million for FY 2020-21. The amount that needs to be contributed to the State employee retirement systems in FY 2020-21 results in an increase in costs for the FY 2020-21 budget. Retirement contributions will increase by \$16.7 million Gross and \$10.6 million GF/GP. Other employee retirement costs (OERCs) for FY 2020-21 are more than the costs in FY 2019-20; OERCs will increase by \$132.4 million Gross and \$72.0 million GF/GP. Other economic adjustments, including worker's compensation, total \$14.4 million Gross (\$5.3 million GF/GP). The total impact of economic adjustments for FY 2020-21 is an estimated increase of \$194.8 million Gross (\$108.7 million GF/GP) on a total wage and salary base of approximately \$5.7 billion.

Table 19
FY 2020-21 INITIAL APPROPRIATIONS
ESTIMATES OF ECONOMIC ADJUSTMENTS INCLUDED IN BUDGET
(millions of dollars)

	Gross	GF/GP
Wages and Salaries	\$29.8	\$19.9
Longevity and Employee Insurance Costs.....	1.5	0.9
Retirement Contributions	16.7	10.6
OERC	132.4	72.0
Workers' Compensation	0.4	0.4
All Other Economics.....	14.0	4.9
TOTAL ESTIMATED ECONOMIC INCREASES	\$194.8	\$108.7

Table 20 and Figure E provide a summary of State classified full-time equated positions (FTEs) appropriated in FY 2020-21 versus the year-to-date level of FTE positions appropriated in FY 2019-20. Total appropriated FTEs in FY 2020-21 equal 54,160.6, an increase of 220.0, or 0.4%, from FY 2019-20. The largest FTE increase, 127.5 FTEs, is in the Department of Military and Veterans Affairs, and is primarily due to the addition of 115.0 FTEs to reflect the opening of the new veteran's home in Chesterfield Township. The largest FTE decrease (91.5 FTEs) is in the Department of Corrections and reflects the reduction in programming and relocation of the Special Alternatives to Incarceration program.

**Table 20
FULL-TIME EQUATED POSITIONS
FY 2019-20 VERSUS FY 2020-21**

Department/Budget Area	FY 2019-20 Year-to-Date Positions	FY 2020-21 Initial Positions	Position Change	Percent Change
Agriculture & Rural Development	508.0	519.0	11.0	2.2%
Attorney General.....	536.4	537.4	1.0	0.2
Civil Rights	110.0	110.0	0.0	0.0
Corrections.....	13,778.3	13,686.8	(91.5)	(0.7)
Education	614.5	614.5	0.0	0.0
Environment, Great Lakes, & Energy	1,416.0	1,418.0	2.0	0.1
Executive	79.2	79.2	0.0	0.0
Health & Human Services.....	15,432.0	15,481.0	49.0	0.3
Insurance & Financial Services	362.5	372.5	10.0	2.8
Judiciary.....	509.0	513.0	4.0	0.8
Labor & Economic Opportunity.....	2,531.4	2,545.4	14.0	0.6
Licensing & Regulatory Affairs.....	1,819.9	1,827.9	8.0	0.4
Military & Veterans Affairs	924.5	1,052.0	127.5	13.8
Natural Resources	2,334.1	2,346.1	12.0	0.5
State.....	1,586.0	1,586.0	0.0	0.0
State Police.....	3,580.0	3,596.0	16.0	0.4
Technology, Management, & Budget	3,126.0	3,133.0	7.0	0.2
Transportation.....	2,818.3	2,818.3	0.0	0.0
Treasury (Operations).....	1,874.5	1,924.5	50.0	2.7
TOTAL POSITIONS	53,940.6	54,160.6	220.0	0.4%

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

PROGRAM TRANSFERS

The initial FY 2020-21 appropriations reflect the transfer of various programs and funding from one budget to another; the program transfers are listed in [Table 21](#). Part of the OK2SAY office was transferred from the Attorney General to the MSP. All of the OK2SAY office is now in the MSP budget. The Accounting Services for the Jacobetti Home for Veterans was transferred to the DTMB; however, the funding will remain in the Department of Military and Veterans Affairs. Funding for the Michigan Cyber Command Center is transferred from the DTMB to the MSP. Finally, the manager position for the Green Oaks Training Facility was transferred from the DHHS to the Department of Corrections.

Figure E

Full-Time Equated Classified Positions

FY 2020-21 Initial Appropriations

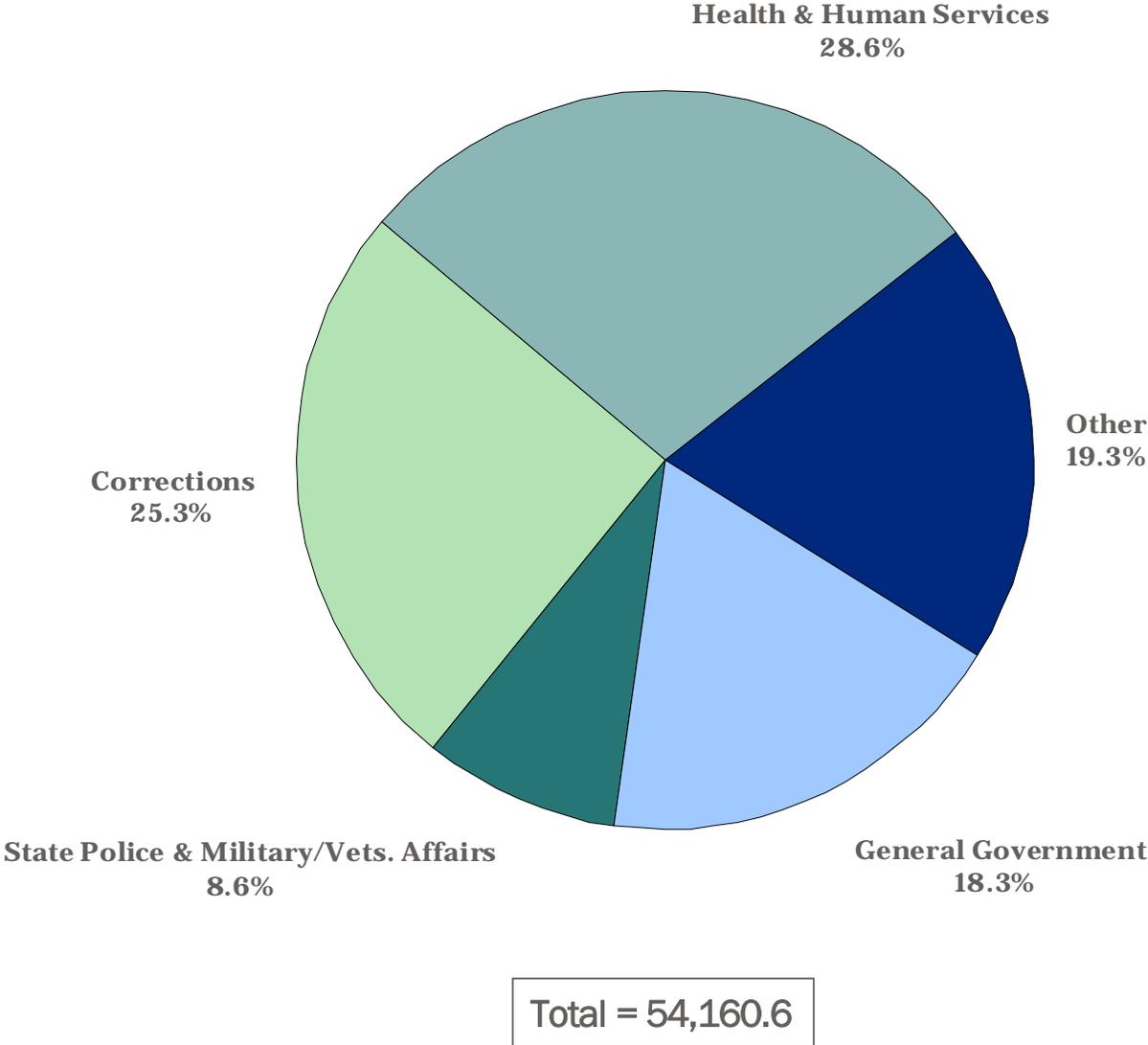


Table 21

**FY 2020-21 INITIAL APPROPRIATIONS
SUMMARY OF PROGRAM TRANSFERS
(actual dollars)**

Program/Sending Department	Fund Source	FY 2020-21	Receiving Department	Fund Source	FY 2020-21
OK2SAY					
Attorney General	FTE	(2.0)	Michigan State Police	FTE	2.0
	Gross	(1,481,000)		Gross	906,000
	Restricted	(469,600)		Restricted	469,600
	GF/GP	(1,011,400)		GF/GP	436,400
Jacobetti Home Accounting Services					
Military and Veterans Affairs	Gross	0	Technology, Management and Budget	Gross	710,000
	IDG	0		IDG	710,000
	GF/GP	0		GF/GP	0
Michigan Cyber Command Center					
Technology, Management and Budget	Gross	(650,100)	Michigan State Police	Gross	0
	IDG	0		IDG	(650,100)
	GF/GP	(650,100)		GF/GP	650,100
Green Oaks Training Facility Manager					
Health and Human Service	FTE	(1.0)	Corrections	FTE	1.0
	Restricted	(106,700)		Restricted	109,200
	GF/GP	(106,700)		GF/GP	109,200

SCHOOL AID BUDGET HIGHLIGHTS

The FY 2020-21 K-12/School Aid budget totals more than \$15.5 billion, a decrease of \$485.4 million from final FY 2019-20 gross appropriations (which included \$1.15 billion in Federal COVID-19-related dollars), but an increase of \$666.6 million in State support. In addition to supporting the K-12 budget, the SAF continues to allocate revenue to support postsecondary budgets, with \$425.7 million SAF allocated for community colleges and \$356.1 million allocated for higher education. The total SAF allocated for postsecondary purposes is \$781.8 million for FY 2020-21, an increase of \$177.0 million above FY 2019-20 (attributable to increases in retirement costs for which the State is responsible).

The K-12 portion of the budget includes spending of \$256.0 million to restore the \$175 per-pupil reduction in State aid that occurred during FY 2019-20, and then a further \$95.0 million to provide a one-time equal per-pupil increase in overall State aid (roughly \$65 per pupil). In addition, the budget allocates \$66.0 million for districts whose FY 2020-21 'traditional' blended enrollment as calculated most years (90% weight on Fall 2020 count plus 10% weight on Spring 2020 count) exceeds what is being called the 'superblend'—a blended membership that weights the FY 2019-20 membership blend at 75% and the 'traditional' FY 2020-21 membership blend at 25%.

Significant increases in existing programs are found in funding for the Michigan Public School Employees Retirement System (MPERS) (an additional \$188.9 million to pay for costs related to the most recent experience study and \$23.0 million for additional defined contribution costs), \$57.3 million in non-COVID-19 Federal grants, and standard special education costs (\$55.3 million). Smaller increases in existing programs include \$5.6 million for school mental health grants, \$5.0 million for State assessments, \$4.4 million for cash flow borrowing costs, \$3.0 million for literacy essentials, \$2.3 million for Promise Zones, \$1.4 million for 10 Cents a Meal, and \$1.2 million for Michigan Virtual High School.

Technical cost reductions of \$45.0 million are recognized, mainly from declining enrollment and rising taxable values (which reduce the State share of the foundation allowance). The MPERS normal cost appropriation is reduced \$16.9 million because of a change in distribution. The summer school reading grant program is discontinued (\$5.0 million).

Funding was restored for a number of programs previously vetoed by the Governor or discontinued by the Legislature: Michigan Education Corps (\$2.8 million), Education Value-Added Assessment System (EVAAS, \$2.0 million), Imagine Learning (\$1.5 million), Boys and Girls Club (\$1.0 million), Algebra Nation (\$1.0 million), Teach for America (\$1.0 million), digital literacy training (\$500,000), Fitness Foundation (\$400,000), Children's Choice Initiative (\$250,000), and Michigan Industrial Technology Education Society (MITES, \$50,000).

A few brand new programs are funded for FY 2020-21, including teacher retention incentives (\$5.0 million), attendance recovery (\$2.0 million), virtual learning supports (\$2.0 million), Detroit Public Television online curriculum (\$2.0 million), school meal debt reimbursement (\$1.0 million), a dyslexia tool (\$500,000), and support for the Chaldean Community Foundation (\$500,000).

General Fund/General Purpose support of the K-12 portion of the budget is reduced from \$104.7 million in FY 2019-20 to \$51.0 million for FY 2020-21.

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 toward the retirement accounts of their employees. The Governor's budget includes the required employer contribution rates to the two largest plans: the State Employees' Retirement System (SERS) and 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 (UALs) 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.

Public Act 300 of 2012

Public Act 300 of 2012 capped how much employers in MPSERS pay toward UALs (which measure the difference between assets in the system and the value of all earned benefits, if those benefits had to be paid out today). Employers pay 20.96% applied to payroll to pay off the legacy debt, and the State is required to pay any annual payments in excess of that cap. For FY 2020-21, the State's required payment for the rate cap (across the K-12, community colleges, and higher education budgets) is \$1.3 billion.

Lowering the Assumed Rate of Return (AROR) and Public Act 92 of 2017

Beginning in FY 2017-18, as reflected in [Tables 22](#) and [23](#), the assumed rate of return (AROR) in most of the State's retirement plans was lowered from 8% to 7.5%. The AROR for MPSERS was lowered one-quarter point to 7.75%. Continuing in FY 2018-19, the MPSERS AROR was 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 MPSERS, 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). For legacy pensions in MPSERS, the AROR for FY 2020-21 is 6.8%.

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). The State is required to pay any legacy costs that exceed the statutory caps for local employers in MPSERS; the State is not required to reimburse employers for increases in normal costs (however, the budget for FY 2020-21 continues the previous years' policy to hold districts harmless from all the costs, normal and legacy, related to lowering the AROR).

In FY 2020-21, the increase in normal costs required to be paid by schools and colleges because of the dedicated gains policy is estimated at \$8.3 million, and the enacted budget holds local employers harmless from the AROR change by reimbursing districts for those costs out of the School Aid budget. (The total cost in FY 2020-21 for this hold-harmless payment related to AROR is \$168.8 million.) Starting in FY 2020-21, there are 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 UAL payments, but not the increase in normal costs.

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 \$38.9 million for FY 2020-21, an increase of \$5.9 million above FY 2019-20 costs. Also, the budget covers the increase in employer normal costs due to PA 92 of 2017 (which arise because the hybrid plan assumes 6.0% rate of return, making the plan more expensive today but less expensive later), estimated to total \$12.5 million for FY 2020-21, an increase of \$3.0 million compared to the previous year.

Fiscal year 2020-21 is the year in which the results from the most recent experience study will be rolled into the base costs of MPSERS and other State systems. The biggest driver of additional costs from this experience study is the extension of life expectancy, meaning pensions will be paid out longer than originally estimated.

Contribution Rates and Estimated Costs for SERS and MPSERS

Table 22 provides a three-year summary of the contribution rates for defined benefit (DB) and defined contribution (DC) retirement plans 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 pay-as-you-go basis to a prefunding basis, requiring larger contributions up front to save money down the road by earning investment gains, and using those gains to assist in paying the cost of retiree healthcare. 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 22

STATE RETIREMENT CONTRIBUTION RATES AS A PERCENTAGE OF PAYROLL				
	FY 2018-19	FY 2019-20	FY 2020-21	2020-21 Change
State Employees' Retirement System¹⁾				
Defined Benefit Pension	21.97%	23.82%	23.90%	0.08%
Defined Benefit Health Care	23.81	20.67	23.09	2.42
Total Defined Benefit Costs	45.78%	44.49%	46.99%	2.50%
Defined Contribution Retirement	24.38%	23.69%	25.63% ²⁾	1.94%
Defined Contribution Health Care	23.81 ²⁾	20.67	23.76 ³⁾	3.09
Total Defined Contribution Costs	48.19%	44.38%	49.39%	5.03%
¹⁾ Public Act 264 of 2011 required the UAL to be spread across both DB and DC payroll. Also, FY 2020-21 will be the 10 th year of prefunding retiree health. ²⁾ Assumes mandatory 4% employer contribution plus average of 2.7% matching contribution (maximum is 3%), plus 0.51% administration expenses (applied on all payroll). ³⁾ For DC employees hired after January 1, 2012, cost can be up to 2% higher to pay the 401k health match (since 1/3 of DC hired since 2012, including 1/3 of 2% here in FY 2020-21).				

Table 23 provides a look at the FY 2020-21 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 DC 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, now is 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.

In addition to the \$1.3 billion appropriated for the rate caps, the education budgets for FY 2020-21 appropriate \$100.0 million to school districts to help offset a portion of their retirement costs, \$168.8 million to assist school employers with higher costs due to lowering the assumed rate of investment returns, and \$51.4 million for the additional costs to school 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 to help pay for the cost of retiree health care. Table 24 illustrates the FY 2020-21 MPSERS-related appropriations by budget area and purpose.

Table 23

FY 2020-21 MPERS 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	6.39%	3.43%	3.43%	0.00%	0.00%	0.00%	6.39%	6.20%
Pension UAL	13.39	13.39	13.39	13.39	13.39	13.39	13.39	13.39
Pension Total Rate	19.78%	16.82%	16.82%	13.39%	13.39%	13.39%	19.78%	19.59%
<u>Health Contributions</u>								
Health Normal Cost	0.86%	0.86%	0.00%	0.00%	0.86%	0.00%	0.00%	0.00%
Health UAL	7.57	7.57	7.57	7.57	7.57	7.57	7.57	7.57
Health Total Rate	8.43%	8.43%	7.57%	7.57%	8.43%	7.57%	7.57%	7.57%
DB CONTRIBUTION TOTAL	28.21%	25.25%	24.39%	20.96%	21.82%	20.96%	27.35%	27.16%
<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
DC CONTRIBUTION TOTAL	0.00%	1.00%	3.00%	5.00%	4.00%	6.00%	2.00%	2.00%
<u>Total Uncapped Rate (w/o DC)</u>	42.72%	39.76%	38.9%	35.47%	36.33%	35.47%	41.86%	41.67%
State Subsidy	14.51	14.51	14.51	14.51	14.51	14.51	14.51	14.51

DC = Defined Contribution; MIP = Member Investment Plan; PHF = Personal Health Fund

Source: State Budget Office

Table 24

FY 2020-21 APPROPRIATIONS RELATED TO MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (millions of dollars)						
Budget Area	Statutory Rate Cap	Additional AROR Costs	Cost Offset Grants	Additional UAL or Retiree Health	New Costs PA 92 of 2017	Total
School Aid	\$1,219.3	\$155.1	\$100.0	\$0.0	\$51.4	\$1,525.8
Community Colleges	\$83.9	\$12.4	\$0.0	\$1.7	\$0.0	\$98.0
Higher Education	\$11.7	\$1.2	\$0.0	\$0.0	\$0.0	\$12.9
Libraries	\$0.5	\$0.1	\$0.0	\$0.0	\$0.0	\$0.6
TOTAL	\$1,315.4	\$168.8	\$100.0	\$1.7	\$51.4	\$1,637.3

Table 25 outlines the FY 2020-21 estimated contributions to SERS and MPSERS by the State and local employers. The total combined cost of the estimated employer (State and local) contributions is approximately \$5.2 billion.

Table 25	
FY 2020-21 ESTIMATED CONTRIBUTIONS TO TWO LARGEST RETIREMENT SYSTEMS	
(millions of dollars)	
<u>State Employees' Retirement System (SERS)¹⁾</u>	
Defined Benefit Payroll Pension Normal Costs.....	\$44.1
Defined Contribution Payroll 401k Costs	185.4
Legacy Pension Unfunded Accrued Actuarial Liability (UAAL) Costs	659.6
Legacy Retiree Health UAAL Costs.....	699.8
Retiree Health Care and Health Savings Normal Costs	123.5
Subtotal State Employees' Retirement System ²⁾	\$1,712.4
<u>Michigan Public School Employees' Retirement System (MPSERS)³⁾</u>	
<u>Local Share</u>	
Defined Benefit Pension.....	\$1,197.9
Defined Benefit Health Care	605.3
"401k" for Health Care	38.0
Subtotal MPSERS (Local).....	\$1,841.2
<u>State Share</u>	
Statutory Cap on Unfunded Accrued Liabilities (Pension and Health)	\$1,315.4
Statutory Payments Required under PA 92 of 2017	51.4
Hold Harmless Payments for Reductions in AROR.....	193.8
Offset Payments.....	101.7
Subtotal MPSERS (State).....	\$1,662.3
Subtotal Michigan Public School Employees' Retirement System	\$3,503.5
TOTAL ESTIMATED RETIREMENT CONTRIBUTIONS.....	\$5,215.9
FY 2020-21 Estimated State Share Subsidy Per K-12 Pupil on Average	\$1,067
¹⁾ Public Act 264 of 2011 requires the UAL to be spread across both DB and DC payroll. ²⁾ Excludes FICA. ³⁾ Excludes DC contributions for pension plans; includes DC contributions for health.	

For the sixth 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 SERS. As noted earlier, the total contributions made to a retirement system are a combination of a payment toward the past UALs for benefits already earned (legacy costs) and a payment toward the accrual of service credit in the future (normal costs). As shown on [Table 25](#), the total contributions in the SERS are estimated by the Senate Fiscal Agency at \$1.7 billion and, of that total, \$1.4 billion is estimated by the State Budget Office for legacy costs (both pension and health), with the remaining \$300.0 million for normal costs including State DC contributions for SERS. [Table 26](#) identifies the estimated legacy costs for pension and for retiree health care, and the total of the two, for each department.

Table 26
FY 2020-21
SERS LEGACY COSTS BREAKOUT – PENSIONS AND HEALTH CARE

Department	Pension-Related Legacy Costs (Retirement) Gross	Health Care Legacy Costs (OPEB) Gross	Total Legacy Costs Gross
Agriculture & Rural Development	\$6,528,200	\$7,077,500	\$13,605,700
Attorney General	9,109,000	9,875,500	18,984,500
Civil Rights	1,337,900	1,450,500	2,788,400
Corrections	156,416,200	169,578,300	325,994,500
Education	7,166,100	7,769,100	14,935,200
Environment, Great Lakes, & Energy	18,668,000	20,238,900	38,906,900
Health & Human Services	172,398,600	186,905,600	359,304,200
Insurance & Financial Services	4,941,400	5,357,200	10,298,600
Judiciary	7,316,800	7,932,500	15,249,300
Labor & Economic Opportunity	28,272,000	30,651,000	58,923,000
Licensing & Regulatory Affairs	22,721,300	24,633,200	47,354,500
Military & Veterans Affairs	9,768,500	10,590,500	20,359,000
Natural Resources	24,216,200	26,253,900	50,470,100
State	15,923,000	17,262,900	33,185,900
State Police	72,052,800	62,792,200	134,845,000
Technology, Management, & Budget	44,974,200	48,758,600	93,732,800
Transportation	35,479,800	38,465,400	73,945,200
Treasury	22,289,000	24,164,600	46,453,600
TOTAL	\$659,579,000	\$699,757,400	\$1,359,336,400

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 2020-21 appropriations exceed this minimum constitutional requirement by more than \$2.5 billion. Table 27 provides a summary of the calculations used to determine the State's compliance with this constitutional requirement for FY 2019-20 and FY 2020-21. Table 28 lists State payments to local units of government that are appropriated in each State department or budget area.

Table 27

STATE PAYMENTS TO LOCAL UNITS OF GOVERNMENT ARTICLE IX, SECTION 30 REQUIREMENT FY 2019-20 AND FY 2020-21 ESTIMATES (millions of dollars)		
	FY 2019-20 Estimate	FY 2020-21 Estimate
State Spending from State Resources	\$33,041.4 ^{a)}	\$35,354.0 ^{a)}
Required Payments to Local Units of Government (48.97%).....	\$16,180.4	\$17,312.8
Estimated Payments to Local Units of Government.....	\$18,968.3	\$19,905.4
Estimated Payments as a Percentage of Total State Spending.....	57.4%	56.3%
Surplus of Section 30 Payments	\$2,787.9	\$2,592.6
^{a)} Does not include \$5.094 million of Federal aid counted as GF/GP revenue.		

Table 28

STATE PAYMENTS TO LOCAL UNITS OF GOVERNMENT FY 2019-20 VERSUS FY 2020-21				
Department/Budget Area	FY 2019-20 Year-to-Date Appropriations	FY 2020-21 Initial Appropriations	Dollar Difference	Percent Change
Agriculture & Rural Development	\$9,650,000	\$8,800,000	(\$850,000)	(8.8%)
Attorney General.....	0	0	0	0.0
Capital Outlay	0	0	0	0.0
Civil Rights	0	0	0	0.0
Community Colleges.....	414,719,000	425,667,600	10,948,600	2.6
Corrections.....	122,635,700	123,330,800	695,100	0.6
Education	14,267,700	15,267,700	1,000,000	7.0
Environment, Great Lakes, & Energy	19,646,000	44,000,600	24,354,600	124.0
Executive	0	0	0	0.0
Health & Human Services.....	1,504,980,200	1,673,960,400	168,980,200	11.2
Higher Education	0	0	0	0.0
Insurance & Financial Services	0	0	0	0.0
Judiciary.....	146,351,300	146,925,300	574,000	0.4
Labor & Economic Opportunity.....	37,598,800	39,115,200	1,516,400	4.0
Legislature	0	0	0	0.0
Licensing & Regulatory Affairs.....	102,451,400	137,967,400	35,516,000	34.7
Military & Veterans Affairs	4,315,000	4,136,500	(178,500)	(4.1)
Natural Resources	8,122,200	10,409,300	2,287,100	28.2
Natural Resources Trust Fund.....	0	0	0	0.0
School Aid.....	12,845,578,900	13,546,289,200	700,710,300	5.5
State.....	1,127,500	1,041,800	(85,700)	(7.6)
State Police.....	16,078,600	13,899,900	(2,178,700)	(13.6)
Technology, Management, & Budget	0	0	0	0.0
Transportation.....	2,135,605,800	2,125,342,100	(10,263,700)	(0.5)
Treasury (Debt Service).....	0	0	0	0.0
Treasury (Operations).....	191,229,200	247,351,800	56,122,600	29.3
Treasury (Revenue Sharing)	1,393,969,900	1,341,924,300	(52,045,600)	(3.7)
TOTAL BUDGET AREA APPROPRIATIONS	\$18,968,327,200	\$19,905,429,900	\$937,102,700	4.9%

DEBT SERVICE APPROPRIATIONS

Table 29 provides a summary of debt service appropriations for FY 2020-21. These include State park improvement revenue bonds appropriated in the Department of Natural Resources (DNR); 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 Labor and Economic Opportunity; State Building Authority rent payments appropriated in the DTMB; 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 \$684.5 million for FY 2020-21. This represents a \$4.4 million (0.6%) decrease from the \$688.9 million debt service appropriations in FY 2019-20.

TOBACCO SETTLEMENT REVENUE AND APPROPRIATIONS

In 1998, a Master Settlement Agreement was reached between 46 states, including Michigan, and certain US tobacco manufacturers, to provide annual payments to states. The payments began in 2000 and will continue in perpetuity. As Table 30 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 2022-23, for the 21st 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 (BSF) as repayment for a 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 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 2020-21 is estimated to be \$66.2 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 2020-21, net revenue for the Michigan Merit Award Trust Fund is \$44.7 million. The initial FY 2020-21 budget includes the appropriation of \$43.9 million of tobacco settlement funds through the Michigan Merit Award Trust Fund to four State budget areas. The largest appropriation is \$37.2 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 2020-21 Merit Award Trust Fund year-end balance of \$791,730.

Table 29

**DEBT SERVICE APPROPRIATIONS
FY 2020-21 COMPARED WITH FY 2019-20**

Department/Program	FY 2019-20 Gross Appropriation	FY 2020-21 Gross Appropriation	Dollar Change	Percent Change
Natural Resources				
State Park Improvement Revenue Bonds.....	\$1,197,500	\$1,201,300	\$3,800	0.3%
Subtotal Natural Resources	\$1,197,500	\$1,201,300	\$3,800	0.3%
School Aid				
School Bond Loan.....	\$111,000,000	\$111,000,000	\$0	0.0%
Subtotal School Aid	\$111,000,000	\$111,000,000	\$0	0.0%
Talent & Economic Development¹				
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
Subtotal Talent & Economic Development.....	\$11,900,000	\$11,900,000	\$0	0.0%
DTMB - State Building Authority Rent				
State Agencies	\$47,024,300	\$65,028,900	\$18,004,600	38.3%
Department of Corrections	20,369,400	0	(20,369,400)	(100.0)
Universities.....	144,995,300	134,995,300	(10,000,000)	(6.9)
Community Colleges	34,181,600	33,171,600	(1,010,000)	(3.0)
Subtotal Technology, Management, & Budget.....	\$246,570,600	\$231,570,600	(\$15,000,000)	(6.1%)
Transportation				
State Trunkline	\$178,660,600	\$180,133,000	\$1,472,400	0.8%
Economic Development	11,638,000	11,485,800	(152,200)	(1.3)
Local Bridge Fund.....	2,380,700	2,330,700	(50,000)	(2.1)
Blue Water Bridge Fund.....	6,886,400	6,810,900	(75,500)	(1.1)
Airport Safety and Protection Plan	3,435,800	3,432,000	(3,800)	(0.1)
Comprehensive Transportation	10,896,000	10,903,900	7,900	0.1
Subtotal Transportation	\$213,897,500	\$215,096,300	\$1,198,800	0.6%
Treasury				
Clean Michigan Initiative	\$49,027,000	\$49,514,000	\$487,000	1.0%
Great Lakes Water Initiative.....	38,772,000	47,600,000	8,828,000	22.8
Quality of Life Bond.....	16,536,000	16,621,000	85,000	0.5
Subtotal Treasury.....	\$104,335,000	\$113,735,000	\$9,400,000	9.0%
TOTAL	\$688,900,600	\$684,503,200	(\$4,397,400)	(0.6%)

¹ 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).

Table 30

TOBACCO SETTLEMENT REVENUE AND APPROPRIATIONS ESTIMATES			
FY 2019-20 COMPARED TO FY 2020-21			
(actual dollars)			
	FY 2019-20 Year-To-Date	FY 2020-21 Initial	Initial Chg. From FY 2019-20
Revenue			
Unreserved Balance From Prior Fiscal Year	\$17,007,010	\$723,960	(\$16,283,050)
Total Annual Payments	\$278,390,100	\$274,525,600	(\$3,864,500)
Settlement Credit to Manufacturers	\$0	\$0	\$0
Correction of prior year expenditures/other	\$59,600	\$0	(\$59,600)
Interest Earnings	\$38,400	\$100,000	\$61,600
Total Tobacco Settlement Revenue.....	\$295,495,110	\$275,349,560	(\$10,396,360)
<u>Less Transfers Out For:</u>			
21 st Century Jobs Trust Fund	(\$75,000,000)	(\$75,000,000)	\$0
Detroit Public Schools Trust Fund.....	(\$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	(\$37,137,240)	(\$36,621,720)	\$515,520
Payment on 2007 Bond Securitization	(\$29,982,610)	(\$29,566,410)	\$416,200
Total Transfers Out	(\$231,619,850)	(\$230,688,130)	\$931,720
Net Revenue To Merit Award Trust Fund	\$63,875,260	\$44,661,430	(\$9,464,640)
Appropriations			
<u>Attorney General</u>			
Operations	\$412,400	\$526,600	\$114,200
<u>Health and Human Services</u>			
Medicaid Base-Long-term Care.....	\$57,200,000	\$37,200,000	(\$20,000,000)
Aging-Respite Care	\$4,068,700	\$4,068,700	\$0
<u>State Police</u>			
Tobacco Tax Enforcement.....	\$431,200	\$854,400	\$423,200
<u>Department of Treasury</u>			
Student Financial Services Administration	\$1,039,000	\$1,220,000	\$181,000
Total Merit Award Trust Fund Appropriations	\$63,151,300	\$43,869,700	(\$19,281,600)
MERIT AWARD TRUST FUND YEAR-END BALANCE	\$723,960	\$791,730	(\$16,283,050)

PROJECTED GF/GP YEAR-END BALANCES

The FY 2019-20 projected year-end GF/GP balance of \$1.6 billion is based on the August 2020 consensus estimate of GF/GP revenue and other revenue adjustments agreed upon as part of the budget process. (The SFA will be releasing its updated economic forecast in late December or early January and the year-end balances in that report will differ from the ones shown here, which were based on the August estimates.) The FY 2019-20 estimated GF/GP expenditures are based on initial appropriations, Executive Order reductions, and enacted supplemental appropriations that include caseload and cost adjustments and anticipated work project and department lapses of \$91.6 million.

The second column of [Table 31](#) presents the SFA's estimate of the FY 2020-21 GF/GP year-end balance of \$29.2 million. The FY 2020-21 projections also are based on the August 2020 consensus estimate of GF/GP revenue. The FY 2020-21 discretionary State revenue sharing payments are continued, and a one-time revenue sharing reduction enacted as a component of FY 2019-20 budget solutions has not been carried forward, resulting in a total revenue reduction of \$490.1 million for revenue sharing payments. Additionally, the FY 2020-21 balance sheet revenue is based on a change to current liquor tax statute reducing collections by an anticipated \$15.0 million from the General Fund, and a \$75.0 million increase in revenue based on the repurchase of Venture Michigan Fund II vouchers. Non-ongoing changes to the revenue include shifting restricted revenues into GF and assumed interest earned on Federal Coronavirus Relief Fund. Based on these assumptions, and including the \$1.6 billion estimated beginning balance, total FY 2020-21 estimated GF/GP revenue is \$10.8 billion.

The FY 2020-21 estimated GF/GP expenditures are based on initial ongoing appropriations of \$10.3 billion and initial one-time appropriations of \$271.3 million. When GF/GP estimated revenue is compared to GF/GP estimated expenditures, there is a projected FY 2020-21 ending balance of \$29.2 million.

PROJECTED SCHOOL AID FUND YEAR-END BALANCES

The FY 2019-20 projected year-end SAF balance of \$869.4 million is based on the August 2020 consensus estimate of SAF revenue and other revenue adjustments agreed upon as part of the budget process. (As noted above for the GF/GP balances, the SFA will be releasing its updated economic forecast in late December or early January. The year-end balances in that report will differ from the ones shown here, which were based on the August estimates.) The FY 2019-20 estimated SAF expenditures are based on initial ongoing and one-time appropriations, enacted supplemental appropriations, and consensus cost adjustments.

The second column of [Table 32](#) presents the SFA's estimate of the FY 2020-21 SAF year-end balance of \$0. The FY 2020-21 projections also are based on the August 2020 consensus estimate of SAF revenue and other revenue adjustments. For FY 2020-21, SAF revenue adjustments include a \$51.0 million GF/GP grant; \$77.7 million from the Community District Education Trust Fund to pay the additional foundation allowance costs while the Detroit Public Schools' existing 18-mill property tax levy is diverted to pay off debt; and \$1.8 billion of Federal aid. Based on these assumptions, and including the \$869.4 million estimated beginning balance, total FY 2020-21 estimated School Aid revenue is \$16.3 billion.

The FY 2020-21 estimated SAF expenditures are based on initial ongoing K-12 appropriations of \$15.1 billion. 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 2020-21 is increased by \$11.0 million over FY 2019-20 to continue to fully fund community colleges with SAF revenue at a level of \$425.7 million in FY 2020-21. The SAF partially supports the Higher Education budget with the allocation for FY 2020-21 of \$356.1 million. Across the two budgets, SAF support of postsecondary purposes totals \$781.8 million for FY 2020-21.

Table 31

FY 2019-20 AND FY 2020-21 GENERAL FUND/GENERAL PURPOSE REVENUE, EXPENDITURES, AND YEAR-END BALANCE ESTIMATES (millions of dollars)		
	FY 2019-20 Year-to-Date	FY 2020-21 Initial
Beginning Balance	\$916.2	\$1,605.1
Ongoing Revenue:		
August 2020 Consensus Revenue Estimate	\$10,296.8	\$9,536.7
Other Revenue Adjustments:		
Revenue Sharing Payments	(\$490.1)	(\$490.1)
Revenue Sharing One-Time Reduction	96.5	0.0
PA 126 of 2020	(3.8)	(15.0)
Shift VMFII to Voucher Purchase	0.0	75.0
Subtotal Ongoing Revenue	\$9,899.5	\$9,106.6
Non-Ongoing Revenue:		
Reimbursement for Implementation of Recreational Marihuana	\$10.0	\$0.0
Legal Settlements/Redirection of Restricted Revenue	(7.6)	(2.6)
Restricted Revenue Redirected to GF	165.7	13.0
GF-equivalent Lapsed Work Projects	0.6	0.0
GF-equivalent /Restricted Revenue	0.0	0.8
Coronavirus Relief Fund: Interest Earnings	3.0	7.0
Subtotal Non-Ongoing Revenue	171.7	18.2
Total Estimated GF/GP Revenue	\$10,987.4	\$10,730.0
Expenditures:		
Ongoing Appropriations:		
Initial Ongoing Appropriations	\$9,940.0	\$10,461.5
Subtotal Ongoing Appropriations	\$9,940.0	\$10,461.5
One-Time and Other Appropriations:		
Estimated One-Time Appropriations	\$175.1	\$271.3
Enacted Supplementals	502.1	0.0
EO 2020-155 Reductions	(620.0)	0.0
COVID-19 FMAP Offset	(523.3)	(239.7)
Federal Disallowed Psych DSH Costs	0.0	62.8
Defined Calculations/Employee Economics	0.0	109.0
Budget Stabilization Fund Deposit	0.0	35.8
Estimated Department and Work Project Lapses	(91.6)	0.0
Subtotal One-Time and Other Appropriations	(557.8)	(239.2)
Total Estimated GF/GP Expenditures	\$9,382.2	\$10,700.7
PROJECTED YEAR-END GF/GP BALANCE	\$1,605.1	\$29.2

Table 32
FY 2019-20 AND FY 2020-21 SCHOOL AID FUND
REVENUE, EXPENDITURES, AND YEAR-END BALANCE ESTIMATES
(millions of dollars)

	FY 2019-20 Year-to-Date	FY 2020-21 Initial
Beginning Balance	\$194.7	\$869.4
Ongoing Revenue:		
August 2020 Consensus Revenue Estimate	\$13,714.4	\$13,501.9
Other Revenue Adjustments:		
General Fund/General Purpose Grant	\$62.6	\$51.0
Community District Education Trust Fund	75.9	77.7
Federal Ongoing Aid	<u>1,749.6</u>	<u>1,806.9</u>
Subtotal Ongoing Revenue	\$15,602.5	\$15,437.4
Non-Ongoing Revenue:		
Budget Stabilization Fund Deposit	\$350.0	\$0.0
Federal CRF	712.0	0.0
Talent Investment Fund	9.7	0.0
One-Time GF Deposit	42.0	0.0
Reserve Fund for MPSERS	31.9	0.0
CEPI Work Project Laps	<u>3.9</u>	<u>0.0</u>
Subtotal Non-Ongoing Revenue	1,149.6	0.0
Total Estimated School Aid Fund Revenue	\$16,946.8	\$16,306.9
Expenditures:		
Ongoing Appropriations:		
Initial Ongoing K-12 Appropriations	\$15,106.8	\$15,077.4
Consensus Cost Adjustments (January/May/August 2020)	(89.2)	206.2
Enacted Supplementals (PA 265 of 2018, PA 162 of 2019)	59.9	0.0
Enacted Return to Learn Pupil Blend Formula Change	0.0	45.0
Fund Community Colleges with SAF	414.7	425.7
Partially Fund Higher Education with SAF	<u>349.4</u>	<u>356.1</u>
Subtotal Ongoing Appropriations	\$15,841.6	\$16,110.4
One-Time and Other Appropriations:		
Enacted Supplementals	\$235.8	\$0.0
PA 165 of 2020 Expenditure Adjustments	<u>0.0</u>	<u>196.6</u>
Subtotal One-Time and Other Appropriations	235.8	196.6
Total Estimated School Aid Fund Expenditures	\$16,077.4	\$16,306.9
PROJECTED YEAR-END SCHOOL AID FUND BALANCE	\$869.4	(\$0.0)

ECONOMIC FORECAST AND REVENUE ESTIMATES

A. ECONOMIC FORECAST

The economic forecast on which the enacted FY 2020-21 State budget was based is the consensus economic forecast adopted at the August 2020 Consensus Revenue Estimating Conference (CREC). Under this consensus economic forecast, the US economy (as measured by inflation-adjusted Gross Domestic Product (GDP)) will contract 5.3% in 2020, before growing 2.7% in 2021 and 3.1% in 2022. The COVID-19 pandemic will accelerate the decline in total vehicle sales in 2020 but result in growth in later years as sales return to more sustainable levels. Detroit 3 market share will rise as a result of the pandemic, but will then resume its slow decline as the economy recovers. In 2021 and 2022, steady economic growth will result in Michigan employment recovering from the pandemic-associated declines in 2020, although 2022 employment likely will remain almost 180,000 jobs below the 2019 level. Michigan personal income, adjusted for inflation, is expected to rise in 2020 (reflecting the significant Federal fiscal stimulus provided in response to the COVID-19 pandemic). As a result, inflation-adjusted personal income is expected to fall in 2021 and then rise in 2022. In contrast, the significant job loss in 2020 will cause wage and salary income to fall in 2020, and then rise over the forecast as the economy recovers. Low inflation will combine with employment situation so that the forecast expects inflation-adjusted personal income to rise 2.2% in 2020, before declining 3.0% in 2021, and then rising 2.7% in 2022. Highlights of the economic outlook for both the US and Michigan economies are as follows:

1. US Economy

- Inflation-adjusted GDP will decline an estimated 5.3% in 2020 before growing 2.7% in 2021 and 3.1% in 2022, in comparison with 2.4% growth in 2019. While consumer spending and wage growth are expected to improve in 2021 and 2022, the level of output is not expected to return to the peak level experienced in the fourth quarter of 2019 until late 2022. Light vehicle sales are expected to decline from 17.0 million units in 2019 to 13.7 million units in 2020, and then rise in 2021 and 2022, to 15.0 million units and 16.1 million units, respectively. Housing starts are expected to fall 7.4% in 2020, followed by another 7.1% decline in 2021, before growing 7.2% in 2022. While most economic indicators are expected to grow in 2021 and 2022, as with inflation-adjusted GDP, they are not expected to recover to prerecession peaks until late 2022 or even later.
- Employment is expected to decline 5.6% in 2020 before growing at progressively slower rates in later years of the forecast, and the US unemployment rate is predicted to decline from 8.9% in 2020 to 7.9% in 2021 and 6.6% in 2022, compared to a 3.7% in 2019.
- Light vehicle sales are expected to decline from 17.0 million units in 2019 to 13.7 million units in 2020, before rising to 15.0 million units in 2021 and 16.1 million units in 2022.
- Housing starts are expected decrease 7.4% in 2020, to 1.2 million starts. Housing starts will decline another 7.1% in 2021 to 1.1 million units, before rising 7.2% in 2022. By comparison, starts totaled 2.1 million in 2006 and 554,000 in 2009.
- Inflation, as measured by the US Consumer Price Index, rose 1.3% in 2019. The varied cost pressures associated with the COVID-19 pandemic are expected to result in essentially flat price level in 2020, with the percentage change in the Index rounding to 0.0%. The forecast expects limited inflation as prices rise 1.1% in 2021, and 1.7% in 2022.

2. Michigan Economy

- On an annual basis, payroll employment in Michigan steadily declined between 2000 and 2010, but has increased in every year since 2010. After rising 0.3% during 2019, payroll employment is expected to fall 8.8% in 2020 before rising 3.8% in 2021 and 1.3% in 2022.
- Michigan's unemployment rate is projected to increase from 4.1% in 2019 to 11.7% in 2020, and then decline to 9.0% in 2021 and 7.7% in 2022.

- Personal income, the total income received by individuals, will increase at an estimated rate of 2.2% in 2020, compared with a 3.8% increase in 2019, before falling 2.0% in 2021 and rising 4.5% in 2025. The growth rates in 2020 reflected transfer payments such as stimulus checks and unemployment insurance provisions more than offsetting the 7.5% decline in wage and salary income. With most unemployment insurance provisions expiring by 2021 and no additional stimulus measures anticipated, the loss in transfer payments is projected to more than offset the 6.9% increase in wages and salaries, resulting in personal income falling in 2021. Adjusted for inflation, personal income is projected to increase 2.2% in 2020, decline 3.0% in 2021, and increase 2.7% in 2022.
- Inflation in Michigan, as measured by the Detroit Consumer Price Index, is expected to remain flat in 2020 (the change rounds to 0.0%), and increase 1.1% in 2021 and 1.7% in 2022. In comparison, inflation rose 1.3% in 2019.

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 \$23.0 billion in FY 2020-21, down 4.1% from the \$24.0 billion predicted to be received during FY 2019-20. 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 previous year). The projected levels of revenue from ongoing revenue sources for these two fiscal years are the estimates adopted at the August 2020 CREC. Although combined GF/GP and SAF ongoing revenue is expected to decrease 4.1% in FY 2020-21, total combined GF/GP and SAF revenue is expected to decrease 3.1%. The different rate of decline in total revenue reflects changes in revenue that is not ongoing, such as the substantial increase in the GF/GP and SAF beginning balances. The estimates of total revenue, as well as a breakdown between these two types of revenue, are presented in [Table 33](#) for both the GF/GP budget and the SAF for FY 2019-20 and FY 2020-21.

1. General Fund/General Purpose Revenue

- In FY 2020-21, GF/GP revenue is projected to total an estimated \$10.7 billion, representing a decrease of 2.5% or \$270.3 million from the \$11.0 billion in revenue estimated for FY 2019-20, as shown in [Table 33](#). The decrease in total GF/GP revenue reflects a \$688.9 million increase in the beginning balance only partially offsetting the \$760.1 million decrease in ongoing GF/GP revenue and a reduction in restricted revenue redirected to the General Fund. The decline in ongoing revenue during FY 2020-21 largely reflects the weaker economy during FY 2020-21 but also is partially attributable to a \$132.0 million increase in the individual income tax earmark to the Michigan Transportation Fund (MTF) (adopted as part of the Transportation funding package in 2015) and a \$25.6 million increase in the money directed to the Local Community Stabilization Authority (LSCA) to reimburse local units for revenue losses associated with personal property tax reform.
- The balance carried over from FY 2019-20 is expected to total \$1,605.1 million, which is \$688.9 million more than the \$916.2 million that was carried over from FY 2018-19.
- Revenue from ongoing sources during FY 2020-21 will total an estimated \$9.5 billion, which is down 7.4% or \$760.1 million from the forecasted FY 2019-20 level.
- The decrease in GF/GP ongoing revenue in FY 2020-21 primarily reflects several factors:
 - COVID-19-related economic impacts. Economic activity during FY 2019-20 has been affected by a variety of COVID-19-related factors, ranging from voluntary and mandated business closures or reductions in activity; precautionary behavior by consumers, workers, and businesses; actual deaths and illnesses, and national and international circumstances reflecting the impact of COVID-19 on international trade, energy and commodity prices, and travel restrictions. Many of these effects are expected to continue in some degree during at least a portion of FY 2020-21. However, during FY 2019-20, both the Federal government and the Federal Reserve implemented substantial measures to stimulate the economy and offset the negative impacts of COVID-19. Many of these measures were effective, allowing individual income tax withholding, sales tax revenue, and a variety of other revenue sources to generate revenue at a level that, while

below the levels in FY 2018-19, were much greater than would have occurred absent the measures. However, virtually all of these measures expired by the end of FY 2019-20 and almost all of the remaining initiatives will have expired by the end of December 2020. As a result, while most economic COVID-19-related impacts during calendar year 2021 are not expected to be as great as during FY 2019-20, they will not be offset by significant stimulus efforts. Furthermore, the economy is not expected to have recovered from COVID-19 until late 2022, if not later. Combined, these factors will result in most major taxes generating less revenue in FY 2020-21 than they generated in FY 2019-20.

- Policy changes affecting the individual income tax. Legislation enacted in 2015 as part of a road funding package both increased Homestead Property Tax Credits and redirected \$150.0 million in individual income tax revenue in FY 2018-19 and \$325.0 million in FY 2019-20 from the General Fund to the MTF. In 2018, the FY 2019-20 earmark to the MTF was increased by additional \$143.0 million, bringing the total earmark of individual income tax revenue to the MTF to \$468.0 million. While the additional earmark does not affect FY 2020-21 revenue, the original 2015 legislation increased the earmark to \$600.0 million beginning in FY 2020-21. Similarly, the personal exemption is adjusted each year for inflation, and those adjustments will reduce individual income tax revenue by an additional \$52.8 million in FY 2020-21, of which \$40.4 million will lower GF/GP revenue (the remainder will lower School Aid Fund revenue). These policy changes will combine with changes in the economy to lower estimated net GF/GP revenue from the individual income tax by 9.1% in FY 2020-21.
- Other revenue diversions. Much like the redirections of individual income tax revenue to the MTF, the redirection of use tax revenue from the General Fund to the LCSA will increase by \$25.6 million. The LCSA distributes the redirected use tax revenue to local units in order to compensate them for revenue losses associated with personal property tax reform.
- 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 \$643.9 million in FY 2020-21, as refunds exceed collections, a greater subtraction than the negative \$641.0 million expected in FY 2019-20.

2. School Aid Fund

- Revenue going to the School Aid Fund will total an estimated \$16.3 billion in FY 2020-21, a decrease of 3.8%, or \$639.8 million, from the SAF revenue estimate for FY 2019-20. The SAF revenue estimate is presented in [Table 33](#).
- Revenue from ongoing taxes and net lottery revenue earmarked to the SAF will total an estimated \$13.5 billion in FY 2020-21, down 1.5% or \$212.5 million from FY 2019-20, reflecting the continued impact of COVID-19 during the FY 2020-21 and the expiration of Federal stimulus measures that supported tax revenue in FY 2019-20.
- In addition to the revenue from the ongoing earmarked taxes, the SAF will receive an estimated \$1.9 billion during FY 2020-21. The majority of this additional revenue reflects Federal aid totaling an estimated \$1.8 billion. Additional SAF revenue also includes \$51.0 million in grants from the General Fund in FY 2020-21, down from a \$62.6 million grant that was supplemented by a \$42.0 million one-time deposit in FY 2019-20. The SAF will also receive \$77.7 million in revenue from the Community District Education Trust Fund in FY 2020-21, up slightly from \$75.9 million in FY 2019-20. The majority of the decline in SAF revenue in FY 2020-21 reflects the depletion of \$712.0 million of Federal Coronavirus Relief Fund revenue that was available in FY 2019-20 and the absence of additional transfers of revenue from the Budget Stabilization Fund, which totaled \$350 million in FY 2019-20.

Table 33

GENERAL FUND/GENERAL PURPOSE AND SCHOOL AID FUND REVENUE ESTIMATES FOR FY 2019-20 AND FY 2020-21 (millions of dollars)				
	FY 2019-20	FY 2020-21	\$ Change	% Change
GENERAL FUND/GENERAL PURPOSE				
Beginning Balance	\$916.2	\$1,605.1	\$688.9	---
<u>Consensus Estimate From Ongoing Sources¹⁾:</u>				
Net Income	\$6,836.8	\$6,211.8	(\$625.0)	(9.1%)
Michigan Business/Corporate Income Tax	404.1	268.9	(135.2)	(33.5)
Sales & Use Taxes	1,977.0	1,904.7	(72.3)	(3.7)
Tobacco Taxes	174.5	167.7	(6.8)	(3.9)
Insurance Company Premiums	351.8	380.4	28.6	8.1
Telephone & Telegraph	30.0	30.0	0.0	0.0
Oil & Gas Severance	14.0	12.0	(2.0)	(14.3)
All Other Taxes	187.0	210.0	23.0	12.3
Subtotal Taxes	\$9,975.2	\$9,185.6	(\$789.6)	(7.9%)
Nontax Revenue	321.6	351.1	29.5	9.2
Subtotal Consensus Estimates Ongoing Revenue ¹⁾	\$10,296.8	\$9,536.7	(\$760.1)	(7.4%)
<u>Revenue Adjustments:</u>				
Revenue Sharing Payments	(\$490.1)	(\$490.1)	\$0.0	0.0%
Revenue Sharing Reduction	96.5	0.0	(96.5)	---
Purchase Venture Michigan Fund Tax Vouchers	0.0	75.0	75.0	---
COVID-19 Related Liquor Control Changes	(3.8)	(15.0)	(11.2)	---
Redirection of Restricted Revenue	(7.6)	(2.6)	5.0	---
Restricted Revenue Redirected to General Fund	165.7	0.0	(165.7)	---
Reimbursement, Implementation Medical Marihuana	10.0	0.0	(10.0)	---
Coronavirus Relief Fund Interest Earnings	3.0	7.0	4.0	---
General Fund-Equivalent Lapsed Work Projects	0.6	0.0	(0.6)	---
General Fund-Equivalent Restricted Revenue	0.0	0.8	0.8	---
Subtotal Revenue Adjustments	(\$225.7)	(\$424.9)	(\$199.2)	88.2%
TOTAL GF/GP REVENUE	\$10,987.3	\$10,717.0	(\$270.3)	(2.5%)

Table 33 - continued

GENERAL FUND/GENERAL PURPOSE AND SCHOOL AID FUND REVENUE ESTIMATES FOR FY 2019-20 AND FY 2020-21 (millions of dollars)				
	FY 2019-20	FY 2020-21	\$ Change	% Change
SCHOOL AID FUND				
Beginning Balance	\$194.7	\$869.4	\$674.7	----
<u>Consensus Estimate From Ongoing Sources¹⁾:</u>				
Sales & Use Taxes	\$6,573.0	\$6,525.3	(\$47.7)	(0.7%)
Income Tax	3,042.7	2,889.9	(152.8)	(5.0)
State Education Property Tax	2,155.9	2,163.0	7.1	0.3
Real Estate Transfer Tax	300.6	325.0	24.4	8.1
Tobacco Taxes	327.7	314.9	(12.8)	(3.9)
Casino Wagering Tax	61.4	112.8	51.4	83.7
Other Tax Revenue	<u>123.1</u>	<u>144.2</u>	<u>21.1</u>	<u>17.1</u>
Subtotal Taxes	\$12,584.4	\$12,475.1	(\$109.3)	(0.9%)
Lottery	<u>1,130.0</u>	<u>1,026.8</u>	<u>(103.2)</u>	<u>(9.1)</u>
Subtotal Consensus Estimates Ongoing Revenue ¹⁾	\$13,714.4	\$13,501.9	(\$212.5)	(1.5%)
<u>Other Revenue:</u>				
General Fund Grant & One-Time GF Deposit	\$104.6	\$51.0	(\$53.6)	(51.2%)
Community District Education Trust Fund	75.9	77.7	1.8	2.3
Budget Stabilization Fund	350.0	0.0	(350.0)	----
Federal Coronavirus Relief Fund	712.0	0.0	(712.0)	(100.0)
Reserve Fund for MPSERS	31.9	0.0	(31.9)	(100.0)
CEPI Work Project Lapses	3.9	0.0	(3.9)	(100.0)
Talent Investment Fund	9.7	0.0	(9.7)	----
Federal Aid	<u>1,749.6</u>	<u>1,806.9</u>	<u>57.3</u>	<u>3.3</u>
Subtotal Other Revenue	\$3,037.7	\$1,935.6	(\$1,102.0)	(36.3%)
TOTAL SAF REVENUE	\$16,946.8	\$16,306.9	(\$639.8)	(3.8%)
TOTAL GF/GP AND SAF:				
Beginning Balances	\$1,110.9	\$2,474.5	\$1,363.6	122.8%
Consensus Estimate Ongoing Revenue	24,011.2	23,038.6	(972.6)	(4.1)
Other Revenue ²⁾	<u>2,707.4</u>	<u>1,459.8</u>	<u>(1,247.6)</u>	<u>(46.1)</u>
TOTAL REVENUE²⁾	\$27,829.5	\$26,972.9	(\$856.6)	(3.1%)
¹⁾ Revenue estimates adopted at the August 2020 CREC.				
²⁾ Total and other revenue excludes GF/GP grant to SAF.				

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.

A formula based on personal income growth is 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 34](#), the BSF ended FY 2018-19 with a balance of \$1,148.6 million. The budget for FY 2019-20 appropriated \$17.5 million of tobacco settlement revenue and enacted a withdrawal of \$350.0 million. Michigan total personal income is forecast to decrease 6.2% in 2020, and the statute provides for a withdrawal of up to 25% of the fund balance. The calculated withdrawal for FY 2019-20 was \$287.2 million. The enacted budget for FY 2020-21 appropriates \$52.5 million, which includes \$17.5 million of tobacco settlement revenue and an additional deposit of \$35.0 million, into the BSF. Under the August 2020 Consensus Revenue Estimates, the formulas do not calculate either a pay-in or withdrawal in FY 2020-21. The BSF is expected to end FY 2020-21 with a balance of \$877.7 million.

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 35](#), 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 2020-21.
- 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 2018-19, when revenue was \$10.2 billion or 23.4% below the limit.
- In FY 2018-19, the gap between revenue and the limit increased from \$9.2 billion in FY 2017-18 to \$10.2 billion or 23.4%, reflecting revenue growing more slowly than personal income during 2017—the base year used to compute the FY 2018-19 revenue limit.
- In FY 2019-20, the gap between revenue and the limit is estimated to increase to \$12.2 billion or 26.5%, reflecting 0.8% revenue growth during FY 2019-20 combined with 5.2% growth in personal income in 2018—the base year used to compute the FY 2019-20 revenue limit.
- It is estimated that the gap between revenue and the limit will increase to \$14.6 billion or 30.6% in FY 2020-21, reflecting revenue subject to the limit continuing to grow more slowly than personal income. If the estimate is correct, the gap between revenue and the limit in FY 2020-21 will be a new record for both the absolute size of the gap as well as the percentage by which revenue is below the limit.

Table 34

BUDGET AND ECONOMIC STABILIZATION FUND TRANSFERS, EARNINGS, AND FUND BALANCE FY 1997-98 TO FY 2020-21 ESTIMATE (millions of dollars)				
Fiscal Year	Pay-In	Interest Earned	Pay-Out	Fund Balance
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	145.1
2002-03	0.0	1.8	147.0	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
2017-18	282.5	13.5	0.0	1,006.0
2018-19	117.5	25.1	0.0	1,148.6
Estimates:				
2019-20	17.5	8.3	350.0	824.4
2020-21	52.5	0.8	0.0	877.7

Table 35

COMPLIANCE WITH CONSTITUTIONAL REVENUE LIMIT FY 1997-98 TO FY 2020-21 (millions of dollars)			
Fiscal Year	Revenue Subject to Limit	Revenue Limit	Under (Over) Limit
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
2016-17	31,109.2	40,314.2	9,205.0
2017-18	32,956.1	41,695.4	8,739.3
2018-19	34,011.3	43,679.6	9,668.3
Estimates: ¹⁾			
2019-20	33,773.0	45,934.4	12,161.4
2020-21	33,096.2	47,691.0	14,594.9

¹⁾ August 2020 Consensus revenue estimates.

BUDGET AREA DETAIL

**DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT
PA 166 of 2020 – ARTICLE 1**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE	FY 2020-21 GOV.'S REC.	FY 2020-21 INITIAL APPROPS.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
				AMOUNT	PERCENT
FTE Positions	508.0	514.0	519.0	11.0	2.2
GROSS	108,522,300	120,349,400	121,295,000	12,772,700	11.8
Less:					
Interdepartmental Grants Received	1,315,700	324,400	324,400	(991,300)	(75.3)
ADJUSTED GROSS	107,206,600	120,025,000	120,970,600	13,764,000	12.8
Less:					
Federal Funds.....	14,123,900	13,129,500	13,129,500	(994,400)	(7.0)
Local and Private	101,800	71,300	71,300	(30,500)	(30.0)
TOTAL STATE SPENDING	92,980,900	106,824,200	107,769,800	14,788,900	15.9
Less:					
Other State Restricted Funds	41,383,700	43,353,000	44,153,000	2,769,300	6.7
GENERAL FUND/GENERAL PURPOSE ...	51,597,200	63,471,200	63,616,800	12,019,600	23.3
PAYMENTS TO LOCALS	9,650,000	8,800,000	8,800,000	(850,000)	(8.8)

Includes Ongoing and One-time Appropriations as of October 1, 2020

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

A. NEW PROGRAMS

Conservation Reserve Enhancement Program. The Governor recommended \$10.0 million in one-time GF/GP and \$600,000 in ongoing GF/GP in MDARD to reestablish the Conservation Reserve Enhancement Program, a partnership between the State, the Federal government, and MDARD, designed to reduce nonpoint source pollution from crop production. The program, which began in 2000, once affected 76,219 acres, but because of a lack of State matching funds, dwindled to 29,600 acres when the program was suspended in 2016. One-time funds would be used to provide a 50% match required of producers for Federal dollars that would pay the cost of management practices that protect water quality. Federal funds would flow directly to producers to support conservation practices. The Department would use ongoing funds to administer the program and provide education and outreach. Initial goals would be to reduce algal blooms in the Lake Erie basin, and pollution in the Saginaw Bay, the Southeast Michigan River Basin, and Lake Macatawa watersheds. The Conference Committee concurred with program but appropriated it at a level of \$4.4 million one-time and \$600,000 ongoing.

Gross	5,000,000
GF/GP	5,000,000

B. PROGRAM INCREASES

1. Michigan Animal Agriculture Alliance. The budget includes \$3.0 million GF/GP to reestablish an animal industry research grant program that had been vetoed by the Governor from the FY 2019-20 budget.

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

2. Food and Agriculture Investment Program. The budget includes an increase of \$1,470,600 GF/GP to an economic development grant program designed to promote and expand the Michigan food and agriculture sector, increase exports, and increase food processing and other value-added activities, resulting in a total appropriation of \$2,470,600 GF/GP for FY 2020-21.

Gross	1,470,600
GF/GP	1,470,600

3. Food Safety - Marihuana Edibles Inspection. The budget includes 5.0 FTEs and \$700,000 Restricted from marihuana regulatory fees to provide for food inspections of marihuana-infused food products, as part of the State's overall marihuana regulatory program.

FTE	5.0
Gross	700,000
Restricted	700,000
GF/GP	0

4. Industrial Hemp - Pesticide and Plant Pest Management. The budget includes 3.0 FTEs and \$602,900 Restricted to support a hemp inspection program within the Pesticide and Plant Pest Management division.

FTE	3.0
Gross	602,900
Restricted	602,900
GF/GP	0

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

5. Feed and Fertilizer Compliance Audit. The budget includes 4.0 FTEs and \$504,000 Restricted to support auditor positions to monitor industry compliance with statutory reporting requirements.	FTE Gross Restricted GF/GP	4.0 504,000 504,000 0
6. County Fairs, Shows, and Exhibition Grants. The budget includes \$500,000 GF/GP to reestablish a grant program to promote agriculture that had been vetoed by the Governor from the FY 2019-20 budget.	Gross GF/GP	500,000 500,000
7. Industrial Hemp - Laboratory and Licensing. The budget includes 2.5 FTE and \$469,000 Restricted to support licensing and testing requirements for industrial hemp regulation per PA 641 of 2018.	FTE Gross Restricted GF/GP	2.5 469,000 469,000 0
8. Technical Adjustment to Align Authorization with Revenues. The budget includes an adjustment for Federal revenues received.	Gross Federal GF/GP	350,000 350,000 0
9. Licensing and Inspection IT Upgrade. The budget includes \$225,000 Gross, \$15,000 Restricted, \$210,000 GF/GP, to support maintenance and hosting costs for Phase I of a consolidated licensing and inspections system upgrade	Gross Restricted GF/GP	225,000 15,000 210,000
10. Food Safety - General Support. The budget includes additional support of \$205,000 GF/GP for Food Safety and Quality Assurance program operations.	Gross GF/GP	205,000 205,000
11. Milk Safety - General Support. The budget includes additional support of \$144,300 GF/GP for Milk Safety and Quality Assurance program operations.	Gross GF/GP	144,300 144,300
12. Cervid Program Certification for Breeding Herds. The budget includes 1.0 FTE and \$76,900 GF/GP to support chronic wasting disease certification for all breeding herds, per PA 132 of 2019.	FTE Gross GF/GP	1.0 76,900 76,900

C. PROGRAM ELIMINATIONS

1. Farm Stress Program - One Time. The budget includes the elimination of a grant program designed to assist farmers and other agriculture workers with problems of stress.	Gross GF/GP	(500,000) (500,000)
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**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

2. **Industrial Hemp Program - One Time.** The budget includes the elimination of a one-time program for industrial hemp research and development, per Public Act 56 of 2019.

FTE	(4.5)
Gross	(360,000)
Restricted	(210,000)
GF/GP	(150,000)

D. PROGRAM REDUCTIONS

1. **Fair Food Network/Double Up Food Bucks.** The budget includes a reduction of \$100,000 GF/GP grant for the program designed to support the purchase of healthier food by food assistance program recipients, resulting in an appropriation of \$900,000 GF/GP for FY 2020-21.

Gross	(100,000)
GF/GP	(100,000)

2. **Laboratory Services.** The budget includes an efficiency reduction of \$90,000 GF/GP for Laboratory Services.

Gross	(90,000)
GF/GP	(90,000)

3. **Qualified Forest Program.** The budget includes an efficiency reduction of \$150,000 GF/GP for the Qualified Forest Program, offset in part by an increase of \$100,000 Restricted.

Gross	(50,000)
Restricted	100,000
GF/GP	(150,000)

4. **Farmland Preservation.** The budget includes an efficiency reduction of \$20,600 GF/GP for the Farmland Preservation Program.

Gross	(20,600)
GF/GP	(20,600)

5. **Indemnification - Livestock Deprivation.** The budget includes an efficiency reduction of \$10,000 GF/GP, resulting in an FY 2020-21 appropriation of \$15,000 GF/GP for potential livestock deprivation payments.

Gross	(10,000)
GF/GP	(10,000)

6. **Technical Adjustment to Align Authorization with Revenue.**

Gross	(848,600)
IDG	(797,300)
Federal	(40,800)
Private	(30,500)
Restricted	(20,000)
GF/GP	0

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

7. Technical Adjustment to Reflect FY 2019-20 Budget Adjustments. The budget includes adjustment for FY 2019-20 budget changes made during the year, including those for executive orders, supplemental appropriations, and legislative transfers.

Gross	(308,500)
IDG	(200,000)
Federal	(1,437,400)
Restricted	149,900
GF/GP	1,179,000

E. FUNDING SHIFTS - NONE

F. PROGRAM TRANSFERS - NONE

G. OTHER ISSUES - NONE

H. UNCLASSIFIED SALARIES

The budget increases Gross funding for the unclassified salaries line item from \$596,700 to \$599,900.

Gross	3,200
GF/GP	3,200

I. FEE INCREASES - NONE

J. ECONOMIC ADJUSTMENTS

The economic adjustment amount includes standard economic factors applied to salaries and wages, retirement, other employment retirement costs (OERCs), 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 effective October 1, 2020, and another 1.0% base wage increase effective April 1, 2021. Nonexclusively represented employees (NEREs) also will receive a 2.0% base wage increase effective October 1, 2020, and another 1.0% base wage increase effective April 1, 2021. There will be no lump-sum adjustments for either classified employees or NEREs in FY 2020-21.

Gross	1,809,500
IDG	6,000
Federal	133,800
Restricted	418,500
GF/GP	1,251,200

K. ONE-TIME APPROPRIATIONS

The budget identifies \$4.4 million GF/GP of FY 2020-21 one-time appropriations, shift, and eliminates \$860,000 GF/GP of FY 2019-20 one-time appropriations:

	Gross	GF/GP
FY 2020-21 One-Time Appropriations		
Conservation Reserve Enhancement Program	\$4,400,000	\$4,400,000
Subtotal	\$4,400,000	\$4,400,000
FY 2019-20 Elimination of One-Time Appropriations		
Farm Stress Program.....	(\$500,000)	(\$500,000)
Industrial Hemp Program - One Time.....	(360,000)	(150,000)
Subtotal	(\$860,000)	(\$650,000)

**DEPARTMENT OF ATTORNEY GENERAL
PA 166 of 2020 – ARTICLE 5**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE	FY 2020-21 GOV.'S REC.	FY 2020-21 INITIAL APPROPS.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
				AMOUNT	PERCENT
FTE Positions	536.4	534.4	537.4	1.0	0.2
GROSS	102,758,100	106,976,600	106,828,600	4,070,500	4.0
Less:					
Interdepartmental Grants Received	34,373,000	35,285,800	35,285,800	912,800	2.7
ADJUSTED GROSS	68,385,100	71,690,800	71,542,800	3,157,700	4.6
Less:					
Federal Funds	10,218,100	9,906,100	9,906,100	(312,000)	(3.1)
Local and Private	0	0	0	0	0.0
TOTAL STATE SPENDING	58,167,000	61,784,700	61,636,700	3,469,700	6.0
Less:					
Other State Restricted Funds	20,619,400	20,136,300	20,488,300	(131,100)	(0.6)
GENERAL FUND/GENERAL PURPOSE ...	37,547,600	41,648,400	41,148,400	3,600,800	9.6
PAYMENTS TO LOCALS	0	0	0	0	0.0

Includes Ongoing and One-time Appropriations as of October 1, 2020

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

A. NEW PROGRAMS - NONE

B. PROGRAM INCREASES

Elder Abuse Task Force. The budget includes 3.0 FTEs and an additional \$387,500 GF/GP for the Elder Abuse Task Force for the purpose of protecting vulnerable seniors from financial abuse.

FTEs	3.0
Gross	387,500
GF/GP	387,500

C. PROGRAM ELIMINATIONS - NONE

D. PROGRAM REDUCTIONS

1. General Fund Reductions. The budget reduces four line items by \$648,000 GF/GP: Attorney General Operations (\$305,900); Sexual Assault Kit Initiative (\$269,800), Prosecuting Attorneys Coordinating Council (\$40,700); and Child Support Enforcement (\$31,600).

Gross	(648,000)
GF/GP	(648,000)

2. NextGen Case Tracking System and DNA Testing. The budget removes \$404,400 in Federal funding that was included in FY 2019-20 through Public Act 66 of 2020 for DNA testing and the NextGen Case Tracking System.

Gross	(404,400)
Federal	(404,400)
GF/GP	0

3. Public Safety Initiative. The budget reduces funding for the Public Safety Initiative line item by \$21,100 GF/GP because of a significant reduction in the backlog of outstanding warrants.

Gross	(21,100)
GF/GP	(21,100)

E. FUNDING SHIFTS

Attorney General Operations. The budget includes a net-zero fund shift of \$352,000 from GF/GP to restricted funds.

Gross	0
Restricted	352,000
GF/GP	(352,000)

F. PROGRAM TRANSFERS

OK2SAY to Department of State Police. The budget transfers all funding and 2.0 FTEs for the OK2SAY program from the Attorney General to the Department of State Police.

FTEs	(2.0)
Gross	(1,481,000)
Restricted	(469,600)
GF/GP	(1,011,400)

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

G. OTHER ISSUES

1. Adjustments from FY 2019-20 Year-to-Date. The budget includes adjustments necessary to bring appropriations in line with intended amounts following the pandemic and spending-related reductions, as well as supplemental appropriations made in FY 2019-20.

Gross	3,629,100
Federal	(100,000)
Restricted	(459,600)
GF/GP	4,188,700

2. Elimination of Remaining \$100 Line Items. The budget removes \$4,300 Gross and \$500 GF/GP of \$100 line items that remained following the State Administrative Board transfers contained in the FY 2019-20 budget, which re consolidated appropriations from these lines into the Attorney General operations line.

Gross	(4,300)
IDG	(2,300)
Federal	(200)
Restricted	(1,300)
GF/GP	(500)

H. UNCLASSIFIED SALARIES

The budget increases Gross funding for the unclassified salaries line item from \$743,200 to \$828,500.

Gross	4,400
GF/GP	4,400

I. FEE INCREASES - NONE

J. ECONOMIC ADJUSTMENTS

The economic adjustment amount includes standard economic factors applied to salaries and wages, retirement, OERCs, 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 effective October 1, 2020, and another 1.0% base wage increase effective April 1, 2021. Nonexclusively represented employees also will receive a 2.0% base wage increase effective October 1, 2020, and another 1.0% base wage increase effective April 1, 2021. There will be no lump-sum adjustments for either classified employees or NEREs in FY 2020-21.

Gross	2,608,300
IDG	915,100
Federal	192,600
Restricted	447,400
GF/GP	1,053,200

K. ONE-TIME APPROPRIATIONS - NONE

L. VETOES - NONE

**DEPARTMENT OF CIVIL RIGHTS
PA 166 of 2020 – ARTICLE 5**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE	FY 2020-21 GOV.'S REC.	FY 2020-21 INITIAL APPROPS.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
				AMOUNT	PERCENT
FTE Positions	110.0	110.0	110.0	0.0	0.0
GROSS	15,329,800	16,787,400	18,037,400	2,707,600	17.7
Less:					
Interdepartmental Grants Received	298,500	299,800	299,800	1,300	0.4
ADJUSTED GROSS	15,031,300	16,487,600	17,737,600	2,706,300	18.0
Less:					
Federal Funds.....	2,816,900	2,868,200	2,868,200	51,300	1.8
Local and Private	18,700	18,700	18,700	0	0.0
TOTAL STATE SPENDING	12,195,700	13,600,700	14,850,700	2,655,000	21.8
Less:					
Other State Restricted Funds	58,500	58,500	58,500	0	0.0
GENERAL FUND/GENERAL PURPOSE ...	12,137,200	13,542,200	14,792,200	2,655,000	21.9
PAYMENTS TO LOCALS	0	0	0	0	0.0

Includes Ongoing and One-time Appropriations as of October 1, 2020

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

A. NEW PROGRAMS - NONE

B. PROGRAM INCREASES

Museums Support. The budget includes \$1.5 million GF/GP to fund three \$500,000 grants to museums in Michigan.

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

C. PROGRAM ELIMINATIONS - NONE

D. PROGRAM REDUCTIONS

1. Complaint Investigation and Enforcement. The budget reduces the Complaint Investigation and Enforcement line item by \$150,000 and also removes a \$100 placeholder previously included for Museums Support.

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

2. Law and Policy. The budget reduces the Law and Policy line item by \$100,000 GF/GP.

Gross	(100,000)
GF/GP	(100,000)

E. FUNDING SHIFTS - NONE

F. PROGRAM TRANSFERS - NONE

G. OTHER ISSUES

FY 2019-20 Reduction Adjustments. Fiscal year 2019-20 appropriations to the Department were reduced by \$1,058,500 GF/GP

Gross	1,058,500
GF/GP	1,058,500

H. UNCLASSIFIED SALARIES

The budget increases Gross funding for the unclassified salaries line item from \$721,800 to \$725,600.

Gross	3,800
GF/GP	3,800

I. FEE INCREASES - NONE

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

J. ECONOMIC ADJUSTMENTS

The economic adjustment amount includes standard economic factors applied to salaries and wages, retirement, OERCs, 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 effective October 1, 2020, and another 1.0% base wage increase effective April 1, 2021. Nonexclusively represented employees also will receive a 2.0% base wage increase effective October 1, 2020, and another 1.0% base wage increase effective April 1, 2021. There will be no lump-sum adjustments for either classified employees or NERES in FY 2020-21.

Gross	395,300
IDG	1,300
Federal	51,300
GF/GP	342,700

K. ONE-TIME APPROPRIATIONS - NONE

L. VETOES - NONE

**DEPARTMENT OF COMMUNITY COLLEGES
PA 165 of 2020 – ARTICLE 2**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE	FY 2020-21 GOV.'S REC.	FY 2020-21 INITIAL APPROPS.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
				AMOUNT	PERCENT
FTE Positions	0.0	0.0	0.0	N/A	N/A
GROSS	414,719,000	433,792,400	425,667,600	10,948,600	2.6
Less:					
Interdepartmental Grants Received	0	0	0	0	0.0
ADJUSTED GROSS	414,719,000	433,792,400	425,667,600	10,948,600	2.6
Less:					
Federal Funds	36,273,400	0	0	(36,273,400)	(100.0)
Local and Private	0	0	0	0	0.0
TOTAL STATE SPENDING	378,445,600	433,792,400	425,667,600	47,222,000	12.5
Less:					
Other State Restricted Funds	378,445,600	433,792,400	425,667,600	47,222,000	12.5
GENERAL FUND/GENERAL PURPOSE ...	0	0	0	0	0.0
PAYMENTS TO LOCALS	414,719,000	433,792,400	425,667,600	10,948,600	2.6

Includes Ongoing and One-time Appropriations as of October 1, 2020

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

A. NEW PROGRAMS - NONE

B. PROGRAM INCREASES

- | | | |
|--|-------------------|-------------------|
| <p>1. Michigan Public School Employees' Retirement System (MPERS) Unfunded Accrued Actuarial Liability (UAAL) Stabilization Payments. The budget includes an increase for this item to reflect an increase in the State's share of costs above the statutory cap. The increase is largely because of updated plan assumptions stemming from the 2018 MPERS experience study. This change brings total MPERS UAAL stabilization payments for community colleges to \$83.9 million.</p> | <p>Gross</p> | <p>10,800,000</p> |
| | <p>Restricted</p> | <p>10,800,000</p> |
| | <p>GF/GP</p> | <p>0</p> |
| <p>2. MPERS Normal Cost Offset. The budget increases this item to a total of \$12.4 million. The increase reflects the continued reduction to the assumed rate of return for MPERS from 7.05% to 6.8%.</p> | <p>Gross</p> | <p>182,000</p> |
| | <p>Restricted</p> | <p>182,000</p> |
| | <p>GF/GP</p> | <p>0</p> |

C. PROGRAM ELIMINATIONS - NONE

D. PROGRAM REDUCTIONS - NONE

E. FUNDING SHIFTS

- | | | |
|--|-------------------|---------------------|
| <p>Coronavirus Relief Fund (CRF) to School Aid Fund Shift. The budget removes \$36.3 million in Federal CRF that had been provided instead of School Aid Fund in FY 2019-20 and replaces it with School Aid Fund.</p> | <p>Gross</p> | <p>0</p> |
| | <p>Federal</p> | <p>(36,273,400)</p> |
| | <p>Restricted</p> | <p>36,273,400</p> |
| | <p>GF/GP</p> | <p>0</p> |

F. PROGRAM TRANSFERS - NONE

G. OTHER ISSUES

- | | | |
|--|-------------------|-----------------|
| <p>North American Indian Tuition Waiver Adjustment. The budget includes an adjustment to reimbursement payments to community colleges for lost tuition revenue under the North American Indian Tuition Waiver. The adjustment is based on the most recent available cost data provided by the colleges.</p> | <p>Gross</p> | <p>(33,400)</p> |
| | <p>Restricted</p> | <p>(33,400)</p> |
| | <p>GF/GP</p> | <p>0</p> |

H. UNCLASSIFIED SALARIES - NONE

- I. FEE INCREASES - NONE**
- J. ECONOMIC ADJUSTMENTS - NONE**
- K. ONE-TIME APPROPRIATIONS - NONE**
- L. VETOES - NONE**

Table 1: FY 2020-21 Community College Appropriations - Initial Appropriations

College	FY 2019-20 Operations	FY 2019-20 ITW Reimburse.	FY 2019-20 Year-To-Date	Total Formula	Non-Formula	Total	FY 2020-21	Percent
				Distribution	Adjustments	Adjustments	Appropriation	Change
Alpena	\$5,753,300	\$19,300	\$5,772,600	\$0	(\$5,100)	(\$5,100)	\$5,767,500	(0.1%)
Bay de Noc	5,602,800	137,900	5,740,700	0	(21,200)	(21,200)	5,719,500	(0.0)
Delta	15,160,500	40,900	15,201,400	0	6,800	6,800	15,208,200	0.0
Glen Oaks	2,651,200	1,200	2,652,400	0	(1,200)	(1,200)	2,651,200	(0.0)
Gogebic	4,873,700	59,900	4,933,600	0	(10,300)	(10,300)	4,923,300	(0.0)
Grand Rapids	18,773,100	240,300	19,013,400	0	(6,400)	(6,400)	19,007,000	(0.0)
Henry Ford	22,533,100	41,600	22,574,700	0	(17,100)	(17,100)	22,557,600	(0.0)
Jackson	12,756,200	46,700	12,802,900	0	11,300	11,300	12,814,200	0.0
Kalamazoo Valley	13,099,900	56,000	13,155,900	0	7,800	7,800	13,163,700	0.0
Kellogg	10,267,100	79,400	10,346,500	0	(17,800)	(17,800)	10,328,700	(0.0)
Kirtland	3,358,400	34,600	3,393,000	0	1,800	1,800	3,394,800	0.0
Lake Michigan	5,702,700	11,300	5,714,000	0	(2,700)	(2,700)	5,711,300	(0.0)
Lansing	32,852,000	153,900	33,005,900	0	4,100	4,100	33,010,000	0.0
Macomb	34,276,100	36,000	34,312,100	0	7,400	7,400	34,319,500	0.0
Mid Michigan	5,184,400	140,100	5,324,500	0	(15,300)	(15,300)	5,309,200	(0.0)
Monroe	4,746,200	900	4,747,100	0	(400)	(400)	4,746,700	(0.0)
Montcalm	3,570,600	5,700	3,576,300	0	1,400	1,400	3,577,700	0.0
Mott	16,440,000	13,400	16,453,400	0	10,600	10,600	16,464,000	0.0
Muskegon	9,289,100	77,300	9,366,400	0	(3,400)	(3,400)	9,363,000	(0.0)
North Central	3,389,300	177,900	3,567,200	0	(4,500)	(4,500)	3,562,700	(0.0)
Northwestern	9,567,100	246,700	9,813,800	0	29,300	29,300	9,843,100	0.0
Oakland	22,211,700	23,700	22,235,400	0	11,400	11,400	22,246,800	0.0
Schoolcraft	13,196,200	67,000	13,263,200	0	(26,700)	(26,700)	13,236,500	(0.0)
Southwestern	6,979,400	39,700	7,019,100	0	(2,500)	(2,500)	7,016,600	(0.0)
St. Clair	7,385,200	8,500	7,393,700	0	(5,100)	(5,100)	7,388,600	(0.0)
Washtenaw	13,855,900	31,000	13,886,900	0	1,300	1,300	13,888,200	0.0
Wayne County	17,593,400	8,500	17,601,900	0	6,400	6,400	17,608,300	0.0
West Shore	2,585,600	19,800	2,605,400	0	6,700	6,700	2,612,100	0.0
Subtotal Operations:	\$323,654,200	\$1,819,200	\$325,473,400	\$0	(\$33,400)	(\$33,400)	\$325,440,000	(0.0%)
MPERS Normal Cost Offset			\$12,212,000		\$182,000	\$182,000	\$12,394,000	1.5%
MPERS Retiree Health Care			1,733,600		0	0	1,733,600	0.0
MPERS Reform Costs			73,100,000		10,800,000	10,800,000	83,900,000	0.1
Renaissance Zone Reimbursements			2,200,000		0	0	2,200,000	0.0
Total Appropriations:			\$414,719,000	\$0	\$10,948,600	\$10,948,600	\$425,667,600	2.6%
Federal Coronavirus Relief Fund			36,273,400	0	(36,273,400)	(36,273,400)	0	(1.0)
State School Aid Fund			378,445,600	0	10,948,600	10,948,600	425,667,600	0.0
GF/GP			\$0	\$0	\$0	\$0	\$0	0.0%

Table 2: FY 2020-21 Community College Appropriations - Governor's Recommendation Compared to Initial Appropriations

College	FY 2019-20 Year-To-Date	FY 2020-21 Governor's Recommendation			FY 2020-21 Initial Appropriation		
		Adjustments	Appropriation	Percent Change	Adjustments	Appropriation	Percent Change
Alpena	\$5,772,600	\$181,000	\$5,953,600	3.1%	(\$5,100)	\$5,767,500	(0.1%)
Bay de Noc	5,740,700	214,600	5,955,300	3.7	(21,200)	5,719,500	(0.4)
Delta	15,201,400	346,900	15,548,300	2.3	6,800	15,208,200	0.0
Glen Oaks	2,652,400	116,000	2,768,400	4.4	(1,200)	2,651,200	(0.0)
Gogebic	4,933,600	143,700	5,077,300	2.9	(10,300)	4,923,300	(0.2)
Grand Rapids	19,013,400	486,500	19,499,900	2.6	(6,400)	19,007,000	(0.0)
Henry Ford	22,574,700	492,500	23,067,200	2.2	(17,100)	22,557,600	(0.1)
Jackson	12,802,900	262,300	13,065,200	2.0	11,300	12,814,200	0.1
Kalamazoo Valley	13,155,900	309,200	13,465,100	2.4	7,800	13,163,700	0.1
Kellogg	10,346,500	233,800	10,580,300	2.3	(17,800)	10,328,700	(0.2)
Kirtland	3,393,000	93,000	3,486,000	2.7	1,800	3,394,800	0.1
Lake Michigan	5,714,000	154,000	5,868,000	2.7	(2,700)	5,711,300	(0.0)
Lansing	33,005,900	669,600	33,675,500	2.0	4,100	33,010,000	0.0
Macomb	34,312,100	781,500	35,093,600	2.3	7,400	34,319,500	0.0
Mid Michigan	5,324,500	270,800	5,595,300	5.1	(15,300)	5,309,200	(0.3)
Monroe	4,747,100	122,800	4,869,900	2.6	(400)	4,746,700	(0.0)
Montcalm	3,576,300	141,700	3,718,000	4.0	1,400	3,577,700	0.0
Mott	16,453,400	371,100	16,824,500	2.3	10,600	16,464,000	0.1
Muskegon	9,366,400	203,400	9,569,800	2.2	(3,400)	9,363,000	(0.0)
North Central	3,567,200	101,800	3,669,000	2.9	(4,500)	3,562,700	(0.1)
Northwestern	9,813,800	217,400	10,031,200	2.2	29,300	9,843,100	0.3
Oakland	22,235,400	556,900	22,792,300	2.5	11,400	22,246,800	0.1
Schoolcraft	13,263,200	356,800	13,620,000	2.7	(26,700)	13,236,500	(0.2)
Southwestern	7,019,100	137,500	7,156,600	2.0	(2,500)	7,016,600	(0.0)
St. Clair	7,393,700	194,400	7,588,100	2.6	(5,100)	7,388,600	(0.1)
Washtenaw	13,886,900	440,700	14,327,600	3.2	1,300	13,888,200	0.0
Wayne County	17,601,900	403,900	18,005,800	2.3	6,400	17,608,300	0.0
West Shore	2,605,400	87,600	2,693,000	3.4	6,700	2,612,100	0.3
Subtotal Operations:	\$325,473,400	\$8,091,400	\$333,564,800	2.5%	(\$33,400)	\$325,440,000	(0.0%)
MPSERS Normal Cost Offset	\$12,212,000	\$182,000	\$12,394,000	1.5%	\$182,000	\$12,394,000	1.5%
MPSERS Retiree Health Care	1,733,600	0	1,733,600	0.0	0	1,733,600	0.0
MPSERS Reform Costs	73,100,000	10,800,000	83,900,000	14.8	10,800,000	83,900,000	14.8
Renaissance Zone Reimbursements		0	2,200,000	0.0	0	2,200,000	0.0
Total Appropriations:	\$414,719,000	\$19,073,400	\$433,792,400	4.6%	\$10,948,600	\$425,667,600	2.6%
Federal Coronavirus Relief Fund	36,273,400	(36,273,400)	0	(100.0)	(36,273,400)	0	(100.0)
State School Aid Fund	378,445,600	55,346,800	433,792,400	14.6	47,222,000	425,667,600	12.5
GF/GP	\$0	\$0	\$0	0.0%	\$0	\$0	0.0%

**DEPARTMENT OF CORRECTIONS
PA 166 of 2020 – ARTICLE 2**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE	FY 2020-21 GOV.'S REC.	FY 2020-21 INITIAL APPROPS.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
				AMOUNT	PERCENT
FTE Positions	13,778.3	13,686.8	13,686.8	(91.5)	(0.7)
GROSS	2,100,174,900	2,096,251,700	2,060,788,400	(39,386,500)	(1.9)
Less:					
Interdepartmental Grants Received	0	0	0	0	0.0
ADJUSTED GROSS	2,100,174,900	2,096,251,700	2,060,788,400	(39,386,500)	(1.9)
Less:					
Federal Funds	430,906,400	5,370,900	196,370,900	(234,535,500)	(54.4)
Local and Private	11,687,200	9,680,600	9,680,600	(2,006,600)	(17.2)
TOTAL STATE SPENDING	1,657,581,300	2,081,200,200	1,854,736,900	197,155,600	11.9
Less:					
Other State Restricted Funds	47,112,500	45,478,500	45,478,500	(1,634,000)	(3.5)
GENERAL FUND/GENERAL PURPOSE ...	1,610,468,800	2,035,721,700	1,809,258,400	198,789,600	12.3
PAYMENTS TO LOCALS	122,635,700	123,880,800	123,330,800	695,100	0.6

Includes Ongoing and One-time Appropriations as of October 1, 2020

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

A. NEW PROGRAMS - NONE

B. PROGRAM INCREASES

1. John Doe v. MDOC Settlement Agreement. The budget includes increased funding for lawsuit settlement payments related to juvenile incarcerations.	Gross GF/GP	15,000,000 15,000,000
2. CRF FY 2019-20 Supplemental Reduction. The budget includes a reduction in the supplemental portion of Public Act 166 of 2020 totaling \$13.4 million in Federal CRF funding that provided for hazard/premium pay for front-line workers. There was no effect on GF/GP funding.	Gross Federal GF/GP	13,400,000 13,400,000 0
3. New Custody Staff Training - The budget includes increased funding of \$4.0 million for a total funding of \$13.9 million for FY 2020-21 to train approximately 700 new corrections officers.	Gross GF/GP	4,000,000 4,000,000
4. Corizon Health Care Contract Adjustment. The budget includes \$3.2 million in additional funding for inflationary contract cost adjustment. Total funding for the contract in FY 2020-21 totals an estimated \$130.6 million with the current contract expiring in May 2021.	Gross GF/GP	3,239,500 3,239,500
5. Water Rate Increase. The budget provides additional funding for increased water rates in Jackson because of new lead and copper rules. Facilities affected include Charles E. Egeler, Parnall, G. Roberts Cotton, and Cooper Street Correctional Facilities.	Gross GF/GP	575,500 575,500
6. Employee Wellness Enhancements. The budget provides increased funding to support additional employee wellness resources and support services for Department employees. Ideas may be submitted by employees or by worksite.	Gross GF/GP	500,000 500,000

C. PROGRAM ELIMINATIONS

Detroit Reentry Center. The budget includes partial-year savings resulting from the closure of the Center totaling a net \$12.3 million in FY 2020-21. Funding for the Center is reduced a total of \$22.8 million; however, those savings are reduced by adjustments to other line items for costs related to the Center as follows: funding is increased by \$5.0 million for Offender Success Programming and increased by \$3.0 million each for the Woodland Correctional Facility and the Southern Region Administration and Support. Additionally, Prison Food Services is reduced by \$544,400.	Gross GF/GP	(12,300,000) (12,300,000)
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**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

D. PROGRAM REDUCTIONS

<p>1. Urine Test Monitoring. The budget realizes savings due to Department's switching to a more efficient oral swab test, eliminating the need for the contract to hire monitors to take urine samples.</p>	<p>Gross (300,000) GF/GP (300,000)</p>
<p>2. Digital Dental X-Rays. The budget realizes savings due to Department's modernization of its dental x-ray film system to a digital x-ray system like most private practices.</p>	<p>Gross (610,000) GF/GP (610,000)</p>
<p>3. Hepatitis C Treatments. The budget reduces funding by \$2.2 million because of a reduced need for testing.</p>	<p>Gross (2,190,000) GF/GP (2,190,000)</p>
<p>4. Detroit Detention Center (DDC). The budget includes a negative adjustment for the final year of the current contract with the DDC. The Department operates the DDC on behalf of the City of Detroit Police Department; the DDC serves as the initial lock-up for individuals arrested in the City of Detroit.</p>	<p>Gross (2,287,700) Local (2,287,700) GF/GP 0</p>
<p>5. Various Line-Item Target Reductions. The budget reduces several line items totaling \$3.6 million because of administrative efficiencies. Line items reduced include: Criminal Justice Reinvestment (\$2.0 million); Field Operations (\$800,000); Community Corrections Plans (\$300,000); Residential Probation Diversions (\$250,000); and Goodwill Flip the Script (\$250,000).</p>	<p>Gross (3,600,000) GF/GP (3,600,000)</p>
<p>6. Lake County Residential Contract. The budget realizes savings due to the cancellation of the contract with the county following the closure of the site. The site served as a residential housing unit but, because of the declining number of residents, the Department and Lake County mutually agreed to end the contract.</p>	<p>Gross (4,000,000) GF/GP (4,000,000)</p>
<p>7. Substance Use Disorder (SUD) Program. The budget includes GF/GP savings due to the Department's elimination of most of its community-based SUD network in favor of probationers and parolees using the Medicaid-supported system that exists for Michigan's residents.</p>	<p>Gross (7,000,000) GF/GP (7,000,000)</p>
<p>8. Special Alternative to Incarceration Program. The budget includes the realization of the full-year savings from the relocation of the Special Alternative to Incarceration Program. Camp Cassidy Lake in Washtenaw County has been the location of this program (male boot camp) for several years; however, participation in this program has declined nearly in half because fewer offenders are eligible for and sentenced to the program. The program was relocated to the</p>	<p>FTE (92.5) Gross (10,046,700) GF/GP (10,046,700)</p>

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

Cooper Street Correctional Facility in Jackson in March 2020, resulting in a reduction of 92.5 FTE positions and \$10.0 million in annual savings.

<p>9. Elimination of FY 2019-20 One-Time Items. The budget removes FY 2019-20 one-time funding totaling \$15.0 million, all General Fund. Funding not included in FY 2020-21 includes: \$10.4 million for New Custody Staff Training and \$4.6 million for the replacement of electronic monitoring devices and services.</p>	<p>Gross</p>	<p>(15,033,900)</p>
	<p>GF/GP</p>	<p>(15,033,900)</p>

E. FUNDING SHIFTS

<p>FY 2020-21 CRF. The budget reduces GF/GP funding by \$191.0 million by offsetting GF/GP expenditures for salaries that qualify as public safety payroll with Federal CRF dollars.</p>	<p>Gross</p>	<p>0</p>
	<p>Federal</p>	<p>191,000,000</p>
	<p>GF/GP</p>	<p>(191,000,000)</p>

F. PROGRAM TRANSFERS

<p>Green Oaks Training Facility Staff. The budget includes the transfer of 1.0 FTE from the DHHS to the MDOC to support continued maintenance at the facility, which will become the new training academy for new corrections officers. The facility formerly was operated by the DHHS along with the 1.0 FTE that provides maintenance. The MDOC will retain the 1.0 FTE through an interagency agreement between the DHHS and the MDOC for continued maintenance.</p>	<p>FTE</p>	<p>1.0</p>
	<p>Gross</p>	<p>109,200</p>
	<p>GF/GP</p>	<p>109,200</p>

G. OTHER ISSUES

<p>Reversal of FY 2019-20 Supplemental Funding. The budget retains \$60.1 million of FY 2019-20 GF/GP supplemental funding that is carried forward to FY 2020-21. A total of \$384.7 million of GF/GP supplemental funding is not retained and removed from FY 2020-21 total funding.</p>	<p>Gross</p>	<p>(56,313,600)</p>
	<p>Federal</p>	<p>(438,982,700)</p>
	<p>Restricted</p>	<p>(2,000,000)</p>
	<p>GF/GP</p>	<p>384,669,100</p>

H. UNCLASSIFIED SALARIES

<p>The budget increases Gross funding for the unclassified salaries line item from \$1,960,700 to \$1,971,300.</p>	<p>Gross</p>	<p>10,600</p>
	<p>GF/GP</p>	<p>10,600</p>

I. FEE INCREASES - NONE

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

J. ECONOMIC ADJUSTMENTS

The economic adjustment amount includes standard economic factors applied to salaries and wages, retirement, OERCs, 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 effective October 1, 2020, and another 1.0% base wage increase effective April 1, 2021. Nonexclusively represented employees also will receive a 2.0% base wage increase effective October 1, 2020, and another 1.0% base wage increase effective April 1, 2021. There will be no lump-sum adjustments for either classified employees or NEREs in FY 2020-21.

Gross	52,460,600
Federal	47,200
Local	281,100
Restricted	366,000
GF/GP	51,766,300

K. ONE-TIME APPROPRIATIONS

The budget identifies \$15,000,000 of FY 2020-21 one-time appropriations and eliminates \$465,616,600 of FY 2019-20 one-time appropriations:

	Gross	GF/GP
FY 2020-21 One-Time Appropriations		
<i>John Doe v MDOC</i> settlement agreement.....	\$15,000,000	\$15,000,000
Subtotal	\$15,000,000	\$15,000,000
 FY 2019-20 Elimination of One-Time Appropriations		
Tether replacement.....	\$4,567,100	\$4,567,100
New custody staff.....	10,466,800	10,466,800
<i>John Doe v MDOC</i> settlement agreement.....	25,000,000	25,000,000
One-time boilerplate CRF funds	425,582,700	0
Subtotal	\$465,616,600	\$40,033,900

L. VETOES - NONE

**DEPARTMENT OF EDUCATION
PA 166 of 2020 – ARTICLE 3**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE	FY 2020-21 GOV.'S REC.	FY 2020-21 INITIAL APPROPS.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
				AMOUNT	PERCENT
FTE Positions	614.5	615.0	614.5	0.0	0.0
GROSS.....	654,136,100	452,178,600	451,695,700	(202,440,400)	(30.9)
Less:					
Interdepartmental Grants Received	0	0	0	0	0.0
ADJUSTED GROSS.....	654,136,100	452,178,600	451,695,700	(202,440,400)	(30.9)
Less:					
Federal Funds.....	551,362,500	344,804,700	343,701,700	(207,660,800)	(37.7)
Local and Private	9,429,600	8,111,400	8,111,400	(1,318,200)	(14.0)
TOTAL STATE SPENDING	93,344,000	99,262,500	99,882,600	6,538,600	7.0
Less:					
Other State Restricted Funds	11,278,300	9,815,400	9,815,500	(1,462,800)	(13.0)
GENERAL FUND/GENERAL PURPOSE ...	82,065,700	89,447,100	90,067,100	8,001,400	9.7
PAYMENTS TO LOCALS	14,267,700	14,267,700	15,267,700	1,000,000	7.0

Includes Ongoing and One-time Appropriations as of October 1, 2020

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

A. NEW PROGRAMS

1. Special Education Virtual Learning. The budget includes \$1.5 million Gross and GF/GP for a grant to the Michigan Association of Administrators of Special Education to develop virtual learning tools for students with special needs.	Gross GF/GP	1,500,000 1,500,000
2. Educare. The budget includes \$1.0 million Gross and GF/GP for the child cooperative in Genesee County.	Gross GF/GP	1,000,000 1,000,000
3. Teacher Recruitment Placeholder. The budget includes a \$100 Gross and Certification Fee placeholder for a teacher recruitment program to address teacher shortage and diversity.	Gross Restricted GF/GP	100 100 0

B. PROGRAM INCREASES

1. Child Development and Care Public Assistance. The budget includes an additional \$24,622,000 Gross and Federal funds to increase the income entry threshold from 130% to 150% of the Federal Poverty Level guidelines beginning on January 1.	Gross Federal GF/GP	24,622,000 24,622,000 0
2. Child Development and Care External Support. The budget includes an additional \$1.3 million Gross and Federal funds to cover the cost to local child care providers for employee background checks.	Gross Federal GF/GP	1,300,000 1,300,000 0
3. State Aid to Libraries. The budget includes an additional \$1.0 million Gross and GF/GP for State Aid to Libraries. Total FY 2020-21 appropriations are \$13,067,700 Gross and GF/GP.	Gross GF/GP	1,000,000 1,000,000
4. Camp Tuhsmeheeta. The budget includes an additional \$202,000 Gross and Private funds to Camp Tuhsmeheeta for upkeep of the camp's facility.	Gross Private GF/GP	202,000 202,000 0
5. Michigan Online Educator Certification System (MOECS) Maintenance. The budget includes an additional \$200,000 Gross and Certification Fees for increased maintenance of the MOECS.	Gross Restricted GF/GP	200,000 200,000 0

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

C. PROGRAM ELIMINATIONS

<p>1. Removal of FY 2019-20 One-Time Adjustments. The budget includes the reversal of one-time adjustments in FY 2019-20. This includes reversing the reduction of \$3,280,300 Gross and GF/GP from Executive Order 2020-155, removing a one-time Contingency Fund increase of \$1.5 million Gross and Private funds for Camp Tuhsmeheeta, removing one-time Federal Coronavirus Relief Fund increases totaling \$239,020,400, reversing a fund shift of \$1,865,500 from GF/GP to Certification Fees, and reversing a \$3.0 million Gross and Federal fund reduction from the May 2020 Consensus Revenue Estimating Conference.</p>	<table border="0"> <tr><td>Gross</td><td>(234,239,600)</td></tr> <tr><td>Federal</td><td>(236,020,400)</td></tr> <tr><td>Private</td><td>(1,500,000)</td></tr> <tr><td>Restricted</td><td>(1,865,500)</td></tr> <tr><td>GF/GP</td><td>5,146,300</td></tr> </table>	Gross	(234,239,600)	Federal	(236,020,400)	Private	(1,500,000)	Restricted	(1,865,500)	GF/GP	5,146,300
Gross	(234,239,600)										
Federal	(236,020,400)										
Private	(1,500,000)										
Restricted	(1,865,500)										
GF/GP	5,146,300										

<p>2. Placeholder Removal. The budget includes the removal of three \$100 Gross and Federal fund placeholders for the three Departmental Administrative Reserve Funds.</p>	<table border="0"> <tr><td>Gross</td><td>(300)</td></tr> <tr><td>Federal</td><td>(300)</td></tr> <tr><td>GF/GP</td><td>0</td></tr> </table>	Gross	(300)	Federal	(300)	GF/GP	0
Gross	(300)						
Federal	(300)						
GF/GP	0						

D. PROGRAM REDUCTIONS

<p>General Fund Reductions. The budget includes a reduction of \$800,000 Gross and GF/GP throughout the Department.</p>	<table border="0"> <tr><td>Gross</td><td>(800,000)</td></tr> <tr><td>GF/GP</td><td>(800,000)</td></tr> </table>	Gross	(800,000)	GF/GP	(800,000)
Gross	(800,000)				
GF/GP	(800,000)				

E. FUNDING SHIFTS

<p>Child Development and Care Matching Adjustment. The budget includes a shift of \$597,800 from GF/GP to Federal funds to adjustment for Federal matching requirements.</p>	<table border="0"> <tr><td>Gross</td><td>0</td></tr> <tr><td>Federal</td><td>597,800</td></tr> <tr><td>GF/GP</td><td>(597,800)</td></tr> </table>	Gross	0	Federal	597,800	GF/GP	(597,800)
Gross	0						
Federal	597,800						
GF/GP	(597,800)						

F. PROGRAM TRANSFERS - NONE

G. OTHER ISSUES - NONE

H. UNCLASSIFIED SALARIES

<p>The budget increases Gross funding for the unclassified salaries line item from \$904,000 to \$910,600.</p>	<table border="0"> <tr><td>Gross</td><td>6,600</td></tr> <tr><td>Federal</td><td>600</td></tr> <tr><td>Restricted</td><td>900</td></tr> <tr><td>GF/GP</td><td>5,100</td></tr> </table>	Gross	6,600	Federal	600	Restricted	900	GF/GP	5,100
Gross	6,600								
Federal	600								
Restricted	900								
GF/GP	5,100								

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

I. FEE INCREASES - NONE

J. ECONOMIC ADJUSTMENTS

The economic adjustment amount includes standard economic factors applied to salaries and wages, retirement, OERCs, 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 effective October 1, 2020, and another 1.0% base wage increase effective April 1, 2021. Nonexclusively represented employees also will receive a 2.0% base wage increase effective October 1, 2020, and another 1.0% base wage increase effective April 1, 2021. There will be no lump-sum adjustments for either classified employees or NEREs in FY 2020-21.

Gross	2,768,800
Federal	1,839,500
Local	(21,300)
Private	1,100
Restricted	201,700
GF/GP	747,800

K. ONE-TIME APPROPRIATIONS

The budget identifies \$1,000,000 of FY 2020-21 one-time appropriations, shifts no appropriations from one-time to ongoing, and eliminates \$234,239,600 of FY 2019-20 one-time appropriations:

	Gross	GF/GP
FY 2020-21 One-Time Appropriations		
Educare.....	\$1,000,000	\$1,000,000
Subtotal.....	\$1,000,000	\$1,000,000
 FY 2019-20 Elimination of One-Time Appropriations		
Removal of FY 2019-20 One-Time Adjustments.....	(\$234,239,600)	\$5,146,300
Subtotal.....	(\$234,239,600)	\$5,146,300

L. VETOES - NONE

**DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY
PA 166 of 2020 – ARTICLE 4**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE	FY 2020-21 GOV.'S REC.	FY 2020-21 INITIAL APPROPS.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
				AMOUNT	PERCENT
FTE Positions	1,416.0	1,416.0	1,418.0	2.0	0.1
GROSS	617,704,400	523,049,200	511,359,200	(106,345,200)	(17.2)
Less:					
Interdepartmental Grants Received	3,176,600	3,337,700	3,337,700	161,100	5.1
ADJUSTED GROSS	614,527,800	519,711,500	508,021,500	(106,506,300)	(17.3)
Less:					
Federal Funds	178,269,900	171,973,000	171,973,000	(6,296,900)	(3.5)
Local and Private	1,201,800	1,412,800	1,412,800	211,000	17.6
TOTAL STATE SPENDING	435,056,100	346,325,700	334,635,700	(100,420,400)	(23.1)
Less:					
Other State Restricted Funds	264,540,100	272,191,800	275,191,800	10,651,700	4.0
GENERAL FUND/GENERAL PURPOSE ...	170,516,000	74,133,900	59,443,900	(111,072,100)	(65.1)
PAYMENTS TO LOCALS	19,646,000	37,200,600	44,000,600	24,354,600	124.0

Includes Ongoing and One-time Appropriations as of October 1, 2020

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

A. NEW PROGRAMS

1. Multistate Aquifer Study. The budget includes GF/GP funds to support Michigan's share of costs for a multistate aquifer study with Ohio and Indiana.	Gross GF/GP	500,000 500,000
2. Scrap Tire Project. The budget includes Scrap Tire Regulatory Fund revenue to fund a scrap tire cleanup project in Alpena County.	Gross Restricted GF/GP	3,000,000 3,000,000 0
3. Madison Heights Demolition. The budget includes GF/GP for the demolition of a former electroplating services building in Madison Heights.	Gross GF/GP	600,000 600,000
4. Parchment Water Treatment Plant. The budget includes GF/GP for a water treatment plant project in Parchment.	Gross GF/GP	450,000 450,000
5. Lead and Copper Rule Support. The budget includes GF/GP for water line replacement in Clare and Burton.	Gross GF/GP	2,750,000 2,750,000
6. Blanchard Dam Study. The budget includes GF/GP funds for a study on the maintenance needs of Blanchard Dam in Isabella County.	Gross GF/GP	10,000 10,000
7. Watershed Council Grants. The budget includes GF/GP funds for grants to watershed councils for education, administration and conservation. The maximum grant size is \$40,000.	Gross GF/GP	600,000 600,000

B. PROGRAM INCREASES

1. Oil and Gas Program Restoration. The budget includes GF/GP to restore full funding to the Oil and Gas Program.	Gross GF/GP	100,000 100,000
2. Renew Michigan Fund. The budget includes increased Renew Michigan Fund authorization to restore program funding to the amount defined in statute.	Gross Restricted GF/GP	500,000 500,000 0

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

3. Increase Michigan Administrative Hearing System IDG Authorization. The budget includes an adjustment to increase authorization to support additional billings for the Environmental Permit Review Committee from the Department of Licensing and Regulatory Affairs.	Gross IDG Private Restricted GF/GP	500,000 3,900 1,000 366,100 129,000
4. Michigan Geological Survey. The budget includes GF/GP for the Michigan Geological Survey at a Michigan university. This item has been funded at various levels over the years, but was not funded in FY 2019-20.	Gross GF/GP	500,000 500,000
5. Dam Safety. The budget includes new GF/GP funding to support 2.0 FTEs for dam safety.	FTE Gross GF/GP	2.0 350,000 350,000
6. Cooperative Lakes Monitoring Program. The budget includes additional funds for the continuation of the Department's contract to operate this program.	Gross GF/GP	150,000 150,000
7. Increase Workshops and Conferences Authorization. The budget includes an adjustment to align authorization with anticipated revenue from increased conference and workshop fees.	Gross Private GF/GP	335,900 335,900 0
8. Efficiency and Renewable Energy Revolving Loan Fund. The budget includes authorization for a Restricted fund source received as part of the Executive Order 2019-6 reorganization. This adjustment appropriates a portion of the Fund to accurately charge administrative costs.	Gross Restricted GF/GP	250,000 250,000 0
9. Remediation and Redevelopment Authorization. The budget includes an adjustment to align authorization with anticipated revenue and statutorily allowable uses of funds.	Gross Restricted GF/GP	243,900 243,900 0

C. PROGRAM ELIMINATIONS - NONE

D. PROGRAM REDUCTIONS

1. Mapping and Other Support. The budget includes a GF/GP reduction to this program, leaving a total of \$4.0 million in the program.	Gross GF/GP	(300,000) (300,000)
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**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

- | | | |
|--|-------|-----------|
| <p>2. Office of the Great Lakes. The budget includes a GF/GP reduction to this program, leaving a total of \$825,300 in the program.</p> | Gross | (75,000) |
| | GF/GP | (75,000) |
| <p>3. Information Technology Services and Projects. The budget includes a GF/GP reduction to this program, leaving a total of \$9.6 million in the program.</p> | Gross | (225,000) |
| | GF/GP | (225,000) |

E. FUNDING SHIFTS

- | | | |
|---|------------|-------------|
| <p>1. Oil and Gas Program. The budget replaces \$3.9 million from the Oil and Gas Regulatory Fund with GF/GP. The Fund receives revenue based on actual oil and gas extraction, which has been down in recent years because of low commodity prices. This has resulted in the need to use GF/GP to fully fund the regulatory activities that are still undertaken at extraction sites whether or not they are in production.</p> | Gross | 0 |
| | Restricted | (3,900,000) |
| | GF/GP | 3,900,000 |
| <p>2. Departmental Administration Fund Source Rebasing. The budget includes a number of fund shifts that rebase how a portion of the Department's administrative costs are allocated.</p> | Gross | 0 |
| | IDG | 69,300 |
| | Federal | (4,323,900) |
| | Private | (127,500) |
| | Restricted | 4,374,100 |
| | GF/GP | 8,000 |

F. PROGRAM TRANSFERS - NONE

G. OTHER ISSUES

- | | | |
|--|------------|---------------|
| <p>Remove FY 2019-20 Supplemental and One-Time Appropriations. The budget removes FY 2019-20 one-time funding for drinking water protection and innovation initiatives that were not included as part of the Department's base budget. This item also includes the removal of adjustments from a supplemental and the reversal of reductions made under Executive Reduction Order 2020-155.</p> | Gross | (123,038,700) |
| | Federal | (3,000,000) |
| | Restricted | 1,899,900 |
| | GF/GP | (121,938,600) |

H. UNCLASSIFIED SALARIES

- | | | |
|--|------------|-------|
| <p>The budget increases Gross funding for the unclassified salaries line item from \$824,100 to \$828,600.</p> | Gross | 4,500 |
| | Restricted | 3,100 |
| | GF/GP | 1,400 |

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

I. FEE INCREASES - NONE

J. ECONOMIC ADJUSTMENTS

The economic adjustment amount includes standard economic factors applied to salaries and wages, retirement, OERCs, 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 effective October 1, 2020, and another 1.0% base wage increase effective April 1, 2021. Nonexclusively represented employees also will receive a 2.0% base wage increase effective October 1, 2020, and another 1.0% base wage increase effective April 1, 2021. There will be no lump-sum adjustments for either classified employees or NEREs in FY 2020-21.

Gross	6,449,200
IDG	87,900
Federal	1,027,000
Private	1,600
Restricted	3,914,600
GF/GP	1,418,100

K. ONE-TIME APPROPRIATIONS

The budget identifies \$5.6 million of FY 2020-21 one-time appropriations and eliminates \$120.0 million of FY 2019-20 one-time appropriations:

	Gross	GF/GP
FY 2020-21 One-Time Appropriations		
Blanchard Dam study	\$10,000	\$10,000
Cooperative lakes monitoring program.....	150,000	150,000
Madison Heights demolition project.....	600,000	600,000
Lead and copper rule support.....	2,750,000	2,750,000
Michigan geological survey.....	500,000	500,000
Multistate aquifer study.....	500,000	500,000
Parchment water treatment plant.....	450,000	450,000
Watershed council grants	600,000	600,000
Subtotal.....	\$5,560,000	\$5,560,000

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

FY 2019-20 Elimination of One-Time Appropriations

Affordability and planning	(\$7,500,000)	(\$7,500,000)
Drinking water declaration of emergency	(100)	0
Drinking water loan forgiveness.....	(35,000,000)	(35,000,000)
Lead and copper rule implementation	(37,499,900)	(37,499,900)
PFAS and emerging contaminants	(40,000,000)	(40,000,000)
Private well testing	(100)	(100)
Subtotal.....	(\$120,000,100)	(\$120,000,000)

L. VETOES - NONE

**DEPARTMENT OF EXECUTIVE OFFICE
PA 166 of 2020 – ARTICLE 5**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE	FY 2020-21 GOV.'S REC.	FY 2020-21 INITIAL APPROPS.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
				AMOUNT	PERCENT
FTE Positions	79.2	79.2	79.2	0.0	0.0
GROSS	6,758,600	7,276,500	7,114,300	355,700	5.3
Less:					
Interdepartmental Grants Received	0	0	0	0	0.0
ADJUSTED GROSS	6,758,600	7,276,500	7,114,300	355,700	5.3
Less:					
Federal Funds	0	0	0	0	0.0
Local and Private	0	0	0	0	0.0
TOTAL STATE SPENDING	6,758,600	7,276,500	7,114,300	355,700	5.3
Less:					
Other State Restricted Funds	0	0	0	0	0.0
GENERAL FUND/GENERAL PURPOSE ...	6,758,600	7,276,500	7,114,300	355,700	5.3
PAYMENTS TO LOCALS	0	0	0	0	0.0

Includes Ongoing and One-time Appropriations as of October 1, 2020

- A. NEW PROGRAMS - NONE**
- B. PROGRAM INCREASES - NONE**
- C. PROGRAM ELIMINATIONS - NONE**
- D. PROGRAM REDUCTIONS - NONE**
- E. FUNDING SHIFTS - NONE**
- F. PROGRAM TRANSFERS - NONE**
- G. OTHER ISSUES**

FY 2019-20 Reduction Adjustment. Executive Order 2020-155 reduced FY 2019-20 appropriations to the Executive Office by \$355,700 GF/GP. The FY 2020-21 budget includes \$355,700 GF/GP in order to fund the Office at initial FY 2019-20 appropriation amounts.

Gross	355,700
GF/GP	355,700

H. UNCLASSIFIED SALARIES

There is no change in unclassified salaries for the Executive Office for FY 2020-21.

I. FEE INCREASES - NONE

J. ECONOMIC ADJUSTMENTS

There are no economic adjustments for the Executive Office for FY 2020-21.

K. ONE-TIME APPROPRIATIONS - NONE

L. VETOES - NONE

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
PA 166 of 2020 – ARTICLE 6**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE	FY 2020-21 GOV.'S REC.	FY 2020-21 INITIAL APPROPS.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
				AMOUNT	PERCENT
FTE Positions	15,432.0	15,601.0	15,481.0	49.0	0.3
GROSS	29,382,682,500	27,160,391,300	28,498,448,600	(884,233,900)	(3.0)
Less:					
Interdepartmental Grants Received	13,819,300	13,829,900	13,829,900	10,600	0.1
ADJUSTED GROSS	29,368,863,200	27,146,561,400	28,484,618,700	(884,244,500)	(3.0)
Less:					
Federal Funds	21,758,938,300	18,696,145,500	20,066,172,200	(1,692,766,100)	(7.8)
Local and Private	324,397,100	341,995,600	338,595,300	14,198,200	4.4
TOTAL STATE SPENDING	7,285,527,800	8,108,420,300	8,079,851,200	794,323,400	10.9
Less:					
Other State Restricted Funds	2,953,747,900	3,020,104,500	2,989,480,100	35,732,200	1.2
GENERAL FUND/GENERAL PURPOSE ...	4,331,779,900	5,088,315,800	5,090,371,100	758,591,200	17.5
PAYMENTS TO LOCALS	1,504,980,200	1,671,291,600	1,673,960,400	168,980,200	11.2

Includes Ongoing and One-time Appropriations as of October 1, 2020

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

A. NEW PROGRAMS

- | | |
|--|--|
| <p>1. Healthy Moms, Healthy Babies. The budget includes funding to support the Governor's Healthy Moms, Healthy Babies Initiative, which expands Medicaid coverage to women from 60 days postpartum to 12 month and adds 1,000 home visiting slots in Wayne, Kent, Kalamazoo, and Saginaw counties.</p> | <p>Gross 23,531,900
Federal 10,900,400
GF/GP 12,631,500</p> |
| <p>2. Programmatic Increases Related to <i>KB v. Lyon</i> Lawsuit. The budget includes funding for efforts to provide services to individuals affected by the Flint Water crisis.</p> | <p>FTE 9.0
Gross 19,102,000
Federal 16,435,300
GF/GP 2,666,700</p> |
| <p>3. One-Time Funding for First Responder and Public Safety Staff Mental Health Initiative. The budget includes funding for grants to behavioral health providers for services to first responders experiencing mental health-related issues.</p> | <p>Gross 2,500,000
GF/GP 2,500,000</p> |

B. PROGRAM INCREASES

- | | |
|--|---|
| <p>1. Changes in Federal Authorization. The budget includes a net increase to Federal authorization to reflect several changes in Federal funding for the Department.</p> | <p>Gross 10,625,200
Federal 10,625,200
GF/GP 0</p> |
| <p>2. Executive Revisions. The budget incorporates several revisions proposed by the State Budget Office, of which the largest component was changes to Medicaid special financing.</p> | <p>FTE 3.0
Gross 11,562,400
Federal 7,226,500
Restricted 4,386,500
GF/GP (50,600)</p> |
| <p>3. Reversal of FY 2019-20 Contingency Fund Transfers and Executive Order Reductions. The budget did not contain FY 2019-20 contingency fund transfers of \$8,866,800 as well as several small-scale reductions included in Executive Order 2020-155.</p> | <p>Gross 27,596,600
Federal (6,941,400)
Private (1,375,400)
Restricted (550,000)
GF/GP 36,463,400</p> |

		FY 2020-21 Change From FY 2019-20 Year-to-Date	
4. Non-State-Owned Building Lease Adjustment.	The budget provides an increase in funding for contractual increases in rental agreements for leases in non-State-owned building space used by the Department.	Gross Federal GF/GP	866,300 194,900 671,400
5. Child Advocacy Centers (CACs) FY 2019-20 Legislative Funding Increase.	The budget provides an increase in funding for CACs that work with children who have been physically or sexually abused to provide therapy, medical exams, courtroom preparation, and victim advocacy.	Gross GF/GP	999,900 999,900
6. Increase in Homeless Emergency Shelter Payments.	The budget includes an increase in funding for increasing payments for homeless emergency shelters.	Gross GF/GP	649,800 649,800
7. Child Welfare Base, Fund Source, and Caseload - Child Care Fund (CCF).	The budget reflects an increase in the expenditures from the CCF to approximately \$250.0 million annually.	Gross Federal Local GF/GP	6,500,000 (12,238,200) 888,400 17,849,800
8. Child Welfare Base, Fund Source, and Caseload - Guardianship Assistance (GAP).	The budget assumes minor growth in the GAP with an average caseload estimated of 1,201 cases at \$694.42 monthly.	Gross Federal GF/GP	62,400 195,400 (133,000)
9. Raise the Age Staffing Adjustments.	The budget contains 1.0 FTE to implement the "Raise the Age" legislation, which will support program policy, payments, audit, and technology requirements.	FTE Gross Federal GF/GP	1.0 139,800 36,800 103,000
10. Prevention of Foster Care and Congregate Care Entry Adjustments.	As part of the implementation of the Federal Family First Preservation Services Act (FFPSA), the budget assumes new requirements on residential placements known as Qualified Residential Treatment Program, which assumes a bit of savings from fewer and shorter residential placements.	FTE Gross Federal GF/GP	5.0 1,217,600 191,600 1,026,000
11. Assessments for Foster Care Qualified Residential Treatment.	As part of the implementation of FFPSA, the budget includes funding to implement third-party assessments for congregate care facilities to determine proper treat and care protocols.	Gross Federal GF/GP	3,410,600 910,600 2,500,000

		FY 2020-21 Change From FY 2019-20 Year-to-Date	
12. Foster Care Child Caring Institution Rate Increase.	As part of the implementation of FFPSA, the budget includes a 15% rate increase for child caring institutions who will be required to meet a greater standard of care with greater costs under Federal law.	Gross Federal GF/GP	7,086,100 2,486,100 4,600,000
13. New Children's Protective Services Legal Representation Programs.	The budget recognizes increased Federal funds to allow for county/tribal courts to provide parents and children with legal representation in child protective hearings.	Gross Federal GF/GP	4,263,300 4,263,300 0
14. Court-Appointed Special Advocates (CASAs) Funding.	The budget includes funding that supports and promotes CASAs for abused or neglected children.	Gross GF/GP	499,900 499,900
15. Runaway and Homeless Youth Grant.	The budget includes increased funding for runaway and homeless youth contracts with private child placing agencies.	Gross GF/GP	400,000 400,000
16. School Success Partnership.	The budget includes funding to the Northeast Michigan Community Service Agency for the School Success Partnership program.	Gross Federal GF/GP	525,000 525,000 0
17. Adoption Support Services Rate Increase.	The budget includes an increase in adoption support services reimbursement rates.	Gross Federal GF/GP	1,500,000 500,000 1,000,000
18. Foster Care Administrative Rates Actuarial Study.	The budget contains funding to complete an actuarial review of foster care and residential rates.	Gross GF/GP	250,000 250,000
19. Adoptive Family Support Network (AFSN) Funding.	The budget includes funding for the AFSN statewide "Parent to Parent" post-adoption support program.	Gross GF/GP	250,000 250,000
20. Kinship Care Funding.	The budget includes increased funding for kinship care services.	Gross GF/GP	200,000 200,000
21. Family Preservation Rate Increase.	The budget includes funding to increase rates paid to providers of family preservation programs.	Gross GF/GP	1,750,000 1,750,000

		FY 2020-21 Change From FY 2019-20 Year-to-Date	
22. Public Assistance Base and Caseload Adjustments - Family Independence Program.	The budget reflects caseload consensus projections of 23,998 cases at a cost of \$349.28 per case per month.	Gross	15,668,400
		Federal	213,600
		Restricted	(63,100)
		GF/GP	15,517,900
23. Public Assistance Base and Caseload Adjustments - Supplemental Security Income (SSI).	The budget includes caseload consensus projections of 270,300 cases at a cost of \$18.64 per case per month.	Gross	1,881,700
		GF/GP	1,881,700
24. Food Assistance Program (FAP) Reinvestment.	The budget contains funding to correct errors in the FAP. Of the \$10.5 million penalty that was assessed by the Federal government, 50% of the funding must be used to correct the error rate while the remainder is held in escrow to ensure program improvement.	FTE	6.0
		Gross	535,200
		GF/GP	535,200
25. Compulsive Gaming Prevention Revenue Adjustment.	The budget recognizes an increase in available revenue from the Compulsive Gaming Prevention Fund in the Gambling Addiction line.	Gross	1,000,000
		Restricted	1,000,000
		GF/GP	0
26. Medicaid Base and Caseload Adjustments - Medicaid Behavioral Health Services.	The budget reflects an increase for traditional Medicaid mental health based on the consensus estimate agreed to in August 2020.	Gross	16,023,900
		Federal	(3,005,900)
		Restricted	5,936,100
		GF/GP	13,093,700
27. Medicaid Plan Base and Caseload Adjustments - Healthy Michigan Plan (HMP) Behavioral Health.	The budget reflects an increase in the cost of the HMP behavioral health program.	Gross	150,536,300
		Federal	135,331,000
		Restricted	(136,900)
		GF/GP	15,342,200
28. Medicaid Plan Base and Caseload Adjustments - Autism Services.	The budget reflects an increase in the cost of Medicaid autism services.	Gross	2,689,500
		Federal	(14,600)
		GF/GP	2,704,100
29. Medicaid Mental Health Services Actuarial Soundness Adjustment.	The budget reflects a 2.0% actuarial soundness adjustment to capitation rates paid to the prepaid inpatient health plans (PIHPs) for traditional Medicaid behavioral health services.	Gross	49,509,000
		Federal	31,725,300
		GF/GP	17,783,700

	FY 2020-21 Change From FY 2019-20 Year-to-Date	
30. HMP Behavioral Health Services Actuarial Soundness Adjustment. The budget reflects a 2.0% actuarial soundness adjustment to capitation rates paid to the PIHPs for HMP Medicaid behavioral health services.	Gross Federal GF/GP	6,515,000 5,863,500 651,500
31. Medicaid Autism Services Actuarial Soundness Adjustment. The budget contains a 6.0% increase in rates paid to PIHPs to cover autism services costs based on past cost history used to estimate FY 2019-20 cost increases.	Gross Federal GF/GP	11,491,000 7,363,400 4,127,600
32. Increase in Medical Marihuana Revenue. The budget contains an increase in available revenue from medical marihuana regulation.	Gross Restricted Gross	78,700 78,700 0
33. Nursing Home PAS/ARR-OBRA Cost Increase. The budget includes funding for increased demand of required clinical evaluations for mentally ill or intellectually disabled individuals seeking admission to or currently residing in nursing facilities.	Gross Federal GF/GP	1,631,100 1,223,400 407,700
34. Health Homes Funding. The budget includes funding for a significant expansion of the health homes program/demonstration projects for better coordination of physical and behavioral health care for high cost Medicaid clients.	Gross Federal GF/GP	23,400,700 20,934,400 2,466,300
35. Pharmacy Inflation at State Facilities. The budget assumes a 5.0% increase in State psychiatric hospital pharmacy costs.	Gross Federal Local Restricted GF/GP	515,000 20,400 30,900 16,900 446,800
36. Additional Staff at State Facilities. The budget funds new staff at State facilities; 16.0 FTEs apiece in the Forensic Center, the Hawthorn Center, and the Kalamazoo Hospital and 12.0 FTEs at the Reuther facility.	FTE Gross GF/GP	60.0 5,000,000 5,000,000
37. Funding for Be the Match Bone Marrow Registry. The budget provides funding for a bone marrow registry.	Gross GF/GP	250,000 250,000
38. Funding for Cord Blood Bank. The budget provides funding for a cord blood bank.	Gross GF/GP	500,000 500,000

	FY 2020-21 Change From FY 2019-20 Year-to-Date	
39. Recognition of Newborn Screening Fee Revenue Increase. The budget reflects a 0.1% inflationary increase in Newborn Screening Fee Revenue and increased State restricted authorization to support equipment costs for newly approved tests.	Gross Restricted GF/GP	1,516,200 1,516,200 0
40. Family Emergency Readiness Expo. The budget funds this event in Livingston County.	Gross GF/GP	25,000 25,000
41. Recognition of Private Funding in Cancer Prevention Line. The budget recognizes an increase in available revenue from Amanda's Fund for Breast Cancer Prevention and Treatment in the Cancer Prevention and Control Program line.	Gross Private GF/GP	200,000 200,000 0
42. Rare Disease Panel Funding. The budget provides funding to conduct rare disease panel testing.	Gross GF/GP	70,000 70,000
43. Increase in Private Revenue. The budget recognizes an increase in available Health Endowment Fund revenue in the Aging and Adult Services Administration line.	Gross Private GF/GP	500,000 500,000 0
44. Senior Call Check Pilot Program. The budget contains funding for this pilot program for seniors.	Gross GF/GP	40,000 40,000
45. Increase in Health Endowment Fund Revenue. The budget increases the available Health Endowment Fund revenue.	Gross Private GF/GP	750,000 750,000 0
46. Expansion of ClaimSure Contract. The budget expands funding for the ClaimSure contract.	Gross Federal GF/GP	1,200,000 900,000 300,000
47. Medicaid Base and Caseload Adjustments - Traditional Medicaid Program. The budget reflects the August 2020 consensus agreement on adjustments to the traditional Medicaid line items.	Gross Federal Local Restricted GF/GP	277,856,000 (36,686,600) 9,928,600 (194,785,600) 499,399,600

		FY 2020-21 Change From FY 2019-20 Year-to-Date	
48. Medicaid Plan Base and Caseload Adjustments - HMP.	The budget reflects the August 2020 consensus agreement on adjustments to the HMP line item.	Gross	441,967,900
		Federal	387,451,400
		Local	(201,000)
		Restricted	215,855,900
		GF/GP	(161,138,400)
49. Medicaid Special Financing and Provider Tax Adjustments - General Medicaid Special Financing Adjustments.	The budget reflects the traditional adjustments in special financing mechanisms that are used to minimize GF/GP exposure.	Gross	4,589,400
		Federal	57,293,200
		Local	1,265,100
		Restricted	(54,330,200)
		GF/GP	361,300
50. Medicaid Special Financing and Provider Tax Adjustments - Technical Adjustments to State Psychiatric Disproportionate Share Hospital (DSH) Payments.	The budget reflects a technical adjustment to the State Psych DSH payments.	Gross	100
		Restricted	7,409,300
		GF/GP	(7,409,200)
51. Medicaid and Healthy Michigan Plan Actuarial Soundness Adjustment.	The budget includes a 2.0% actuarial soundness adjustment for traditional and expansion Medicaid physical health. These adjustments include adjustments to dental services, the Home and Community Based Waiver, Integrated Care Organizations, and the Program of All-inclusive Care for the Elderly.	Gross	140,298,000
		Federal	101,244,900
		GF/GP	39,053,100
52. Rate Increase for Medicaid Private-Duty Nursing Services.	The budget includes funding for a 10% increase in rates paid to private-duty nurses.	Gross	3,780,600
		Federal	2,481,200
		GF/GP	1,299,400
53. MiDOCs Graduate Medical Education (GME) Consortium.	The budget contains ongoing funding for the MiDOCs consortium.	Gross	5,400,000
		Federal	2,700,000
		Restricted	1,350,000
		GF/GP	1,350,000
54. Expansion of Hospital Outpatient Hospital Rate Adjustor (HRA) Payments.	The budget includes a large expansion of hospital HRA payments for Medicaid outpatient hospital services, funded with an increase in the hospital provider assessment.	Gross	305,055,400
		Federal	218,976,600
		Restricted	110,633,800
		GF/GP	(24,555,000)

	FY 2020-21 Change From FY 2019-20 Year-to-Date	
55. Recognize Federal Reimbursement for Tribal Pharmacy Services. The budget includes Federal funding to implement Federal reimbursement for pharmacy services for native tribes in the State.	Gross Federal GF/GP	17,000,000 17,000,000 0
56. Increase in Managed Care Pharmacy Dispensing Fee for Independent Pharmacies. The budget reflects funding to increase the independent pharmacy-managed care dispensing fee up to fee for service levels.	Gross Federal GF/GP	45,300,000 33,962,600 11,337,400
57. Health Plan Risk Corridor Savings. The budget includes the second phase of risk corridor savings recapture. The recapture reflected reduced costs incurred by Medicaid health plans during the COVID-19 pandemic as demand for non-COVID medical services dropped greatly. The first phase was implemented in FY 2019-20.	Gross Federal GF/GP	20,867,100 21,867,100 (1,000,000)
58. GME Fund Source Shift. The budget includes GF/GP savings from shifting some GME payments to the HMP line, which has a more favorable match rate. This adjustment also reflects changes to payments financed by the hospital provider taxes, leading to a Gross increase.	Gross Federal Restricted GF/GP	26,504,700 20,059,200 17,499,500 (11,054,000)
59. Private Authorization from Kresge Foundation. The budget recognizes increased funding authorization from the Kresge Foundation.	Gross Private GF/GP	250,000 250,000 0
60. Replacement of MiSACWIS with New System. The budget contains funding for the replacement system for MiSACWIS. The system, referred to as CCWIS will implement new information technology architecture in building out the new system.	FTE Gross Federal GF/GP	6.0 4,389,400 1,789,400 2,600,000
61. One-Time Funding for Lead Poisoning Prevention Fund. The budget includes funding to contract with certified lead abatement contractors for the investigation and abatement of properties in the City of Flint.	Gross GF/GP	2,000,000 2,000,000
62. Conference Initiated One-Time Programs. The budget includes a number of new one-time programs.	Gross Federal Private GF/GP	173,685,000 130,650,000 100,000 42,935,000

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

C. PROGRAM ELIMINATIONS

- | | | |
|---|--------------|----------------|
| <p>1. Community Mental Health (CMH) Court-Appointed Guardian Funding. State Administrative Board Resolution 2019-7 removed all but \$1,100 of funding for a pool to reimburse counties \$50 per month for guardians and conservators for those receiving CMH services in the FY 2019-20 budget. The budget removes the remaining funding for this program.</p> | <p>Gross</p> | <p>(1,100)</p> |
| | <p>GF/GP</p> | <p>(1,100)</p> |

D. PROGRAM REDUCTIONS

- | | | |
|---|-------------------|------------------------|
| <p>1. Minor Reductions. The budget includes several reductions, mostly lapses, to reduce GF/GP expenditures. Reductions include the termination of the Maximus call center contract, cancellation of three office leases, reduction to the Children's Transition Support Team, and reduction to the Health Homes Lead and Copper Rule funding.</p> | <p>Gross</p> | <p>(15,378,500)</p> |
| | <p>Federal</p> | <p>(3,694,100)</p> |
| | <p>Private</p> | <p>136,500</p> |
| | <p>Restricted</p> | <p>45,500</p> |
| | <p>GF/GP</p> | <p>(11,866,400)</p> |
| <p>2. Reversal of One-Time FY 2019-20 Coronavirus Related Funding. The budget removes funding included in the FY 2019-20 budget for COVID-19-related efforts. While \$25.0 million of this funding is GF/GP, the majority is Federal funding from various Federal appropriations provided to the State to combat COVID-19.</p> | <p>Gross</p> | <p>(1,646,953,800)</p> |
| | <p>Federal</p> | <p>(1,621,953,800)</p> |
| | <p>GF/GP</p> | <p>(25,000,000)</p> |
| <p>3. Remove Office of Inspector General (OIG) Vacancies. The budget removes the authorization and FTEs for 10 vacant positions within the OIG.</p> | <p>FTE</p> | <p>(10.0)</p> |
| | <p>Gross</p> | <p>(1,303,100)</p> |
| | <p>Federal</p> | <p>(631,200)</p> |
| | <p>GF/GP</p> | <p>(671,900)</p> |
| <p>4. Child Support Operations Reduction. The budget recognizes savings from within the Office of Child Support.</p> | <p>Gross</p> | <p>(3,900,000)</p> |
| | <p>Federal</p> | <p>(2,574,000)</p> |
| | <p>GF/GP</p> | <p>(1,326,000)</p> |
| <p>5. Child Welfare Base, Fund Source, and Caseload Adjustments - Foster Care Payments. The budget reflects a decrease in foster care costs with estimated caseload averaging 6,050 at an average annual cost of \$37,700.</p> | <p>Gross</p> | <p>(1,897,400)</p> |
| | <p>Federal</p> | <p>(8,664,100)</p> |
| | <p>Local</p> | <p>3,314,600</p> |
| | <p>Private</p> | <p>(562,700)</p> |
| | <p>GF/GP</p> | <p>4,014,800</p> |

		FY 2020-21 Change From FY 2019-20 Year-to-Date	
6. Child Welfare Base, Fund Source, and Caseload Adjustments - Adoption Subsidies.	The budget reflects caseload consensus projections of 21,650 cases at a cost of \$731.32 per case per month.	Gross	(4,035,300)
		Federal	(1,613,200)
		Local	(1,537,200)
		GF/GP	(884,900)
7. Rate Increase for West Michigan Partnership for Children (WMPC).	The budget includes \$8.8 million Gross and \$4.7 million GF/GP to increase rates for the WMPC, but the removal of \$10.7 million Gross and \$8.0 million GF/GP of one-time FY 2019-20 funding included in Public Act 144 of 2020 results in a net decrease for this program.	Gross	(1,872,300)
		Federal	1,342,700
		GF/GP	(3,215,000)
8. Relative Licensure Incentive Funds.	The budget removes funding for incentive payments for the licensure of relative foster caregivers.	Gross	(2,250,000)
		Federal	(1,450,000)
		GF/GP	(800,000)
9. Public Assistance Base and Caseload Adjustments - State Disability Assistance.	The budget reflects caseload consensus projections of 2,913 cases at a cost of \$194.30 per case per month.	Gross	(142,900)
		Restricted	342,100
		GF/GP	(485,000)
10. Public Assistance Base and Caseload Adjustments - FAP.	Because of COVID-19-related caseload increases, the budget only reflects removal of enhanced FY 2019-20 FAP funding.	Gross	(600,000,000)
		Federal	(600,000,000)
		GF/GP	0
11. Behavioral Health, Caseload, and Fund Source Adjustments - Family Support Subsidy.	The budget reflects caseload consensus projections of 4,800 cases at a cost of \$229.31 per case per month.	Gross	(487,300)
		Federal	(487,300)
		GF/GP	0
12. Michigan Essential Health Provider Program.	The budget removes \$1.0 million of funding for the Michigan Essential Health Provider Program to assist in the repayment of medical education loans for participants placed in a Federally designated health provider shortage area in Northern Michigan.	Gross	(1,000,000)
		GF/GP	(1,000,000)
13. Adjustment to Transfer of Various Programs to LEO.	The budget makes adjustments to the amount transferred out of the DHHS as a result of Executive Order 2019-13.	Gross	(2,015,600)
		Federal	(2,215,800)
		GF/GP	200,200

		FY 2020-21 Change From FY 2019-20 Year-to-Date	
14. State Innovation Model (SIM) Grant.	The budget removes excess Federal authorization for expiring SIM Grant funding.	Gross Federal GF/GP	(10,002,700) (10,002,700) 0
15. Sexually Transmitted Disease (STD) Administration Funding.	The budget removes GF/GP funding for contractual services for the STD monitoring program as these functions will now be supported through non-GF/GP funding.	Gross GF/GP	(250,000) (250,000)
16. Shift Flint Drinking Water Declaration of Emergency Funding to Ongoing.	The budget shifts \$4.6 million of funding to support activities related to the Flint Drinking Water Declaration of Emergency from the one-time appropriation unit to an ongoing unit. Because of rounding, this results in a technical reduction of \$100 to the program.	Gross GF/GP	(100) (100)
17. Remove Family Health Services Vacancies.	The budget removes funding for vacant positions within the Division of Adolescent Child and Health.	Gross GF/GP	(150,000) (150,000)
18. Medical Care and Treatment Base, Fund Source, and Caseload.	The budget reflects a decrease in the costs for the Children's Special Health Care Services program.	Gross Federal GF/GP	(8,699,400) (6,908,400) (1,791,000)
19. HMP Work Engagement Staff.	The budget removes funding to support the HMP Work Engagement Legislation as it is no longer being implemented.	Gross Federal GF/GP	(20,721,400) (5,541,300) (15,180,100)
20. Technical Adjustment to Critical Access Hospital Funding.	The budget makes technical adjustments to the funding initiative implemented in Public Act 154 of 2020 that expands outpatient reimbursements and provides other funding for critical access hospitals.	Gross Federal Restricted GF/GP	(74,300) (151,300) 33,900 43,100
21. Single Medicaid Preferred Drug List.	The budget assumes savings resulting from the implementation of a single preferred drug list across all Medicaid managed care contracts. The single preferred drug list will allow for greater recoupment of Federal and Supplemental rebates.	Gross Federal GF/GP	(236,062,800) (176,982,800) (59,080,000)
22. Third Party Liability Collaboration Savings.	The budget assumes savings from a reduction in Medicaid Health Plan rates to be offset by increased third-party liability recoupments by the Health Plans.	Gross Federal GF/GP	(30,623,600) (19,623,600) (11,000,000)

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

23. Termination of Nonemergency Medical Transportation (NEMT) Contracts. The budget recognizes savings from the termination of NEMT pilot contracts.	Gross Federal GF/GP	(1,165,800) (765,100) (400,700)
24. Dental Risk Corridor Savings. The budget recognizes savings from the implementation of a dental risk corridor. The savings recapture is possible because of a reduction in costs caused by a reduction in demand for dental services during the COVID-19 pandemic.	Gross Federal GF/GP	(33,686,000) (21,586,000) (12,100,000)
25. Shift One-Time IT Funding to Ongoing. The budget shifts \$40.0 million Gross and \$10.0 million GF/GP of the \$47.0 million Gross and \$11.75 million GF/GP FY 2019-20 one-time IT funding into the ongoing Information Technology appropriations unit.	Gross Federal GF/GP	(7,000,000) (5,250,000) (1,750,000)
26. Removal of FY 2019-20 One-Time Projects. The budget reflects the removal of the majority of the items included in the one-time funding section. This includes projects such as funding for the Federal Health Insurer Fee, the One-Time Information Technology Contingency fund, the Hospital Behavioral Health Pilot Program, and the SIM Continuation.	FTE Gross Federal Restricted GF/GP	(10.0) (194,310,900) (131,540,800) (100) (62,770,000)

E. FUNDING SHIFTS

1. Change in Base Medicaid Match Rate for FY 2020-21. The base Medicaid match rate increases from 64.06% to 64.08% in FY 2020-21, leading to a decrease in GF/GP costs.	Gross Federal Local Restricted GF/GP	0 (5,859,800) 169,900 7,850,900 (2,161,000)
2. Change in Title XXI Match Rate for FY 2020-21. The Federal Title XXI match rate, used to support the MIChild program, decreases from 86.34% to 74.86%, increasing GF/GP costs.	Gross Federal GF/GP	0 (28,196,500) 28,196,500
3. Annualization of the Federal Medicaid Expansion Match Rate. The budget annualizes the match rate for the HMP, which dropped from 93% to 90% on January 1, 2020.	Gross Federal GF/GP	0 (22,488,300) 22,488,300
4. Recognition of Enhanced Medicaid Match Rate. The budget recognized the extension of a 6.2% enhancement in the regular Medicaid match rate through at least December 31, 2020, as a	Gross Federal	0 (250,054,200)

	FY 2020-21 Change From FY 2019-20 Year-to-Date	
result of the COVID-19 pandemic, resulting in an increase in GF/GP costs. The FY 2019-20 budget recognized three quarters of enhancement in the regular Medicaid match rate.	GF/GP	250,054,200
5. SSI Recoveries Shortfall. The budget includes a fund source shift to reflect actual expected SSI recoveries.	Gross	0
	Restricted	(700,000)
	GF/GP	700,000
6. Decreased Temporary Assistance for Needy Families (TANF) Support. The budget recognized a reduction in TANF support for the Family Independence Program line item.	Gross	0
	Federal	(1,000,000)
	GF/GP	1,000,000
7. Reversal of One-Time 1st/3rd Party Revenue. The budget removes funding added in Public Act 144 of 2020 that recognized additional one-time first- and third-party revenue to support the State Psychiatric Facilities in the FY 2019-20 DHHS budget.	Gross	0
	Restricted	(13,100,000)
	GF/GP	13,100,000
8. Use of Federal CRF to Offset GF/GP. The budget recognizes available Federal CRF revenue to offset GF/GP for employee costs at State psychiatric facilities.	Gross	0
	Federal	22,500,000
	GF/GP	(22,500,000)
9. Health and Human Services Policy and Initiatives Fund Source Shift. The budget recognizes additional Certificate of Need Fee revenue to reflect updated cost allocation calculations after the transfer of Michigan Rehabilitation Services to LEO.	Gross	0
	Federal	(188,200)
	Restricted	188,200
	GF/GP	0
10. Reversal of FY 2019-20 Supplemental Fund Source Shift. The budget removes a one-time fund source shift added in PA 144 of 2020 that offset GF/GP in the Laboratory Services appropriation unit with Newborn Screening Fee Revenue.	Gross	0
	Restricted	(1,000,000)
	GF/GP	1,000,000
11. Children's Special Health Care Services (CSHCS) Parent Participation Fee Revenue. The budget recognizes available revenue from fees paid by parents for CSHCS Title V insurance coverage for children with chronic health conditions requiring specialty care.	Gross	0
	Restricted	500,000
	GF/GP	(500,000)
12. Merit Award Trust Fund Revenue. The budget reflects a decrease in available tobacco Settlement Merit Award Trust Fund revenue, resulting in an increase in GF/GP.	Gross	0
	Tobacco	(20,000,000)
	GF/GP	20,000,000

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

13. Healthy Michigan Fund Revenue. The budget reflects a decrease in available Healthy Michigan Fund revenue, resulting in an increase in GF/GP.	Gross Restricted GF/GP	0 (4,700,000) 4,700,000
14. Medicaid Benefits Trust Fund Revenue. The budget reflects a decrease in available Medicaid Benefits Trust Fund revenue leading to an increase in GF/GP costs in Medicaid.	Gross Restricted GF/GP	0 (43,000,000) 43,000,000
15. Health Insurance Claims Assessment (HICA) Revenue. The budget removed all remaining HICA revenue leading to an increase in GF/GP costs in Medicaid.	Gross Restricted GF/GP	0 (7,245,300) 7,245,300

F. PROGRAM TRANSFERS

1. Transfer of Maxey School Funding to Department of Corrections. The budget moved funding to support costs for the facility manager of the Maxey School to the Department of Corrections.	FTE Gross GF/GP	(1.0) (106,700) (106,700)
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G. OTHER ISSUES

1. Transfer of Line Items and Programs Between Units. The budget transfers several line items between appropriations units resulting in a net increase of 1.0 FTE.	FTE Gross GF/GP	1.0 0 0
2. Mental Health Block Grant FTE Adjustment. The budget reflects a technical adjustment to the number of FTEs in the Federal Mental Health Block Grant line item.	FTE Gross GF/GP	1.0 0 0
3. Adjustment of Medicaid Computer System Line FTEs. The budget recognizes an increase of 3.0 FTEs in the Michigan Medicaid Information System line item.	FTE Gross GF/GP	3.0 0 0
4. Adjustment of Technology Supporting Integrated Service Delivery FTEs. The budget includes a decrease of 33.0 in the FTE figure for the Technology Supporting Integrated Service Delivery line item.	FTE Gross GF/GP	(33.0) 0 0

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

5. Transfer in Michigan Child Support System IT Funding. The budget moves some funding and adjusts the FTEs to actual on-boarded FTEs.

FTE	8.0
Gross	0
GF/GP	0

H. UNCLASSIFIED SALARIES

The budget increases Gross funding for the unclassified salaries line item from \$1,223,600 to \$1,230,000.

Gross	6,400
Federal	5,400
GF/GP	1,000

I. FEE INCREASES - NONE

J. ECONOMIC ADJUSTMENTS

The economic adjustment amount includes standard economic factors applied to salaries and wages, retirement, OERCs, 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 effective October 1, 2020, and another 1.0% base wage increase effective April 1, 2021. Nonexclusively represented employees also will receive a 2.0% base wage increase effective October 1, 2020, and another 1.0% base wage increase effective April 1, 2021. There will be no lump-sum adjustments for either classified employees or NEREs in FY 2020-21.

Gross	53,891,600
IDG	10,600
Federal	18,153,300
Local	101,300
Private	239,200
Restricted	699,900
GF/GP	34,687,300

K. ONE-TIME APPROPRIATIONS

The budget identifies \$184,154,800 of FY 2020-21 one-time appropriations, shifts \$16,602,100 of appropriations from one-time to ongoing, and eliminates \$241,105,800 of FY 2019-20 one-time appropriations:

	Gross	GF/GP
FY 2020-21 One-Time Appropriations		
Actuarial study	\$275,000	\$275,000
Autism navigator	1,025,000	1,025,000
Autism train the trainer grant	244,800	244,800
Children's center	200,000	200,000
County coronavirus-related youth funding	250,000	250,000

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

Direct care worker temporary wage increase	150,000,000	40,000,000
First responder and public safety staff mental health	2,500,000	2,500,000
Great Lakes recovery center	250,000	250,000
Healthy communities grant	300,000	300,000
Infant rapid whole genome sequencing project	1,000,000	250,000
Kids' food basket.....	250,000	250,000
Lead poisoning prevention fund.....	2,000,000	2,000,000
Legal assistance	60,000	60,000
Nonprofit mental health clinics.....	200,000	200,000
Senior citizen center program grants.....	150,000	150,000
Skilled nursing facility personal protective equipment grants.....	20,000,000	0
Special Olympics capital improvement project.....	1,000,000	1,000,000
Statewide health information exchange projects	2,750,000	2,750,000
Substance abuse community and school outreach	100,000	100,000
Unified clinics resiliency center for families and children.....	1,500,000	1,500,000
Vision Clinic	100,000	100,000
Subtotal.....	\$184,154,800	\$53,404,800
 FY 2020-21 Shift from One-Time to Ongoing		
Flint drinking water declaration of emergency	(\$4,621,000)	(\$4,621,000)
Multicultural integration funding	(1,981,100)	(1,981,100)
One-time information technology services and projects.....	(40,000,000)	(10,000,000)
Subtotal.....	(\$46,602,100)	(\$16,602,100)
 FY 2019-20 Elimination of One-Time Appropriations		
Cercarial dermatitis prevention program	(\$100)	(\$100)
Flint drinking water declaration of emergency	(100)	(100)

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

Federal health insurance fee	(180,500,000)	(50,019,800)
Food delivery	(470,000)	(470,000)
Healthy communities grant	(100)	(100)
Homelessness elimination blueprint	(250,000)	(250,000)
Hospital behavioral health pilot program	(4,000,000)	(4,000,000)
Human trafficking survivors' assistance.....	(100)	(100)
Juvenile justice property projects.....	(300,000)	(300,000)
Lead exposure response and abatement	(3,434,500)	(3,434,500)
One-time information technology contingency	(35,250,000)	(8,812,500)
One-time information technology services and projects.....	(7,000,000)	(1,750,000)
Opioid transitional housing and services grant.....	(750,000)	(750,000)
Project ECHO opioid intervention	(40,000)	(40,000)
Property management projects.....	(2,460,700)	(1,400,100)
Senior citizen center program grants.....	(500,000)	(500,000)
Senior community services	(400,000)	(400,000)
Sexual assault comprehensive services grant	(2,000,000)	(2,000,000)
State innovation model continuation.....	(3,000,000)	(3,000,000)
Statewide health information exchange projects	(500,100)	(500,100)
Suicide prevention commission	(250,000)	(250,000)
Unified clinics resiliency center for families and children.....	(100)	(100)
Subtotal.....	(241,105,800)	(77,877,500)

L. VETOES - NONE

**DEPARTMENT OF HIGHER EDUCATION
PA 165 of 2020 – ARTICLE 3**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE	FY 2020-21 GOV.'S REC.	FY 2020-21 INITIAL APPROPS.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
				AMOUNT	PERCENT
FTE Positions	0.0	0.0	0.0	N/A	N/A
GROSS	1,691,395,000	1,743,845,600	1,699,925,400	8,530,400	0.5
Less:					
Interdepartmental Grants Received	0	0	0	0	0.0
ADJUSTED GROSS	1,691,395,000	1,743,845,600	1,699,925,400	8,530,400	0.5
Less:					
Federal Funds	297,753,000	116,026,400	126,026,400	(171,726,600)	(57.7)
Local and Private	0	0	0	0	0.0
TOTAL STATE SPENDING	1,393,642,000	1,627,819,200	1,573,899,000	180,257,000	12.9
Less:					
Other State Restricted Funds	185,692,700	356,063,300	356,063,300	170,370,600	91.7
GENERAL FUND/GENERAL PURPOSE ...	1,207,949,300	1,271,755,900	1,217,835,700	9,886,400	0.8
PAYMENTS TO LOCALS	0	0	0	0	0.0

Includes Ongoing and One-time Appropriations as of October 1, 2020

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

A. NEW PROGRAMS

- | | | |
|---|------------------------|--------------------------------|
| <p>1. Indian Tuition Waiver Reimbursement for Keweenaw Bay Ojibwa Community College (KBOCC). The budget includes a new \$50,000 passthrough payment to KBOCC through Northern Michigan University for costs incurred under the North American Indian Tuition Waiver Program.</p> | <p>Gross
GF/GP</p> | <p>50,000
50,000</p> |
| <p>2. Bay Mills Community College One-Time Passthrough Payment. The budget includes a \$1.0 million one-time passthrough payment through Lake Superior State University for costs associated with educating nonnative students.</p> | <p>Gross
GF/GP</p> | <p>1,000,000
1,000,000</p> |

B. PROGRAM INCREASES

- | | | |
|--|---------------------------------------|--------------------------------------|
| <p>1. Indian Tuition Waiver Reimbursement for Saginaw Chippewa Tribal College. The budget increases the passthrough payment to Saginaw Chippewa Tribal College from \$29,700 to \$79,700 through Central Michigan University for costs incurred under the North American Indian Tuition Waiver Program.</p> | <p>Gross
GF/GP</p> | <p>50,000
50,000</p> |
| <p>2. MPSERS UAAL Stabilization Payments. The budget includes an increase for this item to reflect an increase in the State's share of costs above the statutory cap. The increase is largely due to updated plan assumptions stemming from the 2018 MPSERS experience study. This change brings total MPSERS UAAL stabilization payments for universities to \$11.7 million.</p> | <p>Gross
Restricted
GF/GP</p> | <p>6,678,000
6,678,000
0</p> |

C. PROGRAM ELIMINATIONS

- | | | |
|--|------------------------|--------------------------------|
| <p>Indian Tuition Waiver Reimbursement for Bay Mills Community College. The budget removes a \$100,000 passthrough payment to Bay Mills Community College through Lake Superior State University for costs incurred under the North American Indian Tuition Waiver Program.</p> | <p>Gross
GF/GP</p> | <p>(100,000)
(100,000)</p> |
|--|------------------------|--------------------------------|

D. PROGRAM REDUCTIONS

- | | | |
|---|---------------------------------------|------------------------------------|
| <p>MPSERS Normal Cost Offset. The budget reduces this item to a total of \$1.2 million. The adjustment reflects the continued reduction to the assumed rate of return for MPSERS from 7.05% to 6.8%.</p> | <p>Gross
Restricted
GF/GP</p> | <p>(34,000)
(34,000)
0</p> |
|---|---------------------------------------|------------------------------------|

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

E. FUNDING SHIFTS

<p>1. Coronavirus Relief Fund to School Aid Fund Shift. The budget removes \$163.7 million in Federal Coronavirus Relief Fund that had been provided instead of School Aid Fund in FY 2019-20 and replaces it with School Aid Fund.</p>	<p>Gross 0 Federal (163,726,600) Restricted 163,726,600 GF/GP 0</p>
<p>2. Michigan Tuition Grant TANF to GF/GP Shift. The budget removes \$8.0 million in Federal TANF funds to support Michigan Tuition Grants and replaces it with GF/GP.</p>	<p>Gross 0 Federal (8,000,000) GF/GP 8,000,000</p>

F. PROGRAM TRANSFERS - NONE

G. OTHER ISSUES

<p>North American Indian Tuition Waiver Reimbursement Adjustment. The budget includes \$886,400 GF/GP to adjust the amount appropriated to universities for reimbursement of these costs. The amount was based upon the most recently available cost data.</p>	<p>Gross 886,400 GF/GP 886,400</p>
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H. UNCLASSIFIED SALARIES - NONE

I. FEE INCREASES - NONE

J. ECONOMIC ADJUSTMENTS - NONE

K. ONE-TIME APPROPRIATIONS

The budget identifies \$1.0 million of FY 2020-21 one-time appropriations:

	Gross	GF/GP
FY 2020-21 One-Time Appropriations		
Passthrough to Bay Mills Community College	\$1,000,000	\$1,000,000
Subtotal	\$1,000,000	\$1,000,000

L. VETOES - NONE

Table 1: Higher Education Initial Appropriations Detail

University	FY 2019-20 Year-To-Date Operations	FY 2019-20 Year-To-Date ITW Reimb.	FY 2019-20 Year-To-Date Appropriation	Adjustments					Other Changes	FY 2020-21 Initial Approp.	Dollar Change From FY 2019-20	Percent Change	Appropriation Per FYES
				Remove ITW Passthrough from Ops	ITW Passthrough Reallocation	One-time Passthrough for Bay Mills	FY21 ITW Adjustment	Total University Funding Changes					
Central	\$87,629,700	\$1,598,100	\$89,227,800	(\$29,700)	\$79,700		286,700	\$336,700	\$89,564,500	\$336,700	0.4%	\$4,788	
Eastern	77,253,700	302,300	77,556,000				(800)	(800)	77,555,200	(800)	(0.0)	5,115	
Ferris	55,025,500	1,007,300	56,032,800				(98,500)	(98,500)	55,934,300	(98,500)	(0.2)	5,198	
Grand Valley	72,313,500	1,075,000	73,388,500				102,200	102,200	73,490,700	102,200	0.1	3,275	
Lake Superior	13,407,000	954,000	14,361,000	(100,000)	0	1,000,000	(8,900)	891,100	15,252,100	891,100	6.2	8,720	
Michigan State	287,331,700	1,467,700	288,799,400				136,300	136,300	288,935,700	136,300	0.0	6,246	
Michigan Tech	50,101,600	466,500	50,568,100				227,100	227,100	50,795,200	227,100	0.4	7,634	
Northern	47,809,100	1,100,000	48,909,100		50,000		(89,400)	(39,400)	48,869,700	(39,400)	(0.1)	7,221	
Oakland	53,147,400	285,100	53,432,500				(19,000)	(19,000)	53,413,500	(19,000)	(0.0)	3,079	
Saginaw Valley	30,583,800	223,900	30,807,700				(4,400)	(4,400)	30,803,300	(4,400)	(0.0)	4,150	
UM-Ann Arbor	321,970,100	803,500	322,773,600				157,500	157,500	322,931,100	157,500	0.0	6,776	
UM-Dearborn	26,167,000	160,200	26,327,200				7,600	7,600	26,334,800	7,600	0.0	3,676	
UM-Flint	23,616,200	277,000	23,893,200				71,200	71,200	23,964,400	71,200	0.3	3,936	
Wayne State	202,996,700	417,200	203,413,900				45,000	45,000	203,458,900	45,000	0.0	8,905	
Western	111,522,200	767,900	112,290,100				73,800	73,800	112,363,900	73,800	0.1	5,897	
Subtotal University Operations:	\$1,460,875,200	\$10,905,700	\$1,471,780,900	(\$129,700)	\$129,700	\$1,000,000	\$886,400	\$1,886,400	\$0	\$1,473,667,300	\$1,886,400	0.1%	\$5,724
MPSERS Reimbursement			\$5,017,000						6,678,000	\$11,695,000	\$6,678,000	133.1%	
MPSERS Normal Cost Offset			1,234,000						(34,000)	1,200,000	(34,000)	(2.8)	
MSU AgBioResearch	34,937,300		34,937,300					0	34,937,300	0	0.0		
MSU Extension	30,136,100		30,136,100					0	30,136,100	0	0.0		
Higher Education Database			200,000						200,000	0	0.0		
Midwest Higher Ed Compact			115,000						115,000	0	0.0		
King-Chavez-Parks			2,691,500						2,691,500	0	0.0		
Total Universities			\$1,546,111,800	(\$129,700)	\$129,700	\$1,000,000	\$886,400	\$1,886,400	\$6,644,000	\$1,554,642,200	\$8,530,400	0.6%	
Federal Coronavirus Relief Fund			163,726,600	0	0	0	0	0	(163,726,600)	0	(163,726,600)	(100.0)	
School Aid Fund			185,692,700	0	0	0	0	0	170,370,600	356,063,300	170,370,600	91.7	
State GF/GP			\$1,196,692,500	(\$129,700)	\$129,700	\$1,000,000	\$886,400	\$1,886,400	\$0	\$1,198,578,900	\$1,886,400	0.2%	
Grants and Financial Aid													
State Competitive Scholarships			\$29,861,700						\$29,861,700	\$0	0.0%		
Tuition Grants			42,021,500						42,021,500	0	0.0		
Tuition Incentive Program (TIP)			68,800,000						68,800,000	0	0.0		
Children of Veterans & Officer's Tuition			1,400,000						1,400,000	0	0.0		
Project Gear-Up			3,200,000						3,200,000	0	0.0		
Total Grants/Financial Aid			\$145,283,200						\$0	\$145,283,200	\$0	0.0%	
Federal Higher Ed Act			3,200,000						0	3,200,000	0	0.0	
Federal TANF			130,826,400						(8,000,000)	122,826,400	(8,000,000)	(6.1)	
State GF/GP			\$11,256,800						\$8,000,000	\$19,256,800	\$8,000,000	71.1%	
TOTAL HIGHER EDUCATION													
TOTAL ALL FUNDS			\$1,691,395,000	(\$129,700)	\$129,700	\$1,000,000	\$886,400	\$1,886,400	\$6,644,000	\$1,699,925,400	\$8,530,400	0.5%	
TOTAL FEDERAL			297,753,000	0	0	0	0	0	(171,726,600)	126,026,400	(171,726,600)	(57.7)	
TOTAL STATE RESTRICTED			185,692,700				0	0	170,370,600	356,063,300	170,370,600	91.7	
TOTAL STATE GF/GP			\$1,207,949,300	(\$129,700)	\$129,700	\$1,000,000	\$886,400	\$1,886,400	\$8,000,000	\$1,217,835,700	\$9,886,400	0.8%	

Table 2: FY 2020-21 Higher Education Appropriations

University	FY 2019-20 Year-To-Date	Governor			Initial Appropriations		
		FY 2020-21 Gov. Rec.	Dollar Change	Percent Change	FY 2020-21 Initial Approp.	Dollar Change	Percent Change
Central	\$89,227,800	\$91,418,500	\$2,190,700	2.5%	\$89,564,500	\$336,700	0.4%
Eastern	77,556,000	79,487,300	1,931,300	2.5	77,555,200	(800)	(0.0)
Ferris	56,032,800	57,408,400	1,375,600	2.5	55,934,300	(98,500)	(0.2)
Grand Valley	73,388,500	75,196,300	1,807,800	2.5	73,490,700	102,200	0.1
Lake Superior	14,361,000	14,696,200	335,200	2.3	15,252,100	891,100	6.2
Michigan State	288,799,400	295,982,700	7,183,300	2.5	288,935,700	136,300	0.0
Michigan Tech	50,568,100	51,820,600	1,252,500	2.5	50,795,200	227,100	0.4
Northern	48,909,100	50,104,300	1,195,200	2.4	48,869,700	(39,400)	(0.1)
Oakland	53,432,500	54,761,200	1,328,700	2.5	53,413,500	(19,000)	(0.0)
Saginaw Valley	30,807,700	31,572,300	764,600	2.5	30,803,300	(4,400)	(0.0)
UM-Ann Arbor	322,773,600	330,822,900	8,049,300	2.5	322,931,100	157,500	0.0
UM-Dearborn	26,327,200	26,981,400	654,200	2.5	26,334,800	7,600	0.0
UM-Flint	23,893,200	24,483,600	590,400	2.5	23,964,400	71,200	0.3
Wayne State	203,413,900	208,488,800	5,074,900	2.5	203,458,900	45,000	0.0
Western	112,290,100	115,078,200	2,788,100	2.5	112,363,900	73,800	0.1
Subtotal University Operations:	\$1,471,780,900	\$1,508,302,700	\$36,521,800	2.5%	\$1,473,667,300	\$1,886,400	0.1%
MPSERS Reimbursement	\$5,017,000	\$11,695,000	\$6,678,000	133.1%	\$11,695,000	\$6,678,000	133.1%
MPSERS Normal Cost Offset	1,234,000	1,200,000	(34,000)	(2.8)	1,200,000	(34,000)	(2.8)
MSU AgBioResearch	34,937,300	35,810,700	873,400	2.5	34,937,300	0	0.0
MSU Extension	30,136,100	30,889,500	753,400	2.5	30,136,100	0	0.0
Higher Education Database	200,000	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
King-Chavez-Parks	2,691,500	2,691,500	0	0.0	2,691,500	0	0.0
Total Universities	\$1,546,111,800	\$1,590,904,400	\$44,792,600	2.9%	\$1,554,642,200	\$8,530,400	0.6%
Federal Coronavirus Relief Fund	163,726,600	0	(163,726,600)	(100.0)	0	(163,726,600)	(100.0)
School Aid Fund	185,692,700	356,063,300	170,370,600	91.7	356,063,300	170,370,600	91.7
State GF/GP	\$1,196,692,500	\$1,234,841,100	\$38,148,600	3.2%	\$1,198,578,900	\$1,886,400	0.2%
Grants and Financial Aid							
State Competitive Scholarships	\$29,861,700	\$38,361,700	\$8,500,000	28.5%	\$29,861,700	\$0	0.0%
Tuition Grants	42,021,500	32,021,500	(10,000,000)	(23.8)	42,021,500	0	0.0
Tuition Incentive Program (TIP)	68,800,000	67,958,000	(842,000)	(1.2)	68,800,000	0	0.0
Children of Veterans & Officer's Tuition	1,400,000	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
Michigan Student Loan Refinance Program - one time	0	10,000,000	10,000,000	N/A	0	0	N/A
Total Grants/Financial Aid	\$145,283,200	\$152,941,200	\$7,658,000	5.3%	\$145,283,200	\$0	0.0%
Federal Higher Ed Act	3,200,000	3,200,000	0	0.0	3,200,000	0	0.0
Federal TANF	130,826,400	112,826,400	(18,000,000)	(13.8)	122,826,400	(8,000,000)	(6.1)
State GF/GP	\$11,256,800	\$36,914,800	\$25,658,000	227.9%	\$19,256,800	\$8,000,000	71.1%
TOTAL HIGHER EDUCATION							
TOTAL ALL FUNDS	\$1,691,395,000	\$1,743,845,600	\$52,450,600	3.1%	\$1,699,925,400	\$8,530,400	0.5%
TOTAL FEDERAL	297,753,000	116,026,400	(181,726,600)	(61.0)	126,026,400	(171,726,600)	(57.7)
TOTAL STATE RESTRICTED	185,692,700	356,063,300	170,370,600	91.7	356,063,300	170,370,600	91.7
TOTAL STATE GF/GP	\$1,207,949,300	\$1,271,755,900	\$63,806,600	5.3%	\$1,217,835,700	\$9,886,400	0.8%

**DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES
PA 166 of 2020 – ARTICLE 7**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE	FY 2020-21 GOV.'S REC.	FY 2020-21 INITIAL APPROPS.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
				AMOUNT	PERCENT
FTE Positions	362.5	382.5	372.5	10.0	2.8
GROSS	71,912,800	73,315,700	73,315,700	1,402,900	2.0
Less:					
Interdepartmental Grants Received	723,100	728,600	728,600	5,500	0.8
ADJUSTED GROSS	71,189,700	72,587,100	72,587,100	1,397,400	2.0
Less:					
Federal Funds	1,017,600	1,017,100	1,017,100	(500)	(0.0)
Local and Private	0	0	0	0	0.0
TOTAL STATE SPENDING	70,172,100	71,570,000	71,570,000	1,397,900	2.0
Less:					
Other State Restricted Funds	70,172,100	71,570,000	71,570,000	1,397,900	2.0
GENERAL FUND/GENERAL PURPOSE ...	0	0	0	0	0.0
PAYMENTS TO LOCALS	0	0	0	0	0.0

Includes Ongoing and One-time Appropriations as of October 1, 2020

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

A. NEW PROGRAMS - NONE

B. PROGRAM INCREASES

1. **Additional FTEs.** The budget includes 10.0 additional FTEs. These additional FTEs are distributed as follows: Department Services (1.0 FTE); Insurance Evaluation (2.0 FTEs); Financial Institutions Evaluation (2.0 FTEs); Consumer Services and Projects (5.0 FTEs).

FTE	10.0
GF/GP	0

C. PROGRAM ELIMINATIONS - NONE

D. PROGRAM REDUCTIONS - NONE

E. FUNDING SHIFTS - NONE

F. PROGRAM TRANSFERS - NONE

G. OTHER ISSUES - NONE

H. UNCLASSIFIED SALARIES

The budget increases Gross funding for the unclassified salaries line item from \$816,200 to \$820,200.

Gross	4,400
Restricted	4,400
GF/GP	0

I. FEE INCREASES - NONE

J. ECONOMIC ADJUSTMENTS

The economic adjustment amount includes standard economic factors applied to salaries and wages, retirement, OERCs, 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 effective October 1, 2020, and another 1.0% base wage increase effective April 1, 2021. Nonexclusively represented employees also will receive a 2.0% base wage increase effective October 1, 2020, and another 1.0% base wage increase effective April 1, 2021. There will be no lump-sum adjustments for either classified employees or NEREs in FY 2020-21.

Gross	1,398,500
IDG	5,500
Federal	(500)
Restricted	1,393,500
GF/GP	0

K. ONE-TIME APPROPRIATIONS - NONE

L. VETOES - NONE

**DEPARTMENT OF JUDICIARY
PA 166 of 2020 – ARTICLE 8**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE	FY 2020-21 GOV.'S REC.	FY 2020-21 INITIAL APPROPS.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
				AMOUNT	PERCENT
FTE Positions	509.0	512.0	513.0	4.0	0.8
GROSS.....	308,193,500	314,761,800	313,641,200	5,447,700	1.8
Less:					
Interdepartmental Grants Received	1,551,700	1,552,800	1,552,800	1,100	0.1
ADJUSTED GROSS.....	306,641,800	313,209,000	312,088,400	5,446,600	1.8
Less:					
Federal Funds.....	5,948,400	5,826,000	6,393,500	445,100	7.5
Local and Private	7,573,800	8,671,100	8,883,000	1,309,200	17.3
TOTAL STATE SPENDING	293,119,600	298,711,900	296,811,900	3,692,300	1.3
Less:					
Other State Restricted Funds	94,226,000	94,877,600	94,877,600	651,600	0.7
GENERAL FUND/GENERAL PURPOSE ...	198,893,600	203,834,300	201,934,300	3,040,700	1.5
PAYMENTS TO LOCALS	146,351,300	146,684,400	146,925,300	574,000	0.4

Includes Ongoing and One-time Appropriations as of October 1, 2020

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

A. NEW PROGRAMS - NONE

B. PROGRAM INCREASES

1. Direct Trial Court Automation Support. Additional user fee revenue is anticipated for FY 2020-21 and is authorized by the budget.	Gross Local GF/GP	920,500 920,500 0
2. Drug Treatment Courts. Additional Federal grant authorization is included.	Gross Federal GF/GP	250,000 250,000 0
3. One-Time Specialty Court Funding. Additional funding is authorized from cuts to the Swift and Sure Sanctions Program and previous-year funding for the Kalamazoo County Trauma Court. This additional funding also includes \$100,000 for a saliva testing pilot program. This funding is \$200,000 above previous year one-time funding for specialty courts.	Gross GF/GP	200,000 200,000
4. State Court Administrative Office. Additional private investment is authorized.	Gross Private GF/GP	126,900 126,900 0
5. Judicial Institute. Additional Federal funding is authorized.	Gross Federal GF/GP	100,000 100,000 0
6. Community Dispute Resolution. Additional private funding is authorized.	Gross Private GF/GP	85,000 85,000 0
7. Juvenile Lifer Resentencing. The budget includes a small increase in funding as the State Appellate Defender Office (SADO) continues work on resentencing hearing required by the Supreme Court of the United States.	Gross GF/GP	39,200 39,200
8. Increased Federal Authorization for SADO. The budget includes a small increase in previous-year Federal authorization for competitive grants.	Gross Federal GF/GP	17,500 17,500 0

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

C. PROGRAM ELIMINATIONS

- | | | |
|--|------------------------|------------------------------------|
| <p>1. Cybersecurity for Michigan Supreme Court Website. Previous-year one-time funding is removed for FY 2020-21.</p> | <p>Gross
GF/GP</p> | <p>(1,475,000)
(1,475,000)</p> |
| <p>2. Kalamazoo County Trauma Court. Previous-year funding for this pilot program was not spent in FY 2019-20. The FY 2020-21 budget eliminates this program and shifts its funding to one-time specialty courts.</p> | <p>Gross
GF/GP</p> | <p>(250,000)
(250,000)</p> |

D. PROGRAM REDUCTIONS

- | | | |
|---|------------------------|------------------------------------|
| <p>1. Branch-wide Reductions. The budget includes negotiated reductions in GF/GP for administrative lines, including a hiring freeze.</p> | <p>Gross
GF/GP</p> | <p>(2,000,000)
(2,000,000)</p> |
| <p>2. Swift and Sure Sanctions Program. The budget reduces GF/GP funding for this program by just over 12% to help fund a one-time increase to specialty courts.</p> | <p>Gross
GF/GP</p> | <p>(250,000)
(250,000)</p> |

E. FUNDING SHIFTS - NONE

F. PROGRAM TRANSFERS - NONE

G. OTHER ISSUES

- | | | |
|--|---------------------------------------|--|
| <p>1. Restore FY 2019-20 Reductions. The budget restores previous fiscal year cuts that were made to help balance the statewide budget on account of COVID-19. The specific cuts are shown in PA 144 of 2020. These cuts are not carried over to FY 2020-21, and they are shown here as an increase over the year-to-date as of September 30, 2020.</p> | <p>Gross
Restricted
GF/GP</p> | <p>3,120,000
570,000
2,550,000</p> |
| <p>2. Judicial Tenure Commission Funding. A previous-year increase of \$100,000 in one-time funding is moved to the ongoing line item for the Commission.</p> | <p>Gross
GF/GP</p> | <p>0
0</p> |
| <p>3. Additional FTEs. Funding for an additional 7.0 FTEs previous was provided in PA 56 of 2019, but the FTEs were not added with the supplemental appropriation at that time. The FY 2020-21 budget includes the authorization for these FTEs.</p> | <p>Gross
GF/GP</p> | <p>0
0</p> |

H. UNCLASSIFIED SALARIES - NONE

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

I. FEE INCREASES - NONE

J. ECONOMIC ADJUSTMENTS

The economic adjustment amount includes standard economic factors applied to salaries and wages, retirement, OERCs, 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 effective October 1, 2020, and another 1.0% base wage increase effective April 1, 2021. Nonexclusively represented employees also will receive a 2.0% base wage increase effective October 1, 2020, and another 1.0% base wage increase effective April 1, 2021. There will be no lump-sum adjustments for either classified employees or NEREs in FY 2020-21.

Gross	4,563,600
IDG	1,100
Federal	77,600
Local	154,500
Private	22,300
Restricted	81,600
GF/GP	4,226,500

K. ONE-TIME APPROPRIATIONS

The budget identifies \$1,806,800 of FY 2020-21 one-time appropriations, shifts \$100,000 of appropriations from one-time to ongoing, and eliminates \$3,142,600 of FY 2019-20 one-time appropriations:

	Gross	GF/GP
FY 2020-21 One-Time Appropriations		
Compliance with <i>Montgomery v. Louisiana</i>	\$881,100	\$881,100
Expansion of Problem-Solving Courts	600,000	600,000
Pretrial Risk Assessment	325,700	325,700
Subtotal	\$1,806,800	\$1,806,800
 FY 2020-21 Shift from One-Time to Ongoing		
Judicial Tenure Commission	(\$100,000)	(\$100,000)
Subtotal	(\$100,000)	(\$100,000)

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

FY 2019-20 Elimination of One-Time Appropriations

Supreme Court Website Improvements.....	(\$1,475,000)	(\$1,475,000)
Compliance with <i>Montgomery v. Louisiana</i>	(841,900)	(841,900)
Expansion of Problem-Solving Courts	(400,000)	(400,000)
Pretrial Risk Assessment.....	(325,700)	(325,700)
Judicial Tenure Commission.....	(100,000)	(100,000)
Subtotal.....	(\$3,142,600)	(\$3,142,600)

L. VETOES - NONE

**DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
PA 166 of 2020 – ARTICLE 5**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE	FY 2020-21 GOV.'S REC.	FY 2020-21 INITIAL APPROPS.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
				AMOUNT	PERCENT
FTE Positions	2,531.4	2,533.4	2,545.4	14.0	0.6
GROSS	4,451,388,300	1,385,441,600	1,625,864,300	(2,825,524,000)	(63.5)
Less:					
Interdepartmental Grants Received	0	0	0	0	0.0
ADJUSTED GROSS	4,451,388,300	1,385,441,600	1,625,864,300	(2,825,524,000)	(63.5)
Less:					
Federal Funds	4,107,288,100	953,506,000	1,138,389,800	(2,968,898,300)	(72.3)
Local and Private	12,215,700	12,217,800	22,217,800	10,002,100	81.9
TOTAL STATE SPENDING	331,884,500	419,717,800	465,256,700	133,372,200	40.2
Less:					
Other State Restricted Funds	196,073,800	232,848,300	272,389,100	76,315,300	38.9
GENERAL FUND/GENERAL PURPOSE ...	135,810,700	186,869,500	192,867,600	57,056,900	42.0
PAYMENTS TO LOCALS	37,598,800	37,863,300	39,115,200	1,516,400	4.0

Includes Ongoing and One-time Appropriations as of October 1, 2020

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

A. NEW PROGRAMS

1. Special Grants. The budget includes \$32,038,800 Gross and GF/GP for special grants. Of the total, 33 grants totaling \$31.3 million are included in Michigan Enhancement Grants and one \$750,000 grant is for Graduation Alliance in Going Pro.	Gross GF/GP	32,038,800 32,038,800
2. Michigan Reconnect Grant Program. The budget includes \$30.0 million Gross and Talent Investment Funds with 12.0 additional FTE positions for the Michigan Reconnect Program.	FTE Gross Restricted GF/GP	12.0 30,000,000 30,000,000 0
3. Going Pro. The budget includes \$27,920,700 Gross, \$9,450,800 in Penalties and Interest funds, and \$18,379,900 GF/GP for the Going Pro program.	Gross Restricted GF/GP	27,920,700 9,540,800 18,379,900
4. Pure Michigan. The budget includes \$25.0 million Gross, \$5.0 million in Local funds, \$5.0 million in Private funds, and \$15.0 million GF/GP for Pure Michigan.	Gross Local Private GF/GP	25,000,000 5,000,000 5,000,000 15,000,000
5. Coronavirus Relief Grants. The budget includes \$10.0 million Gross and Federal for eight Coronavirus Relief Grants. The grants include: (1) \$2,452,900 for Wolverine Human Service, (2) \$1,902,300 for Spectrum Human Services, (3) \$81,900 for Orchard's Children Services, (4) \$77,100 for Oakland Family Service, (5) \$85,800 for Ennis Center, (6) \$2.0 million for Hospital UV Air Cleaner Grant, (7) \$400,000 for Michigan Technology University (MTU) COVID Testing, and (8) \$3.0 million for Rapid COVID testing.	Gross Federal GF/GP	10,000,000 10,000,000 0

B. PROGRAM INCREASES

1. Federal Revenue Adjustment. The budget includes a \$174.9 million Gross and Federal revenue increase because of anticipated increases in FY 2020-21. Of the total, \$159,883,800 is for the Unemployment Insurance Agency and \$15.0 million is for the Community Development Block Grant program.	Gross Federal GF/GP	174,883,800 174,883,800 0
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**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

<p>2. Business Attraction and Community Revitalization. The budget includes a \$20,620,100 Gross and 21st Century Jobs Trust Fund increase to Business Attraction and Community Revitalization. Total FY 2020-21 funding is \$100.0 million Gross, \$59,350,000 Restricted, and \$40,650,000 GF/GP.</p>	<p>Gross 20,620,100 Restricted 20,620,100 GF/GP 0</p>
<p>3. First Responders Presumed Coverage Claims. The budget includes a \$3,750,000 Gross increase to First Responders Presumed Coverage Claims. Of the total, the budget includes \$4.0 million from Internet and Sport Gaming because of statute and removes \$250,000 GF/GP.</p>	<p>Gross 3,750,000 Restricted 4,000,000 GF/GP (250,000)</p>
<p>4. Centers for Independent Living. The budget includes a \$3.5 million Gross and GF/GP increase to the Centers for Independent Living. Total FY 2020-21 funding is \$15,531,700 million Gross, \$8,451,600 Federal, \$10,000 Private, and \$7,070,100 GF/GP.</p>	<p>Gross 3,500,000 GF/GP 3,500,000</p>
<p>5. Executive Order 2019-13. The budget includes a \$2,570,100 increase throughout the budget to finalize Executive Order 2019-13, which created the Department of Labor and Economic Opportunity.</p>	<p>Gross 2,570,100 Federal 1,670,300 Restricted 781,600 GF/GP 118,200</p>

C. PROGRAM ELIMINATIONS

<p>1. Removal of FY 2019-20 One-Time Adjustments. The budget includes the removal of FY 2019-20 one-time adjustments, which includes removing \$3,153,528,800 in Gross and Federal funds related to COVID-19, reversing \$6,497,600 Gross and GF/GP one-time reductions from Executive Order 2020-155, and reversing a \$3.0 million Gross and Federal decrease from HB 5265.</p>	<p>Gross (3,144,031,200) Federal (3,150,528,800) GF/GP 6,497,600</p>
<p>2. Grant Removal. The budget includes the removal of FY 2019-20 grants, which includes \$1.0 million to Focus Hope, \$500,000 to Alpena Community College, \$250,000 to Belleville Seawall Project, \$250,000 to Saginaw Community Corrections, and \$250,100 for blight elimination.</p>	<p>Gross (2,250,100) GF/GP (2,250,100)</p>
<p>3. Placeholder Removal. The budget includes the removal of six \$100 placeholders throughout the budget. Of the total, one placeholder was Federal funds, three were Restricted funds, and two were General Fund.</p>	<p>Gross (600) Federal (100) Restricted (300) GF/GP (200)</p>

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

D. PROGRAM REDUCTIONS

1. Technical Adjustment. The budget includes a \$7,753,900 Gross, \$7,691,800 Federal, and \$62,100 Restricted fund reduction through the budget to align with FY 2020-21 projected Federal and restricted revenue.

Gross	(7,753,900)
Federal	(7,691,800)
Restricted	(62,100)
GF/GP	0

2. General Fund Adjustment. The budget includes \$6.0 million Gross and GF/GP reductions throughout the Department, which includes \$3,168,000 to Workforce Development Programs, \$1.0 million to Compensation Supplemental Fund, \$750,000 to Entrepreneurship Eco-system, \$650,000 to Arts and Culture Grants, and \$432,000 to Job Creation Services.

Gross	(6,000,000)
GF/GP	(6,000,000)

E. FUNDING SHIFTS

Business Attractions and Community Revitalization. The budget includes a fund shift of \$10,379,900 from GF/GP to 21st Century Jobs Trust Fund dollars.

Gross	0
Restricted	10,379,900
GF/GP	(10,379,900)

F. PROGRAM TRANSFERS - NONE

G. OTHER ISSUES - NONE

H. UNCLASSIFIED SALARIES

The budget increases Gross funding for the unclassified salaries line item from \$4,067,000 to \$4,073,100.

Gross	6,100
Federal	4,300
Restricted	1,200
GF/GP	600

I. FEE INCREASES - NONE

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

J. ECONOMIC ADJUSTMENTS

The economic adjustment amount includes standard economic factors applied to salaries and wages, retirement, OERCs, 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 effective October 1, 2020, and another 1.0% base wage increase effective April 1, 2021. Nonexclusively represented employees also will receive a 2.0% base wage increase effective October 1, 2020, and another 1.0% base wage increase effective April 1, 2021. There will be no lump-sum adjustments for either classified employees or NEREs in FY 2020-21.

Gross	4,222,200
Federal	2,764,000
Private	2,100
Restricted	1,054,100
GF/GP	402,000

K. ONE-TIME APPROPRIATIONS

The budget identifies \$71,288,800 of FY 2020-21 one-time appropriations, no shifts of appropriations from one-time to ongoing, and eliminates \$3,144,031,200 of FY 2019-20 one-time appropriations:

	Gross	GF/GP
FY 2020-21 One-Time Appropriations		
Coronavirus Relief Fund Grants	\$10,000,000	\$0
Michigan Enhancement Grants	31,288,800	31,288,800
Michigan Reconnect Grant Program	30,000,000	0
Subtotal	\$71,288,800	\$31,288,800
 FY 2019-20 Elimination of One-Time Appropriations		
FY 2019-20 One-Time Adjustments	(\$3,144,031,200)	6,497,600
Subtotal	(\$3,144,031,200)	\$6,497,600

L. VETOES - NONE

**DEPARTMENT OF LEGISLATURE
PA 166 of 2020 – ARTICLE 5**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE	FY 2020-21 GOV.'S REC.	FY 2020-21 INITIAL APPROPS.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
				AMOUNT	PERCENT
FTE Positions	0.0	0.0	0.0	N/A	N/A
GROSS	201,425,900	207,165,400	202,453,800	1,027,900	0.5
Less:					
Interdepartmental Grants Received	6,068,400	6,250,400	6,250,400	182,000	3.0
ADJUSTED GROSS	195,357,500	200,915,000	196,203,400	845,900	0.4
Less:					
Federal Funds	0	0	0	0	0.0
Local and Private	400,000	400,000	400,000	0	0.0
TOTAL STATE SPENDING	194,957,500	200,515,000	195,803,400	845,900	0.4
Less:					
Other State Restricted Funds	6,591,200	6,776,800	6,776,800	185,600	2.8
GENERAL FUND/GENERAL PURPOSE ...	188,366,300	193,738,200	189,026,600	660,300	0.4
PAYMENTS TO LOCALS	0	0	0	0	0.0

Includes Ongoing and One-time Appropriations as of October 1, 2020

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

A. NEW PROGRAMS

Census Tracking and Reapportionment. The budget includes \$340,000 GF/GP for the purchase of equipment, supplies, and services needed for tracking and reporting census and reapportionment information.

Gross	340,000
GF/GP	340,000

B. PROGRAM INCREASES

1. Legislative Auditor General. The budget includes a 2.0% overall increase for the Legislative Auditor General.

Gross	778,100
IDG	182,000
Restricted	62,400
GF/GP	533,700

2. State Capitol Historic Site. The budget includes \$98,700 in restricted funds for restoration, renewal, and maintenance of the State Capitol.

Gross	98,700
Restricted	98,700
GF/GP	0

3. Legislative Retirement System. The budget includes \$24,500 in restricted funds for the Legislative Retirement System.

Gross	24,500
Restricted	24,500
GF/GP	0

C. PROGRAM ELIMINATIONS - NONE

D. PROGRAM REDUCTIONS

Independent Citizens Redistricting Commission. The budget includes a decrease of \$213,400 from Year-to-Date to align Commission appropriations to 25% of the General Fund appropriations to the Department of State, as required by law.

Gross	(213,400)
GF/GP	(213,400)

E. FUNDING SHIFTS - NONE

F. PROGRAM TRANSFERS - NONE

G. OTHER ISSUES - NONE

H. UNCLASSIFIED SALARIES

There are no changes to Unclassified Salaries for FY 2020-21.

I. FEE INCREASES - NONE

J. ECONOMIC ADJUSTMENTS - NONE

K. ONE-TIME APPROPRIATIONS

The budget identifies no one-time appropriations for FY 2020-21 and removes no one-time appropriations made in FY 2019-20.

L. VETOES - NONE

**DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
PA 166 of 2020 – ARTICLE 9**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE	FY 2020-21 GOV.'S REC.	FY 2020-21 INITIAL APPROPS.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
				AMOUNT	PERCENT
FTE Positions	1,819.9	1,827.9	1,827.9	8.0	0.4
GROSS.....	439,682,000	487,589,600	484,389,600	44,707,600	10.2
Less:					
Interdepartmental Grants Received	44,225,300	46,664,600	46,664,600	2,439,300	5.5
ADJUSTED GROSS.....	395,456,700	440,925,000	437,725,000	42,268,300	10.7
Less:					
Federal Funds.....	32,950,400	28,823,700	28,823,700	(4,126,700)	(12.5)
Local and Private	0	0	0	0	0.0
TOTAL STATE SPENDING	362,506,300	412,101,300	408,901,300	46,395,000	12.8
Less:					
Other State Restricted Funds	253,055,400	258,945,700	259,295,700	6,240,300	2.5
GENERAL FUND/GENERAL PURPOSE ...	109,450,900	153,155,600	149,605,600	40,154,700	36.7
PAYMENTS TO LOCALS	102,451,400	137,967,400	137,967,400	35,516,000	34.7

Includes Ongoing and One-time Appropriations as of October 1, 2020

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

A. NEW PROGRAMS

- | | | |
|---|------------------------|--------------------------------|
| <p>1. Michigan Saves Grant. The budget includes \$1.0 million GF/GP for a grant to Michigan Saves, a green bank, to incentivize loans to businesses and individuals for energy-efficiency and renewable energy projects.</p> | <p>Gross
GF/GP</p> | <p>1,000,000
1,000,000</p> |
|---|------------------------|--------------------------------|

B. PROGRAM INCREASES

- | | | |
|--|---------------------------------------|--|
| <p>1. Michigan Indigent Defense Commission (MIDC) Grants. The budget includes \$36.5 million GF/GP in appropriations for MIDC Grants to local court systems.</p> | <p>Gross
GF/GP</p> | <p>36,467,800
36,467,800</p> |
| <p>2. Right-Sizing of Marijuana Programs. The budget includes \$1.7 million in restricted funds for right-sizing and expenditure alignments within the Marijuana Regulatory Agency.</p> | <p>Gross
Restricted
GF/GP</p> | <p>1,698,800
1,698,800
0</p> |
| <p>3. Childcare Licensing Background Checks. The budget includes \$1.3 million in IDG funding for staff background checks at licensed childcare centers.</p> | <p>Gross
IDG
GF/GP</p> | <p>1,300,000
1,300,000
0</p> |
| <p>4. Funding Alignments and FY 2019-20 Year-to-Date Adjustments. The budget includes \$1.0 million Gross and \$2.2 million GF/GP over Year-to-Date in order to align appropriations and expenditures according to technical and programmatic adjustments included in the Executive Recommendation and in consideration of FY 2019-20 reductions.</p> | <p>Gross
Restricted
GF/GP</p> | <p>1,035,300
(1,120,200)
2,155,500</p> |
| <p>5. Corporations, Securities, and Commercial Licensing Bureau. The budget includes an additional \$925,100 in restricted funds to reflect anticipated expenditures by the Bureau.</p> | <p>Gross
Restricted
GF/GP</p> | <p>925,100
925,100
0</p> |
| <p>6. Urban Search and Rescue. The budget included an additional \$399,900 Gross and \$400,000 GF/GP for the Urban Search and Rescue line item. A \$100 restricted fund placeholder was removed.</p> | <p>Gross
Restricted
GF/GP</p> | <p>399,900
(100)
400,000</p> |
| <p>7. Information Technology Increase. The budget includes \$250,000 from the Marijuana Regulation Fund to support the Department's information technology needs.</p> | <p>Gross
Restricted
GF/GP</p> | <p>250,000
250,000
0</p> |

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

8. Fireworks Safety Enforcement. The budget includes \$200,000 from the Fireworks Safety Fund to align appropriations with enforcement-related expenditures in the Bureau of Fire Services.	Gross Restricted GF/GP	200,000 200,000 0
9. Bureau of Professional Licensing. The budget includes an \$80,000 increase in restricted funds to reflect increased legal and enforcement costs in the Bureau of Professional Licensing.	Gross Restricted GF/GP	80,000 80,000 0
10. MIDC Grant Management System. The budget includes \$72,000 GF/GP to support IT costs for the MIDC Grant Management System.	Gross GF/GP	72,000 72,000

C. PROGRAM ELIMINATIONS - NONE

D. PROGRAM REDUCTIONS

1. Property Management. The budget reduces appropriations to the Property Management line item by \$610,300 in restricted funds to align appropriations with expenditures.	Gross Restricted GF/GP	(610,300) (610,300) 0
2. IDG Technical Adjustments. The budget makes technical adjustments to IDG appropriations to align with expenditures and adhere to statutory caps on certain programs.	Gross IDG Restricted GF/GP	(207,300) 297,900 (505,200) 0
3. Corporations, Securities, and Commercial Licensing Bureau. The budget reduces appropriations to the Bureau by \$606,900 in restricted funds. This amount is equal to a contingency fund transfer made in FY 2019-20.	Gross Restricted GF/GP	(606,900) (606,900) 0
4. Removal of FY 2019-20 One-Time Appropriations. The budget does not include \$5.4 million in one-time funding appropriated for FY 2019-20. This amount was comprised of \$3.4 million in Federal funds for COVID-19-related survey and certification expenditures, \$1.4 million in Federal funds for nursing home infection control surveys, \$520,000 in Federal funds for a Refugee Services Database project, and \$10,000 for educational materials on marijuana use.	Gross Federal Restricted GF/GP	(5,354,800) (5,344,800) (10,000) 0

E. FUNDING SHIFTS

1. Bureau of Professional Licensing. The budget includes a net-zero \$550,000 fund shift from GF/GP to restricted funds in the Bureau of Professional Licensing.	Gross	0
	Restricted	550,000
	GF/GP	(550,000)
2. Bureau of Construction Codes. The budget includes a net-zero \$100,000 fund shift from GF/GP to restricted funds in the Bureau of Construction Codes.	Gross	0
	Restricted	100,000
	GF/GP	(100,000)

F. PROGRAM TRANSFERS

1. Executive Order 2019-13. The budget makes adjustments related to the transfer of programs from LARA to LEO in accordance with Executive Order 2019-13.	Gross	(1,096,700)
	IDG	(71,000)
	Federal	(102,600)
	Restricted	(781,600)
	GF/GP	(141,500)

G. OTHER ISSUES

1. Bureau of Community Health Systems Administration Unroll. The budget unrolled the Bureau of Community Health Systems Administration line item into four additional line items.	Gross	0
	GF/GP	0

H. UNCLASSIFIED SALARIES

The budget increases Gross funding for the unclassified salaries line item from \$2,549,000 to \$2,572,400.	Gross	32,000
	IDG	3,300
	Federal	300
	Restricted	27,300
	GF/GP	1,100

I. FEE INCREASES

J. ECONOMIC ADJUSTMENTS

The economic adjustment amount includes standard economic factors applied to salaries and wages, retirement, OERCs, 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 effective October 1, 2020, and another 1.0% base wage increase effective April 1, 2021. Nonexclusively represented employees also will receive a 2.0% base wage increase effective	Gross	9,122,700
	IDG	909,100
	Federal	1,320,400
	Restricted	6,043,400
	GF/GP	849,800

October 1, 2020, and another 1.0% base wage increase effective April 1, 2021. There will be no lump-sum adjustments for either classified employees or NEREs in FY 2020-21.

K. ONE-TIME APPROPRIATIONS

The budget eliminates \$5,354,800 of FY 2019-20 one-time appropriations:

	Gross	GF/GP
FY 2020-21 One-Time Appropriations		
Michigan Saves Green Bank Reserve Fund and Credit.....	\$1,000,000	\$1,000,000
Subtotal.....	\$1,000,000	\$1,000,000
 FY 2019-20 Elimination of One-Time Appropriations		
Centers for Medicare and Medicaid Services.....	(\$3,424,800)	\$0
Nursing Facility Infection Control Surveys.....	(1,400,000)	0
Refugee Services Database.....	(520,000)	0
Marihuana Education.....	(10,000)	0
Subtotal.....	(\$5,354,800)	\$0

L. VETOES - NONE

**DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
PA 166 of 2020 – ARTICLE 10**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE	FY 2020-21 GOV.'S REC.	FY 2020-21 INITIAL APPROPS.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
				AMOUNT	PERCENT
FTE Positions	924.5	1,052.5	1,052.0	127.5	13.8
GROSS	216,214,900	224,342,500	226,092,500	9,877,600	4.6
Less:					
Interdepartmental Grants Received	101,800	101,800	101,800	0	0.0
ADJUSTED GROSS	216,113,100	224,240,700	225,990,700	9,877,600	4.6
Less:					
Federal Funds	118,500,200	123,626,100	123,626,100	5,125,900	4.3
Local and Private	1,627,600	630,000	630,000	(997,600)	(61.3)
TOTAL STATE SPENDING	95,985,300	99,984,600	101,734,600	5,749,300	6.0
Less:					
Other State Restricted Funds	25,001,100	20,313,400	20,313,400	(4,687,700)	(18.7)
GENERAL FUND/GENERAL PURPOSE ...	70,984,200	79,671,200	81,421,200	10,437,000	14.7
PAYMENTS TO LOCALS	4,315,000	2,136,500	4,136,500	(178,500)	(4.1)

Includes Ongoing and One-time Appropriations as of October 1, 2020

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

A. NEW PROGRAMS - NONE

B. PROGRAM INCREASES

<p>1. Armory/Readiness Center at Grayling Army Airfield. The budget includes \$18.9 million for the construction of a new National Guard armory/readiness center for Camp Grayling's Army Airfield, to be funded 100% with Federal funds.</p>	<p>Gross 18,905,000 Federal 18,905,000 GF/GP 0</p>
<p>2. Grand Rapids Home Transition Costs - One Time. The budget includes shifting appropriations of \$13,233,000 GF/GP for the transitional costs of moving operations from the current home to a new facility from ongoing to one-time appropriation status. The transition to the new home is expected to result in an eventual reduction in needed GF/GP funding, and the one-time transition costs will use some of these savings to cover the costs involving moving members to a new facility over the course of FY 2020-21, which require the operation of both the old and new home over this time.</p>	<p>Gross 13,233,000 GF/GP 13,233,000</p>
<p>3. Job ChalleNGe Program. The budget includes an adjustment to align a recently established program—a job training extension of the Youth ChalleNGe Academy—with available Federal funds of \$2,011,000 and necessary authorization for 18.0 FTEs.</p>	<p>FTE 18.0 Gross 2,011,000 Federal 2,011,600 GF/GP 0</p>
<p>4. New Veterans Homes Ongoing Cost Adjustment - Grand Rapids and Chesterfield Township. The budget includes an adjustment (\$1,160,800 Gross, a negative \$5,856,300 Federal, a negative \$631,900 Restricted, and \$7,649,000 GF/GP) to reflect the coming ongoing operating costs of new State veterans homes in Grand Rapids and Chesterfield Township, which are projected to open in FY 2020-21. The budget also includes adding 115.0 FTEs to reflect opening of Chesterfield Township Home.</p>	<p>FTE 115.0 Gross 1,160,800 Federal (5,856,300) Restricted (631,900) GF/GP 7,649,000</p>
<p>5. IT Services Funding Adjustment. The budget includes an adjustment to align revenue with available funds, adding \$121,000 Federal and \$311,300 in Restricted revenue.</p>	<p>Gross 432,300 Federal 121,000 Restricted 311,300 GF/GP 0</p>
<p>6. Veterans Benefit Eligibility Study - One Time. The budget includes GF/GP funding of \$250,000 for a study to assist in identifying Medicaid beneficiaries who also are veterans.</p>	<p>Gross 250,000 GF/GP 250,000</p>

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

C. PROGRAM ELIMINATIONS

1. Board of Managers. The budget included the elimination of Restricted funding for the current veterans homes oversight Board of Managers, and the shifting of all Board funds and responsibilities to the Michigan Veterans Homes Administration line.	Gross Restricted GF/GP	(400,000) (400,000) 0
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D. PROGRAM REDUCTIONS

1. Grand Rapids Home Transition Costs Grand Rapids Home Transition Costs - Ongoing. The budget including the shifting appropriations of \$13,233,000 GF/GP for the transitional costs of moving operations from current home to new facility from ongoing to one-time appropriation status.	Gross GF/GP	(13,233,000) (13,233,000)
2. Technical Adjustment to Reflect FY 2019-20 Budget Adjustments. The budget includes adjustment for FY 2019-20 budget changes made during the year, including those for Executive Orders, supplemental appropriations, and legislative transfers.	Gross Federal Private Restricted GF/GP	(12,149,800) (12,323,000) (597,600) (1,492,500) 2,263,300
3. Technical Adjustment to Align Non-GF/GP Authorization with Projected Revenues.	FTE Gross Federal Restricted GF/GP	(5.5) (6,170,000) (3,008,300) 3,161,700 0
4. Military Retirement. The budget includes a reduction of \$342,000, leaving \$658,000 for FY 2020-21 anticipated retirement payments.	Gross GF/GP	(342,000) (342,000)
5. Michigan Veterans Facility Authority - Efficiencies. The budget includes a reduction of \$250,000 GF/GP.	Gross GF/GP	(250,000) (250,000)
6. Michigan Veterans Affairs Agency - Efficiencies. The budget includes a reduction of \$79,000 GF/GP.	Gross GF/GP	(79,000) (79,000)
7. Headquarters and Armories - Efficiencies. The budget includes a reduction of \$79,000 GF/GP.	Gross GF/GP	(79,000) (79,000)

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

8. Armory Maintenance - One Time. The budget includes the elimination of a one-time appropriation for Armory Maintenance of \$65,000 GF/GP, while maintaining an ongoing appropriation of \$1.0 million GF/GP for Armory Maintenance for FY 2020-21.

Gross	(65,100)
GF/GP	(65,100)

E. FUNDING SHIFTS - NONE

F. PROGRAM TRANSFERS - NONE

G. OTHER ISSUES - NONE

H. UNCLASSIFIED SALARIES

The budget increases Gross funding for the unclassified salaries line item from \$1,558,300 GF/GP to \$1,566,700 GF/GP.

Gross	8,400
GF/GP	8,400

I. FEE INCREASES - NONE

J. ECONOMIC ADJUSTMENTS

The economic adjustment amount includes standard economic factors applied to salaries and wages, retirement, OERCs, 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 effective October 1, 2020, and another 1.0% base wage increase effective April 1, 2021. Nonexclusively represented employees also will receive a 2.0% base wage increase effective October 1, 2020, and another 1.0% base wage increase effective April 1, 2021. There will be no lump-sum adjustments for either classified employees or NEREs in FY 2020-21.

Gross	6,645,000
Federal	5,276,500
Restricted	287,100
GF/GP	1,081,400

K. ONE-TIME APPROPRIATIONS

The budget identifies \$13,483,000 GF/GP of FY 2020-21 one-time appropriations, shifts \$13,233,000 GF/GP of appropriations from ongoing to one-time, and eliminates \$65,100 GF/GP of FY 2019-20 one-time appropriations:

	Gross	GF/GP
FY 2020-21 One-Time Appropriations		
Grand Rapids Home for Veterans Transition	\$13,233,000	\$13,233,000
Veterans Benefit Eligibility Study	250,000	250000
Subtotal	\$13,483,000	\$13,483,000
FY 2020-21 Shift from Ongoing to One-Time		
Grand Rapids Home for Veterans Transition	\$13,233,000	\$13,233,000
Subtotal	\$13,233,000	\$13,233,000
FY 2019-20 Elimination of One-Time Appropriations		
Armory Maintenance.....	(\$65,100)	(\$65,100)
Subtotal	(\$65,100)	(\$65,100)

L. VETOES - NONE

**DEPARTMENT OF NATURAL RESOURCES
PA 166 of 2020 – ARTICLE 11**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE	FY 2020-21 GOV.'S REC.	FY 2020-21 INITIAL APPROPS.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
				AMOUNT	PERCENT
FTE Positions	2,334.1	2,346.1	2,346.1	12.0	0.5
GROSS	448,591,600	468,258,900	469,594,100	21,002,500	4.7
Less:					
Interdepartmental Grants Received	197,200	203,100	203,100	5,900	3.0
ADJUSTED GROSS	448,394,400	468,055,800	469,391,000	20,996,600	4.7
Less:					
Federal Funds	77,055,400	88,453,700	88,453,700	11,398,300	14.8
Local and Private	7,431,600	7,439,200	7,439,200	7,600	0.1
TOTAL STATE SPENDING	363,907,400	372,162,900	373,498,100	9,590,700	2.6
Less:					
Other State Restricted Funds	318,768,600	322,800,800	322,800,800	4,032,200	1.3
GENERAL FUND/GENERAL PURPOSE ...	45,138,800	49,362,100	50,697,300	5,558,500	12.3
PAYMENTS TO LOCALS	8,122,200	8,659,300	10,409,300	2,287,100	28.2

Includes Ongoing and One-time Appropriations as of October 1, 2020

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

A. NEW PROGRAMS

- | | | |
|---|------------------------|--------------------------------|
| <p>1. Milliken Visitor Center. The budget includes one-time GF/GP to support the construction of a new visitor center on Mackinac Island near Arch Rock.</p> | <p>Gross
GF/GP</p> | <p>2,500,000
2,500,000</p> |
| <p>2. Marine Patrol Grants. The budget includes an additional \$1,750,000 GF/GP for grants to county sheriffs for marine safety patrols. Grants are a maximum of \$100,000 each.</p> | <p>Gross
GF/GP</p> | <p>1,750,000
1,750,000</p> |

B. PROGRAM INCREASES

- | | | |
|--|--|--|
| <p>1. Increase Good Neighbor Authorization. The budget includes additional Federal spending authority to hire 7.0 FTEs to support growing timber sales. Funding will support contracted projects for tree planting, forest inventory and botany surveys, vegetation management, invasive species control, and wildlife habitat restoration.</p> | <p>FTE
Gross
Federal
GF/GP</p> | <p>7.0
8,143,400
8,143,400
0</p> |
| <p>2. Newberry Mass Timber Building. The budget includes an increase in Forest Development Funds to support a new 32,000 sq. ft. multidivision building in Newberry to consolidate space for staff and to create heated and cold storage space.</p> | <p>Gross
Restricted
GF/GP</p> | <p>5,000,000
5,000,000
0</p> |
| <p>3. Shooting Range Development, Enhancement, and Restoration. The budget includes one-time Federal authorization for improvements to existing firearm and archery ranges through the State, as well as restoration of areas where unsanctioned target shooting is occurring.</p> | <p>Gross
Federal
Private
GF/GP</p> | <p>4,400,000
4,000,000
400,000
0</p> |
| <p>4. Northern Lower Michigan Deer Private Land Assistance Network. The budget includes additional GF/GP for this program.</p> | <p>Gross
GF/GP</p> | <p>145,800
145,800</p> |
| <p>5. Fish Hatchery Infrastructure Improvement. The budget includes increased Game and Fish Protection fund authorization to address the backlog of deferred maintenance projects at the State's six fish production facilities.</p> | <p>Gross
Restricted
GF/GP</p> | <p>2,500,000
2,500,000
0</p> |
| <p>6. Repair and Replace Aging Wildfire Equipment. The budget includes \$375,000 in ongoing Forest Development Funds to support 1.0 FTE mechanic position and \$1.0 million in one-time Forest Development Funds for fire equipment repair and new equipment purchase and modification for increasing firefighting demands.</p> | <p>FTE
Gross
Restricted
GF/GP</p> | <p>1.0
1,375,000
1,375,000
0</p> |

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

7. Wetland Restoration, Enhancement, and Acquisition. The budget includes an increase in Waterfowl Hunt Stamp authorization to acquire wetland/waterfowl property throughout the State with an emphasis on southern Michigan, as well as to restore existing wetlands around the State.	Gross Restricted GF/GP	1,000,000 1,000,000 0
8. Improve State Park Employee Retention. The budget includes an increase in Restricted authorization to create new park supervisor positions and to support the reclassification of existing supervisor positions.	FTE Gross Restricted GF/GP	4.0 567,800 567,800 0
9. Improve Sustainability of Cedar Forests. The budget includes one-time Forest Development Fund authorization to support research to explore alternatives needed to diversify the age of white cedar stands.	Gross Restricted GF/GP	500,000 500,000 0
10. State and Local Boating Infrastructure Maintenance and Improvements. The budget includes an increase in Michigan State Waterways authorization to allow the DNR to partner with local communities in the repair, maintenance, development, and expansion of 63 locally owned mooring facilities and 183 locally owned boating access sites.	Gross Restricted GF/GP	500,000 500,000 0
11. Minimum Wage Increase. The budget includes additional restricted authorization to support a minimum wage increase scheduled to occur January 1, 2021, for short-term workers.	Gross Restricted GF/GP	277,500 277,500 0
12. Increase Belle Isle Authorization. The budget includes increased authorization to align spending authority with projected revenue for the Park Improvement - Belle Isle subaccount.	Gross Restricted GF/GP	200,000 200,000 0
13. Increase Sportsmen Against Hunger Authorization. The budget includes an increase in spending authority to process and transport increased venison donations to local food banks and shelters.	Gross Restricted GF/GP	173,600 173,600 0

C. PROGRAM ELIMINATIONS - NONE

D. PROGRAM REDUCTIONS

1. Chronic Wasting Disease Reduction. The budget includes a \$1.0 million GF/GP reduction to Wildlife Management to reduce funding for Chronic Wasting Disease.	Gross GF/GP	(1,000,000) (1,000,000)
--	----------------	----------------------------

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

- | | | |
|--|-------------------|--------------------|
| <p>2. Recognize Conservation Officer Travel Savings. The budget includes GF/GP savings to reflect the permanent assignment of conservation officers to Belle Isle State Park.</p> | <p>Gross</p> | <p>(91,700)</p> |
| | <p>GF/GP</p> | <p>(91,700)</p> |
| <p>3. State Parks Repair and Maintenance Adjustment. The budget includes an adjustment to the Restricted funds that support the program. These adjustments are made annually by the Department based on needs and projected revenue.</p> | <p>Gross</p> | <p>(1,975,000)</p> |
| | <p>Restricted</p> | <p>(1,975,000)</p> |
| | <p>GF/GP</p> | <p>0</p> |
| <p>4. Forest Development Infrastructure Adjustment. The budget includes an adjustment to Forest Development Funds that support the program. These adjustments are made annually by the Department based on needs and projected revenue.</p> | <p>Gross</p> | <p>(1,650,000)</p> |
| | <p>Restricted</p> | <p>(1,650,000)</p> |
| | <p>GF/GP</p> | <p>0</p> |

E. FUNDING SHIFTS

- | | | |
|---|-------------------|------------------|
| <p>Replace Private Funds with Michigan Historical Center Operations Fund. The budget replaces private fund authorization with Michigan Historical Center Operations Fund. This change was made because of statutory changes that now require certain revenue received by the Michigan Historical Center to be credited to its operations fund.</p> | <p>Gross</p> | <p>0</p> |
| | <p>Private</p> | <p>(396,200)</p> |
| | <p>Restricted</p> | <p>396,200</p> |
| | <p>GF/GP</p> | <p>0</p> |

F. PROGRAM TRANSFERS - NONE

G. OTHER ISSUES

- | | | |
|--|-------------------|------------------|
| <p>1. Northeast Lower Michigan Doe License Discount. The budget includes \$505,000 GF/GP to replace lost revenue from a discount on antlerless deer licenses sold in deer management units 452 and 487.</p> | <p>Gross</p> | <p>505,000</p> |
| | <p>GF/GP</p> | <p>505,000</p> |
| <p>2. Michigan Conservation Corps Restoration. The budget includes GF/GP funds to restore the program. The program had been funded for several years at \$1.0 million per year but was removed during FY 2019-20.</p> | <p>Gross</p> | <p>934,400</p> |
| | <p>GF/GP</p> | <p>934,400</p> |
| <p>3. Other Changes. The budget includes other changes including debt service and the removal of fund authorization no longer needed.</p> | <p>Gross</p> | <p>(118,500)</p> |
| | <p>IDG</p> | <p>200</p> |
| | <p>Restricted</p> | <p>(118,700)</p> |
| | <p>GF/GP</p> | <p>0</p> |

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

4. Remove FY 2019-20 Supplemental and One-Time Appropriations. The budget removes various one-time and supplemental items that were included in the FY 2019-20 budget that were not intended to be carried forward into the next fiscal year. This includes the reversal of changes made from Executive Reduction Order 2020-155.

Gross	(12,106,200)
Federal	(1,554,200)
Restricted	(10,198,200)
GF/GP	(353,800)

H. UNCLASSIFIED SALARIES

The budget increases Gross funding for the unclassified salaries line item from \$824,200 to \$828,600.

Gross	4,400
Restricted	4,400
GF/GP	0

I. FEE INCREASES - NONE

J. ECONOMIC ADJUSTMENTS

The economic adjustment amount includes standard economic factors applied to salaries and wages, retirement, OERCs, 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 effective October 1, 2020, and another 1.0% base wage increase effective April 1, 2021. Nonexclusively represented employees also will receive a 2.0% base wage increase effective October 1, 2020, and another 1.0% base wage increase effective April 1, 2021. There will be no lump-sum adjustments for either classified employees or NEREs in FY 2020-21.

Gross	7,467,000
IDG	5,700
Federal	809,100
Private	3,800
Restricted	5,479,600
GF/GP	1,168,800

K. ONE-TIME APPROPRIATIONS

The budget identifies \$8.4 million of FY 2020-21 one-time appropriations and eliminates \$2.0 million of FY 2019-20 one-time appropriations:

	<u>Gross</u>	<u>GF/GP</u>
FY 2020-21 One-Time Appropriations		
Forest fire equipment.....	\$1,000,000	\$0
Cedar forest sustainability	500,000	0
Milliken Visitors Center	2,500,000	2,500,000
Shooting range development.....	4,400,000	0
Subtotal.....	\$8,400,000	\$2,500,000

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

FY 2019-20 Elimination of One-Time Appropriations

Wildlife fisheries and health study	(\$100)	(\$100)
Wildlife management	(2,000,000)	(2,000,000)
Subtotal	(\$2,000,100)	(\$2,000,100)

L. VETOES - NONE

**SCHOOL AID
PA 165 of 2020 – ARTICLE I**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE	FY 2020-21 GOV.'S REC.	FY 2020-21 INITIAL APPROPS.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
				AMOUNT	PERCENT
FTE Positions	0.0	0.0	0.0	N/A	N/A
GROSS	16,010,551,700	15,923,137,100	15,525,164,800	(485,386,900)	(3.0)
Less:					
Interdepartmental Grants Received	0	0	0	0	0.0
ADJUSTED GROSS	16,010,551,700	15,923,137,100	15,525,164,800	(485,386,900)	(3.0)
Less:					
Federal Funds	2,958,903,000	1,806,878,500	1,806,878,500	(1,152,024,500)	(38.9)
Local and Private	0	0	0	0	0.0
TOTAL STATE SPENDING	13,051,648,700	14,116,258,600	13,718,286,300	666,637,600	5.1
Less:					
Other State Restricted Funds	12,946,988,700	14,036,258,600	13,667,321,700	720,333,000	5.6
GENERAL FUND/GENERAL PURPOSE ...	104,660,000	80,000,000	50,964,600	(53,695,400)	(51.3)
PAYMENTS TO LOCALS	12,845,578,900	13,908,147,100	13,546,289,200	700,710,300	5.5

Includes Ongoing and One-time Appropriations as of October 1, 2020

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

A. NEW PROGRAMS

<p>1. One-Time Per-Pupil Payment. The budget includes \$95.0 million to provide one-time per-pupil payments estimated at \$65 based on a '50/50' blend, in which a 50% weight is applied to a district's FY 2019-20 membership and a 50% weight is applied to what the district's FY 2020-21 pupil membership would have been under a traditional 90/10 blend.</p>	<p>Gross 95,000,000 Restricted 95,000,000 GF/GP 0</p>
<p>2. Per-Pupil Payment for Growing Districts. The budget includes \$66.0 million to provide foundation allowance payments for a district whose pupil membership in FY 2020-21 based on the 'traditional' 90/10 blend exceeds the district's 'superblend' (75% weight on FY 2019-20 pupil membership, 25% weight on 'traditional' 90/10 blend for FY 2020-21).</p>	<p>Gross 66,000,000 Restricted 66,000,000 GF/GP 0</p>
<p>3. Teacher Retention Incentives. The budget includes a program designed to provide grants to incentivize new teachers to remain in the teaching profession.</p>	<p>Gross 5,000,000 Restricted 5,000,000 GF/GP 0</p>
<p>4. Michigan Education Corps. The budget includes funding for the Michigan Education Corps, including the Reading Corps and Math Corps.</p>	<p>Gross 2,773,000 GF/GP 2,773,000</p>
<p>5. Attendance Recovery. The budget includes funding for an attendance recovery program offered by Graduation Alliance.</p>	<p>Gross 2,000,000 GF/GP 2,000,000</p>
<p>6. Virtual Learning Supports. The budget includes funding for a program to provide wraparound virtual learning supports.</p>	<p>Gross 2,000,000 Restricted 2,000,000 GF/GP 0</p>
<p>7. Education Value-Added Assessment System. The budget includes funding for a model value-added analytics program that tracks the performance of students on assessments.</p>	<p>Gross 2,000,000 GF/GP 2,000,000</p>
<p>8. Detroit Public Television (DPTV) Online Curriculum through Northern Michigan University. The budget includes funding for DPTV (through Northern Michigan) to provide 24/7 curriculum on public television stations.</p>	<p>Gross 2,000,000 Restricted 2,000,000 GF/GP 0</p>
<p>9. Imagine Learning. The budget includes funding for Imagine Learning to provide online content for math and literacy.</p>	<p>Gross 1,500,000 GF/GP 1,500,000</p>

		FY 2020-21 Change From FY 2019-20 Year-to-Date	
10. School Meal Debt.	The budget includes funding to reimburse districts that forgive student school meal debt.	Gross Restricted GF/GP	1,000,000 1,000,000 0
11. Benton Harbor Three-Year Average Pupil Count.	The budget includes a provision for Benton Harbor schools to use a three-year average pupil count to mitigate declining enrollment.	Gross Restricted GF/GP	1,000,000 1,000,000 0
12. Boys and Girls Club.	The budget includes funding for the Boys and Girls Club to provide early literacy and academic support to at-risk youth.	Gross GF/GP	1,000,000 1,000,000
13. Algebra Nation.	The budget includes funding for Algebra Nation to provide online algebra support.	Gross GF/GP	1,000,000 1,000,000
14. Teach for America.	The budget includes funding for Teach for America to host summer training institutes and recruit teachers into master teacher fellowships.	Gross GF/GP	1,000,000 1,000,000
15. Orton-Gillingham Dyslexia Tool for Districts.	The budget includes funding to districts to purchase dyslexia tools from Orton-Gillingham.	Gross GF/GP	500,000 500,000
16. Chaldean Community Foundation.	The budget includes funding for the Chaldean Community Foundation to support early literacy, adult education, and other areas.	Gross GF/GP	500,000 500,000
17. Digital Literacy Training.	The budget includes funding for Learning.com to provide training in digital literacy.	Gross GF/GP	500,000 500,000
18. Fitness Foundation.	The budget includes funding for the Fitness Foundation to work with the MDE to invest in a physical education curriculum.	Gross GF/GP	400,000 400,000
19. Children's Choice Initiative.	The budget includes funding for Children's Choice Initiative to use multisensory structured language education method to improve reading proficiency rates.	Gross GF/GP	250,000 250,000
20. Conductive Learning Center.	The budget includes funding for the Conductive Learning Center at Aquinas College to support ongoing operations.	Gross GF/GP	250,000 250,000

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

21. Women in Technology. The budget includes funding for Women in Technology to support middle and high school girls in a comprehensive technology-focused curriculum.	Gross GF/GP	150,000 150,000
22. Study of Virtual Learning. The budget includes funding for a study of virtual learning that occurs during the pandemic.	Gross GF/GP	150,000 150,000
23. Michigan Industrial Technology Education Society (MITES). The budget includes funding for MITES for industrial and technological education and workforce preparation.	Gross GF/GP	50,000 50,000
24. Placeholder for Connecting Information in Education Commission. The budget includes \$100 as a placeholder for the creation of the Connecting Information in Education Commission.	Gross GF/GP	100 100

B. PROGRAM INCREASES

1. Restoration of \$175 Per-Pupil Reduction to State Aid. The FY 2019-20 budget included a \$175 per-pupil reduction in overall State aid. The FY 2020-21 budget does not continue that reduction, and so full funding is restored for FY 2020-21.	Gross Restricted GF/GP	256,000,000 256,000,000 0
2. MPSERS Rate Cap Cost Adjustment. The budget includes increased funding for the MPSERS rate cap primarily because of costs determined in the most recent actuarial study. Total funding for the MPSERS rate cap is roughly \$1.2 billion.	Gross Restricted GF/GP	188,900,000 188,900,000 0
3. Non-COVID Federal Grants. The budget recognizes increases in non-COVID Federal grants anticipated for the budget year.	Gross Federal GF/GP	57,300,000 57,300,000 0
4. Special Education Cost Adjustments. The budget includes increased funding for State special education costs to satisfy mandated reimbursement percentages. Total State special education funding is roughly \$1.1 billion.	Gross Restricted GF/GP	55,300,000 55,300,000 0
5. MPSERS Additional Normal and DC Costs (PA 92 of 2017). The budget increases from \$28.4 million to \$51.4 million the amount of funding to pay the additional normal and defined contribution costs resulting from Public Act 92 of 2017.	Gross Restricted GF/GP	23,029,000 23,029,000 0

		FY 2020-21 Change From FY 2019-20 Year-to-Date	
6. School Mental Health Grants.	The budget increases from \$30.0 million to \$35.6 million the amount of funding distributed to intermediate districts and child and adolescent health centers for school mental health grants.	Gross Restricted GF/GP	5,600,000 5,600,000 0
7. State Assessments.	The budget restores the \$6.0 million cut that occurred in FY 2019-20 due to assessments not being administered, and then reduces funding for the Kindergarten Readiness Assessment by \$1.0 million to recognize it not being administered statewide in Fall 2020.	Gross Restricted GF/GP	5,000,000 5,000,000 0
8. Cash Flow Borrowing Costs.	The budget includes an increase of \$4.4 million (from \$7.0 million to \$11.4 million) for cash flow borrowing costs.	Gross Restricted GF/GP	4,400,000 4,400,000 0
9. Literacy Essentials.	The budget includes an increase (from \$1.0 million to \$4.0 million) for literacy essentials related to early literacy.	Gross Restricted GF/GP	3,000,000 3,000,000 0
10. Promise Zones.	The budget includes an increase of \$2.3 million (from \$7.4 million to \$9.7 million) for the cost of Promise Zones.	Gross Restricted GF/GP	2,300,000 2,300,000 0
11. 10 Cents a Meal.	The budget funds 10 Cents a Meal at a total of \$2.0 million, and fund sources it at \$1.8 million School Aid Fund and \$200,000 GF/GP. (Fiscal year 2019-20 funding was \$575,000 GF/GP.)	Gross Restricted GF/GP	1,425,000 1,800,000 (375,000)
12. Michigan Virtual High School.	The budget restores funding for the Michigan Virtual High School back to its FY 2018-19 level (\$7.5 million).	Gross GF/GP	1,187,500 1,187,500
13. Robotics.	The budget restores the \$800,000 cut that robotics was given in FY 2019-20 and splits the restoration into \$300,000 for nonpublic schools and the remainder for public schools. In total, public schools receive \$4.4 million for robotics grants and nonpublic schools receive \$300,000.	Gross Restricted GF/GP	800,000 500,000 300,000
14. Center for Educational Performance and Information (CEPI).	The budget restores the \$411,400 cut that CEPI was given during FY 2019-20.	Gross GF/GP	411,400 411,400
15. Advanced Placement (AP) Incentives.	The budget increases from \$1.0 million to \$1.2 million the amount of funding for AP incentives that reimburses low-income students for test fees.	Gross GF/GP	200,000 200,000

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

<p>16. Partnership Model Districts. The budget adds \$137,400 to the baseline \$6.0 million appropriation for partnership model districts, and earmarks that funding for the purchase of data analytics products like Eidex or Munetrix, for example.</p>	<p>Gross 137,400 Restricted 137,400 GF/GP 0</p>
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<p>17. Payments in Lieu of Taxes (PILT). The budget includes a slight increase for PILT, with total funding of roughly \$4.6 million.</p>	<p>Gross 3,900 Restricted 3,900 GF/GP 0</p>
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C. PROGRAM ELIMINATIONS

<p>1. Summer Reading Grants. The budget eliminates summer reading grants to districts.</p>	<p>Gross (5,000,000) Restricted (5,000,000) GF/GP 0</p>
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<p>2. Autism Intervention (PLAY Project). The budget eliminates an autism intervention project.</p>	<p>Gross (350,000) GF/GP (350,000)</p>
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<p>3. Multisensory Education. The budget eliminates a program for multisensory education.</p>	<p>Gross (300,000) Restricted (300,000) GF/GP 0</p>
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D. PROGRAM REDUCTIONS

<p>1. Removal of One-Time CARES Act Funding. The budget removes one-time CARES Act funding that was being tracked as Federal School Aid under 'receive and expend' authority found in Public Act 67 of 2020.</p>	<p>Gross (697,324,500) Federal (697,324,500) GF/GP 0</p>
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<p>2. Removal of One-Time CRF Per-Pupil Payments. The budget removes one-time CRF money that had provided \$350 per pupil to districts in FY 2019-20.</p>	<p>Gross (512,000,000) Federal (512,000,000) GF/GP 0</p>
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<p>3. Technical Cost Adjustments to the Foundation Allowance. The budget includes savings due to declining pupils and growing taxable values.</p>	<p>Gross (45,000,000) Restricted (45,000,000) GF/GP 0</p>
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**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

4. Reduction in MPSERS Normal Costs Due to Change in Distribution. The budget includes savings due to changing how payments for MPSERS normal costs are distributed.

Gross	(16,863,000)
Restricted	(16,850,000)
GF/GP	(13,000)

E. FUNDING SHIFTS

The budget includes a fund shift from GF/GP to School Aid Fund revenue.

Gross	0
Restricted	69,471,100
GF/GP	(69,471,100)

F. PROGRAM TRANSFERS - NONE

G. OTHER ISSUES - NONE

H. UNCLASSIFIED SALARIES - NONE

I. FEE INCREASES - NONE

J. ECONOMIC ADJUSTMENTS

The economic adjustment amount includes standard economic factors applied to salaries and wages, retirement, OERCs, 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 effective October 1, 2020, and another 1.0% base wage increase effective April 1, 2021. Nonexclusively represented employees also will receive a 2.0% base wage increase effective October 1, 2020, and another 1.0% base wage increase effective April 1, 2021. There will be no lump-sum adjustments for either classified employees or NEREs in FY 2020-21.

Gross	433,300
Restricted	41,600
GF/GP	391,700

K. ONE-TIME APPROPRIATIONS

The budget identifies \$95,000,000 of FY 2020-21 one-time appropriations and eliminates \$650,000 of FY 2019-20 one-time appropriations:

	Gross	GF/GP
FY 2020-21 One-Time Appropriations		
Per-Pupil Payments	\$95,000,000	\$0
Subtotal	\$95,000,000	\$0
FY 2019-20 Elimination of One-Time Appropriations		
Autism intervention	(\$350,000)	(\$350,000)
Multisensory education	(300,000)	0
Subtotal	(\$650,000)	(\$350,000)

L. VETOES

Line Item or Boilerplate Language	Gross	GF/GP
Reimbursement for mandates on nonpublic schools.....	\$100	\$100
Subtotal	\$100	\$100

**DEPARTMENT OF STATE
PA 166 of 2020 – ARTICLE 5**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE	FY 2020-21 GOV.'S REC.	FY 2020-21 INITIAL APPROPS.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
				AMOUNT	PERCENT
FTE Positions	1,586.0	1,596.0	1,586.0	0.0	0.0
GROSS	276,651,600	256,087,500	254,297,500	(22,354,100)	(8.1)
Less:					
Interdepartmental Grants Received	20,000,000	20,000,000	20,000,000	0	0.0
ADJUSTED GROSS	256,651,600	236,087,500	234,297,500	(22,354,100)	(8.7)
Less:					
Federal Funds	26,616,800	1,460,000	1,460,000	(25,156,800)	(94.5)
Local and Private	50,100	50,100	50,100	0	0.0
TOTAL STATE SPENDING	229,984,700	234,577,400	232,787,400	2,802,700	1.2
Less:					
Other State Restricted Funds	217,831,700	215,490,200	220,189,900	2,358,200	1.1
GENERAL FUND/GENERAL PURPOSE ...	12,153,000	19,087,200	12,597,500	444,500	3.7
PAYMENTS TO LOCALS	1,127,500	1,041,800	1,041,800	(85,700)	(7.6)

Includes Ongoing and One-time Appropriations as of October 1, 2020

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

A. NEW PROGRAMS - NONE

B. PROGRAM INCREASES

Reversal of FY 2019-20 Reductions. The budget includes \$1,098,200 GF/GP in order to fund the Department at initial FY 2019-20 levels; \$1.1 million GF/GP was removed through Executive Order 2020-155.

Gross	1,098,200
GF/GP	1,098,200

C. PROGRAM ELIMINATIONS - NONE

D. PROGRAM REDUCTIONS

1. Help America Vote Act (HAVA) FY 2019-20 Supplemental Funding. The budget includes the removal of FY 2019-20 additional funding totaling \$13.9 million in Federal HAVA funding that was provided in PA 166 of 2020 for election security improvements to the election system, equipment, and processes used in Federal elections in support of local and county elections officials. A minimum of \$200,000 of the funding is required to be used to reimburse local and county elections clerks for election drop box security costs for the November 2020 general election.

Gross	(13,909,000)
Federal	(13,909,000)
GF/GP	0

2. Removal of FY 2019-20 Supplemental Funding. The budget includes the removal of a total of \$13.4 million (\$200,000 GF/GP) in order to fund the Department at initial FY 2019-20 levels. \$11.2 million was added for Federal COVID-19 funds and an additional \$2.2 million was added in additional contingency restricted funds.

Gross	(13,447,800)
Federal	(11,247,800)
Restricted	(2,400,000)
GF/GP	200,000

3. Branch Operations. The budget includes a reduction of \$870,000 because of administrative savings per target agreement.

Gross	(870,000)
GF/GP	(870,000)

4. Information Technology. The budget includes a reduction of \$130,000 because administrative savings per target agreement.

Gross	(130,000)
GF/GP	(130,000)

E. FUNDING SHIFTS

Enhanced Driver License Revenue. The budget includes a shift in revenues between restricted revenue and GF/GP by replacing \$663,200 in GF/GP revenues with restricted revenue from increased enhanced driver license fee revenue.

Gross	0
Restricted	663,200
GF/GP	(663,200)

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

F. PROGRAM TRANSFERS - NONE

G. OTHER ISSUES - NONE

H. UNCLASSIFIED SALARIES

The budget increases Gross funding for the unclassified salaries line item from \$687,400 to \$691,100.

Gross	3,700
GF/GP	3,700

I. FEE INCREASES - NONE

J. ECONOMIC ADJUSTMENTS

The economic adjustment amount includes standard economic factors applied to salaries and wages, retirement, OERCs, 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 effective October 1, 2020, and another 1.0% base wage increase effective April 1, 2021. Nonexclusively represented employees also will receive a 2.0% base wage increase effective October 1, 2020, and another 1.0% base wage increase effective April 1, 2021. There will be no lump-sum adjustments for either classified employees or NEREs in FY 2020-21.

Gross	4,900,800
Restricted	4,095,000
GF/GP	805,800

K. ONE-TIME APPROPRIATIONS - NONE

L. VETOES - NONE

**DEPARTMENT OF STATE POLICE
PA 166 of 2020 – ARTICLE 12**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE	FY 2020-21 GOV.'S REC.	FY 2020-21 INITIAL APPROPS.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
				AMOUNT	PERCENT
FTE Positions	3,580.0	3,546.0	3,596.0	16.0	0.4
GROSS	1,301,816,700	735,585,500	738,085,500	(563,731,200)	(43.3)
Less:					
Interdepartmental Grants Received	24,933,900	24,649,000	24,649,600	(284,300)	(1.1)
ADJUSTED GROSS	1,276,882,800	710,936,500	713,435,900	(563,446,900)	(44.1)
Less:					
Federal Funds	753,291,800	78,682,000	124,103,800	(629,188,000)	(83.5)
Local and Private	6,801,200	4,876,200	4,876,200	(1,925,000)	(28.3)
TOTAL STATE SPENDING	516,789,800	627,378,300	584,455,900	67,666,100	13.1
Less:					
Other State Restricted Funds	152,851,600	143,001,700	145,079,300	(7,772,300)	(5.1)
GENERAL FUND/GENERAL PURPOSE ...	363,938,200	484,376,600	439,376,600	75,438,400	20.7
PAYMENTS TO LOCALS	16,078,600	13,899,900	13,899,900	(2,178,700)	(13.6)

Includes Ongoing and One-time Appropriations as of October 1, 2020

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

A. NEW PROGRAMS - NONE

B. PROGRAM INCREASES

- | | |
|--|---|
| <p>1. Jail and Pretrial Incarceration Training - One Time. The budget includes one-time appropriations of \$4.2 million GF/GP for the Michigan Council on Law Enforcement Standards (MCOLES) to train various law enforcement personnel relating to task force recommendation 7 ("provide behavioral health crisis response training for law enforcement, dispatch, and jail officers") and recommendation 17 ("invest in services and supports for crime victims").</p> | <p>Gross 4,200,000
GF/GP 4,200,000</p> |
| <p>2. Annualization of FY 2019-20 Trooper School Cost. The budget includes \$2,012,200 GF/GP funding for the full-year costs of FY 2019-20 trooper recruit school graduates.</p> | <p>Gross 2,012,200
GF/GP 2,012,200</p> |
| <p>3. Attrition Trooper School Cost - One Time. The budget includes funding of \$2,509,100 GF/GP for training costs for two trooper schools that would total 120 graduates (one to start in January; the second in July) and thus maintain enlisted strength at current levels. Additional ongoing and one-time costs of these schools (approximately \$15.0 million GF/GP) would be funded by existing revenue in the FY20 base made available because of projected attrition from enlisted personnel, mostly through retirements.</p> | <p>Gross 2,509,100
GF/GP 2,509,100</p> |
| <p>4. Additional Trooper School - Ongoing and One Time Costs. The budget includes new funding for an additional trooper school to graduate 50, providing \$1.0 million GF/GP in one-time and \$3.5 million GF/GP in ongoing funds. The projected 170 recruit school grads for FY 2020-21 — including the attrition and new schools — is projected to result in an estimated total of 2,018 enlisted personnel for MSP, the highest such total since 2003.</p> | <p>FTE 50.0
Gross 4,500,000
GF/GP 4,500,000</p> |

C. PROGRAM ELIMINATIONS

- | | |
|---|--|
| <p>1. FY 2019-20 Trooper School - One Time Cost. The budget includes the elimination of the one-time cost of FY 2018-20 trooper schools,</p> | <p>Gross (5,321,600)
GF/GP (5,321,600)</p> |
| <p>2. In-Car Camera Video Streaming Network - One Time. The budget includes the elimination of the one-time project to enable live cyber transmissions of trooper in-dash cameras.</p> | <p>Gross (2,766,500)
GF/GP (2,766,500)</p> |
| <p>3. Sexual Assault Prevention and Education Initiative - One Time. The budget includes the elimination of the one-time project.</p> | <p>Gross (1,321,000)
GF/GP (1,321,000)</p> |

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

- | | | |
|---|--------------|--------------|
| <p>4. First Responder Communications Network. The budget includes the elimination of the one-time placeholder appropriation that would have supported local public safety communication.</p> | <p>Gross</p> | <p>(100)</p> |
| | <p>GF/GP</p> | <p>(100)</p> |

D. PROGRAM REDUCTIONS

- | | | |
|---|--------------|--------------------|
| <p>1. Commercial Vehicle Enforcement. The budget includes the removal of \$1.0 million GF/GP from the Commercial Vehicle Enforcement Division, used to support hometown security team participation.</p> | <p>Gross</p> | <p>(1,000,000)</p> |
| | <p>GF/GP</p> | <p>(1,000,000)</p> |

- | | | |
|---|-------------------|--------------------|
| <p>2. Technical Adjustment to Align Non-GF/GP Authorization with Projected Revenues.</p> | <p>FTE</p> | <p>(36.0)</p> |
| | <p>Gross</p> | <p>(489,300)</p> |
| | <p>Federal</p> | <p>2,300,000</p> |
| | <p>Local</p> | <p>19,300</p> |
| | <p>Restricted</p> | <p>(2,808,600)</p> |
| | <p>GF/GP</p> | <p>0</p> |

- | | | |
|---|-------------------|--------------------|
| <p>3. Technical Adjustment to Reflect FY 2019-20 Formal Legislative Budget Actions. The budget includes adjustment for FY 2019-20 budget changes made during the year, including those for executive orders, supplemental appropriations, and legislative transfers.</p> | <p>Gross</p> | <p>108,570,100</p> |
| | <p>Restricted</p> | <p>(3,193,400)</p> |
| | <p>GF/GP</p> | <p>111,763,500</p> |

- | | | |
|--|-------------------|----------------------|
| <p>4. Adjustment to Reflect FY 2019-20 Disaster Assistance/COVID-19 Relief Fund Supplemental Boilerplate Appropriations. The budget includes an adjustment to reflect COVID-19 disaster relief boilerplate appropriations, per Public Act 67 of 2020.</p> | <p>Gross</p> | <p>(682,063,300)</p> |
| | <p>Federal</p> | <p>(677,563,300)</p> |
| | <p>Local</p> | <p>(2,000,000)</p> |
| | <p>Restricted</p> | <p>(2,500,000)</p> |
| | <p>GF/GP</p> | <p>0</p> |

E. FUNDING SHIFTS

- | | | |
|---|-------------------|--------------------|
| <p>1. State Services Fee Funds Shift to GF/GP. The budget includes a shift of \$1.9 million in Casino Gaming revenue support to GF/GP, to reflect a declining fund source.</p> | <p>Gross</p> | <p>0</p> |
| | <p>Restricted</p> | <p>(1,900,000)</p> |
| | <p>GF/GP</p> | <p>1,900,000</p> |

- | | | |
|--|-------------------|--------------------|
| <p>2. Michigan Commission on Law Enforcement Standards. The budget includes a shift from \$1.0 million in GF/GP support for MCOLES to Restricted revenue from marijuana regulatory revenue.</p> | <p>Gross</p> | <p>0</p> |
| | <p>Restricted</p> | <p>1,000,000</p> |
| | <p>GF/GP</p> | <p>(1,000,000)</p> |

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

3. GF/GP Fund Shift to COVID-19 Relief Fund Revenue. The budget includes a shift of \$45.5 million in GF/GP support to COVID-19 relief fund revenue to reflect COVID-19 response costs.

Gross	0
Federal	45,500,000
GF/GP	(45,500,000)

4. Michigan Cyber Command Center. The budget includes a technical shift of support from IDG - DTMB revenue to GF/GP totaling \$655,100.

Gross	0
IDG	(655,100)
GF/GP	655,100

F. PROGRAM TRANSFERS

OK2SAY Administration and Outreach. The budget includes the transfer of \$906,000 Gross, \$469,600 Restricted, \$436,400 GF/GP to the Department of State Police, the department that receives communications associated with the program.

FTE	2.0
Gross	906,000
Restricted	469,600
GF/GP	436,400

G. OTHER ISSUES - NONE

H. UNCLASSIFIED SALARIES

The budget increases Gross funding for the unclassified salaries line item from \$623,900 to \$627,700.

Gross	3,700
Restricted	2,100
GF/GP	1,600

I. FEE INCREASES - NONE

J. ECONOMIC ADJUSTMENTS

The economic adjustment amount includes standard economic factors applied to salaries and wages, retirement, OERCs, 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 effective October 1, 2020, and another 1.0% base wage increase effective April 1, 2021. Nonexclusively represented employees also will receive a 2.0% base wage increase effective October 1, 2020, and another 1.0% base wage increase effective April 1, 2021. There will be no lump-sum adjustments for either classified employees or NEREs in FY 2020-21.

Gross	6,529,500
IDG	380,800
Federal	575,300
Local	55,700
Restricted	1,158,100
GF/GP	4,359,700

K. ONE-TIME APPROPRIATIONS

The budget identifies \$7,709,100 GF/GP of FY 2020-21 one-time appropriations, and eliminates \$11,477,400 GF/GP of FY 2019-20 one-time appropriations:

	Gross	GF/GP
FY 2020-21 One-Time Appropriations		
Jail and Pretrial Incarceration Training	\$4,200,000	\$4,200,000
Trooper School	3,509,100	3,509,100
Subtotal	\$7,709,100	\$7,709,100
FY 2019-20 Elimination of One-Time Appropriations		
Trooper School	(\$7,389,800)	(\$7,389,800)
In-car Camera Video Streaming Network	(2,766,500)	(2,766,500)
First Responder Communications System	(100)	(100)
Sexual Assault Prevention and Education Initiative	(1,321,000)	(1,321,000)
Subtotal	(\$11,477,400)	(\$11,477,400)

L. VETOES - NONE

**DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET
PA 166 of 2020 – ARTICLE 5**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE	FY 2020-21 GOV.'S REC.	FY 2020-21 INITIAL APPROPS.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
				AMOUNT	PERCENT
FTE Positions	3,126.0	3,133.0	3,133.0	7.0	0.2
GROSS.....	1,721,473,400	1,748,750,000	1,671,705,000	(49,768,400)	(2.9)
Less:					
Interdepartmental Grants Received	950,488,800	1,024,720,900	1,024,720,900	74,232,100	7.8
ADJUSTED GROSS.....	770,984,600	724,029,100	646,984,100	(124,000,500)	(16.1)
Less:					
Federal Funds.....	168,271,600	5,139,300	5,139,300	(163,132,300)	(96.9)
Local and Private	3,952,300	2,472,300	2,472,300	(1,480,000)	(37.4)
TOTAL STATE SPENDING	598,760,700	716,417,500	639,372,500	40,611,800	6.8
Less:					
Other State Restricted Funds	120,499,600	122,296,400	123,046,400	2,546,800	2.1
GENERAL FUND/GENERAL PURPOSE ...	478,261,100	594,121,100	516,326,100	38,065,000	8.0
PAYMENTS TO LOCALS	0	0	0	0	0.0

Includes Ongoing and One-time Appropriations as of October 1, 2020

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

A. NEW PROGRAMS - NONE

B. PROGRAM INCREASES

<p>1. IT Services Adjustment. The budget includes \$59.4 million in IDG funding to align IT services for 21 State agencies. Two FTEs are added to support IT costs related to new gaming regulations.</p>	<p>FTEs 2.0 Gross 59,425,400 IDG 59,425,400 GF/GP 0</p>
<p>2. One-Time Appropriations. The budget includes \$31.4 million in one-time appropriations. Appropriations include \$2.1 million in restricted funds for the Retirement Services Customer Relationship Management system replacement; \$14.3 million GF/GP for the Connecting Michigan Communities Broadband Grant Program; and \$15.0 million GF/GP for special maintenance projects at State psychiatric facilities.</p>	<p>Gross 31,405,000 Restricted 2,100,000 GF/GP 29,305,000</p>
<p>3. Venture Michigan Fund II Voucher Purchase. The budget includes \$18.1 million GF/GP to complete the purchase of tax vouchers issued by the Venture Michigan Fund.</p>	<p>Gross 18,100,000 GF/GP 18,100,000</p>
<p>4. Motor Vehicle Fleet. The budget includes \$5.0 million to support the State's centralized fleet and travel operations.</p>	<p>Gross 5,000,000 IDG 5,000,000 GF/GP 0</p>
<p>5. Vehicle Travel Rate Changes. The budget includes \$962,600 IDG to support rate agreements for vehicle travel services.</p>	<p>Gross 962,600 IDG 962,600 GF/GP 0</p>
<p>6. Procurement Program Improvements. The budget includes restricted funding to improve Department procurement programs. \$400,000 is included to support moving MiDeal operations to the DTMB budget, \$110,000 for a Comprehensive Risk and Information Subscription, and \$75,000 to support attendees to the Michigan Supplier Summit.</p>	<p>Gross 585,000 Restricted 585,000 GF/GP 0</p>
<p>7. Financial Reporting and Compliance. The budget includes \$400,000 in restricted funds to ensure the Office of Retirement Service's compliance with required accounting principles.</p>	<p>Gross 400,000 Restricted 400,000 GF/GP 0</p>

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

<p>8. Retirement Services Customer Relationship Management. The budget includes \$400,000 in ongoing restricted funding to support the replacement of the current Customer Relationship Management System in the Office of Retirement Services.</p>	<p>Gross</p>	<p>400,000</p>
	<p>Restricted</p>	<p>400,000</p>
	<p>GF/GP</p>	<p>0</p>

C. PROGRAM ELIMINATIONS

<p>Public-Private Partnership Investment Fund. The budget eliminates the Public-Private Partnership Investment Fund line item because of a lack of past and anticipated activity. No revenue has ever been collected for the Fund.</p>	<p>Gross</p>	<p>(1,500,000)</p>
	<p>Restricted</p>	<p>(1,500,000)</p>
	<p>GF/GP</p>	<p>0</p>

D. PROGRAM REDUCTIONS

<p>1. Removal of FY 2019-20 One-Time Appropriations. The budget removes \$185.3 million in one-time appropriations that were included in FY 2019-20. Of that amount, \$163.3 million was appropriated in response to the COVID-19 public health emergency.</p>	<p>Gross</p>	<p>(185,251,500)</p>
	<p>Federal</p>	<p>(163,303,200)</p>
	<p>Restricted</p>	<p>(200)</p>
	<p>GF/GP</p>	<p>(21,948,100)</p>

<p>2. Enterprisewide Special Maintenance at State Facilities. The budget reduces ongoing appropriations for special maintenance projects at State facilities by \$3.0 million GF/GP.</p>	<p>Gross</p>	<p>(3,000,000)</p>
	<p>GF/GP</p>	<p>(3,000,000)</p>

<p>3. Information Technology Investment Fund (ITIF). The budget reduces funding for the ITIF line item by \$2.5 million. The reduction in spending will be allocated across projects based on project priority and needs assessments.</p>	<p>Gross</p>	<p>(2,500,000)</p>
	<p>GF/GP</p>	<p>(2,500,000)</p>

<p>4. Discretionary Spending and Contract Reductions. The budget reduces a number of line items by extending hiring freezes, reducing contract spending, and accounting for discretionary spending savings. These reductions total \$1,750,000 GF/GP.</p>	<p>Gross</p>	<p>(1,750,000)</p>
	<p>GF/GP</p>	<p>(1,750,000)</p>

<p>5. Administrative Services Efficiencies. The budget reduces appropriations to the Administrative Services line item to reflect administrative efficiencies that have resulted in cost savings to the Department.</p>	<p>Gross</p>	<p>(500,000)</p>
	<p>GF/GP</p>	<p>(500,000)</p>

<p>6. MSP Retirement System Supplemental Payments. The budget reduces appropriations for Michigan State Police Retirement System supplemental payments because of changes in the expected payouts for FY 2020-21.</p>	<p>Gross</p>	<p>(5,000)</p>
	<p>GF/GP</p>	<p>(5,000)</p>

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

E. FUNDING SHIFTS

- | | |
|--|---|
| <p>1. Procurement Fund Shift. The budget includes a \$1.5 million fund shift from GF/GP to restricted in the Business Support Services line item.</p> | <p>Gross 0
Restricted 1,500,000
GF/GP (1,500,000)</p> |
| <p>2. Statewide Cost Allocation Plan (SWCAP) Adjustments. The budget includes a net-zero fund shift of \$196,500 from restricted funds to GF/GP. Adjustments are made annually in accordance with the most recent SWCAP data.</p> | <p>Gross 0
IDG 481,500
Restricted (678,000)
GF/GP 196,500</p> |

F. PROGRAM TRANSFERS

- | | |
|--|---|
| <p>1. Jacobetti Home for Veterans. The budget includes 5.0 FTEs and \$710,000 in IDG funding to support the transfer of the Jacobetti Home for Veterans Accounting Service Center staff from the Department of Military and Veterans Affairs to the Department of Technology, Management, and Budget.</p> | <p>FTEs 5.0
Gross 710,000
IDG 710,000
GF/GP 0</p> |
| <p>2. Cyber Command Center. The budget transfers expenditures related to the Michigan Cyber Command Center to the Department of State Police.</p> | <p>Gross (665,100)
GF/GP (665,100)</p> |

G. OTHER ISSUES

- | | |
|---|--|
| <p>1. FY 2019-20 Adjustments. The FY 2019-20 Year-to-Date appropriations figures include reductions made because revenue pressures as well as supplemental spending. The FY 2020-21 budget includes appropriations that were reduced in the previous fiscal year in order to fund programs and line items at their intended levels.</p> | <p>Gross 7,230,400
Private (1,500,000)
Restricted (1,582,700)
GF/GP 11,313,100</p> |
| <p>2. State Building Authority (SBA) Rent Adjustment. The budget reduces State Building Authority Rent appropriations by \$15.0 million compared to initial FY 2019-20 appropriation figures. However, because of the FY 2019-20 reductions to these lines included in Executive Order 2020-155, SBA Rent lines are increased by \$8.1 million GF/GP compared to year-to-date.</p> | <p>Gross 8,100,000
GF/GP 8,100,000</p> |
| <p>3. Removal of \$100 Placeholders. The budget removes five \$100 GF/GP placeholders that remained following the State Administrative Board transfers made in FY 2019-20.</p> | <p>Gross (500)
GF/GP (500)</p> |

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

H. UNCLASSIFIED SALARIES

The budget increases Gross funding for the unclassified salaries line item from \$941,500 to \$946,600.

Gross	5,100
IDG	2,700
GF/GP	2,400

I. FEE INCREASES - NONE

J. ECONOMIC ADJUSTMENTS

The economic adjustment amount includes standard economic factors applied to salaries and wages, retirement, OERCs, 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 effective October 1, 2020, and another 1.0% base wage increase effective April 1, 2021. Nonexclusively represented employees also will receive a 2.0% base wage increase effective October 1, 2020, and another 1.0% base wage increase effective April 1, 2021. There will be no lump-sum adjustments for either classified employees or NEREs in FY 2020-21.

Gross	13,080,200
IDG	7,649,900
Federal	170,900
Local	16,500
Private	3,500
Restricted	2,322,700
GF/GP	2,916,700

K. ONE-TIME APPROPRIATIONS

The budget identifies \$31,405,000 of FY 2020-21 one-time appropriations and eliminates \$185,251,500 of FY 2019-20 one-time appropriations:

	Gross	GF/GP
FY 2020-21 One-Time Appropriations		
Enterprisewide Special Maintenance (State Psychiatric Hospitals)	\$15,000,000	\$15,000,000
Broadband Grant Program	14,305,000	14,305,000
Retirement Services Customer Service Management System Replacement.....	2,100,000	0
Subtotal.....	\$31,405,000	\$29,305,000

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

FY 2019-20 Elimination of One-Time Appropriations

Coronavirus One-Time Funding	(\$163,303,300)	\$0
2020 Census	(10,000,000)	(10,000,000)
Enterprisewide Special Maintenance.....	(5,000,000)	(5,000,000)
Michigan Public Safety Communications System	(4,948,100)	(4,948,100)
Proposal 2 Implementation	(2,000,000)	(2,000,000)
Drinking water declaration of emergency	(100)	0
Subtotal.....	(\$185,251,500)	(\$21,948,100)

L. VETOES - NONE

**DEPARTMENT OF TRANSPORTATION
PA 166 of 2020 – ARTICLE 13**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE	FY 2020-21 GOV.'S REC.	FY 2020-21 INITIAL APPROPS.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
				AMOUNT	PERCENT
FTE Positions	2,818.3	2,826.3	2,818.3	0.0	0.0
GROSS	5,340,053,600	5,259,273,100	5,107,470,600	(232,583,000)	(4.4)
Less:					
Interdepartmental Grants Received	3,974,300	4,063,100	4,063,100	88,800	2.2
ADJUSTED GROSS	5,336,079,300	5,255,210,000	5,103,407,500	(232,671,800)	(4.4)
Less:					
Federal Funds	1,696,995,800	1,392,546,100	1,424,196,100	(272,799,700)	(16.1)
Local and Private	51,932,000	51,932,000	81,682,000	29,750,000	57.3
TOTAL STATE SPENDING	3,587,151,500	3,810,731,900	3,597,529,400	10,377,900	0.3
Less:					
Other State Restricted Funds	3,575,151,600	3,810,731,900	3,597,529,400	22,377,800	0.6
GENERAL FUND/GENERAL PURPOSE ...	11,999,900	0	0	(11,999,900)	(100.0)
PAYMENTS TO LOCALS	2,135,605,800	2,257,897,700	2,125,342,100	(10,263,700)	(0.5)

Includes Ongoing and One-time Appropriations as of October 1, 2020

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

A. NEW PROGRAMS - NONE

B. PROGRAM INCREASES

1. Transit Capital. Federal and local funds replace reduced restricted funds and increase the line substantially from FY 2019-20.	Gross Federal Local Restricted GF/GP	39,450,000 21,700,000 29,750,000 (12,000,000) 0
2. Federal Airport Grants. Additional authorization is granted under the Airport Improvement Program for additional Federal Grants.	Gross Federal Restricted GF/GP	25,598,300 27,000,000 (1,401,700) 0
3. County Road Commissions. The budget includes increases to locals from income tax earmarks that offset lost revenue from the gas tax.	Gross Restricted GF/GP	22,625,900 22,625,900 0
4. Rail Operations & Infrastructure. The budget includes increased Federal and State restricted fund authorization for one-time track and bridge improvements and for freight projects.	Gross Federal Restricted GF/GP	13,171,300 10,000,000 3,171,300 0
5. Cities & Villages. The budget includes increases to locals from income tax earmarks that offset lost revenue from the gas tax.	Gross Restricted GF/GP	12,615,000 12,615,000 0
6. Federal Aid for Local Roads and Bridges. The budget includes increased Federal authorization for local road and bridge projects.	Gross Federal GF/GP	12,187,500 12,187,500 0
7. Increased Maintenance Materials Costs. The budget includes increased authorization to cover increased steel costs for Highway Maintenance.	Gross Restricted GF/GP	7,625,600 7,625,600 0

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

8. Traffic Signal Upgrades. The budget includes additional authorization to support billing process improvements for State-owned traffic signals operated under cost-sharing agreements with local governments.	Gross Restricted GF/GP	2,400,000 2,400,000 0
9. Planning Services. The budget includes a small Federal increase to allow for the implementation of new projects.	Gross Federal GF/GP	2,000,000 2,000,000 0
10. Debt Service. Payments on restricted fund bonds are up and payments on Federal Grant Anticipation bonds are down.	Gross Federal Restricted GF/GP	1,198,800 (25,974,100) 27,172,900 0
11. Service Initiatives. The budget includes additional authorization for IT upgrades.	Gross Restricted GF/GP	886,000 886,000 0
12. Interdepartmental Grants. The budget includes a slight increase in interdepartmental spending.	Gross Restricted GF/GP	872,800 872,800 0
13. Movable Bridge. The budget reflects the required statutory increase for movable bridges.	Gross Restricted GF/GP	106,800 106,800 0

C. PROGRAM ELIMINATIONS

Removal of Previous Year One-time Projects. Previous year one-time appropriations for a rail-grade separation project and the Carbide dock are removed from the budget.	Gross Federal Restricted GF/GP	(23,700,000) (10,700,000) (1,000,100) (11,999,900)
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**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

D. PROGRAM REDUCTIONS

1. Removal of FY 2019-20 CARES Act Funding. The budget does not include Federal CARES Act funding in FY 2019-20 that was appropriated for Bus and Airport operating costs.	Gross Federal GF/GP	(344,645,700) (344,645,700) 0
2. State Trunkline Road and Bridge Construction. Reduced gas tax revenue lowered the appropriation amount for the State Trunkline system from the previous fiscal year.	Gross Federal Restricted GF/GP	(3,801,600) 34,562,500 (38,364,100) 0
3. Local Bus Operating. The budget includes a negotiated decrease in the restricted fund appropriation for local bus operating costs.	Gross Restricted GF/GP	(3,000,000) (3,000,000) 0
4. Transportation Economic Development Program. The budget reflects a smaller appropriation amount because of decreased revenue.	Gross Restricted GF/GP	(2,464,300) (2,464,300) 0
5. Local Bridge Program. The budget reflects a smaller appropriation amount because decreased gas tax revenue.	Gross Restricted GF/GP	(2,077,700) (2,077,700) 0
6. Detroit Airport. The budget reflects a smaller appropriation amount because of decreased revenue to the Qualified Airport Fund.	Gross Restricted GF/GP	(1,547,000) (1,547,000) 0
7. Aeronautics. The budget reflects a smaller appropriation amount because decreased revenue to the State Aeronautics Fund.	Gross Restricted GF/GP	(1,150,000) (1,150,000) 0
8. Intercity Services. The budget reduces the appropriation to reflect decreased revenue.	Gross Restricted GF/GP	(600,000) (600,000) 0
9. Marine Passenger. The budget reduces the appropriation to reflect decreased revenue.	Gross Restricted GF/GP	(572,000) (572,000) 0

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

10. Van Pooling. The budget reduces funding for Van Pooling by nearly a quarter from the previous fiscal year.

Gross	(45,000)
Restricted	(45,000)
GF/GP	0

11. Detroit/Wayne County Port Authority. The budget reduces the appropriation for the Port Authority by 4.4%.

Gross	(18,200)
Restricted	(18,200)
GF/GP	0

E. FUNDING SHIFTS - NONE

F. PROGRAM TRANSFERS - NONE

G. OTHER ISSUES

Funding is restored for defined calculations for Aviation Services and Passenger Transportation Services that were not included in FY 2019-20. Funding also is restored for costs associated with vetoed reporting requirements in FY 2019-20.

Gross	329,300
Restricted	329,300
GF/GP	0

H. UNCLASSIFIED SALARIES

The budget increases Gross funding for the unclassified salaries line item from \$824,100 to \$828,600.

Gross	4,500
Restricted	4,500
GF/GP	0

I. FEE INCREASES - NONE

J. ECONOMIC ADJUSTMENTS

The economic adjustment amount includes standard economic factors applied to salaries and wages, retirement, OERCs, 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 effective October 1, 2020, and another 1.0% base wage increase effective April 1, 2021. Nonexclusively represented employees also will receive a 2.0% base wage increase effective October 1, 2020, and another 1.0% base wage increase effective April 1, 2021. There will be no lump-sum adjustments for either classified employees or NEREs in FY 2020-21.

Gross	9,966,700
IDG	88,800
Federal	1,070,100
Restricted	8,807,800
GF/GP	0

K. ONE-TIME APPROPRIATIONS

The budget identifies \$0 of FY 2020-21 one-time appropriations, shifts \$0 of appropriations from one-time to ongoing, and eliminates \$368,345,700.00 of FY 2019-20 one-time appropriations:

	Gross	GF/GP
FY 2019-20 Elimination of One-Time Appropriations		
CARES Act Federal funds for Bus and Airports	(\$344,645,700)	\$0
Rail Grade Separation	(22,700,000)	(11,999,900)
Carbide Dock/Soo Locks Project	(1,000,000)	0
Subtotal.....	(\$368,345,700)	(\$11,999,900)

L. VETOES - NONE

**DEPARTMENT OF TREASURY - DEBT SERVICE
PA 166 of 2020 – ARTICLE 5**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE	FY 2020-21 GOV.'S REC.	FY 2020-21 INITIAL APPROPS.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
				AMOUNT	PERCENT
FTE Positions	0.0	0.0	0.0	N/A	N/A
GROSS	104,335,000	113,735,000	113,735,000	9,400,000	9.0
Less:					
Interdepartmental Grants Received	0	0	0	0	0.0
ADJUSTED GROSS	104,335,000	113,735,000	113,735,000	9,400,000	9.0
Less:					
Federal Funds	0	0	0	0	0.0
Local and Private	0	0	0	0	0.0
TOTAL STATE SPENDING	104,335,000	113,735,000	113,735,000	9,400,000	9.0
Less:					
Other State Restricted Funds	0	0	0	0	0.0
GENERAL FUND/GENERAL PURPOSE ...	104,335,000	113,735,000	113,735,000	9,400,000	9.0
PAYMENTS TO LOCALS	0	0	0	0	0.0

Includes Ongoing and One-time Appropriations as of October 1, 2020

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

A. NEW PROGRAMS - NONE

B. PROGRAM INCREASES

<p>1. Great Lakes Water Quality Bond. The budget increases debt service payments for this bond. Of the total, \$5.7 million is because of an increase on existing debt service payments and \$5.5 million is because of projected new bond issues for FY 2020-21. These increase total debt service payments to \$47,600,000.</p>	<p>Gross 8,828,000 GF/GP 8,828,000</p>
<p>2. Clean Michigan Initiative. The budget increases debt service payments for this bond. Of the total, \$3.3 million is because of a decrease on existing debt service payments and \$3.8 million is because of projected new bond issues for FY 2020-21. These increase total debt service payments to \$49,514,000.</p>	<p>Gross 487,000 GF/GP 487,000</p>
<p>3. Quality of Life Bond. The budget increases debt service payments for this bond due to increases to existing bond service payments. This increases total debt service payments to \$16,621,000.</p>	<p>Gross 85,000 GF/GP 85,000</p>

C. PROGRAM ELIMINATIONS - NONE

D. PROGRAM REDUCTIONS - NONE

E. FUNDING SHIFTS - NONE

F. PROGRAM TRANSFERS - NONE

G. OTHER ISSUES - NONE

H. UNCLASSIFIED SALARIES - NONE

I. FEE INCREASES - NONE

J. ECONOMIC ADJUSTMENTS - NONE

K. VETOES - NONE

**DEPARTMENT OF TREASURY - OPERATIONS
PA 166 of 2020 – ARTICLE 5**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE	FY 2020-21 GOV.'S REC.	FY 2020-21 INITIAL APPROPS.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
				AMOUNT	PERCENT
FTE Positions	1,874.5	1,924.5	1,924.5	50.0	2.7
GROSS	879,834,800	666,818,500	710,983,500	(168,851,300)	(19.2)
Less:					
Interdepartmental Grants Received	12,905,600	13,112,800	13,112,800	207,200	1.6
ADJUSTED GROSS	866,929,200	653,705,700	697,870,700	(169,058,500)	(19.5)
Less:					
Federal Funds	294,742,600	27,421,800	27,421,800	(267,320,800)	(90.7)
Local and Private	13,243,300	13,088,400	13,088,400	(154,900)	(1.2)
TOTAL STATE SPENDING	558,943,300	613,195,500	657,360,500	98,417,200	17.6
Less:					
Other State Restricted Funds	430,723,700	460,928,300	447,428,300	16,704,600	3.9
GENERAL FUND/GENERAL PURPOSE ...	128,219,600	152,267,200	209,932,200	81,712,600	63.7
PAYMENTS TO LOCALS	191,229,200	277,911,200	247,351,800	56,122,600	29.3

Includes Ongoing and One-time Appropriations as of October 1, 2020

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

A. NEW PROGRAMS

1. Education COVID-19 Grants. The budget includes two grant programs for teachers and school support staff for costs related to COVID-19. Of the total, \$53.0 million is for grants up to \$500 per full-time classroom teacher and \$20.0 million is for grants up to \$250 per full-time support staff.	Gross GF/GP	73,000,000 73,000,000
2. Disaster Relief. The budget includes \$24.0 million Gross and GF/GP for eight disaster relief grants related to flooding damage.	Gross GF/GP	24,000,000 24,000,000
3. Historic Preservation. The budget reserves \$5.0 million Gross and GF/GP to the Historic Preservation Office for implementation of Senate Bill 54 if the bill is adopted.	Gross GF/GP	5,000,000 5,000,000
4. School District Debt Relief Support. The budget includes \$2.0 million Gross and GF/GP in school district debt relief for grants up to \$1.0 million per school district that has an Enhanced Deficit Elimination Plan.	Gross GF/GP	2,000,000 2,000,000
5. Michigan Infrastructure Council. The budget includes \$850,000 Gross and 3.0 FTE positions for the Michigan Infrastructure Council, which was previously supported with Work Project appropriations. Of the total appropriation, \$250,000 is from the Michigan Infrastructure Fund and \$600,000 is GF/GP.	FTE Gross IDG GF/GP	3.0 850,000 250,000 600,000
6. Blight Removal Grants. The budget includes \$800,000 Gross and GF/GP for grants up to \$200,000 for blight removal. The grants are for blight elimination for redevelopment-ready communities certified by the Michigan Economic Development Corporation.	Gross GF/GP	800,000 800,000

B. PROGRAM INCREASES

1. Internet and Sports Betting. The budget includes additional funding and 38.0 FTE positions for implementation of Internet and Sports Gaming. Of the total increase, \$4.6 million is for administration and \$850,000 is for IT systems.	FTE Gross Restrict GF/GP	38.0 5,450,000 5,450,000 0
2. Michigan Gaming Control Board IT Upgrade. The budget includes \$4,025,000 Gross and Restricted for one-time funding to complete the Case Handling and Information Processing Systems project and consolidate and upgrade all Michigan Gaming Control Board's IT systems.	Gross Restrict GF/GP	4,025,000 4,025,000 0

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

3. Marihuana Grants and Administration. The budget includes an increase of \$3.9 million Gross and Marihuana Regulation Funds based on the August Consensus Revenue Estimating Conference. Of the total increase, \$3.2 million is for grants to local units of government and \$725,800 with an additional 5.0 FTE positions is for administration.	FTE Gross Restrict GF/GP	5.0 3,875,800 3,875,800 0
4. Convention Facility Development Fund. The budget includes an increase of \$2.5 million Gross and Convention Facility Development Funds to align with current revenue projections. Total FY 2020-21 distribution from the Convention Facility Development Fund is \$107.9 million Gross and Restricted.	Gross Restrict GF/GP	2,531,600 2,531,600 0
5. Supervision of the General Property Tax Law. The budget includes an increase of \$1.2 million Gross and GF/GP to the Supervision of the General Property Tax Law line item. Total FY 2020-21 appropriations for the line item are \$17,824,200 Gross, \$140,000 Local, \$3,629,200 Restricted, and \$14,055,000 GF/GP.	Gross GF/GP	1,150,000 1,150,000
6. Purchased Lands. The budget includes an increase in Payments In Lieu of Taxes for Purchased Lands. Total FY 2020-21 appropriations for Purchased Lands are \$9,318,500 Gross, \$28,900 Private, \$5,806,200 Restricted, and \$3,483,400 GF/GP.	Gross Private Restrict GF/GP	640,600 1,400 473,300 165,900
7. State Lottery Administration. The budget includes a \$508,700 Gross and Restricted and 4.0 FTE position increase for Lottery Operations to support increases in gaming activities and iLottery.	FTE Gross Restrict GF/GP	4.0 508,700 508,700 0

C. PROGRAM ELIMINATIONS

1. Removal of FY 2019-20 One-Time Adjustments. The budget removes \$289,442,900 Gross in one-time FY 2019-20 adjustments. Of the total adjustments, \$293,078,000 Gross and \$25,577,900 GF/GP removes various supplemental increases related to COVID-19 (SB 151, SB 690, HB 5265, SB 745, and HB 5396), \$3,825,100 Gross and GF/GP reverses General Fund reductions from Executive Order 2020-155, and \$190,000 Gross and Restricted removes a one-time Contingency Fund transfer from transfer letter 2020-01.	Gross Federal Restricted GF/GP	(289,442,900) (267,500,100) (190,000) (21,752,800)
2. Municipal Cost Sharing Grants. The budget removes a grant for a 911 Dispatch Center located in Dearborn.	Gross GF/GP	(1,250,000) (1,250,000)

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

<p>3. Placeholder Removal. The budget removes five \$100 placeholders throughout the budget. Of the placeholders, a \$100 placeholder was for the Drinking Water Declaration of Emergency and four \$100 GF/GP placeholders were from rolling up the Supervision of the General Property Tax Law line item.</p>	<table border="0"> <tr><td>Gross</td><td>(500)</td></tr> <tr><td>Restricted</td><td>(100)</td></tr> <tr><td>GF/GP</td><td>(400)</td></tr> </table>	Gross	(500)	Restricted	(100)	GF/GP	(400)
Gross	(500)						
Restricted	(100)						
GF/GP	(400)						

D. PROGRAM REDUCTIONS

<p>1. Wrongful Imprisonment Compensation Fund. The budget includes a \$7.0 million Gross, \$5.0 million Restricted, and \$2.0 million GF/GP decrease in the deposit to the Wrongful Imprisonment Compensation Fund and moves the deposit from one-time to ongoing appropriations. The FY 2020-21 deposit into the Wrongful Imprisonment Compensation Fund is \$3.0 million Gross and GF/GP.</p>	<table border="0"> <tr><td>Gross</td><td>(7,000,000)</td></tr> <tr><td>Restricted</td><td>(5,000,000)</td></tr> <tr><td>GF/GP</td><td>(2,000,000)</td></tr> </table>	Gross	(7,000,000)	Restricted	(5,000,000)	GF/GP	(2,000,000)
Gross	(7,000,000)						
Restricted	(5,000,000)						
GF/GP	(2,000,000)						

<p>2. General Fund Reductions. The budget includes \$1.5 million Gross and GF/GP reductions throughout the Department budget.</p>	<table border="0"> <tr><td>Gross</td><td>(1,500,000)</td></tr> <tr><td>GF/GP</td><td>(1,500,000)</td></tr> </table>	Gross	(1,500,000)	GF/GP	(1,500,000)
Gross	(1,500,000)				
GF/GP	(1,500,000)				

<p>3. Audit Charge Revenue. The budget includes a \$241,200 Gross and Audit Charge revenue decrease to Local Finance to align with current revenue projections.</p>	<table border="0"> <tr><td>Gross</td><td>(241,200)</td></tr> <tr><td>Local</td><td>(241,200)</td></tr> <tr><td>GF/GP</td><td>0</td></tr> </table>	Gross	(241,200)	Local	(241,200)	GF/GP	0
Gross	(241,200)						
Local	(241,200)						
GF/GP	0						

<p>4. Accounting Service Center Revenue. The budget includes a \$150,300 Gross and Accounting Service Center revenue decrease to the Office of Accounting Services to align with current revenue projections.</p>	<table border="0"> <tr><td>Gross</td><td>(150,300)</td></tr> <tr><td>IDG</td><td>(150,300)</td></tr> <tr><td>GF/GP</td><td>0</td></tr> </table>	Gross	(150,300)	IDG	(150,300)	GF/GP	0
Gross	(150,300)						
IDG	(150,300)						
GF/GP	0						

E. FUNDING SHIFTS - NONE

F. PROGRAM TRANSFERS - NONE

G. OTHER ISSUES - NONE

H. UNCLASSIFIED SALARIES

<p>The budget increases Gross funding for the unclassified salaries line item from \$1,088,400 to \$1,093,700.</p>	<table border="0"> <tr><td>Gross</td><td>5,300</td></tr> <tr><td>Federal</td><td>200</td></tr> <tr><td>Restricted</td><td>1,700</td></tr> <tr><td>GF/GP</td><td>3,400</td></tr> </table>	Gross	5,300	Federal	200	Restricted	1,700	GF/GP	3,400
Gross	5,300								
Federal	200								
Restricted	1,700								
GF/GP	3,400								

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

I. FEE INCREASES - NONE

J. ECONOMIC ADJUSTMENTS

The economic adjustment amount includes standard economic factors applied to salaries and wages, retirement, OERCs, 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 effective October 1, 2020, and another 1.0% base wage increase effective April 1, 2021. Nonexclusively represented employees also will receive a 2.0% base wage increase effective October 1, 2020, and another 1.0% base wage increase effective April 1, 2021. There will be no lump-sum adjustments for either classified employees or NEREs in FY 2020-21.

Gross	6,896,600
IDG	107,500
Federal	179,100
Local	84,900
Restricted	5,028,600
GF/GP	1,496,500

K. ONE-TIME APPROPRIATIONS

The budget identifies \$108.8 million of FY 2020-21 one-time appropriations, shifts \$3.0 million of appropriations from one-time to ongoing, and eliminates \$289.4 million of FY 2019-20 one-time appropriations:

	Gross	GF/GP
FY 2020-21 One-Time Appropriations		
Gaming - Case Handling and Information Processing System....	\$4,025,000	\$4,025,000
Blight Removal Grants	800,000	800,000
Disaster Relief.....	24,000,000	24,000,000
Historic Preservation.....	5,000,000	5,000,000
School District Debt Relief Support	2,000,000	2,000,000
School Support Staff COVID-19 Grants	20,000,000	20,000,000
Teacher COVID-19 Grants	53,000,000	53,000,000
Subtotal.....	\$108,825,000	\$104,800,000
 FY 2020-21 Shift from One-Time to Ongoing		
Wrongful Imprisonment Compensation Fund	(\$3,000,000)	(\$3,000,000)
Subtotal.....	(\$3,000,000)	(\$3,000,000)

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

FY 2019-20 Elimination of One-Time Appropriations

Drinking Water Declaration of Emergency	(\$100)	\$0
FY 2019-20 One-Time Adjustments	(289,442,900)	(21,752,800)
Subtotal.....	(289,443,000)	(21,752,800)

L. VETOES - NONE

**DEPARTMENT OF TREASURY - REVENUE SHARING
PA 166 of 2020 – ARTICLE 5**

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/ FUNDING SOURCE	FY 2019-20 YEAR-TO-DATE	FY 2020-21 GOV.'S REC.	FY 2020-21 INITIAL APPROPS.	CHANGES FROM FY 2019-20 YEAR-TO-DATE	
				AMOUNT	PERCENT
FTE Positions	0.0	0.0	0.0	N/A	N/A
GROSS	1,393,969,900	1,404,870,900	1,341,924,300	(52,045,600)	(3.7)
Less:					
Interdepartmental Grants Received	0	0	0	0	0.0
ADJUSTED GROSS	1,393,969,900	1,404,870,900	1,341,924,300	(52,045,600)	(3.7)
Less:					
Federal Funds	150,000,000	0	0	(150,000,000)	(100.0)
Local and Private	0	0	0	0	0.0
TOTAL STATE SPENDING	1,243,969,900	1,404,870,900	1,341,924,300	97,954,400	7.9
Less:					
Other State Restricted Funds	1,243,969,900	1,404,870,900	1,341,924,300	97,954,400	7.9
GENERAL FUND/GENERAL PURPOSE ...	0	0	0	0	0.0
PAYMENTS TO LOCALS	1,393,969,900	1,404,870,900	1,341,924,300	(52,045,600)	(3.7)

Includes Ongoing and One-time Appropriations as of October 1, 2020

**FY 2020-21 Change From
FY 2019-20 Year-to-Date**

A. NEW PROGRAMS - NONE

B. PROGRAM INCREASES

- | | | |
|--|---|--|
| <p>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 \$851,870,300 for estimated constitutional revenue sharing payments in FY 2020-21 based on the August 2020 consensus revenue estimates. This is a 0.2% increase over the revised estimate for FY 2019-20. Actual payments will be made based on actual revenue collections.</p> | <p>Gross</p> <p>Restricted</p> <p>GF/GP</p> | <p>1,411,200</p> <p>1,411,200</p> <p>0</p> |
| <p>2. CVT Revenue Sharing. The budget increases nonconstitutional (statutory) revenue sharing for CVTs to \$261,024,600. That is the same amount that was initially appropriated in FY 2019-20, although it had been reduced in Public Act 144 of 2020.</p> | <p>Gross</p> <p>Restricted</p> <p>GF/GP</p> | <p>43,505,400</p> <p>43,505,400</p> <p>0</p> |
| <p>3. 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 \$226,529,400 for revenue sharing payments to counties consisting of \$183,200,100 for County Revenue Sharing and \$43,329,300 for the County Incentive Program, which requires compliance with accountability and transparency conditions. The appropriations cover the \$21,300 in additional costs (\$17,200 in County Revenue Sharing and \$4,100 in the County Incentive Program) for Leelanau County, which will re-enter State-paid revenue sharing in 2021. Revenue sharing payments to counties had been reduced \$53,016,500 (\$45,795,700 for County Revenue Sharing and \$7,220,800 for the County Incentive Program) in Public Act 144 of 2020. The budget restores those cuts and gives eligible counties 104.5619% of the amount determined by statute, the same amount initially appropriated in FY 2019-20.</p> | <p>Gross</p> <p>Restricted</p> <p>GF/GP</p> | <p>53,037,800</p> <p>53,037,800</p> <p>0</p> |

C. PROGRAM ELIMINATIONS

- | | | |
|---|--|--|
| <p>Coronavirus Relief Local Government Grants. The budget eliminates the one-time program. The program provided Federal Coronavirus Relief Fund grants to eligible CVTs, and counties to be used for costs related to the COVID-19 public health emergency. Grants were issued to local units that had their revenue sharing payments reduced in Public Act 144 of 2020 in the same proportion as their payments had been reduced.</p> | <p>Gross</p> <p>Federal</p> <p>GF/GP</p> | <p>(150,000,000)</p> <p>(150,000,000)</p> <p>0</p> |
|---|--|--|

- D. PROGRAM REDUCTIONS - NONE
- E. FUNDING SHIFTS - NONE
- F. PROGRAM TRANSFERS - NONE
- G. OTHER ISSUES - NONE
- H. UNCLASSIFIED SALARIES - NONE
- I. FEE INCREASES - NONE
- J. ECONOMIC ADJUSTMENTS - NONE
- K. ONE-TIME APPROPRIATIONS

The budget eliminates \$150,000,000 of FY 2019-20 one-time appropriations:

	<u>Gross</u>	<u>GF/GP</u>
FY 2019-20		
Coronavirus Relief Local Government Grants	(\$150,000,000)	\$0
Subtotal	(\$150,000,000)	\$0

- L. VETOES - NONE

APPENDIX

Appendix A

FY 2020-21 APPROPRIATIONS BILL INDEX			
DEPARTMENT/BUDGET AREA	BILL NUMBER	PUBLIC ACT NUMBER	LINE-ITEM VEToes
Agriculture and Rural Development.....	House Bill 5396	P.A. 166 of 2020	No
Attorney General.....	House Bill 5396	P.A. 166 of 2020	No
Civil Rights.....	House Bill 5396	P.A. 166 of 2020	No
Community Colleges.....	Senate Bill 927	P.A. 165 of 2020	No
Corrections.....	House Bill 5396	P.A. 166 of 2020	No
Education.....	House Bill 5396	P.A. 166 of 2020	No
Environment, Great Lakes, and Energy.....	House Bill 5396	P.A. 166 of 2020	No
Executive.....	House Bill 5396	P.A. 166 of 2020	No
Health and Human Services.....	House Bill 5396	P.A. 166 of 2020	No
Higher Education.....	Senate Bill 927	P.A. 165 of 2020	No
Insurance and Financial Services.....	House Bill 5396	P.A. 166 of 2020	No
Judiciary.....	House Bill 5396	P.A. 166 of 2020	No
Labor and Economic Opportunity.....	House Bill 5396	P.A. 166 of 2020	No
Legislative Auditor General.....	House Bill 5396	P.A. 166 of 2020	No
Legislature.....	House Bill 5396	P.A. 166 of 2020	No
Licensing & Regulatory Affairs.....	House Bill 5396	P.A. 166 of 2020	No
Military and Veterans Affairs.....	House Bill 5396	P.A. 166 of 2020	No
Natural Resources.....	House Bill 5396	P.A. 166 of 2020	No
School Aid.....	Senate Bill 927	P.A. 165 of 2020	Yes
State.....	House Bill 5396	P.A. 166 of 2020	No
State Police.....	House Bill 5396	P.A. 166 of 2020	No
Technology, Management, and Budget.....	House Bill 5396	P.A. 166 of 2020	No
Transportation.....	House Bill 5396	P.A. 166 of 2020	No
Treasury (Debt Service).....	House Bill 5396	P.A. 166 of 2020	No
Treasury (Operations).....	House Bill 5396	P.A. 166 of 2020	No
Treasury (Revenue Sharing).....	House Bill 5396	P.A. 166 of 2020	No



RECENT SENATE FISCAL AGENCY PUBLICATIONS

Summer 2020	State Notes	December 2019	Economic Outlook	Spring 2019	State Notes
<i>"Information Technology Investment Fund: An Overview"</i>	<i>"Michigan's Child Care Fund: History and Details of a Decentralized Juvenile Justice and Child Welfare System"</i>	<i>"Michigan's Economic Outlook and Budget Review FY 2018-19, FY 2019-20, FY 2020-21, and FY 2021-22"</i>		<i>"Michigan Regulation and Taxation of Marihuana Act"</i>	<i>"A Review of Medicaid Provider Taxes in Michigan Since Fiscal Year 2007-08"</i>
	<i>"Tuition Incentive Program: An Update for 2020"</i>	December 2019	Appropriations Report	April 2019	Issue Paper
	<i>"Emotional Support Animals: Reasonable Accommodations and Misrepresentation"</i>	<i>"FY 2019-20 Appropriations Report - Part II - Initial Appropriations"</i>		<i>"An Overview of Michigan's Efforts in Combating the Opioid Epidemic"</i>	
May 2020	Economic Outlook	December 2019	Boilerplate Report	Winter 2019	State Notes
<i>"Michigan's Economic Outlook and Budget Review FY 2019-20, FY 2020-21, and FY 2021-22"</i>		<i>"Reports Required by Boilerplate in Appropriation Acts"</i>		<i>"The Rising Costs of Road Repair"</i>	<i>"Sales and Use Tax Collection from Remote Sellers after Wayfair"</i>
Spring 2020	State Notes	Summer 2019	State Notes	<i>"Michigan Prison Closures and Prison Population Trends"</i>	<i>"An Overview of Michigan's Early Childhood Education Programs"</i>
<i>"An Overview of Compensation and Billing Mechanisms for Distributed Generation"</i>	<i>"Cash Flow Borrowing in the School Aid Budget"</i>	<i>"Occupational Licensing in Michigan"</i>	<i>"Motor Fuel Prices, Motor Fuel Taxes, and Transportation Revenues"</i>		
<i>"An Overview of the 2020 Census and What It Means for Michigan"</i>		July 2019	Appropriations Report	December 2018	Economic Outlook
		<i>"FY 2017-18 Appropriations Report Part III - Year-End Appropriations"</i>	<i>"FY 2017-18 Appropriations Report Part III - Year-End Appropriations"</i>	<i>"Michigan's Economic Outlook and Budget Review FY 2017-18, FY 2018-19, FY 2019-20, and FY 2020-21"</i>	
February 2020	Appropriations Report	July 2019	Lawsuit Report	September 2018	Appropriations Report
<i>"FY 2020-21 Appropriations Report - Part I - Governor's Recommendations"</i>		<i>"FY 2017-18 Status of Lawsuits Involving the State of Michigan"</i>		<i>"FY 2018-19 Higher Education Appropriations Report"</i>	
Winter 2020	State Notes	May 2019	Economic Outlook	Fall 2018	State Notes
<i>"A Discussion of Recent Proposed and Final Changes to Public Assistance Programs"</i>	<i>"North American Indian Tuition Waivers – Update on Recent Legislative Action"</i>	<i>"Michigan's Economic Outlook and Budget Review FY 2018-19, FY 2019-20, and FY 2020-21"</i>		<i>"State Student Financial Aid Programs"</i>	<i>"Slamming the Brakes on Driver Responsibility Fees"</i>
<i>"Banking Challenges for Michigan's Cannabis Industry"</i>	<i>"The Michigan Public School Employees' Retirement System"</i>	April 2019	Appropriations Report	<i>"Overview of State Appropriations for the Flint Drinking Water Emergency - Update"</i>	
		<i>"FY 2019-20 Appropriations Report - Part I - Governor's Recommendations"</i>			

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*