



































Telephone: (517) 373-2768  
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Article 5

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

\*As of September 30, 2020.

	Gross	GF/GP
<b>FY 2019-20 Year-to-Date Appropriation</b> .....	<b>\$104,335,000</b>	<b>\$104,335,000</b>
<b>Changes from FY 2019-20 Year-to-Date:</b>		
1. <b>Great Lakes Water Quality Bond.</b> The Governor and Conference increased debt service payments for this bond. Of the total, there is a \$5.7 million decrease due to changes to existing debt payments and \$14.5 million in projected new bond issues for FY 2020-21. These would increase total debt service payments to \$47,600,000.	8,828,000	8,828,000
2. <b>Clean Michigan Initiative.</b> The Governor and Conference increased debt service payments for this bond. Of the total, there is a \$3.3 million decrease due to changes to existing debt payments and \$3.8 million in projected new bond issues for FY 2020-21. These would increase total debt service payments to \$49,514,000.	487,000	487,000
1. <b>Quality of Life Bond.</b> The Governor and Conference increased debt service payments to this bond due to increases to existing bond payments. This would increase total debt service payments to \$16,621,000.	85,000	85,000
Total Changes .....	\$9,400,000	\$9,400,000
<b>FY 2020-21 Initial Ongoing/One-Time Appropriation</b> .....	<b>\$113,735,000</b>	<b>\$113,735,000</b>

**Boilerplate Changes from FY 2019-20 Year-to-Date: None**

Date Completed: 10-9-20

Fiscal Analyst: Cory Savino

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



Article 5

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

\*As of September 30, 2020.

	Gross	GF/GP
<b>FY 2019-20 Year-to-Date Appropriation .....</b>	<b>\$879,834,800</b>	<b>\$128,219,600</b>

**Changes from FY 2019-20 Year-to-Date:**

- |   |            |            |
|---|------------|------------|
| 1. <b>Education COVID-19 Grants.</b> The Conference included General Fund grants to schools for the cost related to COVID-19. Of the total, \$53.0 million is for teachers (Sec. 949p) and \$20.0 million is for school support staff (Sec. 949q).  | 73,000,000 | 73,000,000 |
| 2. <b>One-Time Grants.</b> The Conference included four one-time General Fund grants. Of the total, \$24.0 million is for disaster relief grants (Sec. 949), \$5.0 million is for historic preservation for implementation of SB 54 (949l), \$2.0 million is for school district debt relief (949n), and \$800,000 is for blight elimination grants (Sec. 949m).  | 31,800,000 | 31,800,000 |
| 3. <b>Internet and Sports Gaming.</b> The Governor and Conference included additional funding and 38.0 FTEs for implementation of Sports and Internet Gaming. Of the total, \$4.6 million is for administration and \$850,000 is for IT.  | 5,450,000  | 0          |
| 4. <b>Michigan Gaming Control Board IT.</b> The Governor and Conference included \$4.0 million in one-time appropriations to complete the Case Handling and Information Processing System project to consolidate and upgrade all gaming IT systems.   | 4,025,000  | 0          |
| 5. <b>Marihuana Administration and Grants.</b> The Governor increased appropriations from the Marihuana Regulation Fund \$17.5 million. Of the total increase, \$16.7 million was for grants and \$725,800 was for administration. The Conference increased appropriations \$3.9 million based on the August CREC. Of the total increase, \$3.2 million is for grants and \$725,800 and 5.0 FTEs is for administration. | 3,875,800  | 0          |

6. <b>Convention Facility Development Fund.</b> The Governor and Conference increased the line item to align with revenue projections, which would bring total distribution in FY 2020-21 to \$107.9 million.	2,531,600	0
7. <b>Supervision of the General Property Tax Law.</b> The Governor increased this line item \$2.6 million. The Conference increased this line item \$1.2 million, which would bring total FY 2020-21 appropriations to \$17.9 million Gross and \$14.1 million GF/GP.	1,150,000	1,150,000
8. <b>Michigan Infrastructure Council.</b> The Governor included \$860,000 Gross and \$610,000 GF/GP to the Council because of the depletion of work project appropriations. The Conference included \$850,000 Gross, \$600,000 GF/GP, and 3.0 FTEs.	850,000	600,000
9. <b>State Lottery Administration.</b> The Governor and Conference included an additional \$508,700 Gross and 4.0 FTEs to Lottery Operation because of increased gaming activity and iLottery.	508,700	0
10. <b>Purchased Lands.</b> The Conference increased Purchased Lands \$640,600 Gross and \$165,900 GF/GP to align with estimated costs.	640,600	165,900
11. <b>Dual Enrollment.</b> The Conference continued a supplemental increase to Dual Enrollment from HB 5396 for \$325,000 Gross and GF/GP.	0	0
12. <b>Local Climate Resilient Infrastructure Grants.</b> The Governor included \$40.0 million Gross and GF/GP to provide infrastructure and planning grants to local governments impacted by high water levels and shoreline erosion. The Conference did not include the new grant program.	0	0
13. <b>Collection Systems Upgrade.</b> The Governor included an additional \$2.0 million to support annual costs for the new replacement system for collection services. The Conference did not include the increase.	0	0
14. <b>Senior Citizen Cooperative Housing.</b> The Governor increased this line item \$500,000 to account for two new qualified facilities. The Conference maintained current appropriations based on new estimates.	0	0
15. <b>FY 2019-20 One-Time Adjustments.</b> The Conference removed various One-Time adjustments to the FY 2019-20 budget. Of the total, this included removing \$293,078,000 Gross and \$25,577,900 GF/GP in various supplementals related to COVID-19 (SB 151, SB 690, HB 5265, SB 745, and HB 5396), the reversal of \$3,825,100 Gross and GF/GP in reductions from EO 2020-155, and reversing a one-time Contingency Fund transfer of \$190,000 from 2020-01.	(289,442,900)	(21,752,800)
16. <b>Wrongful Imprisonment Compensation Fund.</b> The Governor reduced deposits into the Wrongful Imprisonment Compensation Fund from \$10.0 million to \$5.0 million Gross and GF/GP. The Conference reduced the deposit to \$3.0 million Gross and GF/GP for FY 2020-21.	(7,000,000)	(2,000,000)
17. <b>General Fund Reductions.</b> The Conference included \$1.5 million in General Fund reductions throughout the departmental budget.	(1,500,000)	(1,500,000)
18. <b>Municipal Cost Sharing Grants.</b> The Governor and Conference removed the Municipal Cost Sharing Grants line item.	(1,250,000)	(1,250,000)
19. <b>Audit Charge Revenue.</b> The Governor and Conference reduced Audit Charge revenue to align with current revenue projections.	(241,200)	0
20. <b>Accounting Service Center Revenue.</b> The Governor and Conference reduced Accounting Service Center revenue to align with current revenue projections.	(150,300)	0

21. <b>Placeholders.</b> The Governor and Conference removed the Drinking Water Declaration of Emergency \$100 placeholder, and four \$100 placeholders from the roll up the Supervision of the General Property Tax Law line item.	(500)	(400)
22. <b>Economic Adjustments.</b> Includes \$6,901,900 Gross and \$1,499,900 GF/GP for total economic adjustments, of which an estimated \$4,831,500 Gross and \$938,000 GF/GP is for legacy retirement costs (pension and retiree health).	6,901,900	1,499,900
<b>Total Changes</b> .....	(\$168,851,300)	\$81,712,600
<b>FY 2020-21 Initial Ongoing/One-Time Appropriation</b> .....	<b>\$710,983,500</b>	<b>\$209,932,200</b>

**Boilerplate Changes from FY 2019-20 Year-to-Date:**

- Deleted Sections.** The Governor and Conference deleted a number of sections, which include 907b (tax assessor training expansion), 936 (Financial Data Analytic Tool Reimbursement), 942 (prioritization of spending in the Supervision of the General Property Tax Law line item), 949k (Municipal Cost Sharing Grants), and 949n (Student Loan Refinance Program Feasibility Study).
- Retained Sections.** The Governor deleted, and Conference retained, a number of sections, which include 926 (John R Justice Grant Program), 945 (property assessment audits), 947 (Financial Independence Team cooperation with Department of Education), and 949a (city income tax administration expansion allowance).
- Contingency Funds.** The Governor doubled the contingency fund amounts for the Federal, Local, and Private Contingency funds. The Conference maintained current law language. (Sec. 901)
- None Appropriated Fund Report.** The Conference modified the due date for this report to 30 days after the Michigan Comprehensive Annual Financial Report is published. (Sec. 902b)
- Refundable Tax Credits.** The Conference modified the allowance for appropriations to cover income tax credits to include all tax credits, refunds, and interest. (Sec. 911)
- Personal Property Tax.** The Governor and Conference modified the personal property tax section to remove reference to "related property taxes levied" but maintained "current fiscal year payment". (Sec. 920)
- Notification of Revenue Administrative Bulletins.** The Conference included a new notification to the Legislature for Revenue Administrative Bulletins and Administrative Rules involving tax collection. The notification must include a summary of the changes, identifying industries who could be impacted, a discussion of the possible fiscal implications, and the reason for the proposed change. (Sec. 921a)
- Personal Property Audit Report.** The Governor and Conference removed "personal property tax audits" from the report but retained the essential service assessment audits. (Sec. 927)
- Income Tax Fraud Prevention.** The Governor and Conference increased appropriations for income tax fraud prevention from \$1.2 million to \$1.5 million. (Sec. 949)
- Historic Preservation.** The Conference included a new section that reserves \$5.0 million until passage of SB 54 and restricts those funds to implementation of the bill. (Sec. 949l)
- Blight Elimination Grants.** The Conference included a new section for \$800,000 in blight elimination grants for redevelopment ready communities certified by the MEDC and places a cap of \$200,000 per grant. (Sec. 949m)
- School District Debt Relief.** The Conference included a new section for \$2.0 million in school district debt relief grants to school districts that have long-term debt with the State and are in compliance with all necessary deficit elimination and academic plans. Individual grants are capped at \$1.0 million per district. (Sec. 949n)
- Disaster Relief Funds.** The Conference included eight disaster relief grants, which include (1) Midland/Gladwin Counties \$15.0 million, (2) Arenac county \$500,000, (3) Houghton/Baraga County \$4.0 million, (4) Newaygo County \$400,000, (5) Ionia County \$105,600, (6) City of Portland \$56,000, (7) City of Belding \$2,400, (8) Ecorse River Flood \$3.0 million. (Sec. 949o)

14. **Teacher COVID-19 Grants.** The Conference included a new section that appropriated \$53.0 million for Teacher COVID-19 Grants for costs related to COVID-19. Grants are awarded to schools at \$500 per classroom teacher. (Sec. 949p)
15. **School Support Staff COVID-19 Grants.** The Conference included a new section that appropriated \$20.0 million for School Support Staff COVID-19 Grants for costs related to COVID-19. Grants are awarded to schools at \$250 per full-time equated support staff position. (Sec. 949q)
16. **Compulsive Fund Deposit.** The Conference included the \$500,000 deposit into the Compulsive Gaming Prevention Fund and \$2.0 million into the First Responder Presumed Coverage Fund from Internet Sports Better and the and the \$500,000 deposit into the Compulsive Gaming Prevention Fund and \$2.0 million into the First Responder Presumed Coverage Fund from Internet Gaming. (Sec. 971)
17. **Horse Racing Regulatory Costs.** The Governor removed reference to "horsemen's organization fund" and the directives if funding is higher or lower than the regulatory costs for conducting horse racing. The Conference maintained current law language. (Sec. 978)
18. **Millionaire Party Oversight.** The Governor removed the Millionaire Party Oversight report. The Conference maintained current law language. (Sec. 979)
19. **Local Climate Resilient Infrastructure Grants.** The Governor included a new grant program that appropriates \$10.0 million for planning grants and \$30.0 million for infrastructure grants. The section included a cap of \$200,000 for planning grants and \$2.5 million for infrastructure grants with a 20% match requirement. The Conference did not include the new grant program.
20. **Technical Modification.** The Governor and Conference updated dates and legacy cost estimates for FY 2020-21. (Sec. 945 & 948)

Date Completed: 10-9-20

Fiscal Analyst: Cory Savino

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			AMOUNT	PERCENT
FTE Positions .....	0.0	0.0	N/A	N/A
<b>GROSS</b> .....	<b>1,393,969,900</b>	<b>1,341,924,300</b>	<b>(52,045,600)</b>	<b>(3.7)</b>
Less:				
Interdepartmental Grants Received .....	0	0	0	0.0
<b>ADJUSTED GROSS</b> .....	<b>1,393,969,900</b>	<b>1,341,924,300</b>	<b>(52,045,600)</b>	<b>(3.7)</b>
Less:				
Federal Funds .....	150,000,000	0	(150,000,000)	(100.0)
Local and Private .....	0	0	0	0.0
<b>TOTAL STATE SPENDING</b> .....	<b>1,243,969,900</b>	<b>1,341,924,300</b>	<b>97,954,400</b>	<b>7.9</b>
Less:				
Other State Restricted Funds .....	1,243,969,900	1,341,924,300	97,954,400	7.9
<b>GENERAL FUND/GENERAL PURPOSE</b> .....	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
<b>PAYMENTS TO LOCALS</b> .....	<b>1,393,969,900</b>	<b>1,341,924,300</b>	<b>(52,045,600)</b>	<b>(3.7)</b>

\*As of September 30, 2020.

	Gross	GF/GP
<b>FY 2019-20 Year-to-Date Appropriation</b> .....	<b>\$1,393,969,900</b>	<b>\$0</b>

**Changes from FY 2019-20 Year-to-Date:**

- |   |   |                                     |
|---|---|-------------------------------------|
| <p>1. <b>Constitutional Revenue Sharing.</b> The <b>Governor</b> recommended \$902,628,100 for constitutional revenue sharing for FY 2020-21, an increase of 1.9% from the January 2020 consensus revenue estimate for FY 2019-20. <b>Conference</b> recommended \$851,870,300, an increase of 0.2% from the August 2020 consensus revenue estimate for FY 2019-20.</p> <p>2. <b>City, Village, and Township (CVT) Revenue Sharing.</b> The <b>Governor</b> recommended a 2.5% increase from FY 2019-20. <b>Conference</b> recommended no increase from FY 2019-20.</p> <p>3. <b>County Revenue Sharing and County Incentive Program.</b> The <b>Governor</b> recommended increases of \$17,200 for County Revenue Sharing and \$4,100 for the County Incentive Program to cover the first partial-year cost of Leelanau County, which will re-enter State-paid revenue sharing in 2021. All counties would receive 107.176% of statutory funding, a 2.5% increase from FY 2019-20. <b>Conference</b> recommended increases to cover the first partial-year cost for Leelanau County, and recommended all counties receive 104.5619% of statutory funding, the same as FY 2019-20.</p> <p>4. <b>Restoration of FY 2019-20 cuts.</b> Public Act 144 of 2020 reduced CVT Revenue Sharing by \$43,505,400, County Revenue Sharing by \$45,795,700, and the County Incentive Program by \$7,220,800. <b>Conference</b> restored these cuts.</p> | <p>1,411,200</p> <p>0</p> <p>21,300</p> <p>96,521,900</p> | <p>0</p> <p>0</p> <p>0</p> <p>0</p> |
|---|---|-------------------------------------|

5. <b>Removal of one-time funding. Conference</b> removed one-time funding for Coronavirus Relief Local Government Grants that was added in Public Act 144 of 2020.	(150,000,000)	0
Total Changes .....	(\$52,045,600)	\$0
<b>FY 2020-21 Initial Ongoing/One-Time Appropriation .....</b>	<b>\$1,341,924,300</b>	<b>\$0</b>

**Boilerplate Changes from FY 2019-20 Year-to-Date:**

1. **CVT Revenue Sharing.** The **Governor** set the amount that an eligible local government can receive at 102.5% of its payment under Sec. 952(1) of PA 56 of 2019. (Sec. 952(1)). Also removed the requirement that any CVT with a retirement benefit system that was in underfunded status must dedicate any CVT Revenue Sharing increase to that system. (Sec. 952(6)). **Conference** set the amount that an eligible local government can receive at 100.0% of its payment under Sec. 952(1) of PA 56 of 2019. (Sec. 952(1)). Also retained the requirement that any CVT with a retirement benefit system that was in underfunded status must dedicate any CVT Revenue Sharing increase to that system. (Sec. 952(6))
2. **County Revenue Sharing.** The **Governor** recommended that payments in FY 2020-21 be 107.176% of the payments for which counties are eligible under the Glenn Steil State Revenue Sharing Act, increased from 104.5619% in FY 2019-20 (Sec. 955(1)). Also removed the requirement at any county with a retirement benefit system that was in underfunded status must dedicate any County Revenue Sharing increase to that system. (Sec. 955(3)). **Conference** recommended that payments in FY 2020-21 be 104.5619% of the payments for which counties are eligible under the Glenn Steil State Revenue Sharing Act, the same as in FY 2019-20 (Sec. 955(1)). Also retained the requirement at any county with a retirement benefit system that was in underfunded status must dedicate any County Revenue Sharing increase to that system. (Sec. 955(3))
3. **Financially Distressed Cities, Villages, or Townships.** The **Governor** removed "reduction of unfunded accrued liability" and "reduction in debt obligations" from the list of eligible projects. **Conference** retained existing language. (Sec. 956)

Date Completed: 10-9-20

Fiscal Analyst: Ryan M. Bergan